

**Report of the 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, and seek a decision from members to continue to provide temporary staffing arrangements and proceed with the investment strategy to purchase further homes to mitigate against homeless pressures.

**2 Executive summary**

Resources committee members have received reports during 2018 which identified budget pressures of the increasing temporary accommodation placements, additional case work since the introduction of a new act, increases in service costs and staffing concerns. Whilst homeless case loads and demand for homes continue to increase, homelessness placements have stabilised and levels are at an 18 month low as a direct result of implementing measures to mitigate homeless, through homeless prevention initiatives and the purchase and letting of properties acquired by the council.

**3 Appendices**

- Appendix 1: Management Information  
Appendix 2: Temporary Accommodation – Costs and Mitigation  
Appendix 3: Housing Internal Review  
Appendix 4: Affordable Housing Delivery

**4 Proposed action:**

**4.1 Members are invited to RESOLVE to:**

- (i) **continue temporary arrangements for three staff until August 2019 to deliver housing options services, funded from the 2019/2020 revenue budget**
- (ii) **consider up to £1m further capital investment for additional homes to be used for temporary accommodation, the decision on the use of which will be delegated to the leader of the council, the managing director and the S151 officer.**

## **5 Background**

- 5.1 Members received reports during 2018 which identified increasing service demands from a new homeless reduction act and budget pressures of increasing and costly temporary accommodation placements. Members requested officers explore the appetite of the market to provide housing options services from existing stock holding housing associations, already equipped to manage the demands of homelessness. An unsuccessful response to a prior information notice did not provide members with the comfort that a tender exercise was worthy of pursuing and it was agreed that it should fund from reserves a further three temporary posts, to reduce the demand and pressures on the service.
- 5.2 In addition members requested that officers acquire properties from the open market to be used as temporary accommodation and agreed a capital budget of £1.7m. A full review of the service was required 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.
- 5.3 At resources committee on 12 December 2018 the draft budget and MTFP projections documented the current demand for services both nationally and locally, particularly those relating to statutory housing obligations, and that these were now having a profound impact on the council's revenue position. The risk of not delivering a fully funded budget over the medium term had now become more acute and levels of reserves had significantly diminished, and sustainability and funding levels become key priorities of the council.
- 5.4 It was recorded that over the next year the choices and options for the changes to service delivery and quality would need to be further developed to match the spending levels to the funding available and reduce the pressure on revenue reserves going forward. This report sets out how options for changes to service delivery are being developed to reduce financial pressures.

## **6 Discussion**

- 6.1 Additional temporary officer capacity has been directed to reducing the use and cost of temporary accommodation placements, through prevention activity. The main focus has been to provide grants to landlords to secure accommodation, and early help crisis payments to help maintain existing accommodation, or access alternative homes through the housing register. There have been 14 grants provided which has reduced the need to use expensive and unsuitable emergency accommodation in bed and breakfasts.
- 6.2 Officers have worked to steady the flow of new homeless applications by reducing the backlogs to the housing register and triage to other agencies and external services. Appendix 1 sets out the achievement to reduce these housing register backlogs, which has meant the pressures have reduced from high numbers of customer contacts, and officer resource and capacity can be directed towards triaging cases at an early stage to prevent them escalating into homeless (main duty) cases. This achievement to prevent homelessness also

means the numbers in temporary accommodation have significantly reduced, last quarter there were 77 people in temporary accommodation which is at a level last seen 18 months ago and is shown in more detail at appendix 1. This, coupled with the programme to purchase new homes for temporary accommodation with the first two occupied within six months of the original council decision and providing homes for two homeless families before Christmas, is reducing the operational and financial impacts on the council. These homes also provide a rental income for the council and do not place financial pressure from loss of subsidy on the council, unlike the temporary accommodation options of nightly paid accommodation and bed and breakfast placements. The council, following the transfer of its stock to Wellingborough Homes, does not have services 'in house' to manage and maintain these properties; and has agreed management services with Corby Borough Council. The programme for the acquisition of council homes is at appendix 2.

6.4 Members agreed that a review of the service should be undertaken. During November two of the assistant directors met with officers to understand the strengths of the service and what would work better. Appendix 3 shows the outcome of this review and how this year work will be focused on improving staff morale, governance, delivery and performance.

6.5 The service will require additional officer support, management direction and the targeted delivery of work streams in 2019. The main objectives will be to purchase more homes for temporary accommodation, enable the delivery of the pipeline for affordable homes (appendix 4) and work with registered housing providers to meet some of the communities more complex health needs, plus securing arrangements with private landlords to lease their properties to discharge homeless duties.

## **7 Legal implications**

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

## **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 in place since October 2018 and have provided experienced housing options case management and prevented the use of temporary accommodation. There has, however been establishment vacancies which have reduced capacity and resilience. The temporary posts are being recruited to through agency and temporary contract opportunities to enable the service to meet the current level of work demands but permanent recruitment to the establishment and fixed term posts will continue to be undertaken.

8.2 Recruitment to a housing manager post, following a functional structural line management change for private sector housing and housing development teams will enable the housing manager to provide a clearer focus solely on housing

options delivery.

- 8.3 Whilst the numbers in temporary accommodation as at the time of reporting are decreasing and prevention activity has increased, the number of cases has continued to climb and thus the continuation of three additional posts in the new financial year is required for four months to the end of July 2019 to continue the preventative work. This will provide stability to work further on reducing backlogs, triaging and preventing homelessness and provide an opportunity to recruit to both establishment and fixed term posts. It will also provide resilience to improve our partnership arrangements with our registered providers and statutory and voluntary agencies. The use of temporary staff will be more expensive than direct recruitment but the costs will be more than justified in the preventative measures they continue to undertake. Any overspends or pressures on budgets will be reported through the revenue monitoring throughout the year.
- 8.4 £31,000 has been provided through prevention grants (Appendix 2), it is estimated that by doing this the council has made a saving of £38,300 by not having to place in bed and breakfast for 3 months.
- 8.5 The additional properties the council has acquired for mitigating homelessness have been made available to people who would otherwise be using expensive bed and breakfast or nightly paid accommodation. The programme has been primarily aimed at buying individual open market empty homes with no chain, off the shelf, managed for us at market rents levels by Corby Borough Council. There will be further opportunities to purchase purpose built housing schemes, blocks of flats, and shared houses or houses in multiple occupation to meet more of the immediate homeless needs, this would maximise income to mitigate against the additional staff costs. For this purpose a further £1m is required above that already agreed to realise a potential income of £90,000 per annum less management costs. £1.14m capital has been committed (appendix 2) from the £1.7m capital committee approved in October 2019 to provide in the region of 12 individual homes. As properties may come to the market at short notice, and not in line with committee cycles for decisions, a delegation for the actual decision to use the £1m on such schemes has been requested.
- 8.6 Whilst the acquisition of 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. Intervention schemes with private sector landlords will be prioritised in 2019/2020 to respond to the housing challenges; the costs of which have been earmarked in next year's budget to set up private sector leasing, deposit and bond schemes.
- 8.7 The reduction in the supply of new affordable homes has created significant pressure on council services and costs of temporary accommodation. The housing plan 2018-2023 sets out clear strategic aims and targets to deliver additional homes. A target to achieve 90 affordable housing units per annum can be achieved through enabling and partnerships with registered providers and members will be asked to endorse this approach to partner with registered providers to deliver more affordable homes through joint ventures. A report on this will be presented to a future meeting.

- 8.8 The outcome of a number of expressions of interest for rough sleeper initiatives and a bid for funding to the access to private rented sector fund to MHCLG are awaited. This could provide the council with approximately £196,000 to support people into accommodation and to maintain their tenancies.

## **9 Risk analysis**

The risks in relation to homelessness have been covered numerous times in the previous reports to resources committee, with the service demands and cost risk to the authority remaining high. Employee recruitment, 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 deliver high quality management, cost mitigation, effective project delivery and service delivery, and recruitment of experienced housing options case management officers is a key priority. Officers are required to improve and manage the delivery of the service, work in partnership internally and externally, 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 is being implemented whilst a homelessness/rough sleeping strategy will be developed this 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  
HR  
Finance

## **14 Background papers**

Previous reports to this committee as outlined in the report



## APPENDIX 1 Management Information – Homeless Cases (quarterly report)

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

	Cumulative Total
30/06/2018	191
30/09/2018	416
31/12/2018	615

### Total cases by homeless category

	Approach	Prevention	Relief	Main Duty	Total
30/09/2018	55	39	68	15	177
**31/12/2018	49	19	54	27	149

\*\* Figures produced from report @ 9.1.19

Officers had a caseload of 149 cases as at 9 January 2019 and there were 466 closed cases which means they have been either housed, homelessness prevented, or do not have a local connection, are not eligible or intentionally homeless.

#### The definitions for the Homeless Reduction Act category:

**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 who 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 have satisfied the criteria for the main housing duty once 56 days have expired under the relief criteria.

#### Total Cases (Yearly Summary)

	2016/17	2017/18	2018/19 Projected (relief and main duty)	2019/20 Projected (relief and main duty)
Homeless applications	207	306	430	460





## Appendix 1 – Management Information – Housing Register and Allocations

There are 513 applicants on the housing register as at 20<sup>th</sup> December 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	3	4	27	11		45
Band B	45	18	81	17	6	167
Band C	94	21	108	56	14	293
Band D	2	1				3
Band E	2	1	2			5
<b>Grand Total</b>	<b>146</b>	<b>45</b>	<b>218</b>	<b>84</b>	<b>20</b>	<b>513</b>

Of the 45 in Band A, 38 are banded due to homelessness.

**Table Two**

### Applicants housed into social and affordable housing

There have been 331 applicants housed between 1<sup>st</sup> January 2018 and 30<sup>th</sup> November 2018. The table below shows them broken down by banding by month.

Month	Band A	Band B	Band C	Band D	Band E	Grand Total
January	7	6	2			15
February	11	6	2			19
March	10	7	4		2	23
April	5	1	3		1	10
May	7	3	2			12
June	10	5	4			19
July	42	37	40	5	4	128
August	11	6	4		1	22
September	13	6	8			27
October	7	7	5			19
November	17	13	6		1	37
<b>Total</b>	<b>140</b>	<b>97</b>	<b>80</b>	<b>5</b>	<b>9</b>	<b>331</b>

**Table Three**

	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19 Projected</b>	<b>2019/20 Projected</b>
<b>Housing Register applications</b>	<b>1212</b>	<b>1230</b>	<b>1250</b>	<b>1280</b>

**Table Four**

The table below shows the level of work to be processed for the housing register/Keyways as at 20<sup>th</sup> December 2018.

Incomplete applications	30	Applicants have not completed their application on Keyways
Complete applications	51	Applicants have completed applications – awaiting signed declaration
Pending applications	146	Applicants who have been asked for information to complete their application
Suspended applications	3	In accordance with the housing allocations policy
Information requiring processing	0	Correspondence and information to support applications (not exceeding 3 weeks)

## APPENDIX 1 - Management Information - Temporary Accommodation

### 1. Temporary Accommodation Placements (quarterly report)

	Pre Homeless Reduction Act (Legacy Cases)		Homeless Reduction Act Cases		Temporary accommodation cases with Wellingborough Homes		Total Cases in Temporary Accommodation	Increase/Decrease per quarter
	Single	Families	Single	Families	Single	Families	Total	
30/06/2018	8	21	15	19	11	12	86	↓
30/09/2018	4	9	28	31	8	12	92	↑
31/12/2018	1	5	21	372	6	6	76	↓

	2016/17	2017/18	2018/19 projected
Use of temporary accommodation (total number of placements by household)	229	271	240 (estimated)

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## Appendix 2 - Temporary Accommodation

### 1) Temporary Accommodation Costs

Revenue	2016-2017	2017-2018	2018-2019 Projected Outturn (Dec 18)	2019/2020 Proposed
Temporary accommodation costs	£353,352	£1,095,929	£1,340,000	£500,000

It is projected that the outturn for 2018/2019 is £1.34m. 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.

### 2) Mitigation of Homelessness

#### Acquisition of properties for temporary accommodation

The council has set aside £1.7m 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 and nightly paid accommodation.

The council has agreed a management arrangement with Corby Borough Council and the first occupant moved into the property during the week commencing 10 December 2018.

#### Breakdown of progress

	Property type/location	Property asking price	Price achieved	Purchase status	Management status
1.	2 bed (W'boro town centre SR)	£160,000	<b>£150,000</b>	Purchase completed 12.10.18	Let to homeless family w/c 14.12.18
2.	2 bed (W'boro town centre BS)	£150,000	<b>£142,500</b>	Purchase completed 12.10.18	Not let/undergoing pre-let works
3.	2 bed (W'boro town centre AS)	£152,500	<b>£144,000</b>	Purchase completed	Let to homeless family w/c 14.12.18
4.	3 bed (W'boro town centre PR)	£148,500	<b>£141,000</b>	Purchase completed	To be inspected and

				14.12.18	passed to CBC for void works.
5.	3 bed (W'boro town) centre NR)	£153,000	<b>£147,500</b>	Offer accepted	Purchase in progress
6.	2 bed (W'boro town) centre AT)	£140,000	<b>£138,000</b>	Offer accepted	Purchase in progress
7.	2 bed (W'boro town) centre LR)	£145,000	<b>£142,000</b>	Offer accepted	Purchase in progress
8.	2 bed (W'boro town) centre HC)	£150,000	<b>£144,000</b>	Offer accepted	Purchase in progress
<b>TOTAL COMMITTED CAPITAL SPEND</b>					
<b>£1,149,000.00</b>					

(DT Updated 21.12.19)

#### Prevention initiatives to reduce the use of temporary accommodation

Initiative (Revenue)	Expenditure	Numbers prevented
Early help/crisis grants	<b>£31,832.00</b>	<b>14</b>

Source: (G120/2103) Housing Service as at 16 January 2019

Appendix 3 Housing Internal Review 7 November 2018

	<b>Strengths</b>		<b>Weaknesses</b>		<b>Opportunities</b>		<b>Targets</b>
<b>Staff resources</b>	<b>A supportive team working under pressure</b>		<b>Working environment – cramped conditions at TBOB with additional staff</b>		<b>Members have agreed additional staff resources</b>  <b>To review office accommodation at TBOB</b>		<b>Additional staff to meet the increases in homeless cases and temporary accommodation.</b>  <b>Triaging cases to external agencies and to specific officers.</b>  <b>Providing outreach surgeries.</b>  <b>Providing a temporary accommodation and private sector service.</b>
<b>Delivery</b>	<b>A structured team rota – set dates for appointments and casework</b>				<b>Telephone triage services to non-urgent cases; reduce number of face to face interviews</b>		
	<b>Daily housekeeping of post</b>						
			<b>Separate ICT systems for homelessness and allocations</b>		<b>Reduce duplication, improve efficiency and remove cost and risk of operating two ICT systems</b>		<b>Explore market for effective dual systems with IT working group.</b>

Appendix 3 Housing Internal Review 7 November 2018

	<b>Strengths</b>		<b>Weaknesses</b>			<b>Opportunities</b>		<b>Targets</b>
<b>Governance</b>			<p>The generic nature of housing options roles includes administration of allocations. Housing options officers suggest the roles are changed so they can devote time to determine homeless cases efficiently</p>			<p>The housing options role is flexible to suit the management of the service Officer skills need to be directed to the needs of the business and aligned to make the best fit</p>		<p>Appointment of officers with skills to support the service: housing options case work, allocations, visiting officers for temporary accommodation, private sector landlord liaison.</p>
			<p>Low staff morale – demanding work streams. Inconsistent management approach</p>			<p>Mentoring staff, recognising achievement, understanding work demands and pressures</p>		<p>Training and learning development plans to be produced for 2019 PDR's. Appointment to manager position - joint management direction and supervision, support from manager and supervisor to promote quicker decision making, improved processes and efficiency and delivery of key priorities for the council and service.</p>



Appendix 3 Housing Internal Review 7 November 2018

	<b>Strengths</b>		<b>Weaknesses</b>		<b>Opportunities</b>		<b>Targets</b>
<b>Performance</b>			<b>Management information to show the levels of case work and officer pressures</b>		<b>Real time analysis of the pressures and achievements in relation to new case work, preventions of homeless and temporary accommodation use</b>		<b>Officer involvement in the development and collection of performance management information.</b>



## Appendix 4 – Affordable Housing Delivery

The table below is a list of proposed affordable housing schemes on permitted sites to be delivered during 2018/19 and beyond.

It does not currently include allocated sites, where an affordable housing contribution will be sought under policy. More schemes are expected to be added therefore (including on Stanton Cross and Wellingborough North SUEs) and work continues with partners on developing the affordable housing programme to delivery more affordable homes from windfall opportunities and through continuous market engagement with Homes England.

Scheme	Affordable Rent	Social Rent	Shared Ownership	Rent to Buy	Starter Homes	Total Units	Provisional date
North of Main Road Earls Barton	59		25			84	2018-21
Park Farm Way Wellingborough (Rylstone)	18		20	7		45	2018-19
Lea Way Wellingborough	12			11		23	2018-20
Penrith Drive Queensway Wellingborough	12		10	12		34	2019-20
Milner Road Finedon	14		15	14		43	2019-21
Hardwick Road Little Harrowden	4		3			7	2019-21
Parcel 16 Stanton Cross	4		3	0		7	2020-21
High Street Wellingborough	12		4		7	23	2020-23
Shelley Road Park Farm Way, Wellingbrough	90	54	36			180	2021-31
<b>Total</b>	<b>225</b>	<b>54</b>	<b>116</b>	<b>44</b>	<b>7</b>	<b>446</b>	

The 2018-23 Housing Plan sets out a new target of 90 affordable housing units per annum.

