



<b>Service Delivery Committee</b>	<b>Tuesday, 03 September 2019</b>	<b>Matter for Decision</b>
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**Report Title:** **Temporary Accommodation Strategy**

**Report Author(s):** **Leah Montia (Housing Manager)**

<b>Purpose of Report:</b>	To provide the Committee with the proposed Temporary Accommodation Strategy to address the Council's statutory duties to accommodate households who are homeless, and to seek approval for the revised Temporary Accommodation Protocol and the recommended proposal to procure additional accommodation to meet current on ongoing needs.
<b>Report Summary:</b>	<p>The report provides a summary of the current arrangements for temporary accommodation, outlines the new legal requirements and current challenges being faced in this area and sets out the Temporary Accommodation Procurement Strategy for the Council over the next 3 years, to address the shortage of temporary accommodation in the Borough.</p> <p>The report concludes by seeking approval for the proposed recommendation to address current and future temporary accommodation requirements in the Borough, and seeks approval for the Temporary Accommodation Protocol (Appendix 1).</p>
<b>Recommendation(s):</b>	<p><b>A. That the Temporary Accommodation Protocol (as set out at Appendix 1) be approved.</b></p> <p><b>B. That the Temporary Accommodation Strategy (as set out at paragraphs 9 and 10) be approved.</b></p>
<b>Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):</b>	<p>Stephen Hinds (Deputy Chief Executive) (0116) 257 2681 <a href="mailto:stephen.hinds@oadby-wigston.gov.uk">stephen.hinds@oadby-wigston.gov.uk</a></p> <p>Adrian Thorpe (Head of The Built Environment) (0116) 257 2645 <a href="mailto:adrian.thorpe@oadby-wigston.gov.uk">adrian.thorpe@oadby-wigston.gov.uk</a></p> <p>Leah Montia (Housing Manager) (0116) 257 2726 <a href="mailto:leah.montia@oadby-wigston.gov.uk">leah.montia@oadby-wigston.gov.uk</a></p>
<b>Corporate Objectives:</b>	Building, Protecting and Empowering Communities (CO1) Providing Excellent Services (CO3)
<b>Vision and Values:</b>	Accountability (V1) Customer Focus (V5) Innovation (V4)
<b>Report Implications:-</b>	
Legal:	The duties on the Council are as set out at paragraph 1.2 of this

	report.
Financial:	There are no implications directly arising from this report.
Corporate Risk Management:	Reputation Damage (CR4) Effective Utilisation of Assets / Buildings (CR5)
Equalities and Equalities Assessment (EA):	There are no implications directly arising from this report. EA not applicable
Human Rights:	There are no implications directly arising from this report.
Health and Safety:	There are no implications directly arising from this report.
<b>Statutory Officers' Comments:-</b>	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	The report is satisfactory.
Monitoring Officer:	The report is satisfactory.
<b>Consultees:</b>	None.
<b>Background Papers:</b>	None.
<b>Appendices:</b>	<b>1.</b> Temporary Accommodation Protocol

## **1. Introduction**

- 1.1 The Council has a number of statutory duties and qualified powers which involve accommodating households who are homeless, the majority of which stem from the Housing Act 1996 (as amended) ('the Act'). Households range from single people through to large families with a range of needs, including household members who are disabled, requiring additional facilities not ordinarily available in standard accommodation.
- 1.2 The typical temporary accommodation duties include:
- s188 of the Act which is the duty to accommodate the applicant and household pending investigations and the issuing of a decision
  - s190 (2) of the Act is a duty to accommodate those who are in 'priority need' but intentionally homeless
  - s193 of the Act is a duty to accommodate those owed a main homeless duty, those who are in 'priority need' and not 'intentionally homeless', whilst longer term (permanent) accommodation is found.
- 1.3 The issue of 'priority need' relates to the vulnerability of the applicant and household. Households with children under 16 and pregnant women are given 'priority need' and other applicants have to satisfy a threshold which can be met by certain needs i.e. disabilities, medical needs or social needs.
- 1.4 The issue of intentionality relates to the cause of the homelessness, and investigations need to be carried out by Officers to ascertain whether the applicant contributed to or caused their homelessness. Common causes of homelessness include, but are not limited to; rent arrears, repairs, antisocial behaviour, change in landlord circumstance, change in household needs and fleeing violence.

- 1.5 Demand for temporary accommodation varies over time which brings the challenge of procuring sufficient accommodation to meet the current need without incurring inflexible overheads which would not be recoverable or cost effective during periods of low need.
- 1.6 The current need for temporary accommodation in the Borough has risen as the Homelessness Reduction Act 2017 (which came in to effect 1 April 2018) has increased the time which those who are 'intentionally homeless' and 'in priority need' must be accommodated for.
- 1.7 In addition to this the total number of general needs social and affordable vacancies (those not for older persons) in the Borough has reduced over the past three years from 147 in 2016/17 to 53 in 2017/18 and just 40 in 2018/19. This means those families and persons owed the 'main homelessness duty' are spending longer in temporary accommodation.
- 1.8 The current arrangements for temporary accommodation are outlined in paragraphs 2 to 6 with the proposed strategy options and recommendations following.

**2. Nightly spot purchase**

- 2.1 Nightly spot purchase is where the Council buys bedspaces, rooms or self-contained accommodation on a nightly and ad-hoc basis as need necessitates. This type of accommodation includes hotels, bed & breakfast and self-contained houses or flats.
- 2.2 The Council has procured the services of Click Travel through an ESPO/YPO Framework to purchase hotel rooms, bed & breakfasts and travel services. This arrangement allows staff to purchase blocks of hotel accommodation at market or discounted rates negotiated by Click Travel. Rules are applied to ensure staff do not procure rooms over a set value without a valid reason. The average rate for this type of accommodation is around £43 per night.
- 2.3 Accommodation providers, such as The Housing Network and Westcotes provide self-contained accommodation at nightly rates. The accommodation is supplied furnished and the rate includes utility bills. The units are promoted as being flexible, although providers typically want a commitment to a level of usage or minimum term i.e. at least 2 weeks or a month.
- 2.4 The self-contained nightly spot purchase arrangement leads to a licence being created between the occupant and the proprietor. To end a licence the proprietor is required by law to issue a notice to quit and take Court action to remove an occupant who failed to vacate the premises when requested. The current practice is the proprietor requires vacant possession at the end of each let. Whilst the Council has not had an occupant unwilling to move out as requested, if this was to occur there is no way to ensure the proprietor would follow the correct legal practice to evict occupants. The Council therefore risks reputational damage and/or liability if an illegal eviction contrary to the Protection from Eviction Act 1977 was to take place.
- 2.5 A further risk is that such properties may not meet the minimum housing standards around safety, including fire safety. Whilst this does not apply to our current night spots, due to the high standards we require this reduces the pool of properties available to us.
- 2.6 Rates vary but would typically be in the ranges shown in the table below:

<b>Room size</b>	<b>Average cost</b>
1 bedroom	£35 – 55 per night
2 bedrooms	£45 - £65 per night

3 bedrooms	£55 - £80 per night
4 bedrooms	£65 - £100 per night
5 bedrooms	£75 - £120 per night

### **3. Private sector leases of self-contained properties**

- 3.1 This type of accommodation is where the Council enters into a lease with a private owner, typically for 2 or 3 years and has the unfettered right to 'sub-let'. The Council issues a non-secure tenancy to the occupant and collects the rent. The Council pays the rent quarterly in advance to the owner and it is often a term of the lease that the Council shall return the property in the same condition in which it was leased.
- 3.2 Costs are generally the monthly market rental, with some provision for minor repairs. The typical handback cost is in the region of £2500.
- 3.3 The Council currently has one property leased in this way and is in negotiations for a further two. In the past there has been a shortage of private landlords or organisations willing to enter in to such a lease with the Council which is largely due to the stigma around homeless households and social housing tenants. In addition, it can be challenging to find private accommodation which satisfies the standard of repair and safety required to accommodate without the need for expensive works. Moving forward, Officers will make contact with local Social and Private Housing Providers and work to breakdown the stigma and identify potential leases which would satisfy our standards for temporary accommodation. There are also emerging companies which can source and manage the private rented accommodation on behalf of the Council, one such company is Help2Rent whom Officers are in preliminary discussions with.

### **4. Long term leased property – Housing Association**

- 4.1 The Council benefits from a long lease of a property from PA Housing. An annual charge to cover block insurance and other leasehold costs is around £300. The property is rented at £96.89 per week; £11.50 of this weekly rent is not eligible for Housing Benefit. The gross rental income is a potential £4650.72 not allowing for bad debt and void periods.
- 4.2 As with private sector leases the Council has the unfettered right to 'sub-let' the property and the Council issues a non-secure tenancy to the occupant and collects the rent. The Council carries out day to day repairs during the life of the lease.
- 4.3 The terms of the current lease arrangement are quite unique and favourable. Officers will make contact with local Registered Providers (RP) to determine whether they would be willing to enter in to further lease arrangements, and will consider the feasibility once leasehold costs have been provided. It is anticipated that the rates for RP properties would be more favourable than those of private landlords who would be seeking a commercial profit.

### **5. HRA council properties**

- 5.1 Currently 13 properties have been taken from the Council's own stock for use as temporary accommodation for homeless households, and have been let on non-secure tenancies. The most recent homelessness audit has indicated that the Council should not be using HRA properties for this purpose in the way that it currently does and therefore a key aim of the Strategy is to eliminate the use of this option.
- 5.2 These properties have a higher turnover and incur higher void costs than if they were let through the Housing Register.

5.3 The rent is charged over 52 weeks annually as opposed to 48 weeks for regular Council tenancies. The Council pays for the furnishings and large kitchen appliances.

## **6. Shared accommodation**

6.1 The Council owns and operates a 5 bedroom shared homeless accommodation for small families at Belmont House. Opened in 2018, it is currently managed by the Council's Housing Options Team and accommodates up to 5 families with shared facilities.

## **7. Household composition and housing needs**

7.1 Experience suggests that the Council requires access to between 3-6 bed spaces for single people pending investigations around 'priority need'. Once a 'priority need' decision is issued the majority of temporary accommodation placements are terminated due to the high threshold need to satisfy the 'priority need' criteria for households who are not pregnant or without children.

7.2 Households with children make up the most part of the Council's temporary accommodation needs. Based on past demand a baseline of 15 units is required; 10 units accommodating 1-4 person households and 5 units accommodating 4-8 person households.

7.3 The Council must also make provision for households with significant physical disabilities with wheelchair accessible units. The previous and anticipated demand suggests that 2 wheelchair accessible units should be available; 1 unit for single people and 1 for between 2-5 people. These units can be included in the aforementioned requirements for single people and households with children.

7.4 Consideration has been given to the need to keep families together and where possible close to familiar links including work, schools, family, medical professionals and support providers. The ideal situation is to keep residents within the Borough, as this satisfies the households needs and limits the risk of reviews and legal action around suitability of accommodation based on location.

## **8. Proposed Strategy Options**

8.1 It is necessary to maintain a mixed portfolio of temporary accommodation to take into account the varying needs of homeless applicants and households. It is the aim of this strategy to make provisions to deal with the peaks in demand whilst ensuring our supply is cost effective during periods of low demand.

8.2 Based on previous and current trends of demand the proposals are based on the need for between 3-6 single person units, and 15 units with households with children as detailed in paragraph 7.

8.3 Due to the complex needs of many homeless applicants, shared facilities and safeguarding concerns mixed accommodation for single households and families is not suitable. Accommodation for both groups has therefore been considered separately in sections 9 and 10 below.

## **9. Accommodation for single households**

9.1 There is the option to continue to purchase temporary accommodation for single people and couples without children via the spot purchase framework set out in paragraph 2. The advantage of this is that it does allow for flexibility but the accommodation is often costly, is out of the Borough and lacks access to kitchen facilities.

9.2 The preferred option is to develop a new shared accommodation like Belmont House to provide 3/4 bedrooms for single people and childless couples. This would include a

wheelchair accessible bedroom on the ground floor. A communal and accessible bathroom or wet room, toilet and kitchen would also need to be provided on the ground floor.

- 9.3 The recommendation is to procure and convert a 4/5 bedroom house, although consideration should also be given to purpose build 'new build' provision including modular construction.
- 9.4 This option of creating an additional Council managed temporary shared accommodation would allow for accommodation to be provided within the Borough, ensures that there is provision for disabled persons temporary accommodation, and would be less expensive per room per night than spot purchased hotel or Bed & Breakfast accommodation.
- 9.5 Our experience of the Council's Housing Options Team managing Belmont House has indicated that consideration would need to be given to the resource for the day to day management of the property, with the option of this being managed by the Council's Community Housing Team.

## **10. Accommodation for households with children**

- 10.1 Belmont House has demonstrated over the past 12 months that well-designed and well managed shared accommodation can provide temporary accommodation to a high standard. Belmont House is not only successful as it provides a high standard of temporary housing in the Borough, but it is also cost effective and can bring in a surplus which can be used towards management of the building and capital investment of the building.
- 10.2 Whilst Belmont House has been successful, the composition of the hostel has meant that larger households of 4-8 persons have continued to be accommodated in self-contained units. This has either come through the Council's HRA housing stock or self-contained nightly spot purchases.
- 10.3 The use of the Council's stock does pose issues around the movement of person's on the housing register, high void costs and the use of HRA stock. In addition to this the nightly spot purchases are costly and can often be out of the Borough.
- 10.4 The preferred option is to procure privately leased accommodation in the Borough which meets the Council's standards and allows for some period of certainty and a degree of flexibility such as 2-3 year leases. The leases could potentially be longer if the terms were favourable, such as the lease with PA Housing. Officers will also continue to investigate offers such as Help2Rent which sources private properties and manages the lease on behalf of the Council.
- 10.5 In addition, the preferred option is also for the Council to seek to develop itself provision for self-contained temporary accommodation within the Borough. Investigation will be given to finding a suitable site within the Borough and these investigations will include consideration of non-traditional forms of construction, including modular construction.
- 10.6 The use of modular construction would allow for flexibility around configuration of the accommodation and the site of the temporary accommodation. For example the Council could make use of under-used land by erecting a modular temporary accommodation structure, and if that site is later developed in a permanent form the temporary accommodation could be moved to another location. Furthermore, if the size of accommodation required by applicants changes over time, certain modular construction would allow for the configuration to be altered to meet demand.
- 10.7 There would be the need to consider the resource for the day to day management of the properties, with the option of this being managed by the Community Housing Team.

## **11. Next Steps**

- 11.1 The next step is for Officers to make contact with local private and RPs to source private leased accommodation. Research in to this and contact with known housing providers can commence immediately. Once potential properties have been sourced time would need to be taken to have the property inspected by the technical team and estimate the cost of works to have the property at a lettable standard. The aim would be to have an additional three properties at the advance stages of negotiations or on long lease by the end of Quarter 4 2019/20.
- 11.2 In relation to the self-contained modular housing Officers will carry out market research and meet with providers of modular housing to identify suitable options for the Borough. This will also involve identifying appropriate sites for the accommodation. Officers will have preferred options and a proposal available by end of Quarter 4 2019/20 for approval with the aim of having the accommodation available during 2020/21.

## **12. Summary**

- 12.1 Whilst the proposals provide the baseline for temporary accommodation, based on previous and anticipated demand there would still be the need to maintain the framework to secure night spot accommodation for times of high demand and exceptional cases.
- 12.2 Based on the Belmont House model the proposed shared accommodation would provide for its own running costs through rental income, and combined with new build self contained units would allow for HRA properties to be returned to general use and free up houses for the waiting list.
- 12.3 The options provided at paragraphs 9 and 10 would provide the Council with a baseline of high standard accommodation within the Borough to ensure that statutory obligations are met for homelessness applicants. The proposed options would reduce the risk of legal action and reputational damage surrounding the usage of privately leased accommodation and accommodation out of the Borough.