

Report of the Managing Director

Housing Options Update

1 Purpose of report

- 1.1 To provide a report on the costs and service delivery of the housing options service, to enable a decision to be made to continue temporary staffing arrangements, whilst a full review of the housing service is undertaken.
- 1.2 To consider further capital investment in temporary accommodation.

2 Executive summary

- 2.1 Resources committee members have received reports which identify the budget pressures of the increasing temporary accommodation placements, service costs and staffing concerns. In May 2018 members requested that officers explore a joint procurement option, and other joint working options. A market engagement exercise did not provide any certainty for procurement and members were asked to fund additional posts from reserves to manage service and cost demands. Homelessness numbers are continuing to increase and temporary accommodation costs are remaining at the same level whilst officers seek to deliver projects to mitigate homelessness costs through the use of capital.

3 Appendices

- Appendix 1: Operational service demands and costs/levels of staffing
- Appendix 2: Housing options structure chart
- Appendix 3: Performance management information
- Appendix 4: Mitigating homelessness - acquisition of properties

4 Proposed action:

Members are invited to RESOLVE to:

- 4.1 **continue temporary arrangements for three staff to deliver housing options services, and seek to recruit up to three officers, funded from reserves, the decision on the financing of which will be delegated to the leader of the council and the managing director, following a full service review.**
- 4.2 **consider further capital investment of £725K for additional homes to be used for temporary accommodation.**

5 Background

- 5.1 On 21 March 2018 at resources committee members received a report which identified the budget pressures of the increasing temporary accommodation placements, service costs and staffing concerns. Members requested that officers explore further a joint procurement option, and other joint working options, and provide a report on the costs and implications for staff and service delivery.
- 5.2 On 2 May 2018 at an additional resources committee, members received a further report which explored the joint procurement option in more detail, other joint working options, and provided information on the costs and implications for staff and service delivery. It was agreed officers should commence a soft market test to explore the appetite of external housing organisations to engage with the council to deliver housing options services in the future, and the likely costs and services that could be provided.
- 5.3 At 13 June 2018 resources committee a report was received in relation to the results of the market engagement on the housing options service and for members to consider ways to deploy the homelessness mitigation fund. One expression of interest had been received from a national housing association with limited information and with no detail of costs for staffing and service delivery. Members were asked if they wished to continue to explore the procurement route further and were advised that, if the service was to be retained in-house, additional officer capacity would be required to reduce the cost of temporary accommodation placements and to find alternative housing solutions, including enabling new homes.
- 5.4 Members were advised there would be a requirement for a further three temporary/permanent officers, the costs of which would need to be met from reserves. A full review of the service would also be undertaken to ensure that the additional capacity was directed to the higher risk areas, such as reducing the costs to the council of using emergency and temporary accommodation and delivering the council's mitigating homelessness capital fund.
- 5.5 Members discussed the options they had been presented with in the report and agreed that money should be spent on purchasing property to ease the pressures of temporary accommodation costs. Members also expressed a wish that the housing options service remain in-house.
- 5.6 Officers were asked to present a report to a future meeting on additional capital funding for temporary accommodation and the council acquiring open market units to the value of £725k with consideration of further capital investment in temporary accommodation.

6 Discussion

- 6.1 Members agreed to retain the housing option service providing additional temporary officer capacity to reduce the cost of temporary accommodation placements and find alternative housing solutions, including enabling new

homes. Members were advised that there would be a requirement for a further three temporary/permanent officers; these roles have been filled with temporary specialist officers shown at appendix 2.

- 6.2 The number of homeless caseloads continues to rise. The performance information at appendix 3 shows that 433 homeless reduction act cases have been received since April 2018. Due to changes in the legislation these figures cannot be directly compared with previous periods. However, in 2017/18 there were 366 homeless applications received during the year, an average of 30.5 cases per month. This compares to 433 applications taken under the homelessness reduction act between 3 April and 5 October 2018 in 6 months, an average of 72 cases per month, more than double the amount from the previous year. In addition to increased numbers of cases, each case takes significantly longer to deal with due in part to the requirement to undertake a personalised housing plan with every applicant; taking on average well over 1 hour. The numbers of active cases on the housing register is currently 528, and 313 housing register applications are outstanding awaiting further information from customers and processing, shown at appendix 3.
- 6.3 Temporary accommodation levels have remained stable since June 2018 and would have been considerably reduced but for issues relating to people with mental health needs unable to sustain their accommodation through relationship breakdown with friends or family. Private sector households with eviction notices and bailiff action are not coming forward early enough for assistance for the council to seek to prevent their homelessness and use of temporary accommodation.
- 6.4 Performance for the next quarter will reflect the additional employee resources already provided and the focus of the service for the next six months, with a continuation of additional staff resources recommended within this report, will seek to reduce temporary accommodation and housing register backlogs. This will be through fast tracking and triaging housing applications at risk of homelessness, reducing processing times and providing access to private rented stock to reduce the demands and costs of the service outlined at appendix 1.
- 6.5 To help mitigate the costs of temporary accommodation the council is due to complete imminently on three properties acquired from the open market and a further two are in progress, shown at appendix 4. There is an opportunity to acquire a further five units through additional capital investment. These properties will be made available to people who would otherwise be using bed and breakfast or nightly paid accommodation. Council owned properties will be considered for this purpose when they become vacant.
- 6.6 Following agreement at the last committee a full review of the service is due to be undertaken to ensure that the additional capacity is directed to the higher risk areas, such as reducing the costs to the council of using emergency and temporary accommodation and delivering the council's mitigating homelessness capital fund. Officers are seeking information from the LGA in relation to a housing peer review and advice from suitably qualified consultants to undertake such a review.

7 Legal implications

Legal resources will be required for the acquisition of further properties.

8 Financial and value for money implications

- 8.1 The key objectives of the additional officer support are to reduce the net costs of temporary accommodation, and improve processes to increase prevention of homelessness. The additional posts have been active for approximately two months and have provided additional housing options case management and prevented the use of temporary accommodation. Making allowance for the lead in time from the inception of the posts and seeing an impact on net costs coming through, it is still assumed there will be some saving and it is important that the focus continues on achieving this.
- 8.2 The three additional posts are estimated to cost £81,500 for a period of 6 months; a total of £102,000 to the end of 2018/2019. There is an expectation that the extra resource will produce an overall reduction in net expenditure and income on homelessness, but given the current pressures on the service, it is likely that this will mean limiting the overspend against the current budget, rather than a saving on it. Taking the overall pattern of expenditure and income on the service for the year to date, an overspend of £40,000 for the year has been forecast in the quarter 2 revenue monitoring report, being presented to this committee. This forecast will be kept under review and the level of projected overspend may subsequently rise
- 8.3 The purchase of additional properties will be made available to people who would otherwise be using expensive bed and breakfast or nightly paid accommodation. Whilst the properties provide another option for the council, the demand for temporary accommodation continues to rise and there will need to be a package of measures to reduce the ongoing need. It is proposed that a further paper is brought back to members to consider a toolkit of enabling and investment interventions to respond to the housing challenges.

9 Risk analysis

The risks in relation to homelessness have been rehearsed in the previous reports to resources committee, with the service demands and cost risk to the authority remaining high. Employee resilience and capacity risks remain high.

10 Implications for resources

The service continues to require leadership and senior management team support to lead and review the service and project manage alternative solutions to expensive temporary accommodation options. Senior officers are required to manage the complexity of cases, reduce costs and seek alternative solutions to expensive emergency and temporary accommodation options.

11 Implications for equalities and communities

The full implications for equalities and communities will be considered as part of reviewing the service, with the primary aim being to ensure that all customers can access a service which meets their needs. A housing plan has been approved and homelessness strategy will be developed next year which will set out the council's vision for its communities, and access to them.

12 Author and contact officer

Vicki Jessop, Assistant Director

13 Consultees

Senior Management Team

14 Background papers

Appendix One

This section shows the overall costs of running the service and the operational service demands including existing staff resources.

Service Costs

Table 1 - Housing options service budget excluding staffing costs (to be finalised for year end 2017/2018)

	2017/18 actual	2018/19 working budget	2018-2019 spend to date (11 Oct 18)
Salary costs	£191,454	£262,622	£115,302
Agency	£16,519	£0	£73,440
Recruitment	£1,278	£0	£0
Car Allowances	£4,970	£10,000	£2,494
Public Transport	£126	£250	£28
Equipment, Furniture & Materials	£64	£766	£55
Services	£814	£95,400*	£1,594
Communications & Computing	£7680	£4000	£68
Total	£222,905	£373,038	£192,981

These are direct costs and do not include the indirect costs of management, human resource, accountancy, ICT and accommodation.

* Government funding to support the introduction of the Homeless Reduction Act

Staff Resources

Table 2 - Housing options service staffing levels and salary costs (budget 2017/2018)

Current Staff	Number of officers	Total FTE for Housing Options Service
Team leader	1	0.8
Housing options officer	4	4.0
Housing options officer (2-year fixed term) (currently covered by 2 agency workers)	2	2.0
Housing Assistant	1	0.3
Three additional temporary posts (6 months)	3	3.0
Housing Administrator	1	0.3
Total	12	10.4

This is the existing staff establishment for the housing options service which includes two posts funded by government homelessness grant for two years and the housing assistant role which provides over 33 % of the role to delivering housing options and an administrator who also provides 33%.

Three additional temporary posts have been agreed by members at June 2018 resources committee which have been filled by two experienced homeless officers from agencies and one experienced housing options officer on a 6 month contract.

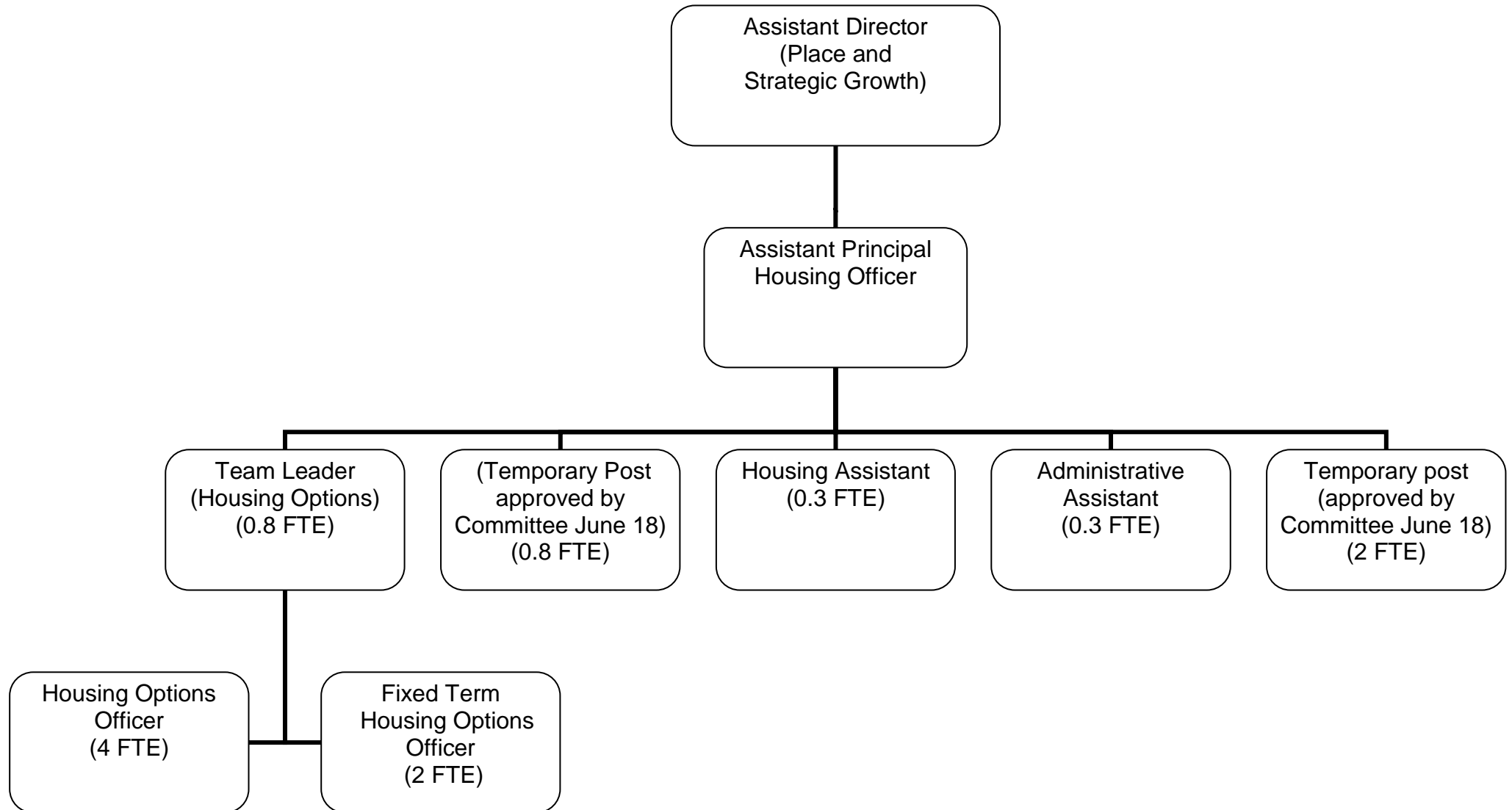
There have been two housing options establishment vacancies since the last report in June 2018 following a long period of sickness absence. These posts have been recruited to.

Table 3 – Temporary Accommodation Costs

	2016-2017	2017-2018	2018-2019 (spend to date (11 Oct 18))
Temporary accommodation costs	£353,352	£1,095,929	£722,241

The overall cost of temporary accommodation was £353,352 in 2016/17 and in comparison, the outturn for 2017/18 was £1,095,929. It is projected that the outturn for 2018/2019 will be £1.2m. This is above the budgeted amount of £1m, but this is offset against corresponding increases in associated income and savings against other related expenditure headings.

APPENDIX 2 - HOUSING OPTIONS



APPENDIX 3 Management Information

1. Homelessness

Temporary Accommodation placements

	Pre Homeless Reduction Act (Legacy Cases)		Homeless Reduction Act Cases		Temporary accommodation cases with Wellingborough Homes		Total Cases in Temporary Accommodation	Increase/Decrease per week
	Single	Families	Single	Families	Single	Families		
12/06/2018	14	25	10	20	11	12	92	↑1
18/06/2018	11	25	15	16	11	12	90	↓2
23/06/2018	8	24	15	19	11	12	89	↓1
30/06/2018	8	21	15	19	11	12	86	↓3
07/07/2018	7	17	16	22	11	12	84	↓1
13/07/2018	7	16	15	23	13	13	86	↑2
20/07/2018	7	14	14	25	10	15	85	↓1
27/07/2018	7	14	14	26	10	15	86	↑1
03/08/2018	6	14	14	26	10	12	82	↓4
13/08/2018	4	10	18	25	9	13	79	↓3
17/08/2018	4	10	21	26	9	13	83	↑4
24/08/2018	4	9	19	25	9	13	79	↓4
31/08/2018	4	9	18	30	9	13	83	↑4
07/09/2018	4	9	27	34	9	13	96	↑13
14/09/2018	4	9	27	33	8	12	93	↓3
21/09/2018	4	9	26	36	8	12	95	↑2
28/09/2018	4	9	28	31	8	12	92	↓3
05/10/2018	4	9	29	31	8	9	90	↓2

**Total cases since introduction
of the Homeless Reduction Act
on 3 April 2018**

	Total	
12/06/2018	137	n/a
18/06/2018	150	↑13
23/06/2018	176	↑26
30/06/2018	191	↑15
07/07/2018	216	↑25
13/07/2018	230	↑14
20/07/2018	250	↑20
27/07/2018	264	↑14
03/08/2018	269	↑5
10/08/2018	280	↑11
17/08/2018	314	↑34
24/08/2018	325	↑11
31/08/2018	343	↑18
07/09/2018	367	↑24
14/09/2018	378	↑11
21/09/2018	405	↑27
28/09/2018	416	↑11
05/10/2018	433	↑17

Total cases by household

	Single	Families	Total	
18/06/2018	108	42	150	↑29
23/06/2018	82	41	123	↓27
30/06/2018	86	45	131	↑8
07/07/2018	91	50	141	↑10
13/07/2018	99	52	151	↑10
20/01/2018	77	50	127	↓24
27/07/2018	84	48	132	↑5
03/08/2018	92	48	140	↑8
10/08/2018	94	49	143	↑3
17/08/2018	98	47	145	↑2
24/08/2018	102	51	153	↑8
31/08/2018	100	47	147	↓6
07/09/2018	104	46	150	↑3
14/09/2018	105	49	154	↑4
21/09/2018	98	51	149	↓6
28/09/2018	110	52	162	↑13
05/10/2018	108	54	162	~

Total cases by homeless category from 31.08.2018

Active and Approach/Prevention/Relief

	Approach	Prevention	Relief	Main Duty	Total
31/08/2018	48	30	69	10	157
07/09/2018	49	29	74	14	166
14/09/2018	47	35	72	14	168
21/09/2018	43	38	68	15	164
28/09/2018	55	39	68	15	177
05/10/2018	52	41	69	15	177

Key:

Approach: All customers initially approaching the council that are threatened with homelessness within 56 days.

Prevention: All customers that are at risk of homelessness within 56 days

Relief : All customers that are actually homeless as defined by the Homelessness Reduction Act 2017

Main housing duty: The council's statutory housing duty owed to those customers who are have satisfied the criteria for the main housing duty once 56 days have expired under the relief criteria

This information has been collected from June 2018 when new government reporting system was available for cases being assessed under the new Homelessness Reduction Act.

2. Allocations:

There are 528 applicants on the housing register as at 15 October 2018. Table one below shows them broken down by banding:

Table One

	Min Bed Size					
Band	0	1	2	3	4	Grand Total
Band A	7	5	28	10		50
Band B	55	16	78	17	7	173
Band C	93	22	118	48	13	294
Band D	2	1				3
Band E	5	1	2			8
Grand Total	162	45	226	75	20	528

Of the 50 cases in Band A, 36 are banded due to homelessness.

There have been 294 applicants housed between 1 January 2018 and 15 October 2018. Table two below shows them broken down by banding.

Table Two

Month	Band A	Band B	Band C	Band D	Band E	Grand Total
April	5	1	3		1	10
August	11	6	4		1	22
February	11	6	2			19
January	7	6	2			15
July	42	37	40	5	4	128
June	10	5	4			19
March	10	7	4		2	23
May	7	3	2			12
October	7	7	5			19
September	13	6	8			27
Grand Total	123	84	74	5	8	294

Table Three

The table below shows the level of work to be processed for the housing register/ Keyways as at 16 October 2018

Incomplete applications	29	Applicants have not completed their application on Keyways
Complete applications	59	Applicants have completed application - awaiting signed declaration
Pending applications	150	Applicants who have been asked for information to complete their application
Suspended applications	3	In accordance with the housing allocations policy
Information requiring processing	72	Correspondence and information to support applications (not exceeding 3 weeks).

Appendix 4

Mitigating homelessness - acquisition of properties

The council has set aside £725,000 of its capital reserves to use to reduce the costs of temporary accommodation by owning properties and using them instead of costly bed and breakfast placements.

As at 16th October, four properties have been purchased with a fifth currently being sought. It is expected that five properties will be obtained within the original £725K budget.

Breakdown of progress

	Property type/location	Property asking price	Price achieved	Current status
1.	2 bed (W'boro town centre)	£160,000	£150,000	Purchase completed 12.10.18
2.	2 bed (W'boro town centre)	£150,000	£142,500	Purchase completed 12.10.18
3.	2 bed (W'boro town centre)	£152,500	£144,000	About to complete
4.	3 bed (W'boro town centre)	£148,500	£141,000	Purchase in progress
5.	2/3 bed (W'boro town centre)	<i>TBC</i>	<i>TBC</i>	<i>TBC</i>
	<i>TOTAL</i>	<i>£611,000</i>	£577,500*	

* Prior to purchase of 5th property

