

**Community Policy Development Group – 12 April 2007****FUTURE DIRECTION OF HOUSING ADVICE SERVICES****Report of the Head of Financial Services**

**Statutory Powers:** Local Government Act 1988, Local Government Act 2000 Section 1, Housing Act 1996 (amended) Sections 188 and 193

**Financial Implications:**

£12,000 from the Economic Regeneration and Anti Social Behaviour Reserve to fund a part-time debt advisor in conjunction with the Citizens Advice Bureau.

Potential budget bid for 2008/2009 to fund a Private Sector Lettings specialist. This would be considered against other corporate pressures at the time.

Other expenditure and financial implications contained in this report can be met from existing budgets or have been approved during the normal budgeting process.

**Purpose:**

To advise Members about the future direction of the Housing Advice Service to respond to government priorities, and a range of local issues.

Members are asked to recommend to Executive expenditure of £12,000 from the Economic Regeneration and Anti Social Behaviour Reserve, and to comment on new initiatives proposed to enhance homelessness prevention and meet the 2010 government target of a 50% reduction in temporary accommodation usage.

The report links to the Council's priorities of affordable housing, an accessible council and value for money

**RECOMMENDATION:**

**That the Community PDG consider the report and make comment to the Executive on the proposed actions for enhancing the prevention of homelessness and reduction in the use of temporary accommodation.**

**That the Community PDG RECOMMEND to Executive expenditure of £12,000 from the Economic Regeneration and Anti Social Behaviour Reserve.**

**Background**

1. In March 2005 government issued their document, Sustainable Communities: Settled Lives; Changing Lives, which set out a five year strategy for further reducing homelessness, and for a reduction in the number of households in temporary accommodation. A challenging target was set for local authorities to reduce by 2010 the number of households in temporary accommodation to 50% of the levels of December 2004.
2. In December 2004 South Hams District Council had 98 households residing in temporary accommodation by June 2006 this had risen to 103. Therefore to reach the government target the authority has to reduce its temporary accommodation by 53 units.

3. The majority of the units of temporary accommodation are of a high standard and in desirable locations with good facilities and transport links, as a result there is little incentive for people to move from these properties. If we are to encourage people to move on and reach the target by 2010 it is vital that investment in the homelessness front line service takes place, in order to further prevent homelessness occurring and offer alternative realistic housing solutions to people. This investment will reduce the need for current levels of temporary accommodation and relieve the pressure on the new build programme.
4. All local authorities that had over a 100 households in temporary accommodation were contacted by the Department of Communities and Local Government (DCLG) and offered the opportunity for a Specialist Homelessness Advisor to visit the authority. The purpose of the visits were to help the authority determine where they were with tackling homelessness and to consider other options that would need to be considered to both further develop the service and reduce the number of households in temporary accommodation.
5. As the Housing Advice Service in South Hams has recently experienced a number of changes, it was felt that such a visit would provide a useful platform on which to develop plans for the service.
6. In December 2006 the DCLG provided feedback from the Action Planning Day Visit. It was acknowledged that the authority has performed well in managing its homelessness and options service, and had developed a good platform on which to develop and strengthen the service provided to the residents of the South Hams. It was identified that the main issue for the Council was the rising numbers of households living in temporary accommodation, and a number of recommendations were put forward that would help to enhance the prevention services to tackle this backlog and reduce the demand for temporary accommodation.
7. Another key issue that impacts on the future direction of the Housing Advice Service is youth homelessness which accounts for approximately 9% of homelessness in the United Kingdom. In November 2006 Ruth Kelly announced a new package of measures to tackle this issue, including prohibiting the use of Bed and Breakfast accommodation for 16 and 17 year olds by 2010, increased early prevention and education, access to mediation and establishing supported lodgings schemes.

### **Current position**

8. The Council has already approached the need to reduce homelessness by a combination of trying to increase the number of affordable housing units being built, and providing a range of temporary accommodation options with the intention of reducing the use of Bed and Breakfast by families. Whilst there have been a number of successful initiatives, the scale of the housing problems and the difficulties of bringing forward affordable housing sites at the scale required, means that the problems will not be addressed by these means in the short term.
9. With the end of the old Local Plan and the transition to the Local Development Plan very few new sites are coming forward in the short term. The framework of the LDF and how it needs to be progressed means that there will not be

sufficient affordable housing developed in time to meet the 2010 target. Therefore, the authority has to consider alternative solutions to meeting the housing needs of its residents. Key to this is investing in the homelessness front line service to prevent homelessness occurring and offering alternative housing solutions to people. This will also relieve the pressure off of the new build programme.

10. Existing prevention methods have helped to reduce the level of homeless acceptances made by the authority from 172 in April 2004 to 58 in April 2006. Despite this the number of households living in temporary accommodation for significant periods of time has increased.
11. Following the visit and the subsequent recommendations by the DCLG it became clear that the only way in which we would be able to meet the target of reducing the use of temporary accommodation and tackling youth homelessness is to radically remodel the Housing Advice Service and develop alternative housing solutions for those in need of support and housing.
12. The temporary accommodation provided by this authority is either in one of our own properties, a Private Sector Leased Property or Bed and Breakfast. Each of the temporary accommodation units used by the authority requires a financial outlay and as of the 1<sup>st</sup> March 2007 the revenue expenditure for the provision of temporary accommodation has been £647,966.

<b>TEMPORARY ACCOMMODATION EXPENDITURE</b>	
Private Sector Leased Properties	£351,530
Repairs and Maintenance	£133,520
Bed and Breakfast	£162,916

13. In addition the Council has also purchased a further two properties this year that are used to provide temporary accommodation for families at a capital cost of approximately £530,000.
14. Enhanced prevention and alternative housing solutions would lead to a reduction in the need for temporary accommodation and ultimately savings to the authority in this area of expenditure.
15. To meet some of the costs of new initiatives it is recommended that the Council adopt a “spend to save” policy where savings made from providing temporary accommodation are reinvested into the front line service. This may incur some short term front end costs as the service achieves a transition from responding to homelessness at point of crisis, to adopting a housing solutions approach long before crisis point is reached. As the service moves its main point of focus it may be necessary to run the two approaches in parallel.

### **The way forward**

16. Early intervention is critical in ensuring that we are in a position to tackle problems before they reach crisis point. This will require front line staff to develop a broad knowledge of solutions for a range of problems that could ultimately lead to homelessness. In order to achieve effective and sustainable housing solutions to customers a major change from the traditional roles of a housing advice service, where the focus was on dealing with people who were at the point of crisis is required. Effective homelessness prevention is time

consuming and each case requires considerable officer time, and in many cases expert advice and assistance that is not directly housing related.

### **More effective use of Private Sector Housing**

17. If we are to reduce further the incidences of homelessness improving our links with the private sector will be critical. Currently loss of assured short-hold tenancies in the private sector amount to 26% of all homelessness acceptances. To date this year we have prevented 17 households that would probably have made a homeless application and required temporary accommodation from becoming homeless from the private sector.
18. Although the authority is working with some private landlords the majority will still not consider accepting people that are referred by the Council or require Housing Benefit. It is imperative that not only are links with private landlords improved but that the Council develops schemes in conjunction with landlords that would give them confidence in offering tenancies to people referred to them by the Council.
19. Many authorities throughout the country have successfully engaged private landlords by developing a package of incentives that makes it attractive to landlords to offer tenancies to people referred by the local authority.
20. Officers are currently investigating the feasibility of developing a Direct Lets Scheme and creating a package of incentives for private landlords in the South Hams including, carrying out credit reference checks, providing legal advice on tenancy issues, assisting in setting up assured short-hold tenancies and providing support to both the tenant and the landlord during the life of the tenancy.
21. One of the major draws for engaging landlords around the country has been an assurance to not only fast track housing benefit claims but to also have a named contact in the Housing Benefit Service for landlords to discuss issues with. The fact that both Housing Advice and Housing Benefit operate within the same service in the South Hams is a distinct advantage for ensuring that relationships between landlords and the Council are maintained.
22. Apart from developing attractive packages for landlords in order to successfully negotiate and persuade landlords to work with the Council it is important that the scheme is led by a dedicated officer with experience of the private sector and who can negotiate with landlords and has a clear understanding of landlord issues. It is felt that the Council does not at present have an officer with the necessary skills to lead this project. This may require a budget bid for 2008/2009 for consideration against other corporate pressures.
23. Creating a Direct Lets scheme and developing an attractive package of benefits for landlords will undoubtedly have a financial implication and initially may require some pump funding. A further report on the cost implications will be presented when the details of a proposed scheme are fully developed. As the scheme develops savings made from the reduction in temporary accommodation costs could be used to maintain the scheme until it became self- funding.

### **Rent Arrears and Debt Management**

24. Most landlords both in the public and private sector will not offer a tenancy to applicants with rent arrears, consequently a household with arrears will remain in temporary accommodation until such time as they clear the arrears or lose the accommodation provided.
25. Effective management of rent arrears in temporary accommodation is essential:
- To limit the financial loss to the authority
  - To minimise the time spent in temporary accommodation
  - To improve the opportunities to house applicants in either the public or private sector.
  - To avoid evictions from temporary accommodation.
26. Managers have been addressing the high level of arrears both from current and former tenants in temporary accommodation and have devised new procedures and working practices takes a more robust and formal approach to the collection and management of arrears.
27. A successful budget bid has been made this year to fund a part – time post for 12 months, to assist in the collection of former tenant arrears and corporate debt recovery.
28. There are a large number of historic cases where homeless households have a debt to the Council, either through rent arrears or other charges our revised processes will ensure that in future that these are also managed more effectively. To ensure a smooth transition to, and operation of, the new processes for collection, analysis has been undertaken of the historic cases and where we have been unable to trace debtors the Head of Financial Services has been asked to approve the write off the sums owing.
29. A draft Service Level Agreement is being considered with the Citizens Advice Bureau to fund a part time post to undertake specialist debt advice work, which will assist in debt management and tenancy sustainment as well as relieve pressure on the housing advice staff in these areas. It is hoped to utilise a maximum of £12,000 from the Economic Regeneration and Anti Social Behaviour Reserve to finance this project. This fund was established to support economic development and anti-social behaviour initiatives. Officers believe that supporting the funding of a specialist debt advisor as effective debt management will support and increase the sustainability of the local economy, as well as help people to maintain their accommodation. Assisting families and vulnerable young people in this way would contribute to the management of anti–social behaviour and crime reduction. Members required that bids to this fund to be considered by the relevant Policy Development Group prior to submission to the Executive, therefore Members views are requested to consider and support this proposal. The proposal could potentially be established as a pilot to assess its success, for example for 2 years.

## **Resources**

30. To implement these changes will require considerable planning and management as well as a realignment of resources. In addition to the daily operation of the service, there will also be a significant amount of research and a number of projects to be undertaken.

31. It is felt that a senior post between the front line team and the Housing Advice Manager would allow for the manager to develop the new initiatives with the senior post dealing with day-to-day issues and ensuring that prevention remained the focus in every case. The housing advisors are paid on a scale 5 and within the establishment there is the scope for one of these posts to be elevated to scale 6 to fulfil the senior officer post. Consideration is being given to ring fence this post to the existing housing officers and seek applications from these staff. The additional costs incurred would be met from existing budgets.
32. It is also proposed that £16,000 of Beacon Status Grant be used to employ, on a fixed time contact to work 3 days a week over a period of six months, a project officer to support the Housing Advice manager in researching and developing the new strategies and projects for tackling homelessness.
33. The authority currently employs four full time officers covering the management of the housing register, including assessment and home visits, nominations to Registered Social Landlords, homelessness assessment and prevention. It was felt by the DCLG that the front line resources were extremely tight. Considering a clearer separation of the housing register/nomination and housing options/assessment roles and strengthening the front line resources with specialist roles would allow for a significant enhancement of the prevention role and a reduction in the demand for temporary accommodation.
34. The service managers have considered the comments in respect of staff resources and are of the opinion that, at this stage it would be prudent to examine current working practices and procedures to identify where the efficiency of these could be improved and then reassessing the need for additional resources, and the use of the Beacon Grant would support this work.

### **Information Technology**

35. The current computer platform that the section operates with is not fit for purpose. The system is not windows based consequently, inputting of information and interrogation of the system is laborious requiring significant navigation through various screens to complete simple functions. The current system, does not allow for the comprehensive tracking of cases or effective management of prevention measures. A budget of £60,000 has been agreed for the forthcoming financial year to replace the system and officers are currently exploring the most effective and efficient way of improving the IT.

### **Barriers to reducing temporary accommodation usage**

36. Many households seeking housing wish only to live in one area and will on occasions refuse an offer of accommodation that is made outside of that particular town or village, preferring instead to stay in temporary accommodation until a vacancy occurs in that locality. With vacancies occurring in certain areas infrequently this increases the backlog in temporary accommodation. To minimise this, it is vital to make applicants aware of the limitations of vacancies within the public sector and the statutory duty to make one "suitable" offer of accommodation to homeless households. Officers must manage the expectations of customers and also explore fully other options that will meet their housing need.

37. The current allocations policy awards extra points to households that occupy temporary accommodation. Households that may still be homeless yet do not occupy temporary accommodation do not qualify for these extra points.
38. Applicants who are not necessarily homeless but occupy supported accommodation do not gain extra points to reflect that this is accommodation, time limited by both their need for support and supporting people funding. Consequently when they no longer need the support of supporting people funding ceases they may be made homeless from that accommodation. If they remain in the supported accommodation but no longer need the support this creates a backlog in this type of accommodation and limits the choices the authority has to house other vulnerable people.
39. Following the failure of the Devon Wide bid to the DCLG for funding to set up a regional choice based lettings scheme, officers are re-assessing the options for implementing choice based lettings. The options being considered are a stand alone scheme, partnering with other authorities or joining a further Devon Wide Bid in December 2007.
40. As part of the revision of the operations of the service and in preparing for a move to Choice based lettings it is intended that the allocations policy will also be revised. The use of a project officer would also support this work

#### **Future use of temporary accommodation**

41. As the demand for temporary accommodation falls the authority has to consider the future of the exiting portfolio of temporary accommodation. Temporary accommodation provided to applicants has to be suitable, not only in size but also in location, therefore it is important that the temporary accommodation retained by the authority is needs led and not ownership led.
42. Bed and Breakfast accommodation is expensive and unsuitable for long-term accommodation and the authority will seek to avoid the use of bed and Breakfast accommodation wherever possible for all client groups.
43. The majority of temporary accommodation used by the authority is privately owned properties that have been leased to the Council under the Private Sector Leasing Scheme (PSL). These properties have been leased to the Council for a minimum period of 12 months. After this time the lease can be terminated by either party on the service of three months notice. By the end of 2007 the leases on all PSL's could be terminated. As the demand for these properties falls the landlord will be asked whether they would be willing to offer the property to an applicant on a direct let basis. If this is not acceptable to the landlord then the property could simply be handed back to the landlord.
44. The Council owns sixteen investments properties that deliver capital growth. As demand for these properties falls the authority may wish to consider realising their investment. Alternatively the authority may wish to consider selling the property to a registered social landlord to increase the stock of affordable housing within the district.
45. There is a capital programme project to enhance the Council owned block of flats at Avondale. Enhancements to these flat will improve their suitability as temporary accommodation, and it is intended that they will continue to be used to provide temporary accommodation.

## Risk Assessment

Risk	Mitigation
The use of temporary accommodation is not reduced to meet government target.	An action plan for meeting this target has been produced.
Rent arrears continue to increase.	A new process and policy for the management and collection of accommodation charges has been developed.
Expenditure on the provision of temporary accommodation rises <ul style="list-style-type: none"><li>• bed and breakfast continues to rise</li><li>• Increased leasing costs</li><li>• Increased repairs and maintenance costs</li><li>• Increased rent arrears.</li></ul>	Enhancement of homeless preventions services will reduce expenditure in this area .

## Conclusion

46. Rising Housing Costs and the low wage economy indicate that the levels of housing need within the district are unlikely to significantly change. There are clear targets for 2010 to reduce the use of temporary accommodation by 53 units and tackle youth homelessness. It is clear that we will be unable to create enough new housing to meet these targets. The authority has therefore to consider a range of other options and initiatives to meet the housing needs of its residents.

47. Actions plans to reduce the use of temporary accommodation and drive forward some of the initiatives discussed in this report have been devised. Members are asked to comment on the issues raised in the report. Two documents, which underpin this report are available for those Members who request them;

- a) Modelling the Supply and Demand for Temporary Accommodation, and
- b) Draft Action Plan for 2007-2010

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12 April 2007

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**Background Documents:**

Sustainable Communities: Settled Lives; Changing Lives, Department of Communities and Local Government –June 2005;

Policy document 18- tackling Youth Homelessness- Department of Communities and Local Government –March 2007;

Executive Minute E91/04(B8) 27 January 2005;

Modelling the Supply and Demand of Temporary Accommodation;

Draft Housing Action Plan 2007-2010.