
REPORT TO:	OVERVIEW and SCRUTINY COMMITTEE	AGENDA ITEM: 6
DATE OF MEETING:	24th October 2012	CATEGORY: RECOMMENDED
REPORT FROM:	HEAD OF HOUSING AND ENVIRONMENTAL SERVICES	OPEN
MEMBERS' CONTACT POINT:	Bob Ledger (01283 595775)	DOC:
SUBJECT:	HOMELESSNESS – TEMPORARY ACCOMMODATION COSTS	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE:

1. Recommendations

- 1.1 Members note that a partnership with the P3 organisation to partly provide and manage in full a dedicated temporary accommodation service for our homeless applicants is being progressed.
- 1.2 That the detail of a change in process would need to be reported and approved by the Housing and Community Services Committee.

2. Purpose of Report

- 2.1 At the 21st March 2012 Overview and Scrutiny Committee it was decided that Housing Services would undertake a review of the provision of temporary accommodation with specific investigation into the following two options:

Option A: To negotiate a reduced bed & breakfast rate for accommodating homeless applicants utilising a threshold of a guaranteed number of applicants.

Option B: To further explore the option of partnering with a local bed & breakfast.

- 2.2 This further report outlines our findings to date and details our initial proposal for the revision of the way Housing Services provides the majority of its temporary accommodation.

3. Detail

Option A and B

- 3.1 Currently Housing Services utilises several hotels and bed & breakfast establishments in and around the district to fulfil our legal duty to provide temporary accommodation to homeless applicants that satisfy the national criteria. Although we generally pay below the market rate for such accommodation there are currently no agreed fixed rates in place with any of the establishments currently used. In practice a lower rate can be negotiated if the overall hotel occupancy is low.

- 3.2 During 2011/12 Housing Services placed 48 households in 'bed and breakfast' accommodation (predominantly single person households) tenancies which amounted to approx 1,450 nights accommodation at a gross cost of £54,000, the average room rate was £34.00 per room per night (not including breakfast.). The profile of spend for 2011 indicates the majority of bookings were placed with the Ibis Budget Hotel, Willington (previously the Etap).
- 3.3 In July 2012 a letter outlining our proposal to consolidate our temporary accommodation usage to one main hotel/bed & breakfast (subject to an agreement of a preferential rate) was issued to 11 hotels/bed & breakfasts within a 5 mile radius of Swadlincote. The response to our letter was disappointing and necessitated the need for a follow up telephone call to establish if there was any interest in the proposal.
- 3.4 Out of the 11 hotels that were contacted by letter and telephone only one was prepared to consider the proposal. However, the revised rates being proposed are not significantly cheaper than the rates which we are currently being charged at that particular hotel. We are currently charged £36.00 for a single room and £46.50 for a double room (room only, no breakfast). The owner proposed a revised rate of £33.00 for a single room and £43.00 for a double room.
- 3.5 In summary therefore the proposal to consolidate our temporary accommodation requirements to one primary hotel has proven to be unpopular with hoteliers. The feedback received from the hoteliers was that they have concerns over the type of applicants that might be placed with them and the impact this may have on their commercial clientele. Also, concerns were raised about holding rooms for our requirements. In order to ensure availability for our bookings we requested that upto 3 rooms be held for our requirements (the number of rooms required was based on the analysis of temporary accommodation usage during 2011/12.)

Alternative Option C

- 3.6 P3 is a charitable organisation working across Derbyshire specialising in the areas of social inclusion and homelessness. They state their main aim is to "give people the practical skills and self esteem that they need to sustain an independent and self sufficient lifestyle by providing opportunities and support to help vulnerable people move from social exclusion to inclusion". In South Derbyshire we have worked with P3 for over 10 years and they provide and manage the single person's hostel in Midland Road, Swadlincote as well as providing 'floating' (person specific and not linked to particular properties) tenancy support to those with mental health issues in our District. The latter service being funded by the County Council. They work across Derbyshire, having been originally based in Ilkeston, and now are also active in the West Midlands and London.
- 3.7 As part of this review of temporary accommodation Housing Services contacted P3 to see if they would be prepared to build further on the relationship we currently have with them.
- 3.8 This has led to P3 putting forward a proposal for the provision of the following temporary accommodation to satisfy the majority of our homeless requirements (in the event that an applicant needs to be placed into temporary accommodation out of hours the applicant will be booked for 1 night only into bed & breakfast and then formally assessed by Housing Services staff the next morning to verify qualification criteria before being moved into the P3 managed accommodation):

- 2 properties with 2 bedrooms (P3 currently have these properties 'on hold' from a private landlord.) We have requested these properties be capable of housing a family of four i.e. ideally the second bedroom would be large enough for bunk beds.
- 2 properties with 3 bedrooms. These are properties which P3 currently lease from us, at Oversetts Road and Chesterfield Avenue. They are currently allocated by P3 and it is proposed that be changed to allocation through Housing Services
- 3 single rooms for single homeless applicants (at the extended hostel on Midland Road, owned by P3.)

3.9 This accommodation will provide Housing Services with up to 2,555 nights of accommodation which should eliminate our core usage of bed and breakfast. P3 will ensure these units are for our allocation usage only and no other use will be permitted. This would be agreed via a Service Level Agreement between Housing Services and P3. To ensure the properties are not significantly under utilised occupation of the properties would need to be carefully jointly monitored and managed.

3.10 P3 will furnish the properties and undertake responsibility for the refreshing of properties following termination of the homeless tenancy i.e. changing of bed linen & towels.

3.11 A member of staff will be employed (and paid for) by P3 to support the applicant to help manage their tenancy and ensure the necessary benefit forms are completed and submitted to the Council's Revenues and Benefits section, they will also ensure any additional rent which is not covered by benefits is paid directly to P3. In addition, this member of staff will work closely with colleagues from Housing Services to assist applicants in moving on from the accommodation as quickly as possible, including into the private market.

3.12 The 7 units of accommodation detailed above could be available from P3 from November 2012. Housing Services would work with P3 to implement a phased transition of existing applicants and new applicants from our existing temporary accommodation process to P3.

3.13 During 2011/12 Housing Services spent £53,717 on the provision of temporary accommodation. £50,400 worth of Housing benefit was recouped to cover the cost. From this £30,300 was received in subsidy by the Council from Central Government to cover some of the Council's liability towards the benefit payments. Therefore, the Council's total net cost for the provision of temporary accommodation during 2011/12 was £23,417.

4. Financial Implications

4.1 There are several factors which can influence the amount of subsidy the Council is able to claim from Central Government for homeless accommodation and further investigation is underway to better estimate the net costs of the P3 partnership model. It is likely though that they will be less than the current B+B costs as elements of management can also be reclaimed.

4.2 Housing Services would not need to outlay any capital sum of money to P3 to secure this proposal i.e. on-going costs are to be met by Housing Benefit and P3 resources as well as set up costs also met by the latter.

5. Corporate and Community Implications

5.1 The P3 proposal would deliver guaranteed accommodation for our homeless requirements. For families there would be better space standards and for all there would be dedicated cooking and lounge facilities i.e. the service provision will be better than B+B.

5.2 P3 are also offering to provide a staff member to ensure the maximum amount of benefit the applicant is entitled to is claimed for (any balance of rent would be first sought from the applicant) and additional support is provided to the applicant to help them move to a more permanent accommodation.