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**REPORT TO: COMMUNITIES COMMITTEE ON 12 DECEMBER 2017**

**SUBJECT: TEMPORARY ACCOMMODATION FOR HOMELESS PERSONS**

**BY: CORPORATE DIRECTOR (ECONOMIC DEVELOPMENT,  
PLANNING AND INFRASTRUCTURE)**

**1. REASON FOR REPORT**

- 1.1 This report provides the Communities Committee with an updated position in relation to the provision of temporary accommodation for homeless people.
- 1.2 This report is submitted to Committee in terms of Sections III G (4) and (10) the Council's Scheme of Administration relating to homelessness and the preparation of the housing quality plans and other such housing related plans as may be required to ensure effective implementation of strategic housing matters.

**2. RECOMMENDATION**

**2.1 It is recommended that the Communities Committee considers and notes the:**

- (i) **issues relating to the provision of temporary accommodation; and**
- (ii) **future challenges facing the service.**

**3. BACKGROUND**

- 3.1 The Council has a statutory duty to assist applicants who are homeless or threatened with homelessness as defined in the Housing (Scotland) Act 1987, as amended. Further detail on the statutory duties is provided in **APPENDIX I**. These duties include the provision of temporary accommodation until such time as the Council has determined the outcome of their homeless application.
- 3.2 The Council continues to reconfigure its stock of temporary accommodation to:
- improve the quality of temporary accommodation;
  - respond to the different needs of homeless households; and
  - reduce the cost of temporary accommodation where possible.

- 3.3 On 13 September 2016, this Committee agreed that the Head of Service, in consultation with service managers, should determine the number of temporary accommodation units required to meet the demands of homelessness rather than the Committee set an annual target (paragraph 8 of the Minute refers). An annual report on ongoing issues would continue to be presented to this Committee to ensure appropriate oversight.
- 3.4 This report presents an update on:
- i) the type of accommodation being used for homeless people;
  - ii) current issues relating to homelessness;
  - iii) the financial costs in providing temporary accommodation;
  - iv) Universal Credit; and
  - v) other legislative changes that will impact on the service.

#### **4. TEMPORARY ACCOMMODATION PROVISION**

- 4.1 On 1 April 2017, there were 164 units of temporary accommodation in Moray. This includes hostel provision, dispersed and supported accommodation.

<b>Landlord</b>	<b>Bedsit</b>	<b>1 Bed</b>	<b>2 Bed</b>	<b>3 Bed</b>	<b>Total</b>
Council dispersed	14	26	27	12	<b>79</b>
Housing Association/ RSL		10	10	4	<b>24</b>
Hostel (Council)	6	-	-	-	<b>6</b>
Hostel (RSL)	20	-	-	-	<b>20</b>
Hostel (other)	25				<b>25</b>
Women's Aid	2	2	4	2	<b>10</b>
<b>Total</b>	<b>67</b>	<b>38</b>	<b>41</b>	<b>18</b>	<b>164</b>

(RSL – Registered social landlord)

- 4.2 During the year, there have been a number of units decommissioned and others added to stock. This is normal practice and prevents stigmatisation and ensures that properties remain in a reasonable condition. At the time of writing, the Council has 165 units of temporary accommodation with one further dispersed property added to stock.
- 4.3 The main problem experienced in temporary accommodation is the peaks in homelessness which are followed by lower numbers of presentations. This makes it difficult to plan, which leaves Officers with the option of either incurring potential rent loss through over provision or financial loss due to not having enough accommodation. Financially, it is better to have overprovision as the cost in rent loss is much less than placing homeless households in bed and breakfast accommodation.
- 4.4 Due to a combination of factors (people remaining longer in temporary accommodation and less permanent housing options becoming available) there have been periods during this year to date where the Council has had to rely on the use of bed and breakfast to meet its statutory obligations. The

average stay per person in this type of accommodation has been 10 days. This means that the Housing Service will need to continue to adapt and reconfigure the size and shape of its temporary accommodation portfolio to meet increased demand.

## **5. CURRENT ISSUES**

5.1 As part of the Council's Annual Return on the Charter to the Scottish Housing Regulator (SHR), the following data was provided in relation to the provision of temporary accommodation during 2016/17:

- the Council was required to make an offer of temporary accommodation to 772 households during the year;
- the average length of time spent in accommodation was 77 days;
- the total number of days spent in temporary accommodation by homeless households increased from 51,560 days in 2015/16 to 52,142 days in 2016/17;
- satisfaction levels with the provision of temporary accommodation increased to 90% which is above the national average of 86%.

5.2 At the time of writing, it is projected that the above figures will be similar to the projected outcomes for 2017/18.

5.3 Since 2013, there has been a year on year increase in the number of households occupying temporary accommodation. A snapshot of the position at 31 March 2017 revealed a 4% increase when compared to the previous year.

5.4 The key indicators of demand for temporary accommodation – longer stay in temporary accommodation and increased use of bed and breakfast – are evidence of ongoing pressures on the current stock. An additional pressure is the increasing number of households with complex support needs who are likely to spend more time in temporary accommodation before being assessed as able to sustain their own tenancy and receive an offer of permanent accommodation. The continuing shortage of affordable housing in Moray makes it more difficult for the Council to secure permanent housing for homeless households.

## **6. FINANCIAL COSTS**

6.1 The transient nature of temporary accommodation means that the operating cost per occupation is higher than a normal mainstream permanent tenancy. Statutory electric/gas checks which are required between temporary tenancies, as well as higher wear and tear on the property fabric, fixtures and fittings, mean that the Council has to endeavour to recover these costs where possible.

6.2 On 3 February 2015, this Committee agreed a revised charging policy for temporary accommodation (paragraph 10 of the Minute refers). This was implemented from 1 April 2015. The overall aim of the policy was to ensure that the rent charged for temporary accommodation was affordable to all, whilst ensuring that it does not act as a disincentive to work. It also sought to increase the overall income from rent collected, reduce rent arrears and address a valid concern from homeless people who were not entitled to benefits that they were disadvantaged by the previous charging policy.

6.3 Since April 2015, the impact of the policy has been as follows:

Income maximisation

6.3.1 The policy (as well as other operational factors) has generated an additional net income to the Council of £79,000. This compares with an additional net income of £65,600 in 2015/16. Overall collection rates, which include Housing Benefit and cash collected as a percentage of the net amount due, has also increased by 9.33% since the policy was implemented (a slight reduction when compared with the previous year (-1%)).

Rent arrears

6.3.2 Rent arrears within temporary accommodation have reduced by nearly £24,000 when compared to the previous year and write offs/movement in bad debt provision have also reduced by nearly £20,000. These figures demonstrate the positive impact that the policy continues to have on both rent arrears and debt within temporary accommodation.

6.3.3 A snapshot as at 31 March 2017 revealed that 75 out of 165 households housed in temporary accommodation were in arrears. This is a slight increase on the previous year (+5.6%) but it does not take into account households who may temporarily be in arrears whilst awaiting receipt of Housing Benefit or Universal Credit.

Affordability

6.3.4 The service continues to gather feedback from service users in relation to temporary accommodation. Historically, this highlighted that temporary accommodation was generally unaffordable and was leading to arrears and other debts. Since the policy was introduced, customer feedback (although small in number) indicates an increase of the number of households who consider temporary accommodation to be affordable.

	<b>Was the accommodation affordable?</b>		
	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
Yes	(36) 67.92%	(43) 79.63%	(42) 82.35%
No	(10) 24.53%	(7) 12.96%	(1) 1.96%
Not answered	(4) 7.55%	(4) 7.41%	(8) 15.69%

## **7. UNIVERSAL CREDIT**

- 7.1 Universal Credit is the most significant change brought about by the UK Welfare Reform Act 2012, replacing six means tested benefits and tax credits, including Housing Benefit. From June 2018, full roll out of Universal Credit will take effect in Moray. This means that anyone who would otherwise be making a new claim for one of the six benefits will claim Universal Credit.
- 7.2 There has been recognition by the Government that the design of Universal Credit does not work for temporary accommodation, where typically households are in the accommodation for a short time, often moving between several properties before permanent accommodation can be provided. The Secretary of State for Work and Pensions has written to local authorities confirming that the Government will legislate to ensure that stays in temporary accommodation are paid through Housing Benefit. It is hoped that the necessary Regulations will be in place by April 2018.

## **8. LEGISLATIVE CHANGES**

### National policy/legislative changes

- 8.1 The Homeless Persons (Unsuitable Accommodation) (Scotland) Amendment Order 2017 came into force on 2 October 2017 and amended the Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2014 to reduce the time allowed, from 14 days to 7 days, for families with children or pregnant women living in unsuitable accommodation, unless there are exceptional circumstances. To continue and ensure that there are no breaches of this Order, one unit at Cameron Park Brae will be kept specifically for emergency accommodation. This will also assist reduce reliance on bed and breakfast accommodation.

## **9. SUMMARY OF IMPLICATIONS**

### **(a) Moray 2026: A Plan for the Future and Moray Corporate Plan 2015 - 2017**

Moray 2026 and the Service Plan (Priority 2) identify the need to tackle homelessness. The Homelessness Service seeks to provide advice and assistance, and where appropriate, affordable accommodation and support to those who are homeless or threatened with homelessness. This promotes healthier citizens and adults living healthier, sustainable independent lives safeguarded from harm.

### **(b) Policy and Legal**

The legislative framework for homelessness is contained within the Housing (Scotland) Act 1987, as amended.

### **(c) Financial implications**

Budgets relating to homelessness continue to operate under pressure. Whilst the charging policy for temporary accommodation has had a positive impact on these budgets, Service Managers will continue to monitor this budget

throughout the year and report any significant financial changes to this Committee should they arise.

**(d) Risk Implications**

The need to reconfigure and reshape the provision of temporary accommodation will continue to be necessary to ensure that the Council is able to meet its statutory homelessness duties. The legislative change relating to the use of bed and breakfast is a new challenge but one that the Housing Service will need to adapt to in order to meet this new obligation.

**(e) Staffing Implications**

There are no staffing implications arising from this report.

**(f) Property**

There are no property implications arising from this report.

**(g) Equalities**

There are no equalities issues arising from this report.

**(h) Consultations**

Consultation on this report has taken place with the Head of Housing and Property, Deborah O'Shea (Principal Accountant) Paul Nevin, Senior Solicitor (Property and Contracts), Caroline Howie (Committee Services Officer) and senior managers within Housing and Property and any comments have been incorporated into the report.

**10. CONCLUSION**

**10.1 This report provides this Committee with an updated position in relation to the provision of temporary accommodation for homeless people, including the financial costs. It examines current issues and highlights new legislative changes that will affect how the Council responds to homelessness.**

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Background Papers: With author

Ref:

**APPENDIX I****Local authority duties towards homeless applicants**

When someone approaches the local authority for accommodation, or for assistance in obtaining accommodation, and if the local authority has reason to believe an applicant is homeless or threatened with homelessness then the local authority has a duty to investigate. The local authority must then consider:

- Is the applicant homeless or threatened with homelessness?
- Is the applicant intentionally homeless?
- Does the applicant have a local connection with the area?

The duties of local authorities towards homeless persons differ depending on the outcome of the assessment of the homeless application, as summarised in the table below.

<b>Stage of assessment / Outcome of Assessment</b>	<b>What must the local authority do/provide?</b>
Pending full investigation / During Review Process	Temporary accommodation (technically known as an interim duty to accommodate)
Unintentionally Homeless	Settled accommodation (and temporary accommodation where waiting for an offer of settled accommodation)
Unintentionally Homeless but with a local connection to another area	Can refer to the applicant to the local authority where they have a local connection
Intentionally Homeless	Temporary accommodation and advice and assistance
Threatened with Homelessness (unintentionally)	Ensure that accommodation does not cease to be available for occupation
Not homeless or potentially homeless	No statutory duty but advice and assistance is considered good practice
Unintentionally homeless (or threatened with homelessness) and where the local authority believes that the applicant may need housing support services	In addition to the above, local authorities must assess the need for housing support services and provide them