

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

**REPORT TO:** Leader and Cabinet

10 November 2005

**AUTHOR:** Housing and Environmental Services Director

### REDUCING THE NUMBERS AND COSTS OF TEMPORARY ACCOMMODATION

#### Purpose

1. To advise on the Office of the Deputy Prime Minister's (ODPM) new target for local authorities to reduce the use of temporary accommodation for homeless households by 50% by 2010 and to set out the Council's response to this new target. The three proposed changes are:
  - i) Providing private rented accommodation as a permanent rehousing option rather than as temporary accommodation.
  - ii) In the short term, to make greater use of the Council's own stock as temporary accommodation.
  - iii) To rehouse homeless households into permanent accommodation more quickly.

#### Effect on Corporate Objectives

2. Quality, Accessible Services	To provide adequate forms of temporary accommodation to homeless households, whilst addressing the need to reduce expenditure in the short term.
Village Life	As new schemes develop and homelessness prevention increases, applicants will have a greater opportunity to locate accommodation in their area of choice.
Sustainability	N/A
Partnership	The Council works in partnership with housing association's to provide temporary accommodation.

#### Background

3. In June 2005, the ODPM published a policy briefing entitled "Providing more settled homes". This highlighted the need to reduce numbers in temporary accommodation by 50% by 2010.
4. Coupled with this is the council tax capping requirement, which requires that savings are identified from across all services. The greatest expense within the Housing Advice and Homelessness team is the provision of temporary accommodation to fulfil the Council's statutory obligations. The Council have reduced the use of bed and breakfast, which is the most expensive form of temporary accommodation. This report aims to show a means of making savings in this area, which is the only realistic area in which cuts could be made. Any cuts to homelessness prevention measures are likely to be counter productive as this would have the negative effect of increasing expenditure on the provision of temporary accommodation.

5. At 30 March 2005 the Council had placed the following numbers of homeless households in temporary accommodation:

Private Sector Leasing	Council stock	Hostel	Other	Total
86	24	27	16	153

### **The Private Sector Leasing Scheme**

6. The private sector leasing scheme (PSL) provides good quality temporary accommodation by providing private rented properties to homeless households that are managed by King Street Housing Society on the Council's behalf. However many occupants have been in this 'temporary accommodation' for over two years. The ODPM's policy briefing, "Providing more settled homes" highlights the option of using the private rented sector to provide more settled homes. The length of time some occupants have resided in PSL accommodation shows that there is potential for the private sector to provide settled accommodation. A long term aim therefore is to develop further preventative measures that will provide greater use of the private sector as a settled option and prevent homelessness occurring, rather than a form of temporary accommodation. Once this scheme is established, this should reduce the numbers requiring temporary accommodation through the PSL scheme.
7. The provision of temporary accommodation in the private sector has often been a barrier to homeless applications taking a preventative option in this sector, as under the private sector leasing scheme, the accommodation is generally cheaper and applicants have the security of knowing this will lead to secure Council or housing association accommodation. Following agreement by the Portfolio Holder, the Council will be increasing the rents under the Private Sector Leasing scheme to enable some of the management expenditure (£1,638 per year per property) to be taken from the rents. The rents will still remain at a reasonable level.

### **Use of Council properties as temporary accommodation**

8. As a further emergency measure, the Council could provide a quota of vacancies from its own stock to be let as temporary accommodation. No management fee would be payable on these properties and this would enable the gradual reduction in the PSL scheme.
9. In 2004/05, 331 lettings were made within Council stock. A 10% quota would therefore represent approximately 33 properties.
10. To achieve the reduction in PSL properties some households may be required to move to alternative temporary accommodation. This will cause additional upheaval to a family. In some cases, but by no means all, it may be possible to provide temporary accommodation, which will be adequate to be made into their permanent offer of accommodation once their turn has been reached on the housing register.
11. The greater provision of temporary accommodation within the Council's own stock should also have a beneficial impact on the average time taken to relet void properties. At present the Council's average time taken to relet void properties is 32 days (against a target of 30 in 2005/06) Applicants accepted as homeless should be able to move in quickly and there is less scope for refusal.
12. The down side to using more stock as temporary accommodation is that it will reduce the number of properties which can be let on a permanent basis. However, this is

envisaged to be a short term measure until greater prevention of homelessness can be achieved through the private sector. This will be reviewed in 12 months time.

13. It is proposed that temporary tenancies are, in most cases, let on the basis of being one-bedroom short of what the family would be entitled to on a permanent basis. For example, a number of hard to let properties are one-bedroom bungalows. It is proposed that these could be let on a temporary basis to families with one child. This will provide adequate accommodation, as the living room can also be used as a sleeping area and remains in excess of the accommodation provided in hostel accommodation, where all family members share one room.

**Housing homeless households out of temporary accommodation quicker**

14. The following table records the length of stay in temporary accommodation for those households when the full homelessness duty under section 193 ended during the quarter (Jan- March 2005):

Area	Total	% h'holds under 6 months	% h'holds 6 months – under 1 year	% h'holds 1 year – under 18 months	% h'holds 18 months – under 2 years	% h'holds 2 years or more
England	18,930	54%	18%	9%	7%	11%
East of England	1,640	55%	20%	10%	5%	10%
<b>South Cambs</b>	<b>19</b>	<b>42%</b>	<b>11%</b>	<b>16%</b>	<b>11%</b>	<b>21%</b>
Cambridge City	34	56%	21%	9%	6%	9%
East Cambs	43	84%	12%	5%	0%	0%
Fenland	12	17%	33%	33%	8%	8%
Huntingdonshire	47	66%	30%	2%	0%	2%

15. At the end of 2004/05 there had been a 10% reduction in the numbers accepted as homeless compared with the previous year, however, there was a 7% increase in the numbers residing in temporary accommodation, it is therefore important to ensure that homeless households are moved out of temporary accommodation quicker. In order to ensure that current homeless households do receive an offer of permanent accommodation more quickly, some further interim measures are proposed until the outcome of the allocations review or a move towards a Choice Based Lettings scheme has been determined. These are as follows:

- 1) An increase in the minimum number of villages a homeless household should choose in respect of their housing application. Under the current policy a homeless applicant has a minimum of three choices, this means that applicants can be waiting a long time before a property in those chosen areas becomes available. At present the average number of villages requested by homeless households is 12. It is therefore proposed to increase the minimum number of village choices to 25. In addition two lists of villages will be developed, one of which includes approximately 26 larger villages (generally those with more than 60 non-sheltered Council or housing association homes). To ensure a realistic likelihood of rehousing within a reduced time frame it is also proposed that at least 4 of the applicants 25 village choices come from this list. Consideration will be given to any exceptional circumstances a family may have to remain in a particular location i.e.; support

from family, a particular need for children to stay at the same school (such as special educational needs).

The restrictions in choice may also encourage new applicants to choose the preventative route rather than the homelessness route. In some cases, occupiers of temporary accommodation may prefer to be assisted with accommodation in the private rented sector in order to remain in their preferred area of choice.

- 2) 75 Discretionary points are currently awarded when homeless households have been in temporary accommodation for 2 years to increase their priority on the housing register. The previous table shows that a much higher proportion of households are residing in temporary accommodation for more than 2 years than in any other district in Cambridgeshire. It is therefore also proposed to address this additional priority earlier and award these after 6 months with the aim of moving people into more settled accommodation quickly.

### **Financial Implications**

16. The proposed measures should create substantial savings in the costs of temporary accommodation.
17. Some savings will enable setting up and promoting new homelessness prevention schemes, which in the long term should reduce homelessness and the need for temporary accommodation expenditure.

### **Legal Implications**

18. The appropriate notice will need to be served on any applicants residing in PSL properties that may be removed from the scheme.
19. Consultation with applicants is only required, when a major change in the allocations policy is proposed and therefore it is the officers opinion that this would not be necessary for these proposals. However, consultation will be required with RSL's with whom we have nomination arrangements in the district.

### **Staffing Implications**

20. Additional staff pressures in terms of rehousing applicants from the PSL scheme and addressing the changes required.

### **Risk Management Implications**

21. Possession proceedings (via King Street Housing Society) may be required to move households from PSL properties, where the leases are not renewed with the landlord.
22. Potential increase in contributions toward void costs within the PSL scheme if properties are vacated prior to expiry of the lease and it is not practical to relet.
23. Management fees will be payable on properties where rent payments are not met by the tenant.

## **Consultations**

24. The majority of consultations have been with internal council staff.
25. Discussions have taken place with King Street Housing Society on how we can work together to achieve targets.
26. A consultation exercise with housing associations is underway.
27. All homeless households affected by these proposals will also be advised in writing of the changes.

## **Conclusions/Summary**

28. The Council needs to reduce the numbers in temporary accommodation and, particularly in the short term, reduce expenditure on temporary accommodation. Work is ongoing to develop a new scheme, which will hopefully enable access to the private sector as a means of settled accommodation and prevent the need for a homeless application. This in turn will reduce the numbers in temporary accommodation. However, it will take time for any such scheme to become established and therefore as a more urgent approach, actions are required to make preventative options more attractive to potentially homeless households and reduce current and future numbers in temporary accommodation.

## **Recommendations**

29. It is recommended that Cabinet make the following amendments to the Council's Lettings Policy with effect from November 2005:
  - a) To let up to 10% of council vacancies as temporary accommodation, including allocations to accommodation that may be one-bedroom short of what the household would be entitled to on a permanent basis, for example, one-bed units let to families with one child. To be reviewed after 12 months.
  - b) Increase the minimum number of village choices to homeless applicants to 25, with at least 4 of these being in the villages identified as having more than 60 non-sheltered Council or housing association homes. Whilst, allowing individual families the opportunity to submit exceptional circumstances for a specific location.
  - c) Award homeless priority points at 6 months after the Council has agreed to rehouse them, rather than the current 2 years.

**Background Papers:** the following background papers were used in the preparation of this report:  
Providing More Settled Homes – policy briefing 11  
P1E stats (on homelessness) – Jan – Mar 2005

**Contact Officer:** Sue Carter – Housing Advice and Homelessness Manager  
Telephone: (01954) 713044