

PAPER NO.6

REPORT TO THE EXECUTIVE MEETING OF 4th JULY 2011

Status: Decision

Title: Homeless Temporary Accommodation - Update on Service Provision and approval of Charging Statement

Originator: Steve Pointer/ Ann Ball

Where from: SMT

Where to next: Executive

1 Purpose Report

1.1 To inform Members of the current and future temporary accommodation provision for homeless households and charging policy.

2 Recommendations:

2.1 Members note the arrangements for current and future provision of temporary accommodation for homeless households to whom the Council has an interim duty to accommodate.

2.2 Approval of a Charging Statement for temporary accommodation as outlined at Appendix 2.

2.3 Explore opportunities for obtaining access to further units of temporary accommodation predominantly for single persons, working in partnership with neighbouring districts and housing providers.

3 Summary of Reasons for the Recommendations

3.1 The Homelessness Strategy 2008-13 identified as a priority action the need to replace the hostel as temporary accommodation for the homeless, (a report to the Executive Meeting of 20th April 2009 described the inadequacies of the Council's hostel). The Hostel is no longer used for temporary accommodation and is currently being marketed for sale.

3.2 In order to continue to provide temporary accommodation for homeless families the Council has two units available:

- Unit 1 – a first floor two bedroom maisonette which the Council owns situated in the Market Harborough area
- Unit 2 – working in partnership with Seven Locks Housing the Council has the use of a ground floor 2 bedroom flat within their housing stock in the Lutterworth area

Both units of accommodation provide temporary accommodation for homeless families.

- 3.3 Single homeless households, to whom the Council owes a duty to provide temporary accommodation are, wherever possible, referred to appropriate Hostel accommodation (only available outside of the district) and where this is not available, placed in Bed and Breakfast accommodation (generally only available outside of the district).
- 3.4 District Councils within Leicestershire have been able to refer single homeless applicants to Hostels in Wigston, Leicester and other areas. Leicester City are now operating a more strict local connection criteria with Leicester which means applicants without a connection are not always accepted.
- 3.5 There has been a 7% increase in the number of single people in urgent housing need seeking housing advice over the last two years. 762 Housing advice interviews were completed in 2010/11 and 40% of these were single households. There has also been an increase in the number of homeless declarations taken this year in comparison to the same period last year, and an increase in the number of single homeless applicants where we have reason to believe they are in priority need for re-housing and therefore the Council has a duty to provide temporary accommodation (see Appendix 3)
- 3.6 There is evidence to suggest the need to explore alternative ways of securing temporary accommodation for single person households and more cost effective options.
- 3.7 The lack of available Hostel accommodation and the cost of Bed and Breakfast accommodation are drivers for exploring the opportunity for districts to share in the provision of temporary accommodation.
- 3.8 Any bid to the Homes and Communities Agency for funding toward developing purpose built temporary accommodation may be dependent upon partners contributing capital, land and/or charitable funding for it to be viewed favourably. It may be necessary to consider releasing capital or assets in the future to support such a bid. Other shared options could involve leasing suitable premises and these options will be explored working with willing Local Authority partners in Leicestershire.
- 3.9 Charges for the use of temporary accommodation, in particular the charges for applicants occupying Bed and Breakfast accommodation need revising. The proposed charge for B&B accommodation is set out in the Charging Statement (Appendix 2)
- 3.10 Rent and service charges for Unit 1 have been reviewed and utility meters installed to enable occupants to pay for utilities as they use them. The rent levels for both Unit 1 and Unit 2 are similar and set as affordable rents as demonstrated in Appendix 2 rather than market rents. Single applicants are currently not able to benefit from affordable rents when they are placed in commercial B&B accommodation and it is therefore essential not to financially disadvantage this household type. Housing Benefit may be available to

families living in self contained temporary accommodation such as Units 1 and 2 (dependent upon household income) to assist with the cost of the rent and eligible service charge.

- 3.11 However, not all homeless households are eligible to receive Housing Benefit in full or part payment of their accommodation charges. There are also limitations relating to the payment of Housing Benefit for a claimant living in Bed and Breakfast accommodation arranged by the Local Authority as temporary accommodation. This is because Housing Benefit (HB) guidance limits the payment of HB to claimants living in non self-contained accommodation. Payment is limited to the one bedroom self-contained Local Housing Allowance rate, which in Leicestershire is currently £86.54 per week. The recommendation in paragraph 2.2 therefore seeks the approval to establish a charging statement for temporary accommodation that is fair and reasonable to all households regardless of the type of accommodation they are provided with, and does not seek full reimbursement of the cost.

4. Impact on Communities

- 4.1 Exploring opportunities for joint working with other districts in relation to the provision of temporary accommodation and sharing of that accommodation and related costs will be of benefit to those presenting as homeless where the Council has a duty to provide temporary accommodation.
- 4.2 The charging policy referred to in this report will provide clarity for staff involved in providing and managing the service and will ensure those who are placed in temporary accommodation are paying a fair and reasonable charge for the accommodation provided.

5 Key Facts

- 5.1 Legislation defines who a local authority has a duty to assist with re-housing if homeless. Generally we assist in organising temporary accommodation where an initial assessment of the homeless applicant's circumstances indicates that they have a 'priority need' or have an emergency need for accommodation.
- 5.2 Whilst living in temporary accommodation the Council makes enquiries and reaches a decision on their homelessness. If the Council decides it has a duty to assist the applicant with housing they are then placed in the Priority housing need band on the housing register and able to bid for affordable housing available through Harborough Home Search. If the duty owed is provide advice and assistance, Housing Options advice is given. This can include referral or self referral to a Hostel, advice on private rented accommodation and applying to join the housing register.
- 5.2 The Council has provided temporary accommodation for homeless families in the Council's two bedroom maisonette in the Market Harborough area (Unit 1) as well as a flat owned by Seven Locks Housing (SLH) in the Lutterworth area ,which the Council provided the set up costs for (Unit 2). Both units of accommodation are furnished. If both units of accommodation are occupied a

booking is then made for B&B accommodation, dependent upon the size and make up of the family this may necessitate the booking of one or more rooms.

- 5.3 In addition the Council refers single homeless households to appropriate Hostel accommodation outside the district (as there is none available within the Harborough district). When Hostel or Refuge (whichever is appropriate) accommodation is not available, a room is booked in Bed and Breakfast accommodation. The Council's obligation is to provide accommodation and not breakfast therefore the booking is for room only.
- 5.4 Working together with SLH a draft Service Level Agreement has been developed, as well as a Licence Agreement, Data Exchange Form, Framework for Support and a leaflet as a Guide to Temporary Accommodation. We have been using this accommodation (Unit 2) for homeless families for the past 11 months. The occupation charges for these two units of accommodation are set out in Appendix 2. If a homeless family is eligible to receive full Housing Benefit, Benefit is payable on the rent and all eligible elements of the service charge.

6 Legal Issues

- 6.1 All Local Authority's have a statutory duty to provide a homelessness service. The legislation relating to Homelessness is contained in the Housing Act 1996 Part VII as amended by the Homelessness Act 2002 and the Communities for Local Government publish the Homelessness Code of Guidance for Local Authorities when considering what duty, if any, is owed by the Local Authority to a homeless household.
- 6.1 The Council has a statutory duty to ensure that accommodation is available for households who are considered to be in priority need and who are homeless or threatened with homelessness within the next 28 days.

Section 188 of the Homelessness Act 2002 refers 'If the local housing authority have reason to believe that an applicant may be homeless, eligible for assistance and have a priority need, they shall secure that accommodation is available for his occupation pending a decision as to the duty (if any) owed to him under the following provisions of this Part. The duty ceases when the authority's decision is notified to the applicant, even if the applicant requests a review of the decision (see section 202). The authority may continue to secure that accommodation is available for the applicant's occupation pending a decision on a review.'

A person has a 'priority need' if, when homeless, they are less able to fend for themselves than an ordinary homeless person, so that injury or detriment will result when a less vulnerable person would be able to cope without harmful effects.

- 6.2 An information leaflet 'Are you homeless or threatened with homelessness?' is attached at Appendix 1 which contains information for home seekers relating to homelessness and temporary accommodation.

7 Resource Issues

7.1 Unit 1

We have made financial provision for the cost of managing and maintaining this accommodation.

In 2010/11 the accommodation has been occupied 24 weeks out of a 41 week period. Two families have been housed during this time. The average void period is 8.5 weeks which is attributable to essential repairs/safety checks and no immediate demand for the accommodation.

No void costs are payable by the Council when the accommodation is not occupied, save for minimal expenditure relating to utilities/Council Tax, and the asset continues to appreciate in value.

7.2 Unit 2

The Council has an obligation to reimburse SLH for the following:

- The rent for any void period except where the reason for the void is the carrying out of repairs and maintenance
- Loss of rent where the Applicant/Homeless Nominee fails to pay the rent due, save for when the company has not diligently followed its rent arrears recovery procedures.

We have made financial provision for such costs. The accommodation has been available for use since 20th August 2010 occupied for 30 weeks out of a 41 week period. The average void period is 3.6 weeks some of which is attributable to essential void work such as safety checks.

7.3. HDC has in the past charged households placed in Bed and Breakfast accommodation a use and occupation fee equivalent to that levied for occupying a room in its' Hostel (which closed in September 2009) Since closure, the cost of occupancy has been increased and calculated using an average cost (based on the cost of all rooms in the Hostel) and uplifting by the rate of inflation. This has established the household's current contribution to the cost of B&B accommodation which is £4.80 per night. The full cost of the Accommodation to the Council can vary dependent upon room type and establishment, typically ranging from £30 per night to £49 per night plus VAT for a single person household. Where a household is eligible to receive Housing Benefit, this is limited to £12.36 per night.

7.3 Bed and Breakfast accommodation is used predominantly for single households when Hostel accommodation is not available. B&B is also arranged for homeless families when the two units of temporary accommodation referred to above are occupied. A family may require more than one room dependent upon the size and make up of the family which increases the cost of provision. .

8 Equality Impact Assessment Implications/Outcomes

- 8.1 This report seeks to implement an action of the Homelessness Strategy which was subjected to Equality Impact Assessment. The recommended charging policy seeks to achieve fairness in relation to the cost of use and occupation of temporary accommodation by vulnerable households on low incomes.

9 Impact on the Organisation

- 9.1 By approving the recommendations in paragraph 2 above the authority is ensuring it is able to meet its statutory obligation relating to the provision of temporary accommodation in a fair and consistent manner and as well as demonstrating it is responding to the needs of different household types and the demands upon the service.

10 Community Safety Implications

- 10.1 There are none arising from this provision.

11 Consultation

- 11.1 Positive feedback has been received by households occupying Units 1 and 2 regarding the quality and location of the accommodation.
- 11.2 In developing the Temporary Accommodation Charging Statement we have consulted with our partner Local Authorities in the Leicestershire sub-region. Responses indicate that the approach differs between authorities depending upon whether they own or Lease their own Homeless Hostel, utilise their own housing stock or use Bed and Breakfast accommodation.
- 11.3 In relation to Bed & Breakfast accommodation, one authority charges a single occupant £15.32 per night. If they are eligible to receive Housing Benefit, this is paid at £12.84 per night leaving the applicant to pay the shortfall. Whilst another authority reports that they charge the full cost of accommodation provided leaving the applicant to claim housing benefit (if eligible) and pay all the shortfall. Another authority makes no charge to the applicant and receives only the housing benefit as the contribution toward the cost of the accommodation and does not pursue collection of the shortfall. Whilst another authority receives the Housing Benefit and makes a charge to the applicant of £11.50 in keeping with other types of accommodation they provide.
- 11.4 Consultation has taken place with the Portfolio Holder for Housing Infrastructure & Planning on the content of this report.

12 Options Considered

- 12.1 A decision was taken to dispose of the Council's Hostel as it no longer provided satisfactory accommodation and would have required considerable financial investment to bring it up to an acceptable standard. Converting the Hostel into self contained units was immediately discounted because of the

considerable amount of capital investment that would be required to achieve disabled access, address noise transmission and fund replacement of key components such as the heating system, windows and roof.

- 12.2 Working with SLH to furnish and rent one of their units of accommodation for temporary accommodation and retention of the Council's unit of temporary accommodation was agreed.
- 12.3 Working in partnership with other district authorities to consider a shared resource to provide additional units of temporary accommodation is a recommendation of this report.

13 Background Papers

- 13.1 None

Previous report(s) Report to the Executive Meeting of 20th April 2009 Paper No. 11

Information Issued Under Sensitive Issue Procedure: Y/N

Ward Members Notified: Y/N