

Report of the Assistant Director

Housing Options Update

1 Purpose of report

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 to mitigate against homeless pressures.

2 Executive summary

2.1 Resources committee members received reports during 2018 which identified budget pressures of the increasing temporary accommodation placements, additional case work since the introduction of the new homeless reduction act, increases in service costs and staffing concerns.

2.2 Whilst homeless case loads and demand for homes continue to increase, homelessness placements into temporary and emergency hotel accommodation have reduced and are at a three year low, as a direct result of implementing measures to mitigate homeless, through homeless prevention initiatives, experienced staffing arrangements and robust case management, together with the purchase and letting of properties acquired by the council for temporary accommodation use.

3 Appendices

Appendix 1: Management Information (homeless applications, housing register applications and temporary accommodation use)

Appendix 2: Temporary Accommodation (costs and mitigation)

Appendix 3: Affordable Housing Delivery

Appendix 4: Current Staff Structure

4 Proposed action:

Members are invited to RESOLVE to continue temporary arrangements until July 2020 for three staff to deliver housing options services, the decision on the financing of which will be delegated to the Leader of the council and the Director (s151).

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. Following an unsuccessful exploration of the market to seek providers who could provide homeless services, members agreed to 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 in 2018/2019 and a further £1m in February 2019.
- 5.3 A management review of the service in November 2018 identified that the additional staff capacity needed to be directed to the higher risk areas; reducing the costs to the council of using emergency and temporary accommodation and delivering the council's mitigating homelessness capital fund. Additional staffing and support, management direction, improving staff morale, governance, delivery and performance were also identified as priority service targets.
- 5.3 At resources committee on 6 February 2019 the draft budget and MTFs projections documented the council faces a serious financial challenge to match its current spending levels with the future forecasts for funding. The council has seen demand for statutory services increase, which is having a profound effect on the council's revenue position and its aspiration to become financially stable.
- 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. This has significantly reduced to a three year low, of 46 placements as at 28 May 2019 in temporary accommodation (nightly paid self-contained accommodation, hotel accommodation and Greatwell Homes).
- 6.2 Officers through prevention activity have provided grants to landlords to secure accommodation, and early help crisis payments to help maintain existing accommodation or access alternatives, which has reduced the costs and levels of temporary accommodation use. Management direction and experienced homeless officer casework management have steadied the flow of new homeless applications and whilst casework is still more than average per officer it is predicted this will reduce and become more manageable.

- 6.4 Additional capacity is required to be directed towards the housing register. Appendix 1 shows the levels of housing applications and numbers of applications requiring completion and verification. Officer resource has concentrated on managing homelessness and will continue to do so, however during the next six months the focus of the service will be directed to housing register administration and housing enabling to encourage more affordable homes to be built to meet housing needs. It will also be directed to securing more homes in the private sector with landlords with officers providing assistance and support to both landlords and tenants to sustain tenancies.
- 6.5 The council needs more housing association homes to discharge homeless duty and prevent homeless through the council's housing register. The council has set aside funding to purchase properties for use as temporary accommodation and this has helped mitigate against the rising costs of homelessness, but more homes are needed to help people who are in housing need on the housing register. Appendix 3 shows the number of housing association affordable homes in the pipeline but this alone will not meet existing and future needs. The council do not own any general needs stock to meet these needs and the rules state we cannot own this type of stock without a housing revenue account but we are looking at this with our local authority partners to see if there is a way for the council to own general needs stock to discharge homelessness duties.
- 6.6 To reduce the numbers in temporary accommodation further, and manage the levels of homeless and housing register applications we will need to continue the employment of experienced skilled case workers. A current structure chart (appendix 4) shows the vacancy levels within the service. A recruitment exercise in April 2019 to appoint experienced housing options officers was unsuccessful - we will have to find a way of attracting skilled candidates to the roles, in the meantime we will need to continue the temporary agency arrangements we have in place, directing officer skills to the key pressure areas such as triaging cases, managing temporary accommodation, housing register administration and verification.

7 Legal implications

The Homeless Reduction Act 2018 requires the council to prevent and relieve homelessness. The Housing Act 1996 requires the council, as a local housing authority, to allocate housing accommodation. There are no specific legal implications arising from this report, however 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. Three additional posts have been active for approximately seven months and have provided experienced housing options case management and prevented the use of temporary accommodation. At the same time there have

been housing options establishment and government funded fixed term vacancies which are being recruited to through agency and contract opportunities. Recruitment to a housing manager post within housing options and a change in the wider functions of housing to alternative service areas - private sector housing merged with environmental health and housing development with planning, has provided greater resilience for service delivery of the housing options function. This management realignment has enhanced the environmental enforcement and planning delivery functions.

- 8.2 Following an unsuccessful recruitment for two government funded fixed term posts, and one establishment housing options post there is a need to continue the appointment of three agency workers. The fixed term posts were to December 2019 however government has recently awarded the council a further top up of flexible housing support and prevention grant of £137,000 and an award for 2019/20 of £132,000 which will enable these posts to be extended a further year until December 2020. The three additional posts members approved to July 2019 are estimated to cost £190,000 for a further period of 12 months to the end of July 2020. There is an expectation that the extra resource will continue to produce an overall reduction in net expenditure and income on homelessness. This forecast will be kept under review. A number of government grants have been awarded to help the council reduce homelessness and help people sustain their tenancies, which are set out in appendix 2. Government has recognised the improvements the council has made and are putting the council forward as a good example to other local housing authorities with similar issues to ours.
- 8.3 The purchases of additional properties are being 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 empty open market homes off the shelf, managed at market rents levels by a local housing authority. We are also seeking to purchase purpose built housing schemes, blocks of flats and shared houses to meet the homeless needs, which will generate income to mitigate against the additional staff costs and offset the costs of externally supplied temporary accommodation.
- 8.4 Whilst temporary accommodation levels have decreased, homeless and housing register applications continue to be received, the risk is that with fewer social and affordable housing association rented properties becoming available each week we will continue to be unable to meet affordable housing needs. We will therefore continue to encourage land assembly and development for affordable housing with our housing association and local authority partners and encourage interventions with private landlords to respond to the housing challenges.

9 Risk analysis

The risks in relation to homelessness have been emphasised 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. Resilience within the team during the last six months has been compounded by two long term establishment post holders' sickness absences. The recruitment of skilled experienced agency workers has mitigated against the risks of these absences; they have provided high quality case management and reduced temporary accommodation use. Performance is a key priority and officers are required to manage successfully complex cases, reduce costs and seek alternative solutions to expensive emergency and temporary accommodation options.

11 Implications for equalities and communities

There are no implications for equalities and communities arising directly from this report. A housing plan for 2018-2023 has been approved and is being implemented, and a North Northants Homelessness and Rough Sleeping Strategy 2019 will be produced over the summer 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

Liz Elliott, Managing Director
Julie Thomas, Director
Shaun Darcy, Director
Eric Symons, Assistant Director
Karen Denton, Assistant Director
Adrian Piper, Assistant Director
Theresa Chapman, Housing Manager
Martyn Swann, Principal Planning Manager

14 Background papers

APPENDIX 1 (a) Management Information – Homeless Cases

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

	Cumulative Total
30/06/2018	191
30/09/2018	416
28/12/2018	605
22/3/2019	813
3/5/2019	882
28/05/2019	919

Caseload by homeless category from April 2019

	Approach	Application Triggered	Prevention	Relief	Main Duty Accepted	Main Duty Decision Pending	Main Duty Not Owed	Totals
DATE								
05/04/2019	40	21	23	27	36	3	8	158
12/04/2019	37	6	32	38	37	2	8	160
18/04/2019	37	5	29	39	35	1	5	151
26/04/2019	49	6	29	38	32	1	5	160
03/05/2019	43	6	24	39	31	1	5	149
10/05/2019	44	6	24	40	30	1	5	150
17/05/2019	53	7	24	39	32	3	5	163
24/05/2019	51	6	27	38	33	1	5	161
28/05/2019	50	6	27	37	32	1	5	158

The definitions for the Homeless Reduction Act category:

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

Application triggered: Following discussions with the applicant we are satisfied that they need advice and options to prevent homelessness

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 decision pending: Investigation on going into housing history and reasons for homelessness

Main duty not owed: Investigations concluded and various decisions can be applicable i.e. not in priority need, intentional homeless

Main housing duty accepted: 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 Since HRA (April 18)	2019/20 Projected Since HRA start (April 18)
Homeless applications	207	306	813	1600

Appendix 1 (b) – Management Information – Housing Register and Allocations

There are 568 active applicants on the housing register as at 28 May 2019.

Table 1

Active Applications

	Apr	May
Band A	52	47
Band B	200	195
Band C	314	316
Band D	5	5
Band E	6	5
Total	577	568

Table 2

Work Pending

	Apr	May
Complete application	112	99
Incomplete application	36	42
Pending enquiries	168	153
Suspended	6	8
Total	322	302

Table 3

Bedroom Need

	Apr	May
0	162	154
1	61	57
2	243	243
3	90	92
4	21	22
Total	577	568

Table 4

Offers

	Apr	May
Accepted	27	16
Outstanding	34	25
Offer to Homeless cases	25	8
Total	86	49

APPENDIX 1 (c) - Management Information - Temporary Accommodation

NUMBERS IN TEMPORARY ACCOMMODATION Broken down by Homeless Reduction Act (HRA), LEGACY (Prior to HRA) and former temporary accommodation scheme with Greatwell Homes (IMA)								
	HRA			LEGACY		IMA		Total
	Single	Families	TOTAL	Single	Families	Single	Families	
05/04/2019	10	42	52	0	1	1	0	54
12/04/2019	9	38	47	0	0	1	0	48
18/04/2019	6	39	45	0	0	1	0	46
26/04/2019	9	37	46	0	0	1	0	47
03/05/2019	8	39	47	0	0	1	0	48
10/05/2019	7	41	49	0	0	1	0	50
17/05/2019	6	41	47	0	0	1	0	48
24/05/2019	5	44	49	0	0	0	0	49
28/05/2019	4	42	46	0	0	0	0	46

	2016/17	2017/18	2018/19 final	2019/2020 projected
Use of temporary accommodation (total number of placements by household)	229	271	174	120

Comparison Table (taken from P1E and H-Click – Government Statutory Returns)

<https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>

	Temporary accommodation totals – households
March 16	48
June 16	48
Sept 16	50
Dec 16	46
March 17	45
June 17	77
Sept 17	80
Dec 17	91
March 18	92
June 18	85
Sept 18	82
Dec 18	61

Appendix 2 - Temporary Accommodation

1) Temporary Accommodation Costs

Revenue	2016-2017	2017-2018	2018-2019	2019/2020 Proposed
Temporary accommodation costs	£353,352	£1,095,929	£1,153,107	£509,000

The projected outturn for 2018/2019 was £1.34m. The number of cases in temporary accommodation has significantly decreased and this is shown in the outturn of £1.1m. The budget for 2019/20 is £509,000.

The budget for establishment staff costs is £270,000 and £207,000 for temporary staff.

2) Mitigation of Homelessness

Acquisition of properties for temporary accommodation

The council has set aside £2.7m 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.

A management agreement is in place with Corby Borough Council to manage houses the council acquires.

Breakdown of progress

	Property type/location	Property asking price	Price achieved	Purchase status	Management status
1.	2 bed (W'boro town centre SnR)	£160,000	£150,000	Purchase completed 12/10/18	Let to homeless family 14/12/18
2.	2 bed (W'boro town centre BkS)	£150,000	£142,500	Purchase completed 12/10/18	Let to homeless family 31/12/18 Re-let being arranged
3.	2 bed (W'boro town centre AIS)	£152,500	£144,000	Purchase completed 29/10/18	Let to homeless family 14/12/18
4.	3 bed (W'boro town centre PrR)	£148,500	£141,000	Purchase completed 14/12/18	Let to Homeless family 15/03/2019

5.	3 bed (W'boro town) centre NeR)	£153,000	£147,500	Purchase Completed 27/3/2019	Not let/undergoing pre-let works
6.	2 bed (W'boro town) centre AllT)	£140,000	£138,000	Purchase Completed 29/3/2019	Not let/undergoing pre-let works
7.	2 bed (W'boro town) centre LiR)	£145,000	£142,000	Purchase completed 15/05/2019	Not let/undergoing pre-let works
8.	2 bed (W'boro town) centre HeC)	£150,000	£144,000	Completed 2/4/2019	Not let/undergoing pre-let works
9.	2 bed (W'boro town) centre SeD)	£140,000	£139,000	Purchase Completed 8/5/2019	Not let/undergoing pre-let works
10.	3 bed (W'boro town) centre HaS)	£160,000	£152,000	Purchase Completed 29/4/2019	Not let/undergoing pre-let works
Total cost of acquisition as at 3.6.19 including fees and taxes - £1,505,066					

Funding Allocations for reducing temporary accommodation and preventing homelessness (2019-20)

MHCLG Grant	Amount	Ring-fenced	To be used for
'Top up' of flexible homeless grant (FHSG 2018-19)	£100,000	YES	Staff resources to carry out homeless activities in line with the principals of the homeless reduction act.
'Top up' of homeless prevention grant (2018-19)	£37,000	NO	Funding £8K to Support Northants to provide £2k grants to Homeless Forum, Daylight Centre and Mind. Staff resources to carry out homeless activities in line with the principals of the homeless reduction act.
H-Click new burdens	£3,840	YES	IT resources for statutory returns
Rough sleeper initiative	£68,355	YES	One outreach worker to be appointed by the council. Outreach worker/Coordinator/tenancy sustainment worker to be appointed by Support Northamptonshire.
Rapid rehousing pathway (supported lettings)	£85,000	YES	Two council officers to secure and sustain tenancies to be appointed.
Flexible homeless grant (2019-20)	£132,473	YES	To fulfil duties under the homeless reduction act.
HRA new burdens (2019-20)	£23,474	YES	To prevent and deal with homelessness.

Appendix 3 – Affordable Housing Delivery - proposed

The table below is a list of proposed affordable housing schemes on permitted sites to be delivered during 2019/20 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	50		17			67	2019-21
Lea Way Wellingborough	12			11		23	2019-20
Penrith Drive Queensway Wellingborough	12		10	12		34	2019-21
Milner Road Finedon	14		15	14		43	2019-21
Hardwick Road Little Harroden	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, Wellingborough	90	54	36			180	2021-31
Total	198	54	88	44	7	384	

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



