

Report for: Housing and Regeneration Scrutiny Panel – 7 November 2017

Item number: 8

Title: Information item: Temporary Accommodation Reduction Plan

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Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** N/A

1. Describe the issue under consideration

- 1.1 This report sets out the Council's developing plans to reduce the costs of temporary accommodation, bringing the budget into line with the Medium Term Financial Strategy.

2. Cabinet Member Introduction

- 2.1 N/A

3. Recommendations

- 3.1 That the Scrutiny Committee notes and comments on the Temporary Accommodation Reduction Plan as set out in this report.

4. Background information

- 4.1 Local Authorities have a statutory duty to provide Temporary Accommodation (TA) to homeless households in line with the Housing Act 1996. TA can take the form of nightly paid self-contained flats, accommodation on longer leases sourced from private landlords or Registered Providers and accommodation within the councils own stock. Nightly paid emergency accommodation tends to be the most expensive, with an average cost of £44 per night against an average cost of £35 for a longer-term lease.
- 4.2 The council currently has c3080 households in TA. The numbers in TA are controlled by managing demand and increasing supply. This involves the Council in seeking to prevent households from becoming homeless and needing TA by enabling them to remain in their existing accommodation or by supporting them to access alternative accommodation usually in the private rented sector; and by supporting those already in TA to access longer term housing, through an allocation

of social housing via the council's housing register or a private rented sector property in discharge of the council's housing duty.

- 4.3 In 2016/17 the council's net expenditure on TA was £7.6m. In 2016 an ambitious Medium Term Financial Strategy (MTFS) was put in place to reduce the net costs of TA to £6.1m by 2020/21. Despite steady increases in the number of households prevented from becoming homeless and targeted work with households already in TA to move them on to settled accommodation, the anticipated net spend for 2017/18 is £7.2m, in excess of the original £6.7m target.
- 4.4 This is because certain assumptions contained in the original MTFS have subsequently been found to be unrealistic and in need of revision. Accordingly, officers have remodelled the MTFS, taking into account existing initiatives to reduce demand through homelessness prevention and increase supply of cheaper TA, alongside a series of new initiatives and the anticipated impact of the Homelessness Reduction Act, due to be implemented in April 2018. Following this new trajectory, net expenditure on TA is forecast to be at £4.4m by 2020/21, against the previously forecast £6.1m.

Performance headlines – managing demand

- 4.5 There have been a number of significant improvements in work to better manage demand recent years:
- A steady increase in the number of homelessness preventions achieved – on target for over 40% by year end
 - Homelessness prevention work is effective – a recent review of cases prevented over the last 5 years shows that only 10% of households returned for assistance
 - Homeless acceptances decreased from a peak of 762 in 2013/14 to 683 in 16/17 in contrast to the London picture of increasing acceptances
 - 115 homelessness acceptances in quarter 1 this year compared to 178 in 16/17
 - To date in 2017/18, 90% of statutory homelessness decisions were made within the 33-working-day target, a significant improvement on 2016/17 figure of 46%
 - The number of cases 'under investigation' has been maintained at less than 50, from over 200 for much of 16/17
 - To date in 2017/18, the council accepted a full housing duty to 45% of applicants, reduced from over 60% in 16/17
 - Average in-flow into TA reduced from 79 per month to less than 50
 - Increasing number of Assured Shorthold Tenancies to prevent homelessness secured – on target for 300 this year.

Initiatives to prevent homelessness

- 4.6 In 2016 Homes for Haringey's Housing Demand team underwent a restructure. This has delivered significantly improved performance on homelessness prevention and decision making, with further changes planned in order to implement the Homelessness Reduction Act.
- 4.7 Homelessness Prevention Fund, used among other things to finance deposits in the private sector, has been established and is offering good value for money solutions.
- 4.8 Under the Deregulation Act 2015, Local Authorities can take additional steps to protect tenants in the private rented sector from eviction where they have made complaints about the poor quality of the accommodation. Officers are using these provisions to delay evictions and make more time for alternative options to be secured.
- 4.9 Officers have also increased the amount of community outreach on offer; our outreach offer will be further enhanced as part of our Homelessness Reduction Act implementation plan.
- 4.10 Haringey is benefitting from a share of £917k Trailblazer funding, awarded to the North London sub-region to pilot enhanced homelessness prevention initiatives in preparation for the rollout of the Homelessness Reduction Act. The focus of this activity is to trial the new Personal Housing Plans that everyone who makes an application will be required to have and to focus outreach activity to sources of high homelessness demand.
- 4.11 Homes for Haringey has employed a Chief Immigration Officer to sit with the team to enable quicker and more robust decision-making around eligibility for assistance.
- 4.12 Work is underway to make formal plans for moving the oldest and newest cases into TA on to longer term accommodation. This work is being supported by a programme of visits to every TA unit to check current occupancy, inspect the condition of the property and have a conversation about move on.

Initiatives to increase supply

- 4.13 The Council is investigating a range of options to increase the supply of homes to meet the need for TA and discharge of duty. This may include the type of non-for-profit arms-length or charitable organisations, or wholly owned companies, which other local authorities have set up precisely for this purpose and which can form a valuable mechanism for channelling Right to Buy receipts, borrowing and grant into building and acquiring new homes.

- 4.14 Options being investigated also include the types of partnership with Housing Associations that other boroughs have entered into, which can deliver purchase and repair programmes to acquire often badly managed private sector stock for use as affordable housing. Reports on these new supply options are on the Forward Plan for Cabinet in January 2018.
- 4.15 The Council has also agreed a £16m General Fund direct acquisitions budget. This funding is being drawn down by Homes for Haringey, primarily to purchase and repair former Right to Buy stock and bring it back into use as affordable housing.
- 4.16 Officers have begun meeting with all the major landlords who currently provide nightly paid emergency accommodation. These meetings are to press the landlords to convert these into more cost-effective, longer-term tenancies, to offer to purchase properties where they fit our priorities and landlords are seeking to withdraw from the market and to see what would encourage these landlords to offer more properties, particularly within the borough. Currently, 30 agents manage 1548 of these units, with portfolios of between 138 to 13 units. Initial discussions have been very positive, particularly when linked to Haringey's pilot guaranteed rent scheme for Assured Shorthold Tenancies.
- 4.17 Meetings have been also set up with Notting Hill and Genesis, who have recently merged. Genesis is the only Housing Association that still has a significant Private Sector Leasing portfolio in Haringey, but prior to the merger was seeking to run this down. Notting Hill is the only Housing Association operating in the borough that is actively seeking to grow its Private Sector Leasing portfolio. Initial discussions with the merging organisations indicate a clear willingness to work together to yield a significant increase in ASTs available to the Council.
- 4.18 Homes for Haringey is also seeking to increase the number of lodges for emergency accommodation, building on the model of Broadwater Lodge, which is now fully let and making savings for the Council. These include Whitehall Lodge, with 21 rooms, to be occupied by the end October 2017, Birkbeck Lodge, currently in design phase, likely to be occupied in 2018/19, and two additional lodges being investigated in Enfield of 24 and 46 rooms respectively.

5. Statutory Officers comments (Finance, Procurement, Legal and Equalities)

- 5.1 These were not sought as this is an information item only. Statutory officers' comments will be appended to the relevant Cabinet papers as the reports progress through the decision-making process, at which stage they will be available to the Scrutiny Panel.

6. Use of Appendices and Local Government (Access to Information) Act 1985

N/A