

Temporary Accommodation for Homeless Households

Finance, Budget and
Performance Scrutiny Panel **23 October 2018**

Report Author **Bob Porter, Head of Housing and Planning**

Portfolio Holder **Cllr Lesley Game, Cabinet Member for Housing and
Community Safety**

Status **For Information**

Classification: **Unrestricted**

Key Decision **No**

Executive Summary:

This report has provided an update for members of the Finance, Budget and Performance Scrutiny Panel on the demands on the homelessness service, the use and cost of TA and the progress that has been made on implementing new service arrangements in 2018.

Recommendation(s):

Members of the panel are asked to consider the information contained within this report and make any further recommendations for change that they consider necessary.

CORPORATE IMPLICATIONS

Financial and Value for Money	The report has no direct financial implications although ongoing monitoring of expenditure and recovery of TA and the cost of the homelessness service is required as this is still a key financial risk area to the authority.
Legal	Legal Services has nothing further to add to legal framework set out in the Report.
Corporate	Homelessness and the provision of temporary accommodation is a statutory function.
Equalities Act 2010 & Public Sector Equality Duty	<p>Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.</p> <p>Protected characteristics: age, sex, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.</p>

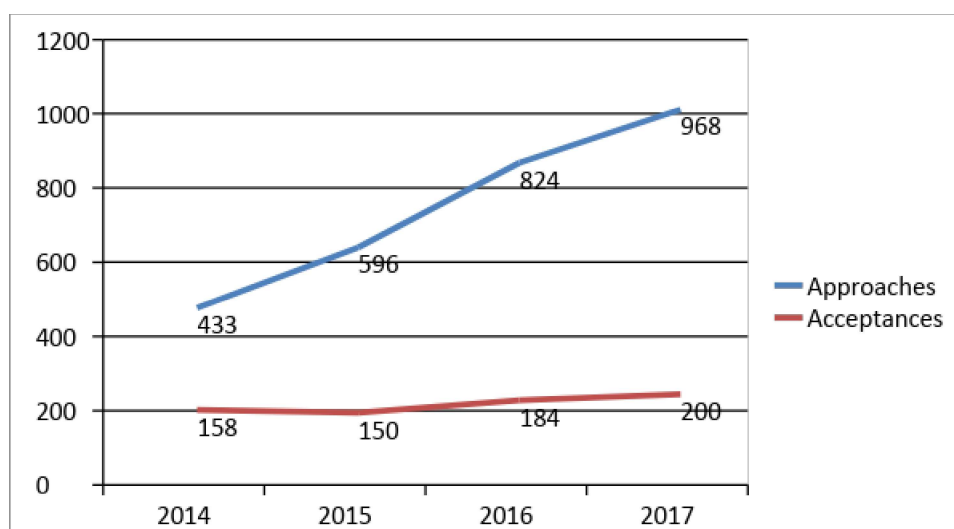
	The equalities impacts of any specific recommendations made by the panel will be fully consider and any necessary Equalities Impact assessments will be completed as part of the decision making process.	
	Please indicate which aim is relevant to the report.	
	Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,	X
	Advance equality of opportunity between people who share a protected characteristic and people who do not share it	
	Foster good relations between people who share a protected characteristic and people who do not share it.	

CORPORATE PRIORITIES (tick those relevant) ✓	
A clean and welcoming Environment	
Promoting inward investment and job creation	
Supporting neighbourhoods	✓

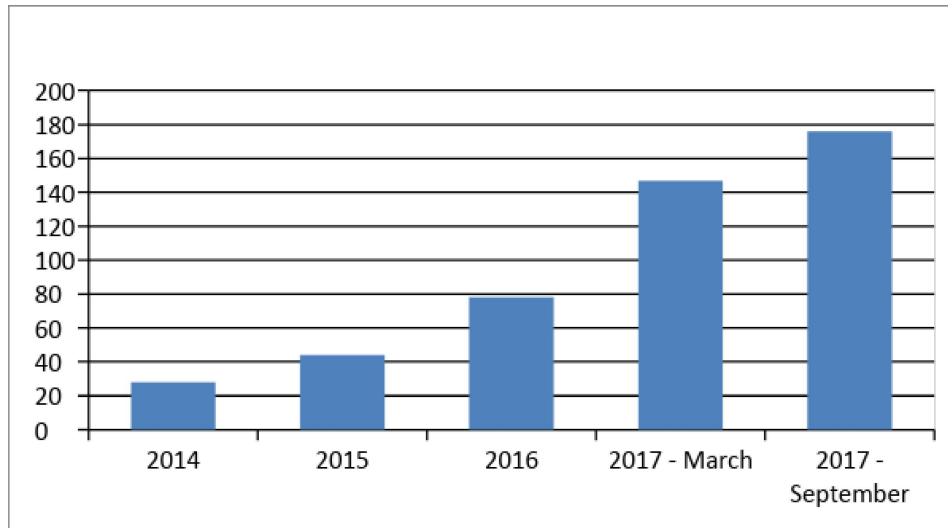
CORPORATE VALUES (tick those relevant) ✓	
Delivering value for money	✓
Supporting the Workforce	
Promoting open communications	✓

1.0 Introduction and Background

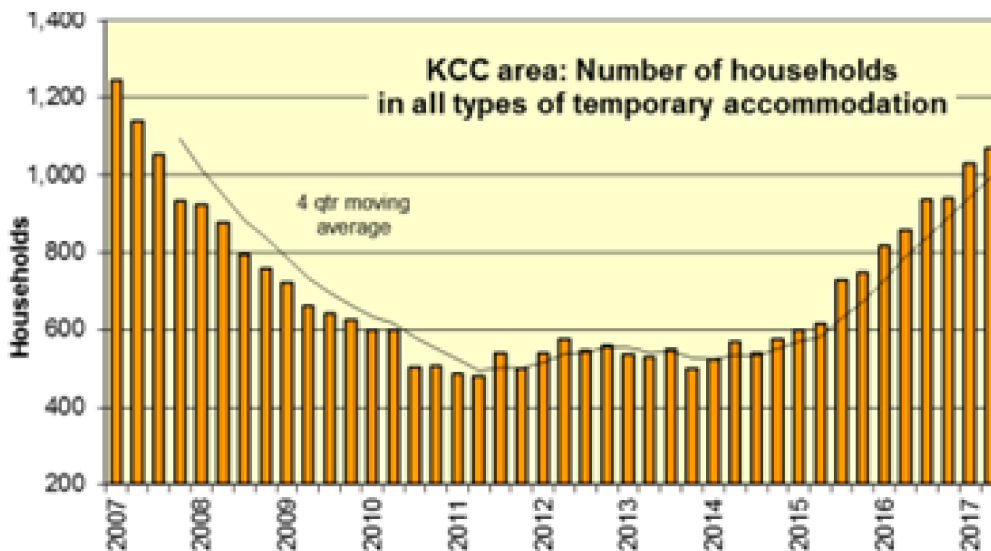
- 1.1 Homelessness is a significant national issue and council's across the country have seen year on year increases in the demand for homelessness services in the period from 2011. The Joseph Rowntree Trust reported a 32% increase in the national level of homelessness cases accepted by local authorities between 2009/10 and 2015/16, and a National Audit Office report of 2017 highlighted a 3 fold increase in the number of households becoming homeless at the end of their private sector tenancy since 2011.
- 1.2 This national picture has been reflected in Thanet, and the chart below shows the level of demand for homelessness services in Thanet over the past 4 years.



1.3 Over the same period, the council saw a steady reduction in the number of available homes for social and affordable rent. These factors created significant pressures in the provision of temporary accommodation, as illustrated in the chart below. By the end of 2017/18, the average number of households living in temporary accommodation arranged by the council had risen to 180. In February 2018, 66 of these cases were placed in hotel accommodation.



1.4 This position was reflected across Kent, as illustrated below:



1.5 As a consequence of the significant rise in homelessness and in the use of temporary accommodation during 2017/18 the council completed a review of the service and implemented an action plan to improve the outcomes for homeless households and start to reduce the cost to the council.

1.6 This coincided with the implementation of the new Homelessness Reduction Act 2017, enabling a far greater focus on homelessness prevention.

2.0 The Homelessness Reduction Act

2.1 The Homelessness Reduction Act 2017 (HRA) is a significant legislation change and is transforming the way homelessness services are delivered to ensure that all eligible applicants faced with homelessness within 56 days are given appropriate help and support. The legislation came into effect on 3 April 2018.

2.2 The HRA sets out new duties on English local authorities with the aim of preventing homelessness. The key new duties introduced by the HRA can be summarised as follows:

- A new duty to complete a Personal Housing Plan for all eligible households facing homelessness within 56 days.
- A new 56 day duty to provide meaningful homelessness prevention services to all eligible households facing homelessness.
- A new 56 day duty to relieve homelessness for all eligible and homeless households. This includes taking reasonable steps to ensure accommodation becomes available for at least 6 months, with an absolute duty to secure accommodation for those households where there is reason to believe that they may be in priority need.

2.3 The new duties are all subject to new rights of review for applicants, as well as a new duty to co-operate on the applicant themselves. There is an additional duty on other public bodies to refer to the local housing authority. Implementation of this duty is scheduled for the autumn 2018.

2.4 The new act effectively increases the time available for homelessness prevention and relief from 28 days to a maximum of 112 days.

3.0 Budget Position

3.1 As a result of the need to increase the council's use of temporary accommodation during 2017, the 2017/18 homelessness budget was significantly over spent. The original total net service budget, including temporary accommodation, housing benefit income and related housing benefit subsidy losses was £480,890. Early projections suggested that this may over spend by as much as £981,180. A mitigation plan was implemented with the aim of reducing this overspend to less than £700,000. The final out-turn position was £1,154,947, representing a budget overspend of £674,057. These overspends were reported during the year as part of the quarterly budget monitoring routines.

3.2 As a result of this the approved 2018/19 budgets have included additional amounts for homelessness. A total reserve of £1m was set aside in the 2018/19 budget, and of this £750,000 has been allocated to 2018/19 service budgets to cover the costs of additional staff, new landlord incentives and the projected cost of temporary accommodation.

4.0 The cost of Temporary Accommodation

4.1 Total costs of temporary accommodation (TA) across 2016/17 and 2017/18 are set out in the table below:

Gross cost of accommodation Provided £000s		HB Income £000s		Net cost £000s		HB subsidy loss £000s		Total net cost £000s	
2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
1,140	1,903	976	1,403	163	499	634	909	798	1,408

The gross cost of TA is off set by housing benefit income. Housing Benefit payments are supported by specific housing benefit subsidy payments from government, however the subsidy payment does not cover the full cost, and the funding gap is shown in the table as 'HB subsidy loss'. The overall net cost to the council is therefore shown in the columns on the far right.

4.2 On 8 May 2017 we introduced new software to help manage all cases where homeless households are living in temporary accommodation. After this time far greater analysis of the data is possible and a specific breakdown showing the number of providers and the number of households assisted by each provider is possible, as shown below.

Provider	Data for period 8 May 2017 to 31 March 2018	
	Gross cost per provider £000s	Number of Households assisted
PIP	1,064	190
Glenwood Hotel	451	135
Florence Court	101	13
Oak Housing	6	4
Connaught	9	2
Others	19	7
Total	1,650	351

5.0 Progress in 2018/19

5.1 Following a detailed review of the service, taking into account the new legislation, the budgetary position and the increasing use of temporary accommodation, an action plan for the service has been implemented. Good progress has been made so far during the year to implement the action plan.

5.2 This work has included:

- Recruiting new officers within the housing options team to help manage the increasing workload arising, from both the increasing caseload and the new legislation.
- Increasing the resources available for homelessness prevention
- Introducing a new role to work with households living in temporary accommodation and ensure that income, through housing benefit, is collected to offset costs wherever possible.
- Implementing a new landlords incentive scheme to help encourage new landlords to work with the council and make accommodation available.
- Targeting households living in hotel accommodation, the least suitable and most expensive form of TA, for support with a move to a permanent home.
- Negotiated lower costs with temporary accommodation providers.
- Reviewing our approach to charges for temporary accommodation, and consulting on a new tenancy strategy for the council.
- Reviewing the council's allocations policy, including new provisions for homeless households placed in TA prior to 3 April 2018.

5.3 The first 6 months of the new legislation ended on 30 September 2018 and we are now starting to see a positive impact from the changes that we have made. In particular, we have:

- Significantly increased the level of homelessness prevention work and successfully prevented 213 households from becoming homeless. This compares to 92 cases prevented for the same period in 2017/18. We have supported this work with financial assistance totalling £71,259, representing only £334 per case, much less than the cost of providing temporary accommodation.
- Almost completely stopped the use of hotel/guest house type accommodation, with only 2 households remaining in this form of temporary accommodation at the end of September 2018.
- Reduced the use of TA overall to 142 households; more than 20% less than the average for the second half of 2017. We set a target to reduce the use of TA by half during the financial year and are currently on track to achieve this.
- Received 994 referrals into the service, nearly double than for the same period last year, and completed 336 personal housing plans. As at 30 September 2018 there were 43 households in TA where the council had a statutory relief duty.
- Completed consultation on a new Tenancy Strategy for the council, including new arrangements for charging for TA.
- Completed work to prepare a consultation draft of amendments to the Council's allocations policy, including additional priority for households owed a permanent housing duty and placed into TA prior to 3 April 2018.

5.4 We will continue to closely monitor the demands on the service, outcomes achieved and budget position throughout the year, reporting any changes through quarterly budget and performance reports.

5.5 Our focus for the coming period will be:

- Implementation of new charging arrangements for households in TA following the completion of consultation on the tenancy strategy.
- Consultation on the proposed amendments to the council's allocations policy.

- Working with households placed in TA out of the area so that more suitable arrangements can be made as quickly as possible.
- Further reducing the use of TA to meet the target of a 50% reduction.

6.0 Conclusions

- 6.1 This report has provided an update for members of the Finance, Budget and Performance Scrutiny Panel on the demands on the homelessness service, the use and cost of TA and the progress that has been made on implementing new service arrangements in 2018.
- 6.2 Members of the panel are asked to consider the information contained within this report and make any further recommendations for change that they consider necessary.

Contact Officer:	Bob Porter, Head of Housing and Planning
Reporting to:	Tim Willis, Deputy Chief Executive & S151 Officer

Annex List

None	N/A
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Background Papers

Title	Details of where to access copy
None	N/A

Corporate Consultation

Finance	Sarah Hill, Strategic Housing Accountant
Legal	Sophia Nartey, Interim Head of Legal Services