

Cabinet /Council



URN: 23-162

Report Title: Great Yarmouth's Use of Temporary Accommodation - ensuring it is minimised and cost-effective

Report to: Council: 14 December 2023

Responsible Cabinet Member: Cllr Emma Flaxman-Taylor

Responsible Director / Officer: Melanie Holland, Head of Strategic Housing
Nicola Turner, Head of Housing Assets

Is this a Key decision? Yes

Date added to Forward Plan: 5 October 2023

INTRODUCTION FROM CABINET MEMBER

Limited availability of affordable rented accommodation in both the private and social sectors, has resulted in the Council not always being able to prevent homelessness or, where a household is found to be statutorily homeless, secure suitable settled accommodation in a reasonable amount of time. This situation has led to the need to accommodate high numbers of households in temporary accommodation, which includes the use of costly and unsuitable bed and breakfast accommodation.

To reduce the need for temporary accommodation it is proposed to facilitate access to affordable private rented accommodation through the creation of a social lettings scheme and to provide more social housing by accelerating the Council's affordable housing delivery programme.

As an interim measure it is proposed to pursue leasing opportunities to provide temporary accommodation.

RECOMMENDATIONS:

That Council:

- (i) Approve a £2 million in principle capital budget to be set aside to fund a social lettings scheme.

1. INTRODUCTION

- 1.1. The majority of housing in the Great Yarmouth Borough Council area is owner-occupied (just over 60%), 22% of households privately rent and 15% of households rent social housing. In recent years private rent levels have substantially increased, resulting in private rented accommodation no longer being accessible to many households on low incomes. This places greater demand on the Borough's limited social housing stock.
- 1.2. The Borough's social housing stock comprises just over 5,700 dwellings owned by the Council and approximately 1,900 dwellings owned or leased by private registered providers¹. When social housing becomes empty it is allocated² to applicants on the housing register, all of whom are in housing need, that is, it has been determined that they are unable to meet their housing needs in the open market. However, the amount of social housing stock available for letting through turnover is currently less than 5% of stock, this being a reduction on previous years.
- 1.3. The Council seeks to facilitate the delivery of additional social housing through both direct delivery and enabling. Since April 2020, a combination of new build, acquisitions and planning gain has resulted in the delivery of 240 new social housing dwellings, of which 47 have been delivered by the Council. During this same period sales as a result of tenants exercising their Right to Buy have resulted in the loss of over 70 dwellings from the Council's housing stock.
- 1.4. People can become at risk of homelessness or homeless due to a range of reasons. Examples include where a household that is privately renting being issued with a 'no fault' eviction notice by their landlord, an owner-occupier being re-possessed due to mortgage arrears, someone being asked to leave by family or friends, and people fleeing domestic abuse. Although the Council seeks to try to prevent households becoming homeless, given the limited availability of affordable accommodation in both the private and social rented sectors, unfortunately, homelessness cannot always be avoided. Also, sometimes, for example, when someone is fleeing domestic abuse, there are circumstances where a household is already homeless when they contact the Council to make a homeless application.
- 1.5. Under the Housing Act 1996, if at any point during enquires surrounding a homeless application there is reason to believe that an applicant may be homeless, eligible for assistance, and in priority need, then the Council is required to provide temporary accommodation. Where an applicant is found to be statutorily homeless and owed the main duty of an offer of settled accommodation, and is currently accommodated in temporary accommodation, the Council has a duty to provide temporary accommodation until such time as the duty is ended either by an offer of settled accommodation or due to another specified reason.

¹ Housing organisations, usually housing associations, registered with the Regulator of Social Housing.

² An allocation of accommodation includes a nomination to a private registered provider dwelling.

- 1.6. The current housing market, where private rents are unaffordable for many households on low incomes and the limited availability of social housing, has led to a situation where limited opportunities to prevent homelessness through securing alternative housing is resulting in increased numbers of households being placed in temporary accommodation, sometimes for very long periods of time.
- 1.7. An end of year snapshot of households accommodated in temporary accommodation, shows that at the end of March 2021, 83 households were accommodated in temporary accommodation, this increased to 86 at the end of March 2022 and increased by 27% to 109 at the end of March 2023. Currently there are over 100 households in temporary accommodation, over ten of whom have been accommodated for over a year due to the lack of suitable settled private or social rented accommodation to meet their needs, predominantly this being one-bedroom or four- and five-bedroom dwellings.
- 1.8. Temporary accommodation is an umbrella term and includes housing (both social and private rented), hostels, and bed and breakfast accommodation. Although the Council has a portfolio of owned and leased housing stock which is used for temporary accommodation, the increased need to provide temporary accommodation has resulted in the increased use of bed and breakfast accommodation. Bed and breakfast accommodation is neither a cost-effective nor suitable form of temporary accommodation and should only be used in emergencies.
- 1.9. The Council is not alone in this situation. Indeed, the District Councils' Network (DCN) has recently written to the Chancellor of the Exchequer to highlight the pressures felt by Councils' temporary accommodation services and suggesting solutions to alleviate the situation. These include increasing access to private rented accommodation and delivering additional social housing.
- 1.10. This report sets out how the Council intends to minimise the use of temporary accommodation by increasing access to private rented accommodation and accelerating the Council's affordable housing delivery programme. It also proposes that as an interim cost-saving measure to negate the use of bed and breakfast accommodation, additional units of temporary accommodation are to be provided through short-term leasing opportunities.

2. PROPOSAL

- 2.1. In recent years the private rental market in the Borough Council area has seen an increase of rents. These are unaffordable to many households on low incomes, including households in receipt of benefits. The private rented sector has an important role to play in the provision of housing, therefore, to make it more accessible to households on low incomes, it is proposed to pursue the creation of a social lettings scheme. The social lettings scheme would be operated by a Council owned company and offer affordable, quality private rented accommodation to households at risk of homelessness. Moreover, such a scheme would also assist with supporting regeneration and renewal in the Borough as it provides further opportunities to bring empty homes back into use.
- 2.2. Although the Council continues to deliver and enable additional social housing, new provision combined with the impact of the Right to Buy and lower levels of turnover of existing stock is failing to meet need. Therefore, it is proposed that the Council's affordable housing delivery programme is accelerated to meet strategic housing need, which includes homeless

prevention. The proposed acquisition programme is to comprise of two funding routes: Retained Right to Buy Receipts and Homes England grant; each route will be match funded by borrowing on rental income within the Housing Revenue Account (HRA). The proposed programme will seek to deliver up to 60 acquisitions of open market dwellings over the period 2023-26 and will supplement new build delivery over this period. All housing will be held in the HRA.

- 2.3. Housing needs analysis identifies that for both private and social rented housing the gaps in existing provision, thus dwellings in the highest need, are one-bedroom dwellings (30%), with 20% of additional housing to have four or more bedrooms. There is also a need for adapted and wheelchair accessible homes.
- 2.4. As an interim measure, to ensure that the cost of temporary accommodation is minimised, it is proposed that the Council enter into lease agreements for suitable properties to be used as temporary accommodation. It will be ensured that all proposed lease agreements are subject to robust business cases and have adequate break clauses.

3. NEXT STEPS

- 3.1. On the proviso that Members agree to the above proposals, work will begin in earnest to facilitate access to private rented accommodation and an increase in the provision of social housing.
- 3.2. With respect to the creation of a social lettings scheme, to enable the use of appropriate tenancies and the ability to charge sub-market rents, the delivery of the proposed scheme requires a suitable Council owned vehicle. A fully costed proposal will be presented to Cabinet in early 2024.
- 3.3. The acceleration of the affordable housing delivery programme is based on the Council acquiring open market housing to meet need. Homes England grant will be subject to successful indicative bids for affordable housing.
- 3.4. Individual business cases for leased short term temporary accommodation will consider the financial viability and dwelling mix. Officers under existing delegations will ensure leasing opportunities have adequate break clauses in order to provide the Council's temporary accommodation offer on a short-term basis.

4. FINANCIAL IMPLICATIONS

- 4.1. As stated above, a fully costed proposal on the creation of a social lettings scheme will be presented to Cabinet in early 2024. However, it is asked that in principle Members agree to a £2m capital programme within the General Fund, which will initially be subject to draw down by the proposed interim leasing measure (see paragraph 4.3 below).
- 4.2. With respect to the proposed acquisition programme which seeks to accelerate the delivery of additional Council owned social housing through harnessing Retained Right to Buy Receipts and attracting Homes England Affordable Homes Programme grant, a HRA capital affordable housing programme is already in place for 2023/24, with additional allocated resources proposed as part of the 2024/25 and 2025/26 capital budgets.

- 4.3. As an interim measure whilst the Council is facilitating improved access to private and social rented housing, to negate the use of bed and breakfast accommodation it is anticipated that circa. 50 dwellings may need to be leased to be used as temporary accommodation. Based on 50 dwellings the annual estimated cost to the Council is £350,000. However, factoring in the savings as compared with using bed and breakfast for temporary accommodation there will be a projected annual net saving of £250,000.

5. RISK IMPLICATIONS

- 5.1. Limited affordable private and social rented accommodation has resulted in high numbers of homeless households being accommodated in temporary accommodation. Currently the Council is utilising bed and breakfast accommodation as a form of temporary accommodation. However, bed and breakfast accommodation is not a suitable form of temporary accommodation, nor is it financially sustainable. Although the solution to reducing numbers of households in temporary accommodation lies in the provision of additional settled housing stock, be this in the private or social rented sectors, as an interim measure whilst it is not cost-neutral, it is more cost-effective to pursue leasing opportunities to deliver additional temporary accommodation as compared to continuing to use bed and breakfast.
- 5.2. Temporary accommodation will be let on licences or, when accommodated in a HRA property using, non-secure tenancies. Where a homeless applicant is accommodated in a Council owned property (be this held in the General Fund or the HRA) the applicant does not have a Right to Buy nor does the period time spent in this accommodation count towards any future Right to Buy eligibility or discount.
- 5.3. If the Council does nothing it will have no other option than to continue using bed and breakfast accommodation, the net cost of which is currently almost £700,000 per annum to the General Fund's revenue budget. This is not a sustainable position for the Council and adds further pressure to the General Fund budget.
- 5.4. Given the Council's statutory responsibilities and how households may suddenly become homeless, there will always remain a need for an element of temporary accommodation. However, if the Council can facilitate increased access to private and social rented housing over the short-term the current level of temporary accommodation need will reduce. The Council will be able to relinquish leases early without penalties, reduce its reliance on HRA dwellings, and where required appropriate temporary accommodation stock from the General Fund to the HRA to provide settled accommodation.
- 5.5. Members should however be aware that whilst Great Yarmouth Borough Council is intending to only use bed and breakfast accommodation in emergencies, it cannot be assured that other local authorities will not continue using the Borough's bed and breakfast accommodation as temporary accommodation.

6. LEGAL IMPLICATIONS

- 6.1. Under the Housing Act 1996 the Council has a duty to provide temporary accommodation if at any point during enquires surrounding a homeless application, there is reason to believe that an applicant may be homeless, eligible for assistance, and in priority need. Where an

applicant is owed the main duty and is currently accommodated in temporary accommodation the Council has a duty to provide temporary accommodation until such time as the duty is ended either by an offer of settled accommodation or due to another specified reason.

- 6.2. The Council's duties in respect of homelessness fall outside the scope of the HRA as they are provided for under Part VII of the Housing Act 1996 rather than Part II of the Housing Act 1985. Therefore, any homeless administration services must be funded from the General Fund. However, Section 9 of the 1985 Act gives the Council the power to provide housing accommodation by erecting or acquiring houses, therefore, subject to any funding restrictions, dwellings held in the HRA can be used to provide temporary accommodation.

7. CONCLUSION

- 7.1. This report sets out proposals to facilitate access to quality, affordable housing for private and social rent which aim to prevent homelessness and reduce the number of households being placed in temporary accommodation. In addition, as an interim measure whilst additional settled accommodation is being delivered, to negate the use of bed and breakfast accommodation as a form of temporary accommodation, it recognises the need to provide more cost-effective and suitable temporary accommodation through leasing arrangements and the use of HRA dwellings.

Consultations	Comment
Monitoring Officer Consultation:	Via ELT
Section 151 Officer Consultation:	Via ELT
Existing Council Policies:	Property Acquisitions and Disposals Policy 2021
Equality Issues/EQIA assessment:	Homeless and housing register applicants are assessed from an equality perspective and their needs are considered from the outset.