

Report to: Cabinet

Date of Meeting: 1 October 2018

Report Title: Update on Temporary Accommodation

Report By: Andrew Palmer, Assistant Director, Housing and Built Environment

Purpose of Report

To advise Cabinet on the latest position with regards to homelessness pressures and its impact upon the demand and supply of temporary accommodation in the town.

Recommendation(s)

- 1. To acknowledge the trends in demand and supply of temporary accommodation in the town and note efforts to increase the supply of units and manage the cost to the council**
- 2. To agree the purchase of a property for use as temporary accommodation, as set out in part II of this report.**
- 3. That subject to the successful acquisition of the initial temporary accommodation unit referred to above, to amend the council's capital programme to include £2,500,000, for the purchase of further additional temporary accommodation units**
- 4. To delegate authority to the Assistant Director, Housing and Built Environment to complete the further purchases of additional units of temporary accommodation in line with the council's capital programme.**
- 5. That a supplementary budget of £60,000 is allocated to cover a projected overspend on the homelessness budget in 2018/19, resulting from the increased use and cost of temporary accommodation**

Reasons for Recommendations

Hastings has seen a significant increase in demand for temporary accommodation, in line with broader national and regional trends. This report updates Cabinet on options to manage the supply and cost of temporary accommodation, as well as opportunities to reduce its use in the long term.

Background

1. Under Section 188 of the Housing Act 1996 local authorities must provide homelessness applicants with temporary accommodation while they make a decision on their application, if they have reason to believe they are homeless, eligible for assistance and in priority need.
2. The Homelessness Reduction Act, which came into force in April 2018, enhances local authorities duties to provide temporary accommodation. The Act introduced a new relief duty which is owed to people who are actually homeless, and local authorities must now provide temporary accommodation for homeless applicants with priority need for up to 56 days before a homeless application can be accepted.
3. The number of homeless applications received by the council has remained relatively constant over the last three years, rising from 499 in 2015/16 to 579 in 2016/17 and 503 in 2017/18. The number of acceptances has also remained relatively constant over this period, with 252 in 2015/16, 230 in 2016/17 and 260 in 2017/18.
4. The main reasons for homelessness are:

Main Reason for Homelessness	2015/16	2016/17	2017/18	Increase
Loss of rented or tied accommodation due to termination of assured shorthold tenancy	117	115	133	14%
Other relatives or friends no longer willing or able to accommodate	76	98	86	13%
Parents no longer willing or able to accommodate	67	92	71	6%
Violence: Violent breakdown of relationship involving partner	37	56	43	16%
Non-violent breakdown of relationship involving partner	35	40	40	14%

5. It should be noted that the number of people estimated to be sleeping rough on a typical night has also increased by 150% over the past 3 years.

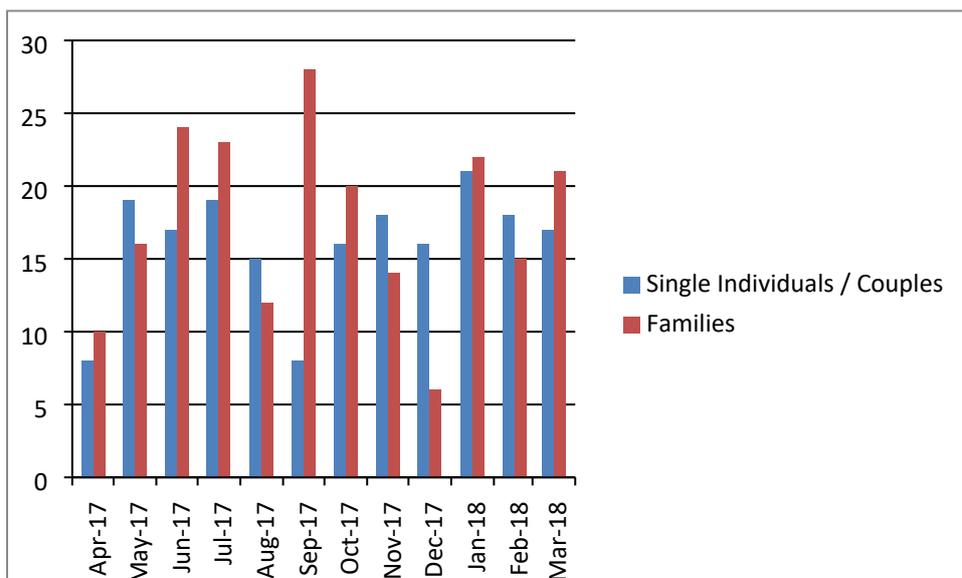
6. Over the same period demand for temporary accommodation and the average length of placements have risen considerably. This is partly as a result of the new requirements introduced by the Homelessness Reduction Act but perhaps more significantly due to a growing shortage of more permanent affordable housing solutions in which the council can discharge its responsibilities.

Demand for Temporary Accommodation

7. Between 2015/16 and 2017/18 the number of households living in temporary accommodation at the end of each year increased by 84% from 50 to 92. This compares to an increase of 113% across the rest of East Sussex (excluding Hastings) over the same period.
8. This trend is expected to continue through 2018/19, 97 individuals were living in temporary accommodation at the end of August this year.
9. The table below shows the number of beds each household requires, with the average weekly cost:

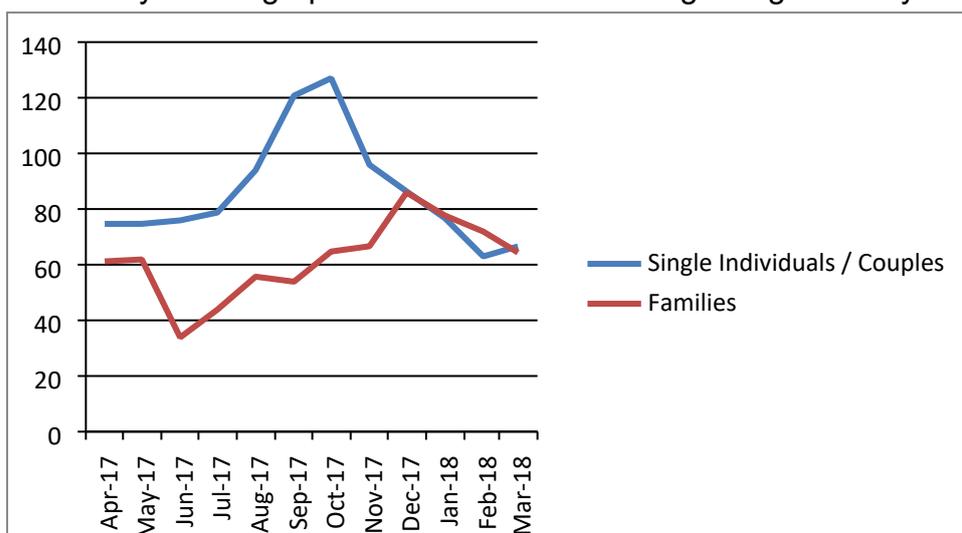
Number of beds	Number of households	Average weekly rent
1 bed	52	£176.74
2 beds	19	£261.42
3 beds	11	£300.87
4 beds	10	£379.87
5 beds	4	£417.19
6 beds	1	£455.32
7 beds	0	£530.66

10. The average number of new starters in temporary accommodation each month in 2017/18 was 36. The chart below shows the number of new starters in temporary accommodation each month over 2017/18 for single households / couples and family accommodation.



11. The average length of stay in temporary accommodation stood at 77.5 days in July 2018. This figure is particularly high for families, where the average length of stay

is 85.2 days. The graph below shows the average length of stay in days in



temporary accommodation each month over 2017/18 for single households / couples and family accommodation.

12. The fall in average length of stay over winter 2017 / spring 2018 is accounted for by two significant social housing developments which became available for first let at that time.

Pressures on Temporary Accommodation

13. The market for private rented accommodation in Hastings has become increasingly competitive over recent years, this has resulted in higher rents and greater reluctance by landlords to take on high risk clients without a proven history of successful tenancy sustainment. The table below shows the increase in monthly private rents in Hastings.

	2015	2016	2017	Increase
Studio	£331	£364	£399	21%
1 bedroom	£423	£445	£479	13%
2 bedrooms	£563	£577	£629	12%
3 bedrooms	£732	£749	£821	12%
4 or more bedrooms	£980	£1019	£1062	8%

*source: East Sussex in Figures

14. Supply of accommodation in the social sector is also limited, and there are often long waiting times for properties to become available. Between April 2017 and March 2018, 296 properties were let in the social sector, 90% of these were for 1 and 2 bedroom properties and there is a lack of family sized accommodation locally
15. The impact of the welfare reform agenda in 2012 and subsequent welfare reforms in 2016 has led to a significant reduction in the income of benefit dependant and

low income households, further limiting their ability to access long term housing solutions in the private and social sectors.

16. Ongoing funding reductions to Adult Social Care have further impacted access to supported accommodation. This means that a number of individuals with a higher level of support need are accessing mainstream temporary accommodation. Again, these individuals often struggle to access long term accommodation in the social and private rented sector, which can result in longer placements in temporary accommodation.
17. A combination of these factors has resulted in a rise in the number of placements in temporary accommodation and importantly an increased average length of stay, due to lack of genuinely affordable move on options for low income households.

Funding arrangements

18. From 1 April 2017, the government replaced the Temporary Accommodation Management Fee (TAMF) with the Flexible Homelessness Support Grant (FHSG). The FHSG is intended to help cover the additional costs associated with temporary housing costs for homeless households. The grant can also be applied to enhance homelessness prevention activities. Unlike TAMF, FHSG is a fixed payment rather than a demand-led payment. The funding period for FHSG has been confirmed until March 2020, and it is not yet clear what arrangements will be put in place beyond this date.
19. At its meeting in July 2017, Cabinet considered a report on the new funding arrangements for temporary accommodation. A copy of the report is available to view online [here](#)
20. The government announced that from 11 April 2018 temporary accommodation will be paid as part of housing benefit instead of universal credit housing costs. This is likely to improve recovery of costs over time and avoid the delays experienced under universal credit.

Financial Information

21. The total cost of temporary accommodation at the end of 2017/18 was £926,080. The projected year-end spend for 2018/19 is £960,000, £156,000 over the original budget. This has resulted in a projected overspend on the homelessness budget of £98,947.
22. This overspend will be partially offset by a contingency of £39,000 within the flexible homelessness support grant budget for 2018/19. Whilst the council will continue to pursue savings through its broader budget management processes and by pursuing action to reduce the use and cost of temporary accommodation where possible, it is considered prudent to allocate supplementary 60,000 budget in 2018/19 so as to meet any shortfall.
23. From 1 April 2018 until the end of August 2018 the council spent £394,922 on temporary accommodation, this compares to £328,571 at the same point in the 2017.

24. Cost recovery through housing benefit and personal contributions is above the budget projections. A total of £172,000 has been recovered between 1 April 2018 and the end of August.

Increasing supply of Temporary Accommodation

25. Considerable efforts have been made over recent months to increase temporary accommodation options and locally. Over the past eighteen months, the council has reached agreement with private providers for utilising leased an additional 42 new units of temporary accommodation. This includes a mix of 17 new units for families and single people, 15 new units of self-contained accommodation for families and 10 new units of accommodation for single people in HMO's with shared facilities.
26. We are planning to secure access to a further 20 units of private sector temporary accommodation over the next three months. This will include 5 units of self-contained accommodation for families and 15 new units of accommodation for single people in HMO's with shared facilities.
27. The YMCA has also recently increased the stock they offers through their leasing scheme, which is linked to the council's empty homes programme. This accommodation is available for single people aged 18-35 and offers a mixture of self-contained and shared units.

Future Options

Purchase of Temporary Accommodation

28. Whilst the above, are necessary steps to address the level of current demand, the council is pursuing the option of purchasing its own units of temporary accommodation. Under section 17 of the Housing Act 1985, local authorities are able to acquire properties for homelessness purposes, including use of property for temporary accommodation. This approach would potentially lead to cost savings and provide the council with greater control over the access and management of temporary accommodation.
29. A suitable town centre property has been identified for purchase. The property is hired at present by the council from the current owner and provides 5 units of family sized accommodation accommodating up to 25 people.
30. Part 2 of this report provides further details of the property and seeks delegated authority for the Assistant Director, Housing and Built Environment, in consultation with the Assistant Director, Financial Services and Revenues and the Lead Member for Housing and Leisure to complete the purchase.
31. The council will also, subject to the successful acquisition of the first property and continuing demand, consider purchasing further units of accommodation as they become available. In doing so the council will need to amend its capital programme to reflect the cost of additional purchases. Should such purchases no longer be required for temporary accommodation use at a point in the future, the council will have the option of reselling property or transferring the units to the council's Housing Company for general needs housing.

32. Acquiring further properties is likely to be a more cost effective means of providing accommodation than through costly traditional bed and breakfast arrangements secured on a day rate. It is recommended that the council amend its capital programme to include £2,500,000 for this purpose. Delegated authority is also sought for the Assistant Director, Housing and Built Environment to complete further purchases of additional units of temporary accommodation in line with the councils capital programme.

Increasing Supply of Housing

33. Limited supply of housing in both the social and private sectors is a key driver for the increase in demand for temporary accommodation. Without new supply the council will continue to struggle to contain the demand for, and cost of, temporary accommodation locally.
34. The council will need to work with accommodation providers to support new developments in the area which will increase the supply of accommodation, particularly affordable housing. This includes pursuing the development of council-owned land, in line with the council's broader regeneration and income generation priorities.
35. Development of key residential sites, such as Harrow lane and the Lower Tier site on the Bexhill Road, provide an opportunity to significantly improve housing supply and increase various forms of affordable housing provision in future years if the council can successfully bring these sites forward.

Modular Construction

36. There are a growing number of councils considering the use of non-traditional buildings to provide temporary accommodation to people in housing crisis. Examples of different models include Lewisham Council's Place/Ladywell project and YMCA's Y:Cube development in Mitcham, which are factory-built homes, and Brighton Housing Trust's (BHT) temporary accommodation scheme in Brighton, which is built out of shipping containers. The council will explore various forms of offsite construction as a means of providing cost effective and good quality, short-term accommodation solutions for homeless households.
37. We have made preliminary enquiries regarding costs of different models however we would need to identify an appropriate site before we can fully understand the feasibility of a local scheme.

Improving Access to Long Term Accommodation

38. While a lack of accommodation in both the social and private rented sectors is the primary driver for the rise in demand for temporary accommodation, affordability and tenancy readiness also presents a significant barrier to many individuals accessing what limited long term accommodation is available.
39. Many individuals living in temporary accommodation do not have a successful history of tenancy sustainment. This creates challenges for them to access the rental market, but also leaves them vulnerable to repeat incidents of homelessness if they are then unable to maintain their accommodation.

40. Some individuals have complex needs and struggle to engage with traditional service models, however, many more have low incomes due to benefit dependency and struggle to afford suitable accommodation as a result.
41. Hastings Borough Council and Rother District Council are currently working in partnership to explore external funding opportunities for a project to improve access to existing training, work readiness and employment programmes and delivering a series of new tenancy readiness training courses. The project will create bespoke support packages, which are tailored to meet the needs of these individuals.
42. The project is based on a similar initiative which is already successfully operating in Bristol, as set out in their [housing strategy](#).

Reviewing Working Practices

43. The new Homelessness Reduction Act places new duties on local authorities to work with individuals at risk of homelessness at an earlier stage.
44. The Housing Options team have been reviewing their working practices to meet the requirements of the new Act. We are currently working with a range of public bodies to develop new referral pathways, which will enable us to identify households at risk of homelessness at an early stage.
45. Housing Options Officers carry out a holistic assessment of each clients needs and develop a Personalised Housing Plan (PHP) with them. The PHP sets out actions the client and the council must take in order to sustain their existing accommodation or secure new accommodation.
46. Due to the limited supply of accommodation, the team work with individuals to sustain their existing accommodation, where possible, to prevent a possible placement in temporary accommodation. This will be complimented in the future by increased use of home visits and mediation techniques.
47. Two officers from the Home Works service are also now co-located with the Housing Options team. This approach has proved successful and the Home Works officers have assisted 69 individuals to access permanent accommodation within the private or social sector over the past year.
48. Earlier this year, we also piloted a new approach to providing self-contained family sized units of temporary accommodation. Families were placed in these units on condition that they actively engaged with the Home Works service to find permanent accommodation. This approach has worked well and significantly improved the quality of life for the families living in this accommodation. We are continuing to explore opportunities to expand the range of family-sized temporary accommodation we are able to offer.

Rough Sleeping Initiative

49. It has been identified that there is a lack of temporary accommodation locally which is accessible to rough sleepers.

50. Hastings and Eastbourne Councils have secured additional funding from the Ministry for Housing and Communities and Local Government to reduce rough sleeping by winter 2018.
51. The project will deliver a new accommodation pathway, which will include an assessment unit to provide temporary accommodation for rough sleepers while a multi-disciplinary team of health, mental health, social care, substance misuse and housing professionals carry out an assessment of each individual's needs and support them to access long term accommodation, which will include new Housing First accommodation in Hastings and Eastbourne. An earlier report to Cabinet on the new project can be found [here](#).

Social Lettings Agency

52. The purpose of the social lettings agency is to improve access to quality, well managed private sector housing for households who present to the council as homeless or at risk of homelessness.
53. Following the discontinuation of TAMF it was necessary for the council to develop a new model for the social lettings agency. At its meeting on 9 April 2018 Cabinet approved a report on the development of a social lettings agency for Hastings. The report is available to view online [here](#)
54. The new model will be based on a guaranteed rent scheme, the agency will also provide management services for the council's housing company.
55. The council has recently recruited new management staff to take forward the new approach and work with the council's Housing Company to increase the supply of homes under management.

Key Performance Indicators

56. The percentage of homelessness applications resulting in a placement in emergency accommodation is reported to Overview and Scrutiny Committee on a quarterly basis. However, the team also monitor the number and length of placements to continue to improve service delivery.
57. The council also reports annually on the number of new housing completions and affordable housing completions.

Conclusion

58. Hastings has seen a significant increase in demand for temporary accommodation. Whilst this is in line with broader regional and national trends, it presents an ongoing challenge for those individuals and families who occupy homes temporarily and for the council which has to secure and largely fund the cost of that provision. In the short term, the measures outlined in the report will help address current shortfalls in the supply of temporary accommodation and help manage the costs to the council.
59. However, increasing levels of temporary housing do not present a long term solution to the problem. It is essential for the council to maximise the supply of

housing, particularly affordable housing options in both the private and social sector so as to and improve access for low income households.

60. Key to this success is maximising the new supply of affordable housing through development of key residential sites in the borough, including the councils own land holdings, and through successful negotiation of affordable housing as part of section 2106 planning agreements. Without new supply the council will continue to struggle to contain its temporary accommodation use and costs.

Wards Affected

All wards

Implications

Relevant project tools applied? N/A

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness Yes

Crime and Fear of Crime (Section 17) Yes

Risk Management Yes

Environmental Issues No

Economic/Financial Implications Yes

Human Rights Act Yes

Organisational Consequences Yes

Local People's Views No

Anti-Poverty Yes

Additional Information

Insert a list of appendices and/or additional documents. Report writers are encouraged to use links to existing information, rather than appending large documents.

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