

Report Title: **Temporary Accommodation Reduction Plan 2008/2010**

Forward Plan reference number (if applicable): 33

Report of: **Assistant Director Strategic and Community Housing Service**

Wards(s) affected: **All**

Report for: Key Decision

1. Purpose

1.1 This report sets out the Council's planned actions through a Temporary Accommodation Reduction Plan to achieve a target number of 2600 households in Temporary Accommodation by 31 March 2010 in line with targets set by the Department for Communities for Local Government. The achievement of this target remains one of the highest priorities for the council over the next two years.

2. Introduction by Cabinet Member

2.1 The cabinet member for Housing welcomes this report as it sets out clear targets and outcomes for the council to achieve the reduction necessary to meet the governments target of no more than 2600 households in temporary accommodation by 2010.

3. Recommendations

- 3.1 Cabinet to agree a target of no more than 4000 households in Temporary Accommodation by 31/03/2009 as set out in Appendix 1 and no more than 2600 by 31st March 2010.
- 3.2 Cabinet agree the key objectives set out in 13.2.
- 3.3 Cabinet agree the funding for the additional costs of providing assured shorthold tenancy properties in 2008/09 as set out in para 4.3 of the report.

Report Authorised by: **Niall Bolger Director of Urban Environment**

Contact Officer: **Rupert Brandon, Head of Housing Supply and Temporary Accommodation, 8489 4890 and Tim Dauncey Interim Director of Special Projects**

4. Chief Financial Officer Comments

- 4.1 The report outlines the three major objectives of the Temporary Accommodation Reduction Plan and proposes a number of measures to achieve the reductions required by March 2010. The costs associated with the measures proposed under the first 2 objectives, namely controlling the gateway for households entering temporary accommodation and managing the temporary accommodation client base will be contained within existing approved resources. However, the proposal to clear a backlog of homelessness assessments, estimated cost £78k, currently has no budget provision. A bid has been made to the Capital Ambition funding for London, which should provide a sum of £200,000 to be allocated to fund the backlog project and provide for additional resources to support the delivery of the overall Housing Improvement Plan.
- 4.2 The main thrust of reducing the numbers in TA is via objective 3, improving the supply of permanent accommodation through the use of Assured Short hold Tenancies (AST's). Currently approved budget provision of £586k is sufficient to fund 293 AST's at an average cost of £2k. Any AST's above 293 will require additional resources, which must be identified and approved before any further AST's are secured. In order to meet these proposed targets and acceleration of the programme additional funding of £952,000 is now required.
- 4.3 Almost half of the cost of acquiring an additional 600 Assured Shorthold Properties can be achieved through managing a reduction through the release of the more expensive properties currently procured i.e. the nightly rated accommodation and maintaining or increasing as required properties acquired as Private Sector Leases which are secure tenure for a longer period and are more cost effective. This is expected to produce a cost saving of £432,000 in 2008/09. The target property tenures are included in the plan proposed. In respect of the funding for the remaining cost of £520,000 to achieve the accelerated programme in 2008/09 funding can be transferred from the reserve held for homelessness subsidy issues which was increased by £692,000 as a result of the underspend in 2007/08. This funding must only be used for the payment of incentives for the supply of AST's.

5. Head of Legal Services Comments

- 5.1 The Council has a statutory obligation to provide accommodation for those that are homeless (as defined in the relevant legislation). There are various schemes set out in this report as to how the number of households in temporary accommodation can be reduced. Legal advice should be sought on each individual scheme and their contractual arrangements when necessary. Where the scheme involves

conversion of private sector leasing to assured short hold tenancies accommodations the cooperation of the private sector landlord will be required and therefore the success of this scheme will depend on the take up by the landlord.

6. Local Government (Access to Information) Act 1985

6.1 List background document

6.2 Also list reasons for exemptions or confidentiality (if applicable)

7. Strategic Implications

7.1 Haringey has the second largest number of Households in Temporary Accommodation in London. It is critical that we achieve the governments target for 2010 and this is a key priority for the Council to achieve a successful outcome. There is a further report on this agenda which seeks Cabinet approval for a new Homelessness Strategy for 2008-2011. The production of a Homelessness Strategy is a requirement for each local authority. Given the levels of housing need and homelessness in Haringey, it is a core strategic document. Our success in addressing homelessness and achieving the reduction in the levels of temporary accommodation required by 2010 is not only critical for the council but also to the lives of many of the borough's residents.

7.2 The requirement for a Homelessness Strategy and the delivery of the Temporary Accommodation Reduction Plan will impact upon the Council's assessment under the new CAA framework. They are also important for the achievement of the Council's broader objectives set out in the Council Plan, the LAA targets and in the Community Strategy.

8.0 Financial Implications

8.1 The monthly budget monitoring forecasts for the service currently show an expected balanced budget forecast for the service. This is based on the assumption that the number of households in temporary accommodation continue to fall. This estimate assumes that rent deposits will cost on average £2,000 per household. It is quite conceivable that the average cost of achieving these Assured Short hold Tenancies will rise as we are competing with other Local Authorities who sometimes offer more generous schemes

8.2 The following table sets out the estimated cost of supplying the number of AST's forecast within the TA Reduction Plan to achieve a target of 4000 households in TA by March 2009. This shows a current shortfall of £952,000 in 2008/09 which will need to be funded to ensure supply of an additional 600 AST's.

Cost of increasing AST supply to achieve TA Reduction plan target

Scheme	Target Numbers	Budget Requirement £	Budget provision £	Budget Shortfall £
Accredited Landlord Scheme	210	378,000		
Haringey Homes Direct Landlord Direct Letting Scheme	105	210,000		
RSL's AST Scheme	225	450,000		
AST through rent deposit Conversion of PSL's to AST's	100	0		
	100	200,000		
	150	300,000		
	890	1,538,000	586,000	952,000
Actual costs per unit vary but £2,000 per unit is an estimated average				
Estimated savings from additional reduction in use of nightly rated Accommodation				
	(200)			(432,000)
Net increase in budget required in 2008/09 to deliver planned reduction in Households in Temporary Accommodation				(520,000)

The table above shows that delivery of the accelerated target number of units will cost £1.538m in total. Budget provision has already been made in the sum of £0.586m, leaving a budget shortfall of £0.952m in 2008/09. Savings from existing budgets of £0.432m can be achieved leaving a further £0.520m to be identified. If the strategy in this year proves successful, then further funding may be required in 2009/10 to achieve the target of 2,600 households in Temporary Accommodation by March 2010.

- 8.3 The current housing benefit subsidy regulations and funding regime is under review by the DWP. After grant reductions of 5% and 10% in consecutive years a fuller review was to be carried out for 2009/10. However it is likely that the move to a more formula based framework will be deferred another year, but may lead to further subsidy reductions on a percentage basis. The Council has included further growth of £3m in its budget plans. The impact of reducing households in TA through the use of Assured Shorthold tenancies will reduce income significantly as set out below. However in order to deliver the number of additional AST's and encourage homeless households to move to the private sector accommodation, incentives of approximately £2000 per household will be required to fund 1 month in advance rent deposits and a deposit for breakages /wear and tear. This means that not only will income from Housing Benefit subsidy fall as a result of changes to the subsidy regime and reduction of the number of households in Temporary Accommodation,

but also to reduce the number of Households in TA will require additional funds of up to £0.52m in 2008/09 to support the achievement of the TA reduction target of 4000 by 31/03/2009.

- 8.4 The improvement plan for the service has included efforts to clear various backlogs that exist. A sum of £78k has been committed to a team brought in to clear the backlog in homelessness assessments. Consideration is also being given to bring in external teams to clear other backlogs in the service. There is currently no budget provision for these sums although a bid has been made to the Capital Ambition Fund to cover this cost.

9. Legal Implications

- 9.1 See above.

10. Equalities Implications

- 10.1 Overall the strategy should have a positive impact on diverse and vulnerable groups because they are highly represented within homelessness services and temporary accommodation.

11. Consultation

- 11.1 External consultation has been on-going with Specialist Homeless Advisers from the Department for Communities and Local Government in the formulation of this plan.

12. Background

- 12.1 This report provides an update on progress against the Government's target for Haringey to reduce the number of homelessness households in temporary accommodation to 2600 by 2010. This target is based upon halving the number of households who were in Temporary Accommodation as at the 31 December 2004. The report will outline the various actions that need to be taken between now and 2010 to deliver this challenging outcome.
- 12.2 Progress over the last 3 years in achieving this target has been poor. Table 1 sets out the performance since 2004.

Table 1 – Number of Households in Temporary Accommodation 2005-2008

Number of Households in Temporary Accommodation	Dec 2004	April 2006	April 2007	April 2008	31/5/2008
	5207	5698	5861	5389	5224

12.3 Failure to make significant progress to deliver a reduction in homelessness households since 2004 means that the target of 2600 by 2010 is going to be very challenging outcome for the Council to achieve.

12.4.1 Currently the households in Temporary Accommodation are accommodated in a variety of different property temporary tenures as set out in the table below :

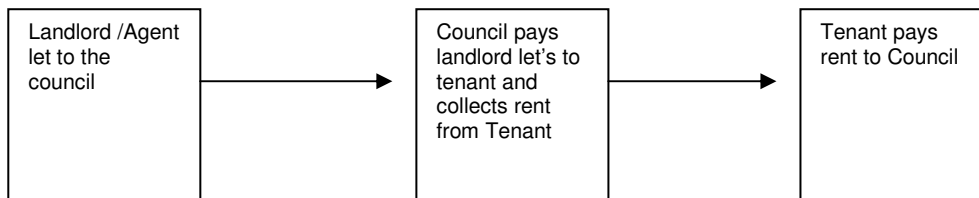
Table 2 – Total Households in Temporary Accommodation

Property Tenure	Total Households by tenure 2/06/08	Target Profile of property tenure as at 31/3/2009
Annexe	1871	1322
Bed and Breakfast	46	0
Housing Association Leasing Scheme	983	405
Hostel	202	140
Private Sector Leases	1798	1993
S193	279	100
Other	45	0
Total	5224	3960

12.5 A forecast of the changes in property tenure needed to deliver efficiency savings referred to in para 4.3 to fund the supply of additional AST's are set out in Column 3 of the above table . It must be understood that predicting this change in profile is not an exact science and whilst the achievement of this profile will release funds, the key focus must be of reducing households in TA to successfully achieve this year's target of 3960 by 31/03/2009.

12.6 The definition of whether a type of tenure is classified as Temporary Accommodation or Permanent Accommodation can be clarified as shown by the following diagram.

Property Rentals classified as Temporary Accommodation



Property Rentals classified as Permanent Accommodation



12.7 To achieve the target of 2600 by 2010 requires the Council to both manage the new applications for homelessness and rehouse the current households in TA through a robust action plan that delivers the outcomes to achieve this target. The action plans developed since 2005 has failed to make any significant impact upon the target; the actions contained in this report must not fail and therefore need complete support throughout the organisation to have any chance of succeeding.

13. Temporary Accommodation Reduction Action Plan

13.1 To achieve the target of a maximum 2600 households in Temporary Accommodation a number of key actions are described below. Officers will be closely monitoring the performance against a more detailed action plan to deliver the proposed outcomes on a weekly basis. There is fortnightly monitoring meeting lead by the Chief Executive, where officers will be held to account over delivery together with weekly monitoring at a service level.

13.2 This plan has been split into 3 major objectives

- **Objective 1 - Controlling the gateway for households entering Temporary Accommodation.**
- **Objective 2 - Managing the Temporary Accommodation client base.**
- **Objective 3 - Improving the supply of permanent accommodation to reduce numbers of households in Temporary Accommodation**

13.3 Objective 1 - Controlling the Gateway for Households entering Temporary Accommodation

13.3.1 Households are placed into Temporary Accommodation under Part VII of the Housing Act 1996, which either allows for an interim duty (while cases are under investigation) or a permanent duty (where the Council has completed its investigation and accepts a permanent rehousing duty). It is important therefore to ensure that the Council offers good homelessness prevention services and applies homelessness legislation in a robust manner. Most Temporary Accommodation placements take place before the Council has accepted a permanent rehousing duty and it is here that new controls will be implemented.

13.3.2 Previously not all applicants have been required to complete homelessness application forms as local arrangements have been put in place over and above statutory responsibility. A number of client groups including prison leavers, Drug and Alcohol referrals etc. were given automatic priority if they approached the Council. These practices have ceased and partner agencies informed of the change. All applicants will now be assessed under statutory homeless legislation according to their needs.

13.3.3 Since mid April, new arrangements have been put in place to strengthen the Temporary Accommodation placement process. All proposed placements must be further challenged and agreed by a senior manager within the Strategic and Community Housing Service to ensure consistency and adherence to the legislation. In the longer term a new Validations team will be introduced to undertake this work. The impact of this change has reduced the number of acceptances during April and May by 24% and 29% respectively compared to last year's average monthly acceptances. The target is to reduce placements to a maximum of 48 per month.

13.3.4 In the medium term there needs to be a focus on increasing the level of Prevention and Options activity to divert and tackle homelessness utilising all forms of preventions and housing options prior to the consideration of a homeless application. This will focus upon the following actions:

- Making best use of the funds available to the P&O team to find alternatives
- Working with both Social and Private sector landlords to prevent homelessness and assist households to remain in their current accommodation
- Working with families to assist in enabling households to remain with their family either in the long term or pending planned rehousing.

13.4 Objective 2 - Managing the Temporary Accommodation Client Base

13.4.1 The current number of households in Temporary Accommodation is 5224(31.5.08); however there are a number of actions that need to be taken to ensure the numbers are accurate and are being managed. The main actions here will be to ensure the households in Temporary Accommodation are managed proactively.

- There are 350 households in TA that have yet to have an homelessness decision made. This is either because they had been placed without an application being taken or we have taken a long time making a decision such that they are no longer within the current casework timeframe. A backlog team has been appointed to clear this work by September 2008. It is estimated that up to 75 cases may result in a negative decision and these households will need to leave Temporary Accommodation. These households will be given advice and assistance to find alternative accommodation.
- Continued targeted activity of our TA properties will take place based upon a risk assessment of the households to identify households that are in illegal occupation or have abandoned the property. We will also be collaborating with our RSL partners to ensure they undertake a similar exercise for their HALS stock.
- A review will be undertaken of the approach to managing rent arrears for Households in TA, which could lead to households being discharged and evicted from their properties.
- An exercise is being undertaken to ensure that the data being used to support the delivery plan is accurate and reliable.
- A review of the impact of the current lettings policy is underway to ensure aims of the allocations process for Temporary Accommodation households actively supports the delivery of the reduction plan targets.

13.5 Objective 3 - Improving the supply of accommodation to reduce the number of clients in TA

13.5.1 Whilst closer attention to managing the gateway to temporary accommodation and the current client base will have some impact on reducing the number of households in temporary accommodation in the short term, the key activity for sustaining the delivery of the reduction target in the longer term is through the identification and supply of permanent housing outcomes. There are two strands to this objective as follows:

13.5.2 Whilst the ideal solution to the delivery of the plan is to supply permanent social housing (principally rented) properties, this option is limited by the current unavailability of stock within the council's ownership or through nominations to RSL's. However it is important that we use whatever permanent properties we have to the best effect. The following actions will seek to do this

- Improving Voids turn around – As at the 1st of April, voids turnaround times were an average of circa 60 days with approximately 150 properties void. There has been a clear focus upon improving this performance and an additional 90 to 100 properties have been released for letting activity through improved Void turnaround.
- Ensuring the full allocation of RSL nominations for new build and relets. An exercise is underway to ensure that the council has received its full quota of nomination rights for both RSL new build and relets. A profile of expected nominations is built into the planned targets.

- Review the proportion of permanent stock allocated through choice i.e. Home Connections and Direct lets. It is important to ensure that properties that become available from the Council's current stock are targeted at the households in temporary accommodation. There will need to be close monitoring and interventions to balance the number of properties that are relet through Home Connections system and those offered to homeless households as direct lets. We aim to allocate 70% of general needs housing to homeless households.
- Where appropriate lettings for Sheltered Housing Accommodation will be targeted to suitable clients in Temporary Accommodation.

13.5.3 Greater use of the private sector is the main way to reduce TA numbers. This accommodation is either used to offset a homeless application i.e. that we will offer it as an option to a household where we believe we would have to accept a homeless duty or we use it to discharge our duty to households we have already accepted a duty to e.g. a household already in TA. In addition we will also make the option available to existing tenants who may wish to move e.g. to reduce their overcrowding conditions.

Whilst work has been done to set up different schemes to generate properties from private sector suppliers of housing, activities need to focus on increasing the supply of properties through publicising and explaining the advantages of the schemes directly to landlords and letting agents, not just through housing officers but across the council where other services work with landlords .

Activity also needs to focus upon convincing clients it is a good way to meet their housing needs and for the Service to improve its own operations in the way it lets the properties supplied. A new Private Lettings Team will be set up which will merge the work of AST procurement staff and staff working with clients offering AST's as an option. A quick turnaround between properties being offered to the Council and let to waiting clients is vitally important to gain confidence of both the client and the landlord or letting agent.

A challenging target of generating 890 AST's from all schemes has been agreed with the staff within the SCHS which will need close monitoring and early interventions if supply is not meeting targets.

13.5.4 The schemes developed by the service are set out below:

- Maximising the Accredited Lettings Scheme (ALS) with as many letting agents as possible

The current ALS has been revamped to make the procedures less cumbersome and to make the scheme more reflect the need to bring in supply. The previous scheme had too much emphasis on accreditation and needs to reflect the greater need for overall supply. It will also see the phasing out the Council's ongoing long term

financial obligations as rental agreements on new properties will provide an upfront incentive, but no long term financial subsidies. The scheme will still be affiliated to the National Accredited Lettings Scheme and the Independent Housing Ombudsman Service. The scheme will however will require an up front financial outlay as returnable deposits will be paid to suppliers (and others below that have a mix of deposits and incentives). The existing budget will only cover @160 properties, additional funding will be identified to support the financial impacts of the higher target of properties supplied through this process.

This is the main scheme for landlords to use should they wish to use an agent. We are currently looking to expand our supply of agents from 3 by having an open invitation to others. The aim is to supply 210 overall this year.

- Maximising the Landlord Direct Letting Scheme

This scheme is aimed at landlords wishing to manage their properties themselves rather than through a letting agent. The Council is no longer taking on new Private Sector Leases as the focus is on ASTs. An advertising campaign started in June and is expected to generate 200 new properties this year. These properties will be acquired both in borough and out of borough; which will widen our potential market.

- Maximising the Haringey Homes Direct scheme

This is an unaccredited letting scheme for agents. It differs by having a simplified procurement process that does not involve affiliation to NALS and HOS, although properties will still meet minimum letting standards. It is expected to generate a supply of 105 properties.

- Increasing the number of RSL's who will let properties on an AST basis to TA clients

This scheme follows the successful acquisition of 50 units by Notting Hill HT in the borough. An RSL will acquire a lease from a private landlord, thus guaranteeing the landlord an income for typically three years. The RSL will grant a tenant (our homeless nominee) an AST. The amount charged will be higher than a market rent but still covered by HB. Pathmeads, as well as the other RSL's are looking to run this scheme.

- Maximising within revenue budget limits the number of rent deposits

These were introduced as part of Homelessness Prevention Fund. We offer applicants most likely to be accepted as homeless or those already accepted the chance to find their own property in the private sector to which we will then provide them with a rent deposit. This scheme proved particularly successful last year and we anticipate the some level of demand. Last year 150 households were helped via the scheme.

This year however rent levels may be higher so we may not be able to help as many people. As with other schemes the existing budgetary position is such that it restricts the potential supply. It will only allow us to acquire 100 units, however there may be an opportunity to use funds to increase the number in the current year e.g. £800k will deliver 400 properties.

- Maximising the number of conversions of temporary tenancies to AST tenancy

As temporary accommodation leases expire a campaign is being developed that will encourage tenants and landlords to convert tenancies into an AST, preferably within the property currently occupied. This will be applied across the board to our PSL's, RSL HALS and to emergency accommodation annexes (EA). This work is time consuming as it involves significant investment in encouraging take up and negotiating successful outcomes. A target of 150 has been set.

- Ensure the efficient use of Emergency Accommodation

There has been a significant increase in the use of Emergency Accommodation i.e. nightly rated accommodation mainly through Annexes procured over the last year. Although the overall number of households in TA dropped annexes increased as there was a corresponding fall in the use of RSL leased accommodation and falls in other forms of TA. There will be a clear focus on moving households currently accommodated with emergency accommodation and annexes into permanent tenancies supplied as AST's. In addition where properties are up to standard RSL's are being encouraged to renew them. This has become easier in the last couple of months now that lease rent levels have increased and are covered by Housing Benefit payments.

14. Temporary Accommodation Reduction Plan Targets

Attached at Appendix 1 is a table setting out the targets set and agreed with staff to deliver an outcome of less than 4000 households in Temporary Accommodation by March 2009. The table sets out the overall target for the year and an average target for each month. Further detailed analysis has been used to profile the targets over each month. These targets are lower at the start of the project as capacity and capability is built up. Later on in the year targets become more challenging as the actions to deliver the improvements are completed and enable faster delivery of AST's in particular. These targets will be monitored on a fortnightly basis by senior managers in the Strategic and Community Housing service and early interventions will be made where performance is not matching targeted outcomes.

15. Conclusion

The delivery of the target of 2600 or less households in Temporary Accommodation by 2010 is a huge challenge, but not one that can fail. It is of the highest priority for the Housing service to deliver. Resources from outside the service have been

identified to provide hands on support to both deliver and take responsibility for delivering outcomes. The first key milestone is to achieve the target of 4000 by March 2009.

16. Use of Appendices / Tables / Photographs

16.1 Appendix 1 Temporary Accommodation Reduction Plan – Targets