

CABINET

Date of Meeting	21 st November 2023
Report Subject	Homelessness Budget Pressure – Options Paper
Cabinet Member	Cabinet Member for Housing and Regeneration
Report Author	Chief Officer (Housing and Communities)
Type of Report	Operational

EXECUTIVE SUMMARY

Within the Revenue Budget Monitoring Report 2023/24 (Month 4) reported to Cabinet in September 2023 it was recommended that, as required by the Council's Finance Procedure Rules, a separate report is prepared by Housing and Communities to expand on the reasons for the significant overspend on the homelessness budget and the mitigations being put in place.

Within the Housing Solutions service there are specific budgets for homeless accommodation settings for 'interim housing'. In addition to this budgeted provision for these locations, including the Homeless Hub, there is a further specific budget for emergency accommodation. This budget is used when there is no remaining capacity in other budgeted temporary accommodation. The emergency accommodation used is mostly hotel rooms, within and beyond the boundaries of Flintshire, together with some use of other forms of holiday lets, such as caravans and apartments.

Options have been developed for consideration to manage the overspend on the homelessness budget. These are outlined in appendix 1.

RECOMMENDATIONS

1	Cabinet to note the latest financial position in relation to homelessness.
2	Cabinet to support the options outlined in appendix 1 to increase supply and mitigate further overspends on the homelessness budget.

REPORT DETAILS

1.00	HOMELESSNESS BUDGET PRESSURE															
1.01	<p>Within the Revenue Budget Monitoring Report 2023/24 (Month 4) reported to Cabinet in September 2023 it was recommended that, as required by the Council's Finance Procedure Rules, a separate report is prepared by Housing and Communities to expand on the reasons for the significant overspend on the homelessness budget and the mitigations being put in place.</p>															
1.02	<p>Within the Housing Solutions service there are specific budgets for homeless accommodation settings for 'interim housing'. In addition to this budgeted provision for these locations, including the Homeless Hub, there is a further specific budget for emergency accommodation.</p> <p>This budget is used when there is no remaining capacity in other budgeted temporary accommodation. The emergency accommodation used is mostly hotel rooms, within and beyond the boundaries of Flintshire, together with some use of other forms of holiday lets, such as caravans and apartments.</p>															
1.03	<p>The annual budget for emergency accommodation is £1,212,500 and the spend as at 30/10/2023 is £2,634,009 including prepaid accommodation to the end of March 2024 (the total relating to prepaid accommodation to the end of March 2024 is £699,950). Block booking and pre-paying for accommodation ensures the Council can secure accommodation capacity and achieve the best possible prices.</p> <p>Use of hotel rooms is not ideal or suitable for individuals and families. They are not only high cost but also present challenges seasonally due to peak times for demand within the year. This can result in increased costs, or in some circumstances temporary relocation, for those who are in hotel accommodation.</p>															
1.04	<p>The projected total spend for the year is based on the spend to date with adjustments for prepaid accommodation and outstanding commitments (unpaid invoices, corporate card transactions etc.). Further allowance is then made for the expected spend for the remainder of the year using the spend to date as the initial base point, but also taking account of the full year impacts of growth in numbers in the year to date and further expected growth in numbers in the remainder of the year.</p>															
1.05	<p>Growth in numbers in emergency accommodation</p> <p>Since October 2022 there has been significant and sustained growth in the numbers of people needing to be accommodated in emergency accommodation due to homelessness. The table below shows the data relating to emergency housing placements from March 2023 to September 2023 as it is relevant to the current financial year:</p> <table border="1"> <thead> <tr> <th>2023 Month</th> <th>Hotels</th> <th>Holiday Lets</th> <th>Total</th> <th>Increase / Decrease</th> </tr> </thead> <tbody> <tr> <td>March</td> <td>98</td> <td>5</td> <td>103</td> <td>-</td> </tr> <tr> <td>April</td> <td>121</td> <td>5</td> <td>126</td> <td>23</td> </tr> </tbody> </table>	2023 Month	Hotels	Holiday Lets	Total	Increase / Decrease	March	98	5	103	-	April	121	5	126	23
2023 Month	Hotels	Holiday Lets	Total	Increase / Decrease												
March	98	5	103	-												
April	121	5	126	23												

	May	131	5	136	10
	June	126	4	130	-6
	July	142	4	146	16
	August	138	5	143	-3
	September	132	9	141	-2
	<p>Please note that these numbers only reflect a snapshot at a point in time (end of each calendar month) for the purpose of informing returns which are made to Welsh Government. The numbers will fluctuate daily.</p> <p>Some people are moved into permanent accommodation when suitable properties become available. Others may have their accommodation ended due to their behaviours and associated risks. New people will become homeless and require assistance of emergency housing where prevention activities have been unsuccessful, or no opportunity to prevent homelessness has been available.</p>				
1.06	<p>As has been referenced in previous homelessness reports the challenging market conditions, instability in the private rented sector, tensions at home, increases in complexity of need and changes to homelessness legislation are all key drivers for ongoing and sustained demand for homeless services and emergency accommodation.</p> <p>The lack of appropriate social housing to meet the needs of those who experience homelessness, along with affordability and availability issues within the private rented sector, continue to present significant barriers to assisting people to exit homelessness in a timely manner.</p>				
2.00	WORK TO ADDRESS HOMELESSNESS PRESSURES				
2.01	<p>There is a need to increase levels of successful move on to ensure delivery in line commitments around Rapid Rehousing:</p> <ul style="list-style-type: none"> • Rare – prevent more homelessness. • Brief – move people on from temporary housing quickly. • Unrepeated – support people once exiting homelessness. <p>Options have been developed for consideration to mitigate the overspend on the homelessness budget (see appendix 1). Each of the options proposed could offer some mitigations, however, are not necessarily quick wins.</p>				
2.02	<p>The options outlined in appendix 1 are designed to increase the supply of alternatives to emergency accommodation and consequently improve the rate at which people can be moved on from such accommodation, or even prevent some from having to use it in the first place.</p> <p>It should be acknowledged that a growth in demand from new presentations is still expected and these options/solutions are only part of the bigger picture and related challenges.</p>				
2.03	Ongoing work:				

	<ul style="list-style-type: none"> • The Council has successfully bid to the Transitional Accommodation Capital Programme (TACP) and has been awarded funding of £1.6m for 2023 / 24. This will allow the acquisition and / or refurbishment of 28 additional units (8 acquisitions plus 2 internal transfers from General Fund to HRA and 18 long term voids brought back into use). • There is an ongoing programme of property acquisitions to increase supply of housing. Four acquisitions have been completed and a further eight are pending. • There is ongoing work to explore the potential for HRA borrowing as a solution to some budget pressures such as homelessness. • The Council will continue to lobby Welsh Government via the WLGA in conjunction with other Welsh LA's who are experiencing these pressures to seek additional financial support.
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3.00	RESOURCE IMPLICATIONS
3.01	<p>Detailed below are the resource implications associated with the proposed efforts to ease pressures on homelessness services:</p> <p>Revenue: Statutory Homeless Services are funded through Council Fund. Additional duties placed on Councils and the current demands on services and homeless accommodation results in additional expenditure and budget pressures. Whilst some grant is available for 2023-2024 for emergency housing and other discretionary funding for crisis interventions, this is not sufficient to cover the full scale of the financial risk. Support services are funded through Housing Support Grant. There are significant recruitment and retention challenges within the Housing Support sector and grant levels have not increased in the last 2 years and are unlikely to increase further. Additional services focused on supporting people, delivering improved outcomes, will require revenue funding to deliver, and may require business cases to be developed, within a spend to save, cost benefit approach.</p> <p>Capital: Creating more housing will require significant capital investment and has been flagged early within the Councils Capital Programme and Housing Revenue Account Business Plan. The Flintshire Housing Prospectus has been approved by Council and shared with our Housing Partners and Social Housing Grant (SHG) supports ambitious plans to increase housing supply at scale and pace and additional funding from Welsh Government has been available to support this challenge.</p> <p>Human Resources: Staff are under significant pressure with high levels of homelessness and unsuitable housing options such as hotels making support work more challenging. Additional support staff and staff for the management of temporary accommodation will be required and whilst some funding is available through Housing Support Grant, this funding has been standstill budget and unlikely to increase. Cost for support staff and service is however going up. Additional staff will also be required to deliver on ambitious plans to develop more housing to meet homelessness and broader housing needs.</p>

4.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
4.01	<p>Within appendix 1 option specific risks and mitigations have been outlined. The following broader risks have been considered along with mitigations offering additional control measures:</p> <p>Risk: Do nothing and allow the current pressures to continue and homeless accommodation costs increase at significant scale in future years.</p> <p>Mitigations: Actively consider and progress a number of the options outlined in this paper further and support officers to drive forward the approved options.</p> <p>Risk: Having high numbers of Flintshire households accommodated in neighbouring Local Authority areas will risk relationships and create tensions with neighbouring Councils and creates operational pressures for service delivery.</p> <p>Mitigation: Adopt the options outlined above to ease pressures on homeless accommodation and bring more homeless households back into Flintshire through increased supply of housing for the homeless cohort.</p> <p>Risk: Insufficient turnover and move on from homeless accommodation creates blockages within the system due to insufficient levels of affordable housing, creating significant financial pressures through the use of costly hotel accommodation.</p> <p>Mitigations: Increase the supply and access to housing for those who are homeless or at risk of homelessness through the adoption of a number of the options outlined in this report.</p> <p>Risk: Support a number of the above options but fail to successfully deliver the intended outcomes due to a lack of staffing or financial resources required to enable the options to be effective.</p> <p>Mitigations: Ensure all supported options are fully costed and resourced with additional staff and dedicated budgets (Housing Support, Temporary Accommodation and Development Team activities) through Council Fund, Housing Revenue Account and available grants such as Discretionary Homeless Grant, Housing Support Grant, Transitional Accommodation Capital Programme and the Social housing Grant.</p> <p>Risk: Grant funding is reduced or costs stand still, whilst market forces drive up expenditure for accommodation, services and staff.</p> <p>Mitigations: Continue to lobby Welsh Government in partnership with others across the sector, to increase funding for the development of accommodation, housing support and homelessness service.</p>

3.02	Ways of Working (Sustainable Development) Principles Impact	
	Long-term	Positive – Increase in targeted support and alternative delivery methods to ensure services are inclusive for all
	Prevention	Prevention - Preventing homelessness through ensuring there is adequate support and accommodation to cater for a range of people’s needs
	Integration	Positive – Increased integration between services and partner organisations
	Collaboration	Positive – Increased collaboration between services, partner organisations and service users
	Involvement	Positive – Service user involvement to help shape effective services so that support is timely, and person centred
3.03	Well-being Goals Impact	
	Prosperous Wales	Positive – With additional funding more jobs will be created to deliver housing related support on a greater scale within Flintshire. Opportunities to support the labour market through training and development opportunities are being considered in conjunction with colleagues from Communities for Work.
	Resilient Wales	Positive – Creating services that are prevention focused and build resilience to avoid households becoming homeless
	Healthier Wales	Positive – Reduction in rough sleeping, overcoming health inequalities associated with homelessness and poor housing conditions and investment to increase targeted support for people with housing issues and mental ill-health
	More equal Wales	Positive – Services are delivered in a way that are inclusive for all. Consideration has been given to local and regional gaps in provision for often marginalised communities such as the homeless, those with mental health or substances issues and the LGBTQ+ community.
	Cohesive Wales	No Impact

	Vibrant Wales	No impact
	Globally responsible Wales	No impact

5.00	CONSULTATIONS REQUIRED/CARRIED OUT
5.01	Consultation with Elected Members through Cabinet and Communities and Housing Overview and Scrutiny Committee.
5.02	Consultation with Housing Partners will be undertaken if options relating to changes to the Allocations Policy are progressed. The Common Allocations Policy is a shared policy and their support and engagement in adopting any temporary changes of practice will be required, if we are to apply the changes to all social housing in Flintshire, and not just Council homes.
5.03	The approach to consultation with residents in relation to the Sheltered Housing Review will be agreed by the Task and Finish Group. Consideration will need to be given to whether consultation with Mini Group communities is required if changes to these properties are to be progressed.

6.00	APPENDICES
6.01	Appendix 1 – outline of options

7.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
7.01	Consultation on White Paper - Ending Homelessness in Wales

8.00	CONTACT OFFICER DETAILS
8.01	Contact Officer: Martin Cooil – Housing & Prevention Service Manager Telephone: 07880 423234 E-mail: martin.cooil@flintshire.gov.uk

9.00	GLOSSARY OF TERMS
9.01	Housing (Wales) Act 2014 - the legislation the underpins the homelessness system within Wales including peoples' statutory rights and Local Authorities duties and responsibilities. Rapid Rehousing - Rapid rehousing is an approach for people whose first and most important need is to access housing; with a lack of it often the main reason why they are homeless. Rapid rehousing helps people settle

quickly back with family or friends, into private rented, social housing or other affordable and safe long-term housing options.

Housing Support Grant (HSG) - The HSG programme brings the historic funding streams for Supporting People, Homelessness Prevention and Rent Smart Wales grants into one single funding stream.

Housing Revenue Account (HRA) - The Council is required to keep a HRA to record all income and expenditure relating to the provision of local authority housing. All rental income, including arrears, must be held with a ring fenced HRA account. This means that income can only be used for council housing purposes and not general expenditure. This also allows rental income to be invested locally to help improve and maintain council owned homes and build new council homes.