

Agenda Item	12
Report No	FHR/09/14

Homelessness Initiatives Project Update

Report by the Director of Housing and Property

Summary

In April 2013, the Finance, Housing and Resources Committee agreed a new approach to the Council's provision of temporary accommodation for homeless households. This report updates Members on the progress to date with implementing this approach and the related work being undertaken to review housing management and support arrangements.

1. Background

- 1.1 In April 2013 the Finance, Housing and Resources Committee approved a new approach to the Council's provision of temporary accommodation in discharge of its statutory duties in relation to homeless households. This new approach would see the Council take its current expenditure on private sector rooms used to provide temporary accommodation and invest this in building and procuring Council owned self-contained one-bedroom flats in small developments across the Highlands.
- 1.2 These properties will add to the Council's housing stock and will be additional to the agreed council house building programme. Based on the business case considered by the Finance, Housing and Resources Committee in April, this new approach aims to deliver **200** new one bedroom units by 2017.
- 1.3 The Finance, Housing and Resources Committee also agreed:
 - to commit existing revenue budgets to support additional prudential borrowing to build and acquire the **200** single bedroom properties by 2017;
 - to withdraw from the use of framework rooms as the new properties become available for occupation;
 - that existing services be realigned to ensure that housing management and support services are maintained and where possible improved;
 - that levels of demand for homeless services be monitored and reported regularly to Committee noting any impact on the assumptions contained in the Business Case.
- 1.4 This new model of provision will allow homeless people to be accommodated in more suitable self-contained one bedroom properties, providing greater security and stability and improving their life chances. It will also allow consistent management and support to be provided in temporary accommodation.

2. Project management arrangements

- 2.1 Project planning and project management arrangements are now in place. As maintaining the current reduction in homelessness and putting in place appropriate support for those who require it are key to the success of this project, the remit of the project has been widened to include the wider range of homelessness initiatives already underway including support services and homeless prevention.

3. Progress to date

- 3.1 The business case was based on a reduction in use of **50** private sector rooms per year across Highland. This was predicted to generate revenue savings of **£1.8** million over **4** years which would fund loan charges on borrowing required to build **200** new homes.
- 3.2 To date **14** new one bedroom units have been acquired across Highland as a result of this project with **55** further units currently secured in the new build programme. Further opportunities will be identified within the mainstream programme and through one bedroom house purchases.

Area	Acquired	New Build Programme
Inverness	9	26
Mid Ross	1	9
Nairn	-	2
Easter Ross	-	10
Lochaber	4	4
Skye & Lochalsh	-	4
Total	14	55

- 3.3 To date there has been a continuing reduction in the use of framework rooms by **57** from **482** in April 2013 to **425** in October 2013. This has resulted in a projected reduction in spend of **£551,690** in the framework room budget in the current year. This is against the projected saving of **£479,873** identified in the project business case for this financial year. At this point the project is on course to deliver the savings required this financial year to enable additional borrowing to build the additional one bedroom units.
- 3.4 An increase in homelessness is one of the major risks to the successful delivery of the project. While homeless presentations increased slightly in Quarter 2 of 2013/14 from **207** to **241**, the number of homeless applicants in temporary accommodation waiting for permanent homes fell again from **554** to **542** – see **Appendix 2**. While this is a positive situation at this stage, there are concerns that the impacts of Welfare Reform may result in increased homelessness and this is being closely monitored.
- 3.5 A planned approach to reducing the use of framework rooms is being developed and consultation with current accommodation providers will take place in early 2014. The aim is to ensure a planned reduction in the use of rooms while minimising any negative impact on relationships with providers.

4. Management and support

- 4.1 Another key area for the success of this project is the effective management of the new temporary accommodation units. Income generated from the service charge levied on the **14** temporary accommodation units provided to date will result in additional income annually of around £27,500 which will be used to fund housing management services.
- 4.2 The project has identified a need to further review management provision in temporary accommodation. This is likely to require changes to staffing arrangements and job descriptions. A separate report will be presented to Members later this year recommending amendments to organisational structures and establishments.

- 4.3 As well as effective management of temporary accommodation, identifying and providing appropriate support to people in temporary accommodation is critical to both the success of the project and ensuring positive outcomes for homeless people. A review of homelessness related housing support services is in progress and from April 2014 we will be working with current housing support providers to scope, monitor and improve support provision across Highland.
- 4.4 The Council meeting on 19 December 2013 agreed that a report identifying the impacts of rent levels in temporary accommodation on those who are in work should be considered by Members, and it is planned to present this to the Committee in February.

5. Implications

- 5.1 **Resources** – resource issues were identified and analysed and form part of the detailed business plan. Overall this project is cost neutral for the Council but uses resources more effectively and provides long term assets.
- 5.2 **Legal** – legal issues were identified and analysed and form part of the detailed business plan. There are a number of contractual issues with current providers which will be dealt with during 2014.
- 5.3 **Equalities** - an Equality Impact Assessment has been completed for this proposal. No group will be disadvantaged by the proposal.
- 5.4 **Climate Change/Carbon Clever** – no impact arising from this report.
- 5.5 **Risks** to the proposal were identified and analysed and form part of the detailed business plan.

6. Recommendation

6.1 Members are asked to:

1. Note progress to date with regard to the Temporary Accommodation Re-provisioning Project and that further progress reports will be provided.
2. Agree that a further report be presented on housing management and housing support services in relation to the additional HRA property used as temporary accommodation.
3. Note that a separate report on the costs of temporary accommodation will be presented to Committee in February.

Designation: Interim Director of Housing and Property

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Background Papers: FHR-12-13 and FHR-39-13

Business Case summary

	Budgeted Expenditure	Predicted Budgeted Expenditure	Predicted Budgeted Expenditure	Predicted Budgeted Expenditure	
	2013/14	2014/15	2015/16	2016/17	Totals
Spend on Framework Rooms at April 2013	2,880,342	2,687,942	2,400,902	2,116,982	
Spend on Framework Rooms net of write off and previously agreed budget savings	3,099,982	2,893,982	2,586,542	2,282,222	
Reducing framework room usage by:	50	50	50	50	200
Annual revenue saving which would be achieved	479,873	473,440	465,870	456,180	1,875,363
Management and maintenance costs for new build properties (£50.00 per unit per week)	122,200	119,600	119,600	117,000	478,400
Net revenue saving	357,673	353,840	346,270	339,180	1,396,963
Capital which could be funded from revenue saving	5,594,012	5,534,056	5,415,669	5,304,772	21,848,509
Possible new build units which could be built based on £120,000 cost per unit	47	46	45	44	182

Number of homeless applicants with a right to permanent accommodation awaiting an offer

