

TONBRIDGE & MALLING BOROUGH COUNCIL
COMMUNITIES and HOUSING ADVISORY BOARD

12 November 2019

Report of the Director of Planning, Housing & Environmental Health

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)

1 TEMPORARY ACCOMMODATION

Summary: this report updates Members on the current position on Temporary Accommodation and lays out a number of options for consideration for the future provision of Temporary Accommodation to meet the Council's Statutory Housing Duties.

1.1 Current position

1.1.1 Current provision consists of:

- Nightly paid with private providers (this is generally out of borough)
- Units in agreement with Clarion Housing (currently 6no units)
- 6no council owned units at in Tonbridge Town Centre.

1.1.2 The number of households in TA has been increasing over the past few years. The table below shows a monthly analysis from 2017/18 to the current financial year.

Year	Annual average number of households in TA
2017/18	29
2018/19	36
2019/20	54

1.1.3 This increase was anticipated to a certain degree prior to the introduction of the Homelessness Reduction Act (HRA) and there is a national trend in terms of increasing use of TA. A survey by the Local Government Association has highlighted the rise in TA use. The number of households in TA is up by more than 70% since 2010 and the burden on councils and their budgets continues to increase. This increase and the lack of affordable TA options in TMBC has resulted in a large increase in budget requirement; the gross spend in 2018/19 was c.£426k and is projected to be c.£630k in 2019/20. The net cost to the Council in 2018/19 was c.£157k after the recovering of housing benefit. This net

cost includes payment of management and maintenance costs for our directly owned provision but does not currently account for staff time related to the management of the TA portfolio.

1.1.4 The table below compares the costs of the various types of provision:

Type / size	Provider	Gross nightly cost £	Gross monthly cost £	Nightly net cost/ (income) £	Monthly net cost (income) £	Monthly income after costs £
Shared	Private provider	32	973	18	545	n/a
1bed	Private provider	36	1095	16	486	n/a
2bed	Private provider	47	1430	23	712	n/a
3bed	Private provider	55	1673	26	793	n/a
4bed	Private provider	65	1977	28	849	n/a
2bed	Private provider	38	1141	14	423	n/a
2bed	Private provider	38	1141	8	238	n/a
3bed	Private provider	41	1247	0	0	n/a
Single room	Hotel	46	1399	28	862	n/a
Twin room	Hotel	57	1734	39	1197	n/a
Family room	Hotel	65	1977	47	1440	n/a
1bed flat	Clarion	12	378	0*	0*	n/a
3bed house	Clarion	19	564	0*	0*	n/a
1bed	TMBC	0	0	(23)	(700)	(408)
2bed	TMBC	0	0	(30)	(902)	(486)

*there may be some costs to the Council for void and property management fees.

1.1.5 TA residents are in two main categories: relief and main duty. The table below summarises the numbers in each category.

	Total no of households	1 bed need	2 bed need	3 bed need	4 bed need	unknown
Main duty owed	26	5	14	5	2	
Relief duty owed	31	12	13	3	1	2

Number of households by type of duty as at 01 10 19.

1.1.6 A snapshot of the current group of TA households has shown that the main causes of homelessness are domestic violence, family breakdown, parental exclusion, section 21 issues (including rent arrears, ASB and landlords recovering properties for alternative use) and welfare reforms.

1.1.7 In August 2018, TMBC purchased 6no units in Tonbridge town centre for use as TA. Feedback about use of the units is positive and the agreement with Clarion's repairs and maintenance contractors has been a success. The costs and savings associated with the TMBC owned provision is outlined in the financial implications below.

- 1.1.8 16 households have been accommodated in the TMBC provision to date (including the current placements), with an average stay of 114 days/16 weeks and an average void time of 7 days. 6 households have been accommodated in Clarion properties over the last 12 months, with an average length of stay of 149 days/21 weeks. The length of stay in nightly paid provision is much lower, as it is utilised for broad range of circumstances including placement of rough sleepers during the use of the Severe Weather Emergency Protocol (SWEP).
- 1.1.9 Clarion currently provides 6no homes within their existing stock for use as temporary accommodation (at Local Housing Allowance rates). This has proved to be a cost effective option in comparison to nightly paid provision with nightly equivalent rates being 67% higher.
- 1.1.10 We utilise a range of nightly paid private providers to meet our TA requirements. These are usually, although not exclusively out of borough and are mainly self-contained, although there is some use of HMO type accommodation. These providers have a flexible portfolio of units and can respond out of hours. These are currently our main source of TA provision due to the relatively small numbers available via Clarion and our own provision.

1.2 Current issues and opportunities

- 1.2.1 There is a cohort of housing cases where complex needs and higher risk issues (e.g. those with spent serious criminal convictions) that the current nightly paid providers are unwilling to accept. TMBC still has the same duty to these cases and whilst some may meet the criteria for KCC supported accommodation in the longer term, there are both those who we have to provide relief accommodation to until they are placed in supported accommodation and those who will not meet the criteria and who we would need to accommodate until a suitable RP property became available.
- 1.2.2 The current approach to rent statements and payments is under review by officers to ensure that it is functioning well and that households in TA do not build up arrears that may affect their ability to move into permanent affordable accommodation when it becomes available.
- 1.2.3 Due to affordability issues in the borough, there are very few private providers currently operating in the area and officers do not consider that this is likely to change in the short to medium term. Therefore TMBC will continue to be faced with a lack of in borough provision if predominantly utilising private sector providers.
- 1.2.4 Clarion has indicated a willingness to extend the agreement currently in place to at least 10no units, from the current 6no. Officer discussions are ongoing regarding this extension of provision and a revised agreement with Clarion to equitably manage void costs due to the increased household turnover that occurs in TA when compared to longer term affordable tenancies.

1.2.5 The table below outlines the current brief for procurement of TA properties. All of these factors are considered when procuring TA through the different options currently in use.

Priorities		Notes
Location	<ul style="list-style-type: none"> In Borough 	Long term aim is for a mix of provision across the Borough, but will be dependent on what opportunities there are and where, balanced with areas households commonly have connections with.
Type	<ul style="list-style-type: none"> Self-contained units Flats - ease of maintenance Include some ground floor provision – for easy access. 	Ground floor, accessible units would be useful. Fully accessible in line with legislation would be useful in case it's needed, can be used by households without need for accessibility at other times.
Size	Mixture of: <ul style="list-style-type: none"> Studio 1 beds 2 beds 	Larger family units aren't a priority as we can use Clarion provision as a solution for such cases.
Number of units	As many as possible	Tonbridge is working well, including maintenance arrangements.
Other points to note	Parking is preferable, as well as good public transport provision.	

1.2.6 Housing and benefits colleagues are in continual dialogue with partners including the DWP and CAB to consider further prevention activity. This is managed via the Welfare Reform Group and individual discussions with partners as appropriate.

1.2.7 A key factor in TA provision is length of stay as a result of move on options; where there is no suitable accommodation to move a TA household on to, they remain in TA provision that is funded through LHA and topped up by the Council. This paper focuses on how we can best manage our requirement for TA, however the Housing team, working collaboratively with colleagues and partners, is exploring all options for an increase in move on options in all sectors of the housing market.

1.3 Options for future TA provision

1.3.1 The paragraphs below discuss a range of options that officers have considered and are recommending be explored further to ensure that TMBC is taking all opportunities to successfully manage the requirement for and cost of TA.

1.3.2 Further partnerships with RPs and third sector organisations:

- 1) In addition to the current extension being discussed with Clarion (as at 1.2.4 above), officers propose to continue discussions with Clarion on this basis and explore further expansion of this programme.
- 2) Other RPs and third sector organisations; there may be an opportunity to replicate the approach with Clarion in other RP stock or to work with RPs on conversion projects within their existing stock where they are already considering options for properties. One example of this is Pelican Court in Watlington, which is owned by Moat Housing. This property is currently leased to Maidstone Borough Council for their TA requirements following Moat's assessment that they were no longer going to utilise the property for supported accommodation as previously.

1.3.3 Private providers: given the level of TA requirement, TMBC will need to continue to work with a range of private providers in order to meet demand. There are a range of options for doing so in addition to the current arrangements.

- 1) Officers are investigating the opportunity to run a specific procurement exercise to ensure that TA placements can be found for complex cases. This would enable TMBC to agree specific provisions with private providers. Officers will also investigate whether there is any advantage to extending this framework model to general needs TA provision, although due consideration will be given to the fact that this could have budgetary implications.
- 2) Private investment companies: officers have met with a private enterprise with institutional investors that procures properties that can be leased back to local authorities to meet their housing need including TA. This type of arrangement means that the local authority is not required to fund the capital costs of purchasing the property but is tied into a lease arrangement over a number of years and therefore takes on the risk of any void costs. This may be an option to be considered in more detail in the future, however at present the officers' view is that there are options available to the authority that present less financial risk and have more flexibility. It is therefore proposed that further consideration is given to this option once the current key actions have been completed as part of a future stage of TA procurement.
- 3) Individual lease agreements: the opportunity to enter into individual leases with private landlords is always open to the Council. However, with the void periods with TA provision, it is likely that such arrangements would have to be on the basis of guaranteed rent and a higher rental offer. There is also the issue of supply: it may be that any properties that are offered the Council would be better utilised for discharging of housing duties into the private sector and officers would therefore have to seek to prioritise property uses.

1.3.4 TMBC purchase: Council owned provision gives TMBC greater control and operational cost saving opportunities. There are a range of ways that the Council could achieve this:

- 1) Street properties: purchasing individual street properties can could enable more immediate provision in borough. However, buying at open market value means that per unit costs are likely to be higher and this will reduce the current available resources that TMBC has available to fund other options. This issue could be mitigated by considering borrowing to fund purchases, however this would increase the risk of this option. Conversely, individual properties may be able to be sold again more easily than larger interests, which makes this a more flexible option.
 - 2) Conversion/group property purchase: same approach as with Tonbridge town centre, looking for groups of properties and then considering immediate use or conversion potential.
 - 3) Empty Homes: there's potential to utilise long term empty properties for TA depending on ability to procure and conversion requirements. Officers are assessing the approach to Empty Homes more widely, including the option for use as TA.
 - 4) Development: through the Asset Management Plan parcels of land in TMBC or other ownership will be looked at to assess if they might be suitable for housing development, and delivery models considered. This is a longer term option, with the AMP review in early 2020.
- 1.3.5 In order to assess options as they arise officers from the housing team or property services and building control will visit the property and gather relevant information to carry out an initial assessment in line with the priorities outlined in 1.2.5 (including estimated renovation costs and consideration of how the units could be used). If the property is worth further consideration information will be shared with colleagues (e.g. finance, housing, property services, building control and planning). A financial assessment of the option will be carried out and a report submitted to relevant senior officers and Members to endorse continuing with the option.

1.4 Legal Implications

- 1.4.1 The Council has statutory homeless duties, set out in Part 7 of the Housing Act 1996 (as amended). The Homelessness Reduction Act 2017 increased duties on local authorities to assess applicant's needs and to prevent and relieve homelessness.

1.5 Financial and Value for Money Considerations

- 1.5.1 The budget for TA 2019/20 is £416,000, with a revised estimate of £630,000. There may be some reduction in this in the 20/21 financial year depending on delivery of projects discussed in this report.
- 1.5.2 There is possible income from S106 contributions in cases where affordable housing is not able to be provided on site. On site provision is priority to help

meet the need for affordable housing. Therefore, financial contributions will only be agreed in certain circumstances. Any such income will need to be used to facilitate provision of affordable units elsewhere.

- 1.5.3 Both internal and S106 funds will be utilised for TA provision ahead of any financing involving third parties or borrowing. This approach will be kept under review.
- 1.5.4 Management costs associated with a wider TA portfolio: officer time needs to be accounted for, in addition to allowing for management and operations costs (such as the repairs contract with Clarion or ground rent for leasehold properties). It is therefore proposed to establish the principle that any TMBC procured properties have a staffing time allowance included in the business case.

1.6 Risk Assessment

- 1.6.1 A risk analysis will be undertaken for each potential project within the options above to consider financial risk/return, the suitability of the accommodation that would be provided by it and operational implications (including resources).

1.7 Equality Impact Assessment

- 1.7.1 The need for an EIA will be considered for each delivery option.

1.8 Policy Considerations

- 1.8.1 There are no specific policy implications arising from this report. However it is important to note that TMBC is currently part of the West Kent Housing Strategy and that a full review of TMBC's housing strategy and policy position is underway, which will include consideration of our future approach to the procurement and management of TA.

1.9 Recommendations

- 1.9.1 That the current position on Temporary Accommodation, including the significant budget pressures resulting from increased demand, are **NOTED** and that the following TA procurement projects are **AGREED** for progression:
- Partnerships with RPs and third sector organisations – 1.3.2 1) and 2);
 - Private providers – 1.3.3 1) procurement exercise; and
 - TMBC purchase – 1.3.4 1) and 2): street properties and conversion/group property purchase.
- 1.9.2 That the other project proposals at 1.3 of this report are investigated further by officers and a further report will be brought back to this board within 12 months.

The Director of Planning, Housing and Environmental Health confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

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Nil

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