

CITY OF WOLVERHAMPTON COUNCIL	Cabinet 17 March 2021
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Report title	Temporary Accommodation Action Plan	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Jacqueline Sweetman City Assets and Housing	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Ross Cook, Director of City Environment	
Originating service	Housing Strategy	
Accountable employee	Anthony Walker	Homelessness Strategy and External Relationships Manager
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Report to be/has been considered by	City Environment Leadership Team	16 February 2021
	Cabinet Member Briefing – City Assets and Housing	22 February 2021

Recommendations for decision:

The Cabinet is recommended to:

1. Support the Temporary Accommodation Action Plan and delegate authority to the Cabinet Member for City Assets and Housing, in consultation with the Director of City Environment, to approve the implementation of the actions as detailed in the report.
2. Approve the immediate use of a maximum of 20 additional Council owned properties for temporary accommodation use.
3. Approve the development of a new property acquisition programme to purchase up to 50 additional units initially for temporary and settled accommodation.
4. Approve the development of a new private property lease programme to identify up to 50 additional units to lease from a private owner and negotiate long term lease arrangements for use as temporary accommodation.

5. Approve an amendment to City of Wolverhampton Council's Allocations Policy as detailed in paragraph 7.1 of this report.
6. Delegate authority to the Cabinet Member for City Assets and Housing, in consultation with the Director of City Environment, to agree the expenditure on individual property purchases.
7. Delegate authority to the Cabinet Member for City Assets and Housing, in consultation with the Director of City Environment, to agree the entering into individual lease arrangements, following negotiated lease terms and conditions as agreed with private property owners.

1.0 Purpose

- 1.1 The purpose of this report is to approve the proposed actions as detailed in the Temporary Accommodation Action Plan. This will enable the workstreams to continue to mitigate against the current overspend on the Temporary Accommodation budget. This will also allow the Housing Strategy team to put measures in place to reduce future spend whilst meeting the growing demand for both temporary and settled accommodation.
- 1.2 As part of this work, approval is requested for the development of a new property acquisition programme to purchase up to 50 additional units initially for temporary and settled accommodation.

2.0 Background

- 2.1 Local housing authorities in England have a duty to secure accommodation for unintentionally homeless households in priority need under Part 7 of the Housing Act 1996 (as amended). The Homelessness Reduction Act came into force in England in April 2018 and placed additional duties on local authorities to work to prevent and relieve homelessness for all eligible homeless applicants. Therefore, City of Wolverhampton Council (CWC) has a statutory duty to assist singles, couples and families presenting as homeless and in need of housing where they are eligible for assistance and of priority need. Where households are accepted as homeless, or whilst their case is investigated, emergency and temporary housing is provided whilst suitable, secure accommodation is found.
- 2.2 Across the country, the numbers of households requiring temporary accommodation has been steadily increasing since December 2011. The largest area of spend in local authority's budgets for homelessness services is on temporary accommodation, and a significant increase can be seen on the spending on nightly rate accommodation and bed and breakfast (B&B) placements.
- 2.3 Figures published in 2020 showed that there were a total of 88,330 households in temporary accommodation on 31 December 2019, which was an increase of 5.7% from the end of 2018 and the highest level since 2006. Numbers of temporary accommodation households in council or housing association stock rose 19.5% between the end of 2018 and 2019 and the number of households in B&B temporary accommodation rose by 10% over the same period.
- 2.4 A variety of types of temporary accommodation are utilised by councils to house homeless households, including B&B hotels, nightly paid private accommodation, hostels and refuges, private sector accommodation managed by a registered provider and local authority or housing association stock. Nationally, the most common type of temporary accommodation is private sector accommodation leased by the local authority or managed by a registered provider, closely followed by nightly paid private accommodation (27,950 and 24,810 households respectively as of Quarter 1 2020).

- 2.5 Nationally, the coronavirus pandemic has had a clear impact on the number of households requiring temporary accommodation, but it is important to note that numbers were increasing long before the impact of coronavirus became evident. A summary of Central Government's 'experimental' statistics on statutory homelessness in England from October to December 2019 shows the following:
- Local authorities assessed 34,010 households as being threatened with homelessness within 56 days between October and December 2019.
 - Another 33,270 were deemed already homeless and in need of relief, a 12.3% increase from 29,620 in the previous year.
 - A total of 36,460 households – 53.8% – were able to secure accommodation for six months or more because of councils undertaking their prevention or relief duties in line with the 2018 legislation.
- 2.6 In addition, the House of Commons published a report in October 2020 that stated that, from the end of September 2018 to the same day in 2019, there had been an increase of households in temporary accommodation of 4.8%, or 7.1% excluding London.
- 2.7 Research by the Local Government Association has illustrated that seven in 10 local authorities in England are overspent on their homelessness budgets as a result of the increased spending on temporary accommodation. In February 2020, Inside Housing reported that 'English councils paid £939 million in temporary accommodation costs to private accommodation providers in 2018-2019, up 48% from the £490 million spent in 2013-2014'.
- 2.8 The number of households requiring support from homelessness services is projected to continue to increase. The ending of the current ban on evictions and the impact of the COVID-19 pandemic on business and employment are likely to create a surge in households requiring accommodation and support.
- 3.0 Temporary Accommodation in Wolverhampton**
- 3.1 CWC commissions Wolverhampton Homes (WH) to provide its statutory homelessness services, including the allocation and monitoring of temporary accommodation units. If a household is found to have no other accommodation options, a placement will be made into temporary accommodation whilst Wolverhampton Homes work to secure a suitable settled tenancy for that household.
- 3.2 CWC holds a number of properties within its stock that are allocated for temporary accommodation use. As at the end of 2020, the portfolio of local authority owned temporary accommodation comprised of 83 individual units, which could temporarily house up to 434 permitted occupants. Placements are also made into hostels, private sector accommodation and nightly rate accommodation, including B&Bs, depending on availability and the household's circumstances.

- 3.3 The use of emergency temporary accommodation (B&Bs, hotels, daily rate self-contained emergency accommodation) has increased by over 50% over the 12 months with 252 placements made in 2020-2021, compared with 123 in 2019-2020.
- 3.4 This increased number of placements has also meant an increase in spend due to increased lengths of stay. In 2019-2020 the spend was over just over £670,000 however in 2020-2021 this spend increased to over £1.7 million.
- 3.5 The rise in both placements and spend can be attributed to a number of factors. In Wolverhampton, a clear increase in the number of presentations of households and the number of subsequent homeless applications can be seen, with a 25% increase from 2018-2019 to 2019-2020. A higher demand on settled accommodation and a lack of properties for move-on, has created an increase in the length of stay of households in temporary accommodation. When comparing the length of stay from Quarter 1 of 2019 to Quarter 1 of 2020, there had been an increase of 114% in private temporary accommodation and a 69% increase in local authority owned units. The outbreak of the COVID-19 pandemic required all households in need to be provided with self-contained accommodation to allow them to shield effectively, which placed an additional pressure on the service.
- 3.6 The pressures of the increase in the number of homeless households has had an impact on the demand for settled accommodation as well as temporary. Many factors, including the use of Right to Buy schemes, have meant that there are fewer suitable properties for households to move on into. The Temporary Accommodation Action Plan aims to address the need for more temporary accommodation and more settled units, as they are fundamentally linked and cannot be addressed in isolation.

4.0 Temporary Accommodation Action Plan

- 4.1 The Temporary Accommodation Action Plan has been created to identify and monitor actions that can be taken to address the overspend on the budget and to mitigate against the increasing demand for both temporary and settled accommodation in Wolverhampton. The actions will have both short- and long-term effect to help reduce the overspend and to ensure that all options are explored to secure suitable and appropriate accommodation for homeless households in the City. The Action Plan has been split into three areas: Property, People and Policy; the proposed actions are detailed below.

5.0 Property

Closer working with Registered Social Landlord's (RSL) to deliver more accommodation as both settled and temporary units for people who are homeless or at risk of homelessness

- 5.1 The recently updated Nominations Agreement requires RSLs to provide a certain number of properties to Wolverhampton Homes for them to nominate for households in housing need and allows for closer monitoring of this process. This workstream would aim to increase the amount of properties provided to homeless services and to ensure that

suitable nominations are made to every available property. In addition, CWC has amended its New Build Local Lettings Plan to include registered providers and has increased the provision for those in the highest priority need, which will likely be homeless households or those in temporary accommodation, from 10% of the scheme to 20%.

Maintain the current level of local authority stock used for the purpose of temporary accommodation

- 5.2 A number of properties owned by CWC that are currently used as temporary accommodation are due to be demolished as part of CWC's regeneration programme. This workstream will ensure that the current level of local authority stock is at least maintained in the very short term and Cabinet approval for the repurposing of up to 20 units to temporary accommodation is requested in this report.

Development of a new property acquisition scheme to purchase additional units for the use for temporary and settled accommodation

- 5.3 This new acquisition programme will identify suitable properties to meet the needs of providing temporary or settled units of accommodation. Areas in the City where provision of accommodation is limited will be prioritised, as will the types of property that are in greatest demand. Potential properties will be viewed, and a condition inspection carried out to determine the investment required to bring the properties to a lettable standard. A financial appraisal is completed and if the property provides value for money, an independent surveyor is instructed to complete a property valuation and an offer is made and purchase price negotiated. It is proposed to identify, view and purchase up to 50 units initially of accommodation to add to the local authority stock for use as temporary and settled accommodation.

- 5.4 **Development of a new private property lease programme to identify additional units for the use for temporary accommodation**

This new programme will identify suitable properties to meet the needs of providing temporary accommodation. Potential properties will be viewed, and a condition inspection carried out to determine the investment required to bring the properties to a lettable standard. Negotiations will then commence with the property owner to agree Heads of Terms for a long-term lease arrangement. Advice will be sought from Corporate Landlord throughout the negotiation period before recommending approval to proceed with entering into the lease agreements.

Introduction of a private sector scheme to increase the availability of accommodation and prevent homelessness

- 5.5 CWC is in the process of establishing a programme to work with private sector landlords to prevent households becoming homeless and to increase the availability of private sector accommodation. The Rent with Confidence scheme has been updated to focus on providing support to landlords and a mediation service for landlords and tenants using

the 'Call B4 you serve' programme. This will aim to reduce the number of evictions made in the City, help people to remain in their homes and increase the number of privately rented properties available for use.

Investigate the re-use of the Whitehouse hostel as short-stay accommodation

- 5.6 Depending on the outcome of the ending of lease negotiations, options will be considered for the reconfiguration of the Whitehouse hostel into a reduced number of self-contained units for short-stay, temporary accommodation.

6.0 People

Temporary reconfiguration of staff to work on prevention

- 6.1 A temporary reconfiguration of existing staff would enable Housing Outreach Officers and Visiting Officers to focus on prevention work. This would decrease the need for temporary accommodation as more homelessness would be prevented. Preventative work includes enabling households to stay in privately rented properties by working with the landlords and tenants, and mediation with friends and families to make it possible for individuals and families to remain or to move temporarily. Privately rented properties and staying with family and friends can also be used as temporary accommodation whilst permanent, settled housing is secured.

Implement Housing Support restructure

- 6.2 In tandem with the action outlined above, a full restructure of Wolverhampton Homes' Housing Support function would enable the amount of prevention work to increase permanently. A dedicated staff resource would work to assist people to stay in their homes or find suitable alternative options themselves, thus reducing the need for temporary accommodation and ensuring a better outcome for the household.

Commission preventative support services

- 6.3 The existing homelessness contracts are due to expire in 2022-2023. This provides an opportunity to use the retendering process to focus on providing effective floating support to people already in properties and ensuring early interventions are put into place wherever possible.

Implementation of Homelessness awareness sessions

- 6.4 Homelessness awareness sessions will be created with a national provider, to cover the national position and the local picture in Wolverhampton. These would be delivered to both internal and external partners to outline how the housing allocations process works, and how partners can avoid adding pressure to the system by creating additional expectations on homeless services and temporary accommodation that cannot be met. This will also help to ensure that members of the public receive accurate and consistent information.

Continuation of WH's evictions scheme

- 6.5 WH are currently conducting a pilot to work with landlords and tenants where Section 21 notices have been submitted to evict the household from the property. They are offering mediation between the two parties to help them come to an agreement that would enable the eviction to be stopped or the household to remain in the property until alternative settled accommodation has been secured.

7.0 Policy

Amendment of the Allocations Policy

- 7.1 CWC's Allocations Policy assesses an applicant's circumstances and places them in one of five bands for the purposes of allocating to properties. Currently, a household's banding is improved when they are placed into temporary accommodation. An amendment to the Policy is required to prevent this being used as an incentive and to allow for greater preventative work to take place.

Scoping of a Charging Policy

- 7.2 Some local authorities charge households for their stay in temporary accommodation to introduce parity across all forms of accommodation and maximise income to the service. This workstream will scope the possibility of introducing a similar scheme in Wolverhampton to provide consistency across all forms of temporary accommodation. The scoping exercise will assess the impact on households and any benefit for the service. A policy to introduce charges for the removal and storage of goods and furniture will be considered separately. If deemed viable, a full public consultation would take place and any decision would be presented to Cabinet at a future date for consideration.

Improvement of the void process for both settled and temporary accommodation

- 7.3 The current process for managing void properties and the impact of the COVID-19 pandemic have created a backlog of voids for both temporary and settled accommodation, which leads to increased spend on nightly rate accommodation as the local authority owned units are not available for use. Void properties need to be turned around quickly between uses to ensure maximum utilisation of the stock and avoid duplication of payment.

Introduction of a framework for nightly rate accommodation

- 7.4 The introduction of a procurement framework for nightly rate accommodation would ensure that a competitive set price was agreed on and could not be exceeded. This would help control the spend on the budget for temporary accommodation.

Introduction of a closer budget monitoring process

- 7.5 A more specific budget monitoring process will be introduced with notifications being triggered when WH have spent 25% and 50% of the temporary accommodation budget, if it is earlier in the financial year than projected. These notifications will initiate timely

conversations to mitigate against overspend, address any external factors and assist with the overall spend of the homelessness budget.

8.0 Evaluation of alternative options

- 8.1 An alternative option would be to not implement a Temporary Accommodation Action Plan and to continue current working practices with the existing stock of property. This would mean that placements would continue to be made in nightly rate accommodation and B&Bs and the spend would continue to increase quarterly. This would create a financial pressure for CWC and is therefore not considered a viable option.
- 8.2 Another option would be to partially implement the Action Plan and increase the number of properties in the local authority stock to meet the current need. This would decrease the spend on nightly rate accommodation but require additional properties to be purchased annually as the demand continues to grow. The cost of procuring a large volume of units in a short space of time would be high and this would not address some of the causes of the increase in spend.

9.0 Reasons for decisions

- 9.1 The implementation of the proposed actions outlined in the Temporary Accommodation Action Plan would address the overspend in the budget and mitigate against the growing demand for temporary and settled accommodation units.

10.0 Financial implications

- 10.1 Development of any services and projects will be implemented within existing budgets and grant conditions.
- 10.2 Failure to implement processes could mean a continued increase in spend as seen in 2020-2021. As well as increasing spend on temporary accommodation through use of bed and breakfast, Housing Benefit subsidy does not meet the full costs of Housing benefit where customers are eligible for this support.
- 10.3 The actions outlined in this report will allow CWC to utilise the current spend on B&B style accommodation to better effect and to prevent more homelessness.
- 10.4 A budget of between £8.0 and £10.0 million will be required for the purchase of up to 50 units of additional properties and any repairs required to ensure the property is suitable for letting. This can be funded from the approved medium term HRA capital programme. The capital programme includes a budget of £2.0 million per year for additional social housing which is utilised for purchases of former right to buy properties, often to assist with future regeneration plans. This budget provision may need to be increased to fund an expansion of temporary accommodation on this scale; this would require a virement from unallocated new build provision.

- 10.5 Any repairs required to the privately owned properties under the lease property programme will be carried out to ensure the property is suitable for letting and will be met from the temporary accommodation budget for leases under 10 years. Leased properties over 10 years can be managed within the HRA.
[JM/17022021/L]

11.0 Legal implications

- 11.1 Development of any services and projects will receive legal approval prior to implementation.
- 11.2 Legal Services will provide advice and support in the process for acquisition of the additional units of accommodation whether through the acquisition programme or the private property lease programme.
- 11.3 Stamp Duty Land Tax (SDLT) will need to be considered as part of the programme.
- 11.4 All freehold purchases and leases for terms longer than seven years will be registrable at HM Land Registry and this will form part of the support provided by Legal Services.
- 11.5 Occupation of any properties would take place under a licence agreement which will be reviewed by the Legal Services to ensure that it is fit for purpose so that there is no risk of a secure tenancy arising.
[DC/11022021/N]

12.0 Equalities implications

- 12.1 An equality impact assessment will be undertaken for all projects upon approval.

13.0 All other implications

- 13.1 All HR implications will be considered fully as part of the working group's overall monitoring of the programme.
- 13.2 Corporate Landlord will be consulted when developing the private property lease programme and during the negotiation period on the proposed terms and conditions of the lease agreement.

14.0 Schedule of background papers

- 14.1 None