

Meeting of:	Homes and Safe Communities Scrutiny Committee
Date of Meeting:	Wednesday, 07 February 2024
Relevant Scrutiny Committee:	Homes and Safe Communities
Report Title:	Homelessness- Rapid Rehousing Plan update
Purpose of Report:	To highlight current homelessness pressures and progress implementing the Rapid Rehousing Plan.
Report Owner:	Miles Punter - Director of Environment and Housing
Responsible Officer:	Nick Jones – Operational Manager, Public Sector Housing
Elected Member and Officer Consultation:	<p>This report will affect all Vale residents and therefore no individual ward member consultation has been undertaken.</p> <p>The report has been reviewed by Officers from the Legal and Finance teams</p>
Policy Framework:	This report is within the Policy Framework and Budget.
Executive Summary:	<ul style="list-style-type: none"> The report highlights the significant pressures relating to homelessness in the Vale of Glamorgan and updates Members regarding actions being taken to address the situation via the Council’s Rapid Rehousing Plan. The report also flags up additional actions, currently being considered, to assist, high numbers of households affected by homelessness and reduce the current use of bed and breakfast type accommodation.

Recommendations

1. That Committee considers the current service pressures arising from homelessness and progress made, implementing the Rapid Rehousing Plan.
2. That Committee note the steps being taken to reduce the use of temporary accommodation.

Reasons for Recommendations

1. To ensure that Elected Members have knowledge and understanding of current service pressures regarding homelessness.
2. To minimise homelessness and reduce the use of bed and breakfast type provision to accommodate homeless households.

1. Background

- 1.1 Prior to the Covid-19 pandemic, the Council's Housing Solutions team managed an active case load of around 200 households who were either homeless or threatened with being homeless. Single people and couples who were not deemed vulnerable were provided with advice, support and assistance to resolve their housing situation. Families with children and vulnerable households, deemed to be in 'priority need' (in line with the definition set out in the Housing Wales Act 2016) were offered the same help but also accessed temporary accommodation where this was required.
- 1.2 At that time, around 115 units of temporary accommodation were used, including the Council managed hostel in Treharne, properties within the Council's own housing stock which were designated for use as temporary accommodation, properties leased from private owners under a leasing agreement, rooms in shared houses of multiple occupation accessed via partnerships with private landlords and a number of supported housing projects including a domestic abuse refuge, specified accommodation for 16/17 year olds, accommodation for people recovering from substance misuse etc.
- 1.3 Changes introduced during the Covid pandemic required all homeless people to be provided with temporary accommodation (to mitigate the impact of the virus). Later, the directive to Local Authorities was underpinned by changes to Housing Law, namely the Priority Need Order, which required all homeless individuals to be offered temporary accommodation.
- 1.4 The effect of this has been significant in terms of the need to secure large additional amounts of temporary accommodation, in particular accommodation for single people. Given the short lead in times, the extra temporary accommodation was met by securing hotel rooms, an approach which was replicated by most Local Authorities across Wales. Whilst the Welsh Government initially provided financial assistance to pay for hotel bookings, as part of the No One Left Out (NOLO) Approach, the grant funding has reduced significantly and

left Council's having to meet the continued financial burden from existing budgets.

- 1.5 The Council developed its Rapid Rehousing Plan in 2022 (Cabinet minute C297 refers) which highlighted a range of priority actions and interventions to minimise the use of temporary accommodation in future and reduce the reliance on bed and breakfast type provision.

2. Key Issues for Consideration

Trends and pressures in relating to homeless presentations.

- 2.1 Record numbers of households are currently seeking help from the Council's Housing Solutions service, and this is stretching the staff resource within the team (who are now dealing with a case load which has quadrupled since 2018). It is also placing enormous pressures on temporary accommodation.
- 2.2 Currently, 340 units of temporary accommodation are occupied across the Vale, including 80 hotel rooms. This represents a 195% increase in temp accommodation use from the pre pandemic period.
- 2.3 Households in temporary accommodation are made up of 95 families with children and 245 single people. On average, families remain living in temporary accommodation for between 3 and 6 months, whereas single people can remain there for 16 months or more. The timescales depend on the availability of alternative housing.
- 2.4 Local hotels continue to be used and mainly accommodate single people. Hotel room occupancy runs at over 98% and there are periods of time when no rooms are available. The cost of hotels is also high and in the medium to longer term, use of hotels will not be affordable to the Council.
- 2.5 Significant progress has been made moving households on from temporary accommodation, however sustained, high levels of homeless presentations have meant it has not been possible to reduce the overall use of temporary accommodation. Homelessness and occupying temporary accommodation is the main route into social housing, with over 75% of lettings (excluding sheltered or age designated accommodation) going to homeless households.
- 2.6 Demand for accommodation continues to increase and there are now over 6,200 households registered on the waiting list for social housing in the Vale. Of these around 19% of applicants are in the highest need categories and include: people fleeing from domestic abuse, homeless people in temporary accommodation, people ready to move on from supported housing, people with a life threatening/ limiting medical condition, people who can't be safely discharged from hospital because their current home is unsuitable etc.
- 2.7 As well as changes to the homeless legislation following Covid, changes to the local housing market have compounded the pressures and led to more people requiring assistance from the Council. Rising house prices and interest rates mean it has been more difficult for people to own their own home, whilst

changes have also impacted private landlords, leading to increasing private rents and shrinking supply.

- 2.8 Information from Hometrack indicates that private rents have increased by 12% and there are no private rentals available at the local housing allowance (LHA) rate (this is the maximum amount of benefit that can be paid towards housing costs). Data sources indicate that market rents are close to double the current LHA rate, meaning private rentals are unaffordable to a large number of people.
- 2.9 The shrinking in the supply of private rentals is also a concern. Feedback received via the local Landlords Forum indicates that high costs of borrowing, changes to taxation, increased regulation and the perceived weakening of landlords' rights via legislation, means there is little incentive for landlords to maintain or expand property portfolios. Given the fact that 15.6% of households in the Vale occupy private rentals and taking account of the previous point (about the affordability of home ownership), this is likely to result in an increase in the number of people seeking social housing.
- 2.10 Lastly, resettlement policies are contributing towards housing pressures. The support for resettlement programmes to assist people from Ukraine and Afghanistan, as well as the broadening of asylum dispersal policy, means that accommodation is needed for additional groups. To date the majority of these households have been resettled into private rented and MOD owned properties. This is possible as a result of the additional resources from the Home Office to support resettlement and enables social housing to continue to be made available to applicants on the housing register.
- 2.11 Feedback from Urban Councils has indicated that as the Government expedites decisions around asylum a large number of asylum seekers who have been granted refugee status are required to vacate accommodation provided by the UK Government and are seeking help from Local Authorities to secure accommodation.
- 2.12 The Council's response to homelessness pressures
- 2.13 The Council's Rapid Rehousing Plan focussed on a number of key areas. Updates on progress in each is summarised in the following sections.
- Preventing homelessness and supporting people in need
- 2.14 Preventing homelessness continues to be the most desirable outcome. Also, preventing the threat of homelessness further upstream (rather than reacting on a case-by-case basis when a household receives a notice to quit). To this end the Emphasis project, run by colleagues in the Youth Service works with children in Schools, in particular the children who are most likely to find themselves at risk of homelessness. The young persons gateway and a mediation service run by Llamau also aims to intervene at an early stage to prevent young people becoming homeless.
- 2.15 The Housing Solutions team also work with households who are threatened with eviction in order to try and prevent homelessness. In the past the Council has been very effective in its prevention role, preventing over 70% of tenants losing

their tenancy (making the Vale one of the highest performing Welsh Councils), however due to changes in the housing market i.e. increasing rents, new tenancy legislation etc, it is increasingly challenging to prevent landlords continuing with repossession. That said, staff can use discretionary homeless prevention grant to top up rents, offset arrears or pay towards remedial works, if this is going to sustain the tenancy. The team are currently able to prevent 50% of people presenting as threatened with homelessness, from losing their tenancy.

- 2.16 A new triage service has also been adopted within the Housing Solutions team to enable staff to meet tenants at an earlier point and start interventions. This has resulted in a reduction in average waiting time from 24 days to 6 working days and contributes to more positive outcomes for tenants.
- 2.17 Lastly, from a prevention perspective, dedicated support workers (funded from Housing Support Grant) are engaged to work with private tenancies deemed to be at risk. The support workers adopt a trauma informed approach and support tenants to achieve a number of outcomes, which enable them to sustain their tenancy. This ranges from maximising tenants' income so they can afford the rent and prioritise this above other costs, to looking after the property and maintaining good relationships with neighbours.

Increasing the supply of accommodation

- 2.18 The long-term solution to tackling homelessness is to build extra housing in the Vale. The Council has benefitted from an increased allocation of Social Housing Grant (SHG), this is the grant required to make the development of social housing viable. As well as an allocation of just below £10m per year, it has been possible to lever in additional slippage monies of over £2m during the last financial year. This slippage was received because of delays in building new homes in other parts of Wales and has allowed planned schemes in the Vale to be brought forward earlier and create extra capacity for more housing in the programme in future years.
- 2.19 The Council is also increasing its own development programme, building more and more Council houses. The programme has already delivered 90 homes with a further 226 currently under construction. Over the next 10 years the programme will deliver a further 939 homes with 150 homes per year scheduled to be built after 2035. As well as SHG, the Council is using its own money to develop new social housing. In line with the Housing Revenue Account (HRA) Business Plan, £1bn is being invested in building new social housing over the next 30 years.
- 2.20 In the last few months the Council has also entered into a partnership agreement with Cardiff Council to build new homes on larger sites in the Council's ownership. These developments will start to come forward over the next few years, further increasing the supply of new Council housing.
- 2.21 The SHG and Council funded new builds are in addition to affordable housing secured via s106 sites across the Vale of Glamorgan. As set out in the Affordable Housing Supplementary Planning Guidance (SPG), a proportion of new homes must be affordable housing, typically this is between 30 and 40% of the total number of homes built. Higher levels of house building in the Vale have enabled

extra units of affordable housing to be built. Over the last 12 months 90 new units of affordable housing have been built via s106 agreements.

Property purchases

- 2.22 The purchase of existing buildings is another way to increase the supply of social housing. A number of properties have been (or are being) purchased for use as Council housing. This includes the acquisition of the former Olive Lodge B&B which will be converted into self-contained temporary accommodation for homeless people and the 'buy back' of three privately owned homes, former Council flats, which were previously sold under the Right to Buy legislation.
- 2.23 The Council is also supporting its RSL partners to purchase existing properties across the Vale. Over £2.3m of Transitional Accommodation Capital Project (TACP) Grant was secured from Welsh Government to fund the 'buy back' of former social homes on the open market as well as purchase new build properties which were being marketed by developers. The TACP money is funding the purchase of 23 properties before the end of March 24.
- 2.24 A number of further buy back and land purchase opportunities are being explored to expand the supply of social housing, including a potential bulk purchase of a number of homes from the Ministry of Defence.
- 2.25 Lastly, the Council's existing Acquisition Policy is in the process of being revised and the viability assumptions revised, so an increasing number of properties can be purchased.

Meanwhile and modular accommodation

- 2.26 Following the success of the development of modular units of accommodation at the Court Road, Civic amenity site, further opportunities are being explored to bring forward new schemes. The former Eagleswell school site, Llantwit Major is a significant development of 90 units of accommodation which is nearing completion and will provide much needed accommodation to Ukrainian households forced to flee the war in Ukraine.
- 2.27 The sub-contracting chain is now in place alongside the modular suppliers which gives the potential to develop further sites with a short lead in time, under permitted development rights.

Conversion of existing buildings

- 2.28 Existing Council buildings are also being considered for conversion into social housing. Cadoxton House, a former office building in Barry has been earmarked for the development of extra units of temporary accommodation, whilst other corporate buildings remain under consideration for conversion into affordable housing.
- 2.29 Given the pressures on accommodation for single people, a pilot exercise is taking place to convert existing Council owned family accommodation into shared accommodation. A business case has been developed and advice received from colleagues in Planning and Shared Regulatory Services. Potential homes are being reviewed on a case-by-case basis and conversion work to a number of

properties will start shortly. The rooms will be considered as long-term accommodation, allowing the discharge of the Council's homelessness duties.

Maximising use of private rented properties

- 2.30 15.6% of the housing stock in the Vale of Glamorgan is rented privately. Supporting and sustaining the private rented market (especially at the lower rental end), protects tenancies and relieves pressures on social housing. The Council has continued to work with landlords in a number of ways to secure nomination rights to properties.
- 2.31 There are a number of landlord partners who make their homes available to the Housing Solutions team for use as temporary accommodation for homeless people. To reflect homelessness priorities, this accommodation is largely rooms in shared houses. Whilst some landlords are considering their future options, there are several investor landlords who have worked with the Council to purchase and convert extra properties into shared accommodation. These provide much needed rooms for single people and couples.
- 2.32 The Council has, in the last 4 months, established its own leasing scheme to increase the supply of temporary accommodation. This has secured access to over 20 units of accommodation which were at risk following the closure of the Cartrefi Hafod Leasing scheme which had previously been run in partnership with Hafod Housing. Now the scheme is run within the Council, there is potential to take on additional properties and secure access to extra homes. To this end discussions are ongoing with several property owners.
- 2.33 As well as leasing homes to act as temporary accommodation, there is the potential to lease homes via the Leasing Scheme Wales to provide self-contained, longer-term accommodation for households. The Welsh Government backed scheme gives access to funding to cover administrative costs as well as grants and loans to property owners, focussing on properties which are empty or have been empty for some time. The Housing Solutions team have lined with the Council's Regeneration team to identify property owners and reach out to highlight the benefits of leasing.

Changes to the allocations procedures

- 2.34 Prioritising homeless households in temporary accommodation under the Council's Housing Allocation Policy (Homes4U) is a key element of the Council's Rapid Rehousing Plan and reduces the time people spend in temporary accommodation and reduces the reliance on hotel bookings.
- 2.35 Over 75% of housing allocations (excluding sheltered and age designated accommodation) are currently going to homeless households, however it was identified there was scope to increase this further by making changes to local and sensitive lettings policies as well as a carefully managed approach to age designations. The Housing team have been consulting Community Councils to highlight the current homelessness pressures and request support around the flexibility of local lettings policies. Community Councils have been understanding and supportive of the suggestions and this will lead to relaxation of local

connection criteria, so households in the greatest housing need are prioritised for social housing.

- 2.36 It is estimated these changes will result in an additional 30 homeless households being housed in the next 12 months.

Interim position regarding use of hotels

- 2.37 As a result of the progress made with homeless prevention, developing new homes, securing access to private rental properties and prioritising homeless households, it has been possible to move 176 people on from hotel accommodation during the last 12 months. This is an impressive feat; however use of temporary accommodation remains high. This is because of the sustained, high levels of new homeless presentations.
- 2.38 Consequently, there is a need to continue with the block booking of a local hotel. This was identified and supported as a cost pressure during the Council's 24/25 budget setting process. A provisional budget has been identified as part of the draft budget and discussions are underway with the hotel owners to try and secure the use of the hotel over the next financial year.
- 2.39 The booking is affordable next year using reserves, Welsh Government Grants and Housing Benefit income; however the following financial year (25/26) would be unaffordable. A number of back up options is therefore being considered for the future to ensure accommodation is available for homeless households. Given the high costs of hotel accommodation and high demand across Wales, other Councils are also looking at alternative or overspill provision. Of note, Cardiff Council have recently opened large scale shared accommodation in the former Toys R Us warehouse in Cardiff Bay. There may be a need to explore the learning from this, if pressures continue and the Rapid Rehousing Plan is not able to deliver all the extra accommodation required.

Future actions and priorities

- 2.40 There is a need to buy back more existing homes to provide extra social housing in the short and medium term. The Council is in the process of updating its own Property Acquisition policy, to extend the financial viability period used, to enable extra purchases on the open market. There may also be a need to recruit additional capacity into the Council's Housing Development team to identify properties, liaise with vendors and package up works. Partner RSLs have also been asked to purchase existing properties to use as social housing and to consider other opportunities where temporary accommodation can be developed with a short lead in time.
- 2.41 The purchase of land for housing development remains a priority, including larger sites. As well as supporting the Council's future development programme, new land can be used for modular housing under permitted development rights.
- 2.42 Conversion of existing Council homes and non-residential buildings is a way to increase the number of one bedroom accommodation in the short term. If the pilot scheme is effective, there is scope to expand this at pace.

- 2.43 There is a need to make contingency plans for dealing with increased numbers of single homeless people, including asylum seekers who have been granted refugee status. This is currently putting huge pressures on accommodation in Cardiff, and it is possible refugees will present as homeless to the Vale. There is a need to explore the learning from other Local Authorities who have stood up shared accommodation in larger buildings.
- 2.44 There is a need to protect the relationships with private landlords and retain access to existing accommodation, in particular shared houses. The creation of 'supply contracts' with private landlord partners may assist them to secure longer term funding and secure the Council's exclusive nomination rights to the accommodation.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

Long term

- 3.1 The measures within the Rapid Rehousing Plan are intended to minimise the harmful impacts of homelessness and ensure everyone has access to accommodation.

Prevention

- 3.2 The Rapid Rehousing Plan has a strong emphasis on the prevention of homelessness through multi agency work and a significant amount of resource is being invested in prevention measures.

Integration

- 3.3 The Housing Solutions team work closely with other Council teams and external partners to deliver a seamless service to citizens.

Collaboration

- 3.4 The reasons for homelessness are varied and complex and it should not be considered solely as a Housing issue. The Council's Housing Solutions team works closely with internal and external partners to prevent and minimise the adverse impacts of homelessness. The delivery of the Rapid Rehousing Plan is also overseen by a multi-agency steering group.

Involvement

- 3.5 There is a strong focus on working with people to deliver a tailored package of assistance and support which address threats of homelessness, but also provides accommodation solutions where homelessness cannot be prevented.

4. Climate Change and Nature Implications

- 4.1 The report has no direct climate change or nature implications.

5. Resources and Legal Considerations

Financial

- 5.1 There are significant financial implications to the Council arising from its statutory responsibilities in respect of homelessness. This includes the need to fund the block booking of large numbers of hotel rooms for use as temporary accommodation. A 'spend to save' approach is therefore needed to expand the scale of alternative, lower cost temporary accommodation options.
- 5.2 The proposals outlined to expand the development of new temporary and permanent social housing needs to remain affordable within the Housing Revenue Account Business Plan. The Council works with RSL partners to further increase the supply of new homes, using grant funding routes but also via the planning system and the section 106 obligations.

Employment

- 5.3 Some of the proposals in the report may give rise to additional staffing requirements for the Council e.g. to expand the supply of new housing and to manage a larger number of temporary accommodation units. The case for additional posts would be put forward for consideration in line with the Council's existing processes/ procedures.

Legal (Including Equalities)

- 5.4 Homelessness decisions are made in accordance with the duties set out in the Housing Wales Act. Welsh Government is currently consulting on future changes to the legislation to end homelessness in the longer term and minimise the impact of homelessness, including on groups of people who are more likely to experience homelessness.

6. Background Papers

None.