

# Communities, Housing & Environment Committee

13 December 2016

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

## Temporary Accommodation Strategy

<b>Final Decision-Maker</b>	Communities, Housing & Environment Committee
<b>Lead Head of Service</b>	John Littlemore
<b>Lead Officer and Report Author</b>	John Littlemore
<b>Classification</b>	Public
<b>Wards affected</b>	All

### **This report makes the following recommendations to this Committee:**

1. The Committee adopts the approach to the acquisition and use of Temporary Accommodation outlined within this report.
2. The Committee endorses the approach of direct lettings for homeless households owed the main homelessness duty.
3. The Committee agrees in principle to acquiring through purchase or lease 13 additional units of temporary accommodation to be agreed on a case by case basis.
4. The Committee agrees to increase the amount offered to landlords as part of the Homefinder Scheme in order to secure at least 50 units of private rented accommodation per year.
5. The Committee notes the financial implications contained within the exempt appendix.

### **This report relates to the following corporate priorities:**

- Keeping Maidstone Borough an attractive place for all
- Securing a successful economy for Maidstone Borough

### **Timetable**

<b>Meeting</b>	<b>Date</b>
Communities, Housing & Environment Committee	13 December 2016

# Temporary Accommodation Strategy

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The Council is faced with unprecedented levels of homelessness that has resulted in an increase in the use of temporary accommodation. This report provides a framework to minimise the use of temporary accommodation and where the provision of TA cannot be avoided, to provide the most cost efficient form of TA.
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## 2. INTRODUCTION AND BACKGROUND

- 2.1 The Council's primary objective and key priority within the Housing Strategy is to prevent homelessness. This report is not intended to cover the prevention of homelessness nor the Council's strategic approach to housing matters and reference is made to Maidstone Borough Council's overarching housing documents such as the Housing Strategy; Homelessness Strategy; and Allocation Scheme.
- 2.2 Additional resources are being deployed to assist in the task of tackling the use of TA and the Council has submitted bids for funds under the recently announced government grant to provide additional services to prevent homelessness and tackle street homelessness.
- 2.3 At the same time pressure is being exerted on the Kent housing market by external influences such as the placement of homeless households by the London housing authorities. This has evolved from individual leases being acquired by these authorities to whole-scale acquisitions of new housing developments. At the same time the Cameron led government removed all grant support for new-build affordable rented accommodation, further exacerbating the lack of affordable housing. Cross authority lobbying in conjunction with Kent County Council is continuing in order to achieve a change in direction and/or support with regard to these issues.
- 2.4 Unfortunately not all instances of homelessness can be avoided and as there is insufficient affordable housing to provide homes for all those who become homeless the Council is forced into the position of having to provide TA. Homelessness legislation sets out when the Council is under a duty to provide accommodation.
- 2.5 In 2010/2011 the Council made 80 homelessness decisions and at the current pace of applications the Council is due to make in excess of 700 decisions in 2016/17. In 2013/14 the Council accommodated 206 households in temporary accommodation for 11,942 nights; this increased to 501 households accommodated for 20,065 nights in 2015/16. As a result of the increase the Council is now accommodating over 100 households in TA. This report sets out how the Council will minimise the use and length of stay of TA for homeless households.

- 2.6 During 2015/16 over 630 homelessness decisions were issued and during that period 50% of applicants were placed into TA. About half of the 315 requiring TA were eventually owed the main housing duty. The length of stay varied considerably between those applicants who were owed the main housing duty and those who were not.

<b>Bedroom size</b>	<b>Main duty accepted (days)</b>	<b>Negative decisions (days)</b>
<b>One</b>	98	45
<b>Two</b>	80	56
<b>Three</b>	199	49
<b>Four</b>	290	61

- 2.7 In both main duty and negative decision cases the average time taken to reach a decision and issue it to the applicant was under the 33 working days recommended in the Homelessness Code of Guidance. This suggests that the extended time spent in TA by those owed the main duty is connected with the supply of suitable permanent housing.
- 2.8 Homelessness decisions during the first two quarters of 2016/17 reached 357 and confirm the trend in demand for homelessness resources remains on an upward trajectory. Based on previous historical data and anticipating demand based on the current level of demand it is anticipated that the Council will accommodate around 350 households during the year.
- 2.9 The approach outlined in this report is written using current assumptions as at December 2016 and data available at that time. It is intended that the calculation used as the basis within the report can be scaled up or down depending on future demand for the service and the number of TA units required adjusted accordingly.
- 2.10 The TA strategy is dependent on two critical factors - homelessness decisions being made and issued within 30 days and the availability of accommodation to move applicants from TA. The process of receiving, determining and completing homeless applications can be viewed as a series of steps:
- Step 1. Investigation  
In order to minimise the length of time that people will spend in TA whilst enquiries are on-going the Housing Service will prioritise staff resources towards the rapid and robust completion of enquiries. The aim being to issue decisions in less than 30 days.
- 2.11 This will result in two groups of people: those people who receive a negative decision and are not owed a duty to secure accommodation long-term but the Council is required to provide a further period of TA whilst they find their own accommodation.
- 2.12 The average length of stay for households following the issuance of a negative homelessness decision is 28 days. Therefore the Council estimates

it will require 30 units in order to accommodate 175 applicants for an average period of 60 days over the year.

**This can be expressed as a number of TA units:  $60/365 \times 175 = 30$  units (rounded up)**

2.13 The target figure for the average length of stay for those households who are owed the main homelessness is 30 days, with permanent housing being secured either through an offer of Part 6 accommodation with a housing association or a private rented sector nomination. Therefore the Council estimates it will require 15 units of TA for a total period of 30 days for this cohort of applicant.

**This can be expressed as a number of TA units:  $30/365 \times 175 = 15$  (rounded up)**

2.14 Step 2. Supply of TA

In addition to the units in current ownership and about to be leased on long-term arrangements the Council will acquire sufficient units of TA to provide for both sets of clients. The most cost effective way to provide good quality accommodation is either to own or rent on a long-lease. In order to provide some contingency it has been calculated that the Council will require in the region of 50 units of TA based on 700 homeless decisions during the year.

Property.	Ownership	Type & size	Bed spaces
Current			
Aylesbury House	MBC	Shared rooms	12
Magnolia House	MBC	Self-contained	
		1 bedroom flats	4
		2 bedroom flats	4
Star House	Leased	Self-contained	
		1 bedroom flats	4
		2 bedroom flat	1
		3 bedroom flat	1
<b>Sub Total</b>			<b>26</b>
Pipeline	Ownership	Type & size	Bed spaces
Marsham Street	Leased	Shared	6
Square Hill	MBC	Shared	5
Required	Ownership	Type & size	Bed Spaces
	Owned/Leased	Self-contained	13
		2 bedroom flats	
<b>Total units required</b>			<b>50</b>

2.15 The Council currently owns and leases 26 units with a further 11 units due to be available early in the New Year. This leaves a shortfall of around 13 units, which should mainly be family sized accommodation in order to provide a portfolio of TA that matches demand. The most cost effective way

of achieving these units is through purchasing and retaining units such as Magnolia House.

#### 2.16 Step 3. Ending the placement in TA

To be able to achieve a net reduction in the use and length of time spent in TA there will need to be a rapid turnaround following the positive decision to move the applicant out of TA and into their new home. The intention is that on day 31 those owed the main housing duty will be quickly moved into settled housing e.g. a qualifying offer in the private rented sector or with a housing association.

2.17 Actions that will enable the quick movement of applicants includes negotiating with our local housing associations to increase the number of households owed the main housing duty that are offered suitable permanent tenancies. The current Allocation Scheme permits the Council to employ 'direct allocations' to homeless households. During 2015/16 homeless households made up less than 20% of all those housed via housing associations and the intention is to improve this percentage and speed up the process by matching households to suitable vacancies.

2.18 The Council has met with Golding Homes, the largest provider of existing affordable homes in the Borough, and meetings have been diarised to swiftly conclude discussion as to how the new approach of increased direct nominations will be put into practice. Early indications are that Golding Homes will be looking to the Council to provide some form of underwriting and a proposal is set out the attached Appendix A. Similar conversations are due to take place with the other major providers within the Borough.

2.19 The Council's Homefinder Scheme enables the Council to acquire access to the private rented sector and end the homeless duty in through what is termed as a 'qualifying offer of accommodation'. Since 2015 the Council has ended its housing duty to 42 cases through the private rented sector. The current scheme makes a single payment of £2,500, which secures access to the accommodation for a period of 2 years.

2.20 A review of the current Home Finder scheme has identified that whilst the scheme works well for obtaining 1 bedroom property, it is not so attractive to landlords with family sized accommodation. In order to increase the availability of family sized homes, especially 3 bedroom units, within the private rented sector the financial offer under Home Finder will be adjusted to reflect the market requirements.

2.21 Additional staff resources required to boost the availability of this type of housing will be assigned from within existing resources. This will enable increased capacity for the acquisition of property without additional cost; it is acknowledged that this will have a detrimental impact on the delivery of other services provided by the team but reflects the need to take steps to reduce the use of TA and its associated costs.

### 3. Associated risks

3.1 There are a number of associated risks contained within the approach suggested within the report and document attached. These include:

- i. Vacant accommodation not being readily available on day 31 for those owed the main housing duty, causing existing TA to 'silt up' with applicants, resulting in a requirement for additional TA units.
  - ii. Housing associations refuse to permit vacant units to be let by direct allocations to homeless persons resulting in a lack of accommodation being readily available.
  - iii. An increase in complaints and requests for review of decisions resulting in staff resources being distracted from the decision making or ending TA part of the process.
  - iv. As more vacant properties will be allocated to homeless households applicants waiting on the housing register change tactic believing the quickest way to be provided with housing is to make a homelessness application resulting in an increase in homelessness approaches and greater pressure on TA numbers.
  - v. The implementation of Universal Credit in the pilot areas has evidenced greater delays in processing claims than had been anticipated. If these delays carry through into the national roll out of Universal Credit this could adversely affect the income expected through rents and negatively affect the net spend.
  - vi. The general housing market fails to restart resulting in greater numbers of homeless households than was anticipated, requiring more units of TA.
- 3.2 In order to moderate against these risks the adopted approach will be monitored regularly to maintain alertness to changes in approaches and impact on the use of TA. A report will be provided quarterly to the Communities, Housing & Environment Committee on homelessness activity including the impact of the implementation of this approach. In addition the Council can lobby through various routes including attendance at the Homelessness Working Group chaired by the Minister for Local Government on improvements or exemptions around Universal Credit for applicants in TA.

#### 4. Financial Implications

4.1 The financial implications are contained within the attached Appendix A.

4.2 If the council were not to tackle the use of TA it is projected that the net cost for 2017/18 based on current trends would be expenditure of £852,000, which is £406,000 in excess of the current budget. It is projected that the successful implementation of this strategy would reduce the net spend to £312,000 in 2018/19 , providing cost avoidance of £540,000 and a saving in relation to current budgets of £134,000 in 2018/19. For the purposes of budget setting this has been rounded down and a saving of £100,000 has been assumed in 2018/19.

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## 5. AVAILABLE OPTIONS

- 5.1 The Council could choose not to adopt the approach set out in this report but to do so would leave the Council subjected to the current prevailing demands on service without a way of managing its exposure.
- 5.2 By adopting an approach that includes the following, the Council is better placed to maintain a degree of control over the use and acquisition of TA;
- minimising the time spent to determine applications
  - sourcing good quality, affordable TA
  - moving applicants once the decision is completed out of TA through increased nominations to housing associations and use of the private rented sector
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## 6. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 6.1 Option 5.2 is recommended for the reasons stated above.
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## 7. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 7.1 None required.
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## 8. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>		Head of Housing & Community Services
<b>Risk Management</b>	Contained within the report above	Head of Housing & Community Services
<b>Financial</b>	Contained within the report	Section 151 Officer & Finance Team
<b>Staffing</b>	Exiting staff resources will be temporarily moved within the Service to enable TA to be tackled without increasing revenue costs through staffing.	Head of Housing & Community Services
<b>Legal</b>		[Legal Team]

<b>Equality Impact Needs Assessment</b>		[Policy & Information Manager]
<b>Environmental/Sustainable Development</b>		[Head of Service or Manager]
<b>Community Safety</b>		[Head of Service or Manager]
<b>Human Rights Act</b>		[Head of Service or Manager]
<b>Procurement</b>		[Head of Service & Section 151 Officer]
<b>Asset Management</b>		[Head of Service & Manager]

**9. REPORT APPENDICES**

Exempt Appendix - Financial Implications

**10. BACKGROUND PAPERS**