

The Highland Council
Community Services Committee
18 August 2016

Agenda Item	16
Report No	COM 35/16

Update on Homeless Initiatives

Report by the Director of Community Services

Summary

This report updates Members on initiatives which aim to improve the lives of homeless people in Highland. It provides further details on costs and charges for temporary accommodation as agreed at Committee on 28 April 2016 and presents a policy on promoting positive behaviour in temporary accommodation 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 On 28 April 2016 it was agreed that we would work towards providing the majority of temporary accommodation in Council-owned HRA properties, with a rent structure that is affordable within the welfare benefits system. As agreed, this report gives further details on temporary accommodation costs and charges.
- 1.3 The report also provides an update on retendering of housing support services and on continuing policy development on homelessness services.

2. A new model of HRA temporary accommodation provision

- 2.1 Members agreed in April 2016 that we should move to a model where the majority of temporary accommodation is provided in Council owned (HRA) properties. The main advantages of this approach are that rents will be affordable for tenants in receipt of welfare benefits (particularly those in receipt of Universal Credit), and that this will provide better quality, self-contained accommodation.
- 2.2 It is intended to gradually increase the number of Council owned properties used as temporary furnished accommodation, and therefore allow us to reduce the number of private sector properties we use. The objective is to achieve a pool of temporary accommodation where the majority is Council owned, with a small number of units sourced at affordable rates from the private sector to allow emergency cover and flexibility of approach.
- 2.3 Council owned and managed temporary accommodation is held on the Housing Revenue Account (HRA), and private sector temporary accommodation is funded through the General Fund. Implementing the agreed approach to temporary

accommodation will involve gradually moving the cost of temporary accommodation from the General Fund to the HRA. The current rent structure within HRA properties means that full cost recovery through rent and service charges should be possible, however we will have to increase bad debt provision within HRA revenue estimates in future years to account for the increase in property used as temporary accommodation.

- 2.4 We previously set a target of a reduction in use of **50** private sector rooms per year across Highland to 2017. Our use of contracted rooms has reduced by **101** and to date we are using an additional **56** Council owned one bedroom units with another **42** one bed units predicted to be available through the current housing development programme.
- 2.5 As well as leasing bed and breakfast type accommodation through a framework contract, we also lease larger, family sized properties from the private sector and our partner housing associations. We are reviewing use of this type of accommodation where the cost of renting these properties impacts on the affordability of the rents charged for those households in receipt of benefits or on low incomes. When we cannot negotiate a more favourable rent with the landlord, or when we no longer need a property, we are ending leases early where possible. We have stopped using **53** privately leased properties over the past three years. We are also working with our housing association partners to see if they can assist in the provision of more affordable temporary accommodation in key areas.
- 2.6 Our priority will now be to increase the number of Council owned properties used as temporary homeless accommodation, particularly in Inverness where demand for homeless accommodation is greatest. This will be challenging as we will need to balance the needs of homeless applicants, waiting list applicants and those current tenants seeking a transfer to more suitable housing. We have already been working towards this and over the past three years we have increased our use of Council owned properties used as temporary accommodation from **72** to **144** across Highland. **Appendix 1** provides information on the movement in temporary accommodation provision over the last 3 years.

3. Cost and affordability of temporary accommodation

- 3.1 Traditionally homeless households on a low income were able to claim housing benefit to help them pay their rent. In most cases Housing Benefit covers 100% of rent and most service charges applied. However, Department for Work and Pensions (DWP) circular **HB/CTB G10/2012** states that households in temporary homeless accommodation claiming Universal Credit (UC) will have a housing element, usually equal to the Local Housing Allowance, included in their Universal Credit payment to cover housing costs. Current Highland Local Housing Allowance rates are provided in **Appendix 2**. Based on current Local Housing Allowance rates homeless households in receipt of Universal Credit will not receive enough money to cover current rent charges in any homeless accommodation except Council owned. While only 17 homeless households are currently in receipt of Universal Credit the numbers will increase over time, particularly in Inverness Job Centre area where all new welfare benefit applicants

will be moved to UC. It is anticipated that the majority of homeless households could be in receipt of UC by 2022.

3.2 For Council owned accommodation the cost of providing temporary accommodation is greater than for mainstream housing. We need to furnish properties and there are extra management costs associated with the higher turnover of tenancies. We currently apply a service charge, which is covered by housing benefit, to cover these costs. Although the DWP recognises that there are extra costs associated with temporary accommodation for homeless households there is no confirmation that extra money will be paid to either tenants or landlords in respect of temporary accommodation. The DWP preferred option is to provide additional funding through the Discretionary Housing Payment (DHP) budget. The Council is continuing to seek clarity on this matter.

3.3 To make homeless accommodation affordable to those in receipt of Universal Credit, rents need to be at or below Local Housing Allowance rates. The information set out below models the “gap” between our current charges and the rent that would be affordable to tenants based on Local Housing Allowance rates.

3.4 Council owned properties

As stated previously rents in Council owned properties are currently lower than the LHA rates so are the most affordable option for the provision of temporary accommodation:

	Council rents	LHA Rate
1 bed	£46.61 - £58.22	£59.04 / £91.81
2 bed	£61.75 - £65.78	£110.72
3 bed	£69.32 - £73.35	£126.92
4 bed	£76.88 - £80.92	£160.38

Recommendation – we should continue to increase the use of Council owned properties as temporary homeless accommodation.

3.5 Leased properties

Currently some leased property rents are within Local Housing Allowance rates; however 66% of leased properties have rents which are higher than the LHA rates. The spread of costs is summarised below:

	Leased property rents	LHA Rate
1 bed	£48.80 - £173.22	£59.04 / £91.81
2 bed	£69.32 – £174.24	£110.72
3 bed	£74.19 – £162.80	£126.92

The gap between current income and income achievable through reducing charges to Local Housing Allowance rates is as follows:

Budgeted income for leased homeless units in 16/17	£1 290 588
Expected income if rents are set at or below LHA rates	£1 205 048
Potential impact in rent income annually	£85 540

Recommendation - in the short term we try to renegotiate rents with property owners in order to bring these into line with Local Housing Allowance rates. This will ensure that the housing element paid to those on Universal Credit will cover the rent charged. Where we cannot negotiate a more favourable rent with the landlord or when we no longer need a property we should end leases early where possible or not renew them when they expire. We will try to avoid placing homeless households in receipt of Universal Credit in property with rents above the Local Housing Allowance rate.

3.6 Framework Rooms

Rents in Framework Rooms are set to achieve full cost recovery based on the rooms rates specified in the contract, and are all higher than the LHA rates

Framework Room rents	LHA Rate
£100 - £175	£59.04 / £91.81

The gap between current income and income achievable through reducing charges to Local Housing Allowance rates is as follows:

Expected rental income for Framework Rooms 16/17	£1 764 204
Expected income if rents are set at or below LHA rates	£1 355 796
Potential impact in rent income annually	£408 408

Recommendation – we will aim to reduce the use of framework rooms as temporary accommodation and in the meantime try to avoid placing Universal Credit claimants in this type of accommodation.

- 3.7 As we reduce the use of private sector temporary accommodation we will reduce both General Fund costs and income. As costs currently exceed income we will make a net saving to the General Fund. Further work is needed to quantify this on a phased annual basis.

4. Homeless Housing Support Services Review

- 4.1 In September 2015, we introduced new working practices in relation to the provision of short term housing support services. Since then we have been working with current housing support providers to trial new working practices. We have adopted a 'test and learn' approach to ensure that the procedures and processes meet the needs of the Council, the service provider and the service user.

- 4.2 We have already adopted the following working practices in relation to the housing support service:

- all referrals for short term housing support are channelled through the

- Council's Housing Support Contract Monitoring Officer;
- every case is periodically reviewed. The timescale for the review is determined by the needs of the individual service user and the outcomes that are to be achieved;
- all current providers are attending regular progress meetings with housing staff; and
- improved IT systems which allow for the secure transfer of appropriate data and new monitoring systems within the Housing Information System.

4.3 The formal tender to deliver housing support services was advertised on the Public Contract Scotland website on the 25 July 2016. The closing date for the tender is 19 August 2016 with an anticipated contract start date of the 1 October 2016.

5. Promoting Positive Behaviour in Temporary Accommodation

5.1 A housing options approach involves taking a holistic approach to meeting needs with the aim of enabling people to live independently in sustainable tenancies. This can involve working with people around their wider needs.

5.2 We are committed to putting service users at the heart of service delivery as well as meeting our statutory duties. However we recognise that some people can act in ways that we consider unacceptable and puts others at risk. Whilst it is understood that people sometimes get frustrated or have challenges in their life, we cannot tolerate threatening, abusive, unacceptable or unreasonably persistent problem behaviour. We have developed Promoting Positive Behaviour Procedures for staff to ensure that we balance our need to meet our statutory homeless duties alongside our need to meet our duties to other service users and our employees, and support the right of others to quiet and peaceful enjoyment of their homes.

5.3 The procedures aim to support homeless applicants to manage their behaviour appropriately in temporary accommodation and, ultimately, to successfully sustain their accommodation.

5.4 This confirms that we and our partners are committed to promoting positive behaviour amongst our service users by:

- providing appropriate accommodation and support services that meet people's needs as far as possible and within the resources available to us;
- being clear about what behaviour we find unacceptable and the consequences of such behaviour;
- working with people proactively to help them manage their behaviour;
- intervening early when we recognise a concern;
- using practices that prevent exclusion as far as possible whilst ensuring the safety of staff, services users and the public;
- dealing consistently with problem behaviour in line with procedures; and
- ensuring all service users are treated with courtesy and respect.

5.5 The practices which will enable us to achieve this involve:

- considering needs in advance and agreeing mitigating actions;
- in cases of incidents, meeting with homeless applicants to agree how they can manage their behaviour more positively (with, if appropriate the help of their support provider and their other services);
- using Acceptable Behaviour Contracts; and
- taking a robust approach to risk assessment, risk management and planning and exclusion (if there are no accommodation options available where the risk can be managed to an acceptable level).

5.6 Committee is asked to approve this as the Council's policy in relation to promoting positive behaviour in temporary accommodation.

6. Implications

6.1 Resources

There are significant resource implications in relation to the cost of temporary accommodation arising from Welfare Reform which are detailed in the report. The Promoting Positive Behaviour Policy will be delivered within existing resources.

6.2 Legal

The proposals contained in this report will allow us to meet our legal duty to provide affordable temporary accommodation. 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 Promoting Positive Behaviour Policy will enable the Council to balance its legal duties more effectively.

6.3 Equalities

Increasing the supply of higher quality and more affordable temporary accommodation will help the Council to achieve its equalities duties.

6.4 Climate Change/Carbon Clever

No impact arising from this report.

6.5 Risks

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 invited to:-

- note the positive progress made on these initiatives;
- approve the following approach to temporary accommodation:
 - continue to increase the use of Council-owned properties as temporary homeless accommodation.
 - reduce the use of privately leased properties for temporary accommodation, focussing on leases where rents exceed Local Housing Allowance rates.
 - continue to reduce the use of framework rooms as temporary accommodation; and
- approve the approach to promoting positive behaviour in temporary accommodation set out in the report.

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Appendix 1: Current provision of homeless accommodation in Highland

Council owned properties:

	Baseline@ 31/3/2013	July 16	Changes from Baseline +/-
Badenoch And Strathspey	5	10	+5
Caithness	6	18	+12
Inverness	10	49	+39
Lochaber	1	2	+1
Nairn	5	8	+3
Ross And Cromarty	30	37	+7
Skye And Lochalsh	14	18	+4
Sutherland	1	2	+1
Total	72	144	+72

Framework Rooms:

	Baseline@ 31/3/2013	July 16	Changes from Baseline +/-
Badenoch And Strathspey	0	0	0
Caithness	28	0	-28
Inverness	219	171	-48
Lochaber	5	5	0
Nairn	9	7	-2
Ross And Cromarty	55	32	-23
Skye And Lochalsh	0	0	0
Sutherland	0	0	0
Total	316	215	-101

Leased from the private rented sector and housing associations:

	Baseline@ 31/3/2013	July 16	Changes from Baseline+/-
Badenoch And Strathspey	8	6	-2
Caithness	0	0	0
Inverness	106	87	-19
Lochaber	31	23	-8
Nairn	16	11	-5
Ross & Cromarty	61	36	-25
Skye & Lochalsh	12	11	-1
Sutherland	3	1	-2
Total	237	175	-62

Appendix 2: Local Housing Allowance Rates at April 2016

	Highlands and Islands Postcodes:
	IV1-28, IV40-49, IV51-56, IV63, KW1-3, KW5-14, PA34, PH19- 26, PH30-44, PH49-50
1 Bedroom with Shared Facilities	£59.04
1 Bedroom	£91.81
2 Bedrooms	£110.72
3 Bedrooms	£126.92
4 Bedrooms	£160.38