

The Highland Council
Community Services Committee

28 April 2016

Agenda Item	10
Report No	COM 19/16

Update on Homeless Initiatives

Report by the Director of Community Services

Summary

This report updates Members on the following initiatives which aim to improve the lives of homeless people in Highland:

- The Temporary Accommodation Re-provisioning Project;
- retendering of housing support services; and
- implementing the housing options service.

The report also provides information on the impacts of Welfare Reform changes on how we provide temporary accommodation in Highland. It outlines the challenges this presents in relation to affordability for individual clients, as well as proposing a strategy to meet these challenges. The report also presents a draft Housing Options policy for approval.

1. Introduction

- 1.1 Several key initiatives have been identified to improve the way we provide services to homeless people in Highland.
- 1.2 The Temporary Accommodation Re-provisioning Project aims to reduce the use of leased private sector rooms used to provide temporary accommodation and invest the savings generated in building and procuring Council owned temporary accommodation.
- 1.3 Welfare Reform introduces a number of challenges in relation to how housing costs are dealt with, which have serious implications for the affordability of temporary accommodation. To date the Council has operated a charging policy based on full cost recovery for temporary accommodations. This report considers whether this approach is sustainable.
- 1.4 Through retendering of housing support services for homeless clients we are developing new arrangements for assessing and providing housing support to vulnerable clients across Highland in order to meet new legal requirements.
- 1.5 We have introduced changes to staffing arrangements previously agreed by Committee in order to implement a Housing Options service.
- 1.6 All of these areas of work are inter-related and they are being coordinated at

officer level within the Council by a Homeless Initiatives Project Board chaired by the Head of Housing and Building Maintenance.

2. The Temporary Accommodation Re-provisioning Project up-date

- 2.1 In April 2013, the Finance, Housing and Resources Committee agreed a new approach to the Council's provision of temporary accommodation for homeless households. The aim was to achieve savings in expenditure by reduction in the use of private sector, contracted bed and breakfast type accommodation and invest it in the development or acquisition of one bedroom properties within housing development projects.
- 2.2 The project business case set a target of a reduction in use of 50 private sector rooms per year across Highland to 2017. This was predicted to generate revenue savings of £1.8m over 4 years which would fund loan charges on borrowing required to build or acquire 200 new homes by 2017.
- 2.3 Our use of contracted rooms has reduced by 101 and to date we have provided an additional 56 one bedroom units with another 42 units at various stages in the development programme.
- 2.4 Not all of the reduction in the use of private sector rooms has been directly planned. In some cases reductions have been achieved by the provider choosing to withdraw from the framework agreement, either because they were selling the property or changing their business model. This has affected our ability to achieve a balanced reduction in rooms by area to match new build and acquisition.
- 2.5 This has disproportionately affected Inverness where we have the greatest homelessness pressure and the largest number of private sector rooms. To date, 49 of the 101 private sector rooms no longer in use have been in Inverness, compared to 23 new Council owned properties provided and with a further 7 confirmed units in the development programme. Development constraints in the Inverness area mean that it is difficult to accelerate new development and rising property prices affects our ability to fund acquisitions within the agreed business plan.
- 2.6 It was also agreed at the start of the project that a maximum of 4 units per development would be identified as temporary homeless accommodation, further restricting the amount of temporary accommodation we could achieve as a result of the project. In most cases, new build units funded by the project have been let to housing applicants from the HHR list as permanent housing, and "substitute" properties identified from existing stock to replace them, allowing areas to balance the needs of those on the housing list and those requiring temporary accommodation. In view of current pressures (including those resulting from Welfare Reform which are covered below) it is recommended that greater flexibility is allowed regarding the volume of HRA property being used for temporary accommodation.

3. Welfare Reform impacts on the provision of temporary accommodation

- 3.1 Traditionally Highland Council has provided the majority of its temporary accommodation through the private sector. This includes the contracts for private sector rooms identified above. As well as this framework, some areas still rely on ad hoc bed and breakfast type accommodation from local providers. **Appendix 1** details the different types of temporary accommodation we are using. For properties leased from housing associations or private landlords, rents are based on what we pay the landlord on the basis of full cost recovery.
- 3.2 Changes introduced by the Welfare Reform Act 2012 mean that homeless households on Universal Credit (UC) have their housing cost element capped at local housing allowance rates. These rates are far lower than our current rent charges – see **Appendix 1**.
- 3.3 The homeless service charge applied to rents to cover management costs is currently rebateable for those on housing benefit. The charge varies by the size of property but is a maximum of £52.16. This covers items such as grass cutting, provision of furniture and added management costs. While the Department of Work and Pensions have stated they recognise the increased cost involved in providing temporary accommodation and there is reference in guidance suggesting that they will pay £45 per unit per week for those on Universal Credit, there is still no clarity about the formal status of this extra allowance in relation to temporary accommodation and whether it will be paid to local authorities.
- 3.4 Around 60% of people in temporary accommodation are aged under 35. As people on benefit move over to Universal Credit, most will not receive a housing element within their benefit which matches their housing costs in temporary accommodation, but one based on the LHA rate. Continuing to charge people rents in excess of ability to pay has implications for individuals' personal debt and will result in increased bad debt due to rent arrears, and lack of clarity for staff on collection of debt.
- 3.5 The Temporary Accommodation Re-provisioning Project has already resulted in a reduction in the number of expensive framework rooms we use and increased the number of one bed HRA units. However the scale of the issue associated with Welfare Reform means that we need to take a much wider approach to future provision of and charging for temporary accommodation.
- 3.6 The only sustainable model of temporary accommodation for the future is one where the majority of accommodation is provided in HRA properties, with a rent structure that is affordable within the welfare benefits system, with a small number of units sourced at affordable rates from the private sector to allow emergency cover and flexibility of approach.
- 3.7 Practically, this will take time to achieve. In the meantime, it is suggested that we review the policy of setting rents to achieve full cost recovery, and move to aligning them with the Local Housing Allowance rates plus the £45 management charge. This will mean rents in temporary homeless accommodation will be not only affordable to those in receipt of benefits, but to

those in low paid work. It will also allow rent arrears management processes to be as effective as possible in collecting rent due. This will result in reduced rent income, which will be partly offset by a reduction in bad debt. Further work is taking place to model the budget impact. It is recommended that this is reported to Committee in August.

4. Homeless Housing Support Services Review

4.1 In August 2015 the Community Services Committee agreed to trial a new housing support service specification ahead of a formal procurement exercise commencing early 2016.

4.2 Since September 2015 we have introduced new working practices in relation to the provision of short term housing support services. These practices include:

- a single referral route for all housing support referrals;
- a greater focus on outcomes and monitoring the success of housing support interventions;
- the introduction of regular reviews for every service user, by means of the submission of a progress review form;
- the introduction of regular progress meetings with housing support providers;
- providing access to Housing Support across all areas of the Highlands;
- the implementation of improved IT systems to enhance service delivery and monitoring; and
- ongoing evaluation and reviews of the new working practices with staff, providers and service users.

4.3 On 18 February 2016, the Council issued a Prior Information Notice (PIN) on the Public Contract Scotland website inviting providers to register their interest in delivering future Housing Support Services under a framework agreement which will be lotted by geographical area to ensure coverage across the entire Highland Council area.

4.4 The formal tender process to deliver housing support services will take place between May and September 2016 with an anticipated contract start date of the 1 October 2016.

5. Update on Housing Options

5.1 Housing Options is defined as:

"a process which starts with housing advice when someone approaches a local authority with a housing problem. This means looking at an individual's options and choices in the widest sense. This approach features early intervention and explores all possible tenure options, including council housing, RSL's and the private rented sector.

The advice can also cover personal circumstances which may not necessarily be housing related, such as debt advice, mediation and mental health issues.

Rather than only accepting a homelessness application, local authority homelessness services will work together with other services such as employability, mental health, money advice and family mediation services, etc., to assist the individual with issues from an early stage in the hope of avoiding a housing crisis." (Scottish Government).

- 5.2 Following approval by the Committee we have implemented changes to staff roles in relation to housing options. Staff are now in new posts which have integrated homelessness, prevention and accommodation services, and aim to deliver a more joined up and person centred service. The intention is that households approaching us with a housing related issue have a "case officer" (assisting them from start to finish) who will help them assess all their options and resolve their issue in the way that is best for them. Although the approach is implemented we are continuing to support staff through training and guidance to develop their skills and the confidence to work in this new way.
- 5.3 The Scottish Government and COSLA issued Housing Options Guidance in March 2016. It is available on the following link: www.gov.scot/Publications/2016/03/6556
Section 2 is aimed at Elected Members and senior managers.
- 5.5 We have now developed a Housing Options Policy and standards based on this guidance which are set out in **Appendix 2** for approval. Committee is asked to approve the Housing Options Policy and standards. These documents are also available on the Council's website with information on how to access the service.
- 5.6 In developing this service and our approaches to homelessness, we have also taken account of feedback from people who have recently experienced homelessness. One useful source of feedback is via the 'Have Your Say' events organised by Homeless Action Inverness. A report from the latest event is available with the Member Bulletin.

6. Implications

6.1 Resources

Resource issues associated with re-provisioning temporary accommodation were identified and analysed as 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. There are significant resource implications in relation to the cost of temporary accommodation arising from Welfare Reform which are detailed in the report. These will be reported in more detail to Committee in August.

6.2 Legal

Legal issues were identified and analysed, and form part of the detailed business plan for the temporary accommodation project. There are legal implications for the Council resulting from the requirement to assess and provide housing support services to all homeless people. The work currently

being undertaken on housing support services aims to ensure the Council meets its legal duties. The Housing Options Policy will enable the Council to meet the legal and regulatory standards and is in line with Scottish Government Guidance.

6.3 Equality

An Equality Impact Assessment has been completed for the temporary accommodation project and no group will be disadvantaged by the proposal.

6.4 Climate Change/Carbon Clever

No impact arising from this report.

6.5 Risk

Risks to the temporary accommodation project were identified and analysed within the detailed business plan, and are reviewed by the Project Board. Risks in relation to temporary accommodation costs and charges are detailed in the report.

6.6 Gaelic and Rural implications

No impact arising from this report

Recommendation

The Committee is asked to:

- note progress on the Temporary Accommodation Re-provisioning Project;
- note the challenges presented by the Welfare Reform agenda on our current model of temporary accommodation provision;
- agree that the Council should move to a model where the majority of temporary accommodation is provided in Council owned HRA properties, with a rent structure that is affordable within the welfare benefits system; with a small number of units sourced at affordable rates from the private sector to allow emergency cover and flexibility of approach.
- note progress on the re-tendering of the Housing Support Service;
- approve the Housing Options Policy and Standards (**Appendix 2**); and
- note that a further report on temporary accommodation costs and charges will be provided to Committee in August.

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Appendix 1: Current provision of homeless accommodation and affordability

	Number of units	Average rent*	LHA shared	LHA 1 bed rate	LHA 2 bed rate	LHA 3 bed rate	LHA 4 bed rate	Management cost amount
HRA	134	£95.45	£59.04	£91.81	£110.72	£126.92	£160.38	£45.00
Leasing Scheme	176	£138.23	£59.04	£91.81	£110.72	£126.92	£160.38	£45.00
Framework Room	215	£158.70	£59.04	£91.81	£110.72	£126.92	£160.38	£45.00
Ad HOC Room*	50	£170.45	£59.04	£91.81	£110.72	£126.92	£160.38	£45.00

*Including service charge

**There are also a core number of approximately 50 ad-hoc bed & breakfast type rooms regularly used across Highland, mostly in non-Framework areas such as Skye & Lochalsh, Badenoch & Strathspey and Sutherland.



Appendix 2

Housing Options Service Policy

What we aim to achieve:

People sustaining independent lives in housing which is right for them.

How we will achieve this (our Objectives)

- a) By providing people with effective advice and assistance about all their available options, empowering them to make informed and realistic decisions so that they resolve their housing issues in a way that is right for them.
- b) By helping people sustain their homes, intervening early to address their immediate and underlying needs to prevent crises, homelessness and its associated problems.
- c) By working in partnership with other services to make sure that people get the right help at the right time.
- d) By providing people with a range of options leading to better and more sustainable housing solutions.
- e) By effective and efficient delivery of services and making best use of Highland's social rented housing stock

Housing Options Service – What we will do:

1. We will provide anyone who has a housing problem or need for housing, with an opportunity to explore their options with a trained Housing Options Officer.
2. All clients and partner services will be treated with courtesy, dignity and respect.
3. Clients will be empowered to make informed choices and decisions.
4. Our service will be person-centred and tailored to the needs of the individual and will provide high quality, personalised, realistic, practical advice and support. Everyone will receive a housing options service appropriate to their needs in which:
 - All their needs - housing, support and other relevant factors which would either prevent them from accessing and sustaining a suitable

housing solution, or from sustaining their current housing - will be identified and their circumstances considered.

- All their options will be identified, explained and discussed;
 - They will receive a personalised Action Plan which sets all options available to them and how they can take these forward.
5. We will provide a comprehensive personalised service by considering and advising people about suitable options in social renting; private renting; home ownership, and about their options for managing wider issues they may be facing.
 6. We will actively signpost and, where appropriate, refer and directly liaise with other services and agencies which can: prevent homelessness; help people with any underlying issues which could result in them becoming homeless and assist them with successfully keeping their homes in the long run.
 7. Our key focus is on identifying opportunities for early intervention and preventing homelessness. People who are at risk of homelessness will get prompt and easy access to help and advice to help prevent them becoming homeless and to remain in their own home. For those who are homeless, we will help them to find somewhere to live
 8. Where we believe someone to be homeless or at risk of becoming homeless, they be able to complete a homeless assessment with us. We will continue to work with these clients to prevent issues escalating and provide them with a Housing Options Service so that they can continue to review their choices and secure a satisfactory housing outcome.
 9. Our advice will be as simple and straightforward as possible and provided in accessible formats including through self-service tools for people who want to use them.
 10. We will aim to provide service continuity by giving everyone a dedicated case worker.

Our Underpinning Principles

1. Personal: personalised housing advice will be offered to those in housing need. By building up a picture of each client's situation and suggesting appropriate solutions based on this picture, the advice offered will be realistic with solutions aiming to be successful in the long run ('sustainable'). It will be tailored to individual needs. We will be responsive to changes in people's

circumstances. We treat people sensitively and be skilled in understanding situations.

2. Empowering: We will aim to guide, support and encourage options while leaving the final decision-making firmly in the hands of the person it will affect the most – the client. This is so that people feel they have control over the decisions that affect them and their families. Feeling empowered can motivate people to action and bring a sense of satisfaction.
4. Consistent: we will provide everyone with a high quality service which is consistent with legal duties, national guidance and local policies.
5. Proactive: we will adopt a problem solving & outcome focused approach and our emphasis will be on people's particular needs and the best outcome for them.
6. Resourceful: in some locations it will be harder to find options and some people will find it harder to access housing than others. We will use innovation, creativity and flexibility to find practical options and ways of preventing people experience acute housing need. Sometimes this may involve recommending suitable interim solutions to meet immediate needs whilst the client, with help from ourselves, work towards achieving their housing aspirations.
7. Responsible: Our homelessness duties are an integral part of our Housing Options service. We will support the statutory rights of people who are homeless or potentially homeless by helping them achieve sustainable housing solutions whilst ensuring that public resources are used effectively and efficiently as possible and in a way that ensures statutory rights are maintained. We will support people's right to make a homeless application.
8. Skilled staff : we will support our staff, and provide them with resources, so that they have the skills, knowledge and attitudes to deliver a quality, person-centred, comprehensive service. They will have good 'people skills' and will be able to sensitively understand client's needs and issues. We will work towards embedding an Options and Prevention culture across the organisation and with our partners.
9. Continuous improvement: we will continuously improve our service and will support processes which will help us do this.
10. Proactive engagement: we will take a proactive approach and encourage people, including harder to reach groups, to contact or engage with us before crises occur. We will work to address low and medium levels of housing need

to prevent needs worsening or becoming acute. Examples are ageing or ailing home owners; private renting tenants; and those who are roofless.

11. Holistic service: the causes of housing need are complex and interrelated. We will think and act holistically – thinking long-term towards ways in which people can successfully get and sustain their homes. We will be outward facing by linking with and working together with other services and agencies which can address the root causes of people's housing need, their underlying issues and improve their opportunities. This includes those who can assist with: health issues; advice about jobs, education and training to develop their skills; managing money; transitioning to independent living and developing life skills and, benefits whilst working or not.
12. Partnership & collaborative working: to provide an holistic service we will work in partnership with services with different areas of expertise. We will actively foster successful partnership working and link together resources from a wide range of sources to address shared problems and meet shared outcomes. Effective referral pathways and mechanisms will be used.
13. Prevention and early intervention: we will help people address their immediate and underlying needs and promote and support early intervention in order to prevent problems escalating, later crises and homelessness and support people to continue staying in their homes successfully.
14. Approachable & Respected: we want people to trust and respect us and have confidence in our advice. We also want people to continue to seek our advice at an early stage if they are facing issues again and to recommend our services to others who may be having issues. This is particularly important for people living in private tenancies or homes they own and who may be more remote from services which could help them continue living successfully in their homes.

Housing Options Service Standards

What we will do

1. Provide a high quality, customer focused and efficient service.
2. Provide you with information and advice to do with your housing needs and aspirations. And, if needed, assist you to meet your needs. This will help you to make informed decisions about your different housing options. Our aim is that you get a housing outcome which meets your needs.
3. Offer you a Housing Options appointment in a safe and confidential environment within 6* working days (wherever possible) of your contact and at a time which

suits you. You can bring a friend, relative or advocate along to your appointment. (If you are in a crisis situation or are at imminent risk of becoming homeless, you can speak to someone immediately.)

4. Carry out the discussion in a relaxed, informal and professional manner. And treat you with courtesy, dignity and respect.
5. Offer you appropriate advice from a trained member of staff. Listen to you, respond fully to your questions and provide you with clear accurate information in a balanced way.
6. Give you a dedicated case worker so that you know who to contact and don't have to repeat your story.
7. Provide you with your Housing Options Action Plan, making sure the content is fully explained and that you understand what you need to do next.
8. Also explain why some options may **not** be available to you, because of your circumstances.
9. Ask you for permission to share information with other services who can help and make referrals to them. We will make these referrals promptly and within 5 working days.
10. If you are homeless, we will continue to offer you a Housing Options service at the same time as helping you to manage your situation. We will aim to maintain fortnightly contact (where ever possible) to offer you advice and help.
11. If you are not homeless, we will continue to contact you regularly to offer advice until you get a housing outcome. This will be agreed with you and set out in your Action Plan.
12. Make information available to you in a variety of languages and formats. And provide you with an interpreter if you need one.
13. Make sure that everyone has equal and open access to our service. We will also treat everyone fairly and equally and will not discriminate on any equality grounds.
14. Use our customers' feedback and experiences to review and improve our services.
15. Make sure that you know that you can use the Highland Council's Complaint Service if you are dissatisfied with our service.