

THURSDAY, 2 NOVEMBER 2017

**REPORT OF THE PORTFOLIO HOLDER FOR HOUSING SERVICES****PILOT - USE OF COUNCIL STOCK FOR TEMPORARY ACCOMMODATION****EXEMPT INFORMATION**

N/A

**PURPOSE**

This report seeks to set out the arrangements for a landlord pilot scheme whereby up to 5 council housing properties will be used for temporary accommodation; between Monday 2nd April 2018 until Friday 29<sup>th</sup> March 2019.

The report details how this supports the Landlord Regulatory Standard (Tenancy) as well as supporting the Councils strategic housing function in the discharge of its statutory duties around homelessness.

**RECOMMENDATIONS****Cabinet approve:-**

- A landlord pilot scheme for the use of up to 5 Council properties as temporary accommodation for homeless households for the period during the pilot
- The use of non-secure tenancy agreements for the purposes of the scheme for homeless households placed in Council properties
- The implementation timetable contained within the report including arrangements for the review and community based impact assessments arising from the pilot forming part of a further report to Cabinet in July 2019

**EXECUTIVE SUMMARY**

The DCLG reported earlier this year<sup>1</sup> that the Homelessness reduction Act (HRA) 2017 seeks to transform England's homelessness legislation by shifting the emphasis from one of perceived 'gate-keeping' to one of prevention and early help; providing specialist and tailored support to all client groups, not just those in priority need. Elsewhere on the agenda the Housing Strategic team are reporting on the implications of this for emergency and temporary accommodation. Whilst the HRA 2017 received Royal Assent April, a code of guidance and new secondary legislation is being developed. With this in mind maximising all available opportunities to

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<sup>1</sup> <https://www.npsservice.org.uk/doc/DCLG%20Update%20-%20Jo%20Beck.pdf>

facilitate earliest help remains a key priority and is intrinsic to Tamworth’s demand management operating model.

Across the sector numerous LAs are reporting opportunities as well as challenges with this new legislation. Early help and a model supporting a positive pathway for homeless households into settled accommodation starts with housing first principles. A number of the Councils strategic ambitions support this approach, particular ambition 8 around “ensuring people have access to a full range of quality housing options”



The aim of this particular pilot scheme is modest and whilst it only plans to use up to 5 council properties for a 12 month period commencing Monday 2nd April 2018 until Friday 29th March 2019; it is designed to add to the range of comprehensive measures already in place by strategic housing colleagues. Elsewhere on the agenda, the report detailing emergency accommodation shows an impressive reduction in the use of B&B; to its lowest levels for the last 3 years. Therefore whilst the scheme may not be considered as necessary – it is designed to act as one of the alternatives to ensure B&B is a last resort. Other LAs are also making the case for a range of flexible; short terms and focused temporary accommodation arrangements, arguing these are a prerequisite to responding to challenges within the HRA 2017 and that this provides an additional and low-cost opportunity. Neighbouring landlords are also suggesting that the Homes Community Agency (HCA) will also be reviewing the Tenancy regulatory standard in support of early help and to translate the prevention agenda within the HRA 2017 into landlord regulatory practice.

The pilot scheme is designed to be flexible and therefore properties will be selected based on need, availability and suitability for the applicants’ involved; consequently properties are likely to be ‘anywhere’ within the Borough. The scheme is designed to

contribute to the range of temporary accommodation options open to the strategic housing solutions staff continuing to minimise the use of B&B accommodation.

This report details the current landlord regulatory obligations under the Tenancy standard to support the Councils strategic housing function in discharging its duties around homelessness and provides a value for money alternative to supporting the overall reduction in costs to the Council

**FINANCIAL & RESOURCE IMPLICATIONS**

Using Council properties under this scheme will not require subsidy from the Housing Revenue Account as the rent (and service charges where applicable) would be charged as normal which would then be met via Housing Benefit &/or direct payment depending on individual circumstances

As the scheme is designed for homeless households there is a requirement for a basic furniture pack. A maximum of £5000 will be available for this purpose for the duration of the pilot scheme and can be met from the existing tenants removals budget. Furniture will be recycled and stored locally using existing council premises (at nil cost) and therefore costs associated with the provision of essential furniture items minimised.

By using Council properties as opposed to emergency accommodation there is the potential for a financial saving to the General Fund as this scheme contributes to the overall reduction of B&B accommodation use. The exact annual saving will not be known until the scheme has been in place for at least 12 months; however for each Council property used it is estimated this will make an average saving of £355.03 per week.

**LEGAL & RISK IMPLICATIONS**

Properties to be let as temporary accommodation will be identified from the Council’s own stock. Under section 79 of the Housing Act 1985, any Council lettings of separate dwellings qualify as secure tenancies under the 1985 Act, unless they fall within one of the exemptions set out in Schedule 1 of the 1985 Act.

<http://www.legislation.gov.uk/ukpga/1985/68/section/79>

One of the exceptions in Schedule 1 is the use of Council accommodation to discharge the Council's duties under homelessness legislation. This therefore allows the Council to grant non-secure tenancies to homeless people whilst discharging its homeless duty in pursuance of any function under Part VII of the Housing Act 1996.

<http://www.legislation.gov.uk/ukpga/1985/68/schedule/1>

Risk	Control
The pilot provides a modest number of properties and using up to 5 is simply intended to be only one of a range of options to mitigate homelessness. On its own it is will not replace the need for alternative and additional temporary accommodation	Using Council properties provides the Council with additional temporary accommodation in exceptional circumstances.

<p>More (indeed less) Council properties may be assessed as being required and expectations will have to be managed.</p>	<p>Whilst the regulatory tenancy standard requires providers to co-operate with their LAs strategic housing function and their duties to meet identified housing need; the overriding obligation is that tenancies are let in a fair, transparent and efficient way making best use of its housing stock; whole scale use for temporary accommodation would clearly be contrary to this.</p> <p>The impact will be assessed at end of the proposed pilot scheme and reported back to Members in July 2019 to to consider its effectiveness and whether it is recommended going forward</p>
<p>Applicant(s) do not want to move out of Council property</p>	<p>By issuing a non-secure tenancy agreement applicants are treated fairly and equally. Where a reasonable offer of suitable alternative accommodation is refused or where the tenancy agreement has been breached, a Notice to Quit will be served giving four weeks' notice in writing. Where the property is not vacated by the date the Notice to Quit expires, court proceedings will be commenced.</p>
<p>Availability of Council properties may not fit the required profile</p>	<p>Identified properties may be undergoing void repair works and may not be ready for letting immediately therefore applicant(s) may need other sources of temporary accommodation for a short time</p>
<p>Non-payment of rent</p>	<p>Robust rent arrears recovery processes already in place.</p>
<p>5 less general needs properties available for allocation in the year</p>	<p>The scheme is designed to be flexible and properties will not be left vacant for the purposes of this scheme. Moreover that where there is an identified requirement then properties will be made available on a property by property basis.</p>

## MATTERS FOR CONSIDERATION

### What is the Pilot Scheme?

The aim of the pilot scheme is to use up to 5 council properties for a 12 month pilot period commencing Monday 2nd April 2018 until Friday 29th March 2019. The pilot scheme is designed to be flexible and therefore properties will be selected based on need, availability and suitability for the applicants' involved; therefore properties are

likely to be ‘anywhere’ within the Borough. The scheme is designed to contribute to the range of temporary accommodation options open to the strategic housing solutions staff to minimise the use of B&B accommodation. Properties will be partly furnished and managed by the existing housing staff.

**Aims and Objectives of the Pilot Scheme**

- To contribute to meeting required outcomes in the Landlord regulatory Tenancy Standard, in particular point 2.1.1., which states *“Registered Providers shall co-operate with local authorities’ strategic housing function, and their duties to meet identified local housing needs”*. This includes assistance with local authorities’ homelessness duties, and it is assessed that this scheme provides tangible evidence of meeting that obligation.
- It is recognised that as part of the ‘Homelessness Reduction Act 2017’ the associated Tenancy regulatory standard is likely to be reviewed and this will be incorporated into the review of the scheme.
- The Pilot Scheme will run for 1 year initially with the option of becoming a main stream service in the future if value for money can be demonstrated;
- It provides an additional resource for the placement of homeless applicants and therefore reduces the use of Bed and Breakfast type accommodation;
- Provides quality accommodation with access to information in relation to housing and support;
- Seeks to avoid moves between temporary accommodation, particularly for households with children;
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- To provide a flexible approach to meet the peaks and troughs of the demand for temporary accommodation for homeless applicants with the relevant properties reverting back to general needs housing stock when not required.

**How does the funding work?**

Cabinet should be aware the ‘Homelessness Reduction Act 2017’ does propose material changes to the financing of temporary accommodation. Future financing of the scheme will therefore be part of the 2019 review of the pilot scheme and will consider welfare benefit implications especially around the local housing allowance and universal credit. Notwithstanding that, details below have been submitted on advice from Trowers (Independent solicitors) and Tamworth’s own Housing Benefit team and therefore reflects the current financing position.

Under current Housing benefit rules a family in bed and breakfast (1 family room) can only claim the maximum figure of £98.09 Housing Benefit per week. So the net cost of bed and breakfast to the general fund is in the region of £437.50 per week/per family based on 1 bedroom rate. By using council properties for temporary accommodation the Council can receive Housing Benefit in full up to Local Housing Allowance rate and therefore recoup all costs incurred in the provision and management of the Council property.

Illustrative example of costs comparison & savings to general fund

Temporary accommodation Type	Charge per week	HB eligibility
Current B&B charge for family	£420.00 per week +	Housing Benefit

room currently met by the general fund	£17.50 per week service charge = <b>£437.50 per week</b>	entitlement is the LHA rate for a 1 bed property of £98.08 per week
Typical rent charge for 2 bedroom council property	<b>£82.47 per week</b>	Housing Benefit entitlement is LHA of £113.92 per week
Typical saving to the general fund by using a Council property instead of a B&B - based on typical 2 bed rent	<b>Potential saving of £355.03 per week to general fund by using Council property as temporary accommodation rather than B&amp;B.</b>	

## **Applicant Impact**

There will be additional charges payable by the applicant. Gas, water and electricity service charge costs are not met by housing benefit and the occupants would be liable for these costs themselves, which would be no additional cost to the individual than compared to living in permanent accommodation.

The process map shown at Appendix 1, details how council properties will be selected and used. It is envisaged that it will provide a short term solution and applicants will be moved on into more settled accommodation in line with their assessed statutory rights. In any event accommodation will only be available for a maximum of three months with targeted and tailored homeless intervention to minimise time in temporary accommodation.

A basic furniture pack will be provided dependant on assessed individual needs which may typically include floor coverings and white goods. Officers will also explore charitable services to support applicants with household furnishing items at part of this scheme.

## **How will these properties be managed?**

The Housing Solutions Manager / Team Leader will request the use of a property to the Landlord Housing Options team, detailing the type and size of the property required, and any other specific location needed, accompanied with the standard applicant(s) individual risk assessment for the provision of temporary accommodation.

Based on the current demand it is anticipated that the properties that will be required are likely to 1 or 2 beds, although it is accepted that where the families of applicants exceed this need, efforts will be made to identify suitable larger properties. The impact of removing these 5 general needs properties from an average void churn of 226 properties each year is likely to be negligible – less than 3%. There is no anticipated void or rent loss as the same approach will be used for repairing the void.

It is expected each individual property will be used for 3 months to assist the homeless process with occupants then either moving on to permanent, supported, private landlord, or other accommodation. The non-secure tenancy could be either be renewed or ended at that stage, depending on the occupant's housing situation. Please see Appendix 1 for a process guide.

## **What tenancies will be used?**

The occupants will sign non-secure tenancy agreements see Appendix 2 to ensure risks around difficulties ending the temporary arrangements are minimised.

**Timetable for implementation**

Nov/Dec 2017	Cabinet approval 2/11/17
Jan/Feb 2018	Finalise Non-Secure Agreement with legal department
Jan/Feb 18	Briefing & training housing teams on new pilot scheme / necessary training
Mar/April 2018	Launch new temporary accommodation pilot scheme
March/April 2019	Review of this 12 month pilot scheme  Report back to Cabinet July 2019 with details of the impact assessment arising from the 12 month pilot

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