

HOMELESSNESS: ANNUAL ACTION PLAN UPDATE

Head of Service:	Rod Brown, Head of Housing & Community
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Wards affected:	(All Wards);
Urgent Decision?	No
If yes, reason urgent decision required:	
Appendices (attached):	Appendix 1: Homelessness & Rough Sleeping Strategy Action Plan update May 2024 Appendix 2: Homelessness Strategy Update

Summary

EEBC continues to have a significant financial outlay on temporary accommodation costs to meet its homelessness obligations under the Housing Act 1996 and Homelessness Reduction Act 2017. The level of expenditure exceeded the budget set for 2023/24 and it will be a significant challenge to meet 2024/25 budget targets. This report sets out the actions taken to minimise homelessness expenditure, identifies the funding which was utilised to cover the additional expenditure for 2023/24 and gives an indication of the anticipated costs for 2024/25.

Recommendation (s)

The Committee is asked to:

- (1) Agree the priority actions points which have been taken to manage homelessness over the past 18 months.
- (2) Note the use of Homelessness Prevention Grant (HPG) and homelessness grant reserves to cover the increase in expenditure, during 2023/24, to enable the Council to meet its duties under the Housing Act 1996 and Homelessness Reduction Act 2017.
- (3) Agree that a further update regarding nightly paid accommodation (NPA) expenditure be provided at the Community & Wellbeing Committee in October 2024.

1 Reason for Recommendation

Community and Wellbeing Committee

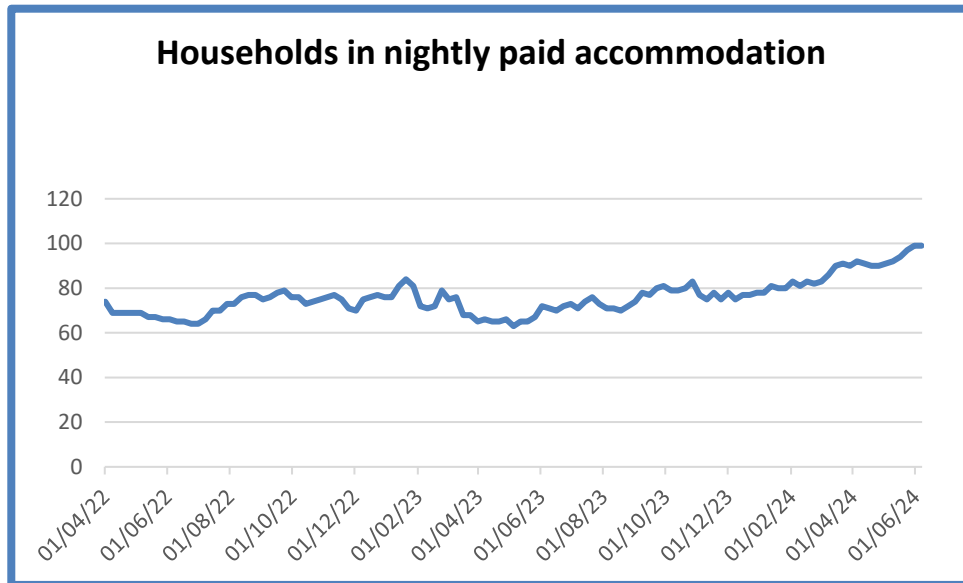
09 July 2024

- 1.1 The Council has a statutory duty to assist homeless households under the Housing Act 1996 and Homelessness Reduction Act 2017. If we do not meet our statutory obligations, then the Council will be in breach of its obligations and open to legal challenge.

2 Background

- 2.1 Expenditure on nightly paid accommodation to meet homelessness obligations is very significant. The net total level of expenditure was £1,665,493 for 2023/24. This was largely due to the consistently high number of homelessness approaches, a 15% increase in rental costs by our accommodation providers and a lack of alternative accommodation options.
- 2.2 The climate in which officers operate is increasingly challenging and even since the implementation of the homelessness strategy, in November 2022, the working environment has become more demanding. The ongoing impact of the cost-of-living crisis continues to have a significant impact on the number of households requiring assistance and the complexity of issues with which households present has intensified.
- 2.3 The demand on the small stock of private rented properties is as high as ever, including competition from other areas, such as London boroughs, for placements.
- 2.4 In addition, affordable housing options in EEBC are severely limited, which is in part due to the low level of affordable housing development in recent years.
- 2.5 The Homelessness Strategy & Action Plan 2022-27 was agreed at the Community & Wellbeing Committee in November 2022. The Action Plan identifies the key objectives and lists the appropriate actions to be taken during the lifetime of the strategy and has been updated to reflect the progress made over the past 18 months (appendix 1).
- 2.6 The actions in appendices 1 and 2 demonstrate the success and hard work of the housing options and solutions team. However, despite their positive performance the number of households in temporary accommodation, including expensive nightly paid, is steadily increasing, as shown in the below graph.

Fig X

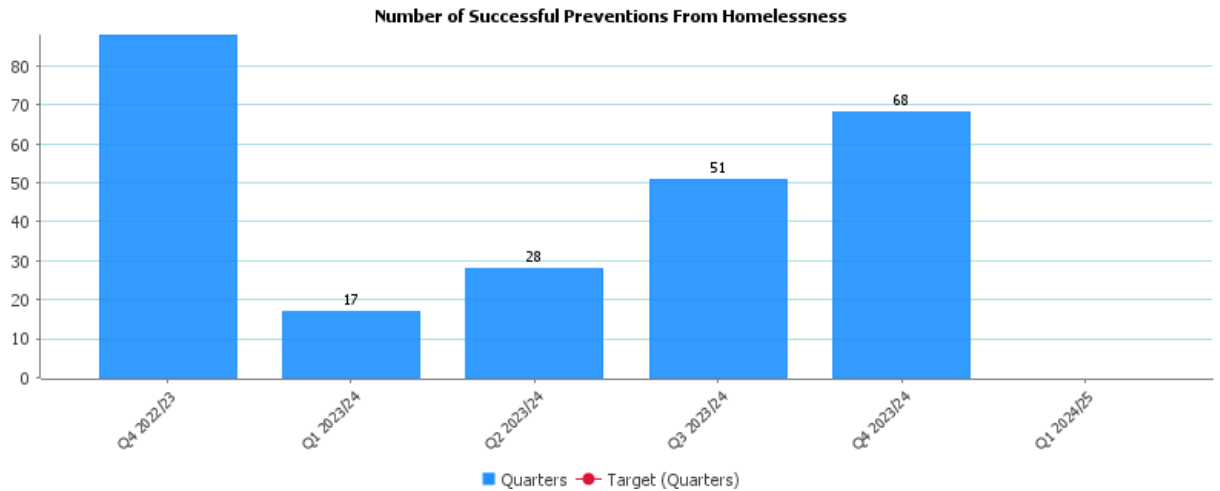


- 2.7 The graph provides a snapshot of numbers in nightly paid accommodation at the end of each month. What it does not demonstrate is the large number of households entering and leaving nightly paid accommodation each week. This turnover of households in accommodation is achieved by the interactions from housing officers.
- 2.8 With out this turnover, the numbers of households living in nightly paid accommodation and the associated expenditure would be significantly higher. The relative steady state of numbers of households in nightly paid accommodation over the past 18 months illustrates the success of the officers in finding housing solutions, despite the considerable challenges.
- 2.9 Staff turnover and the subsequent recruitment process can impact on the delivery of homelessness prevention work. The chart below (fig Y) illustrates the positive impact of a fully staffed team on homelessness prevention. It is anticipated that the service will be able to increase the focus on homelessness prevention measures, which will help to reduce nightly paid accommodation costs.

Fig Y

Community and Wellbeing Committee

09 July 2024

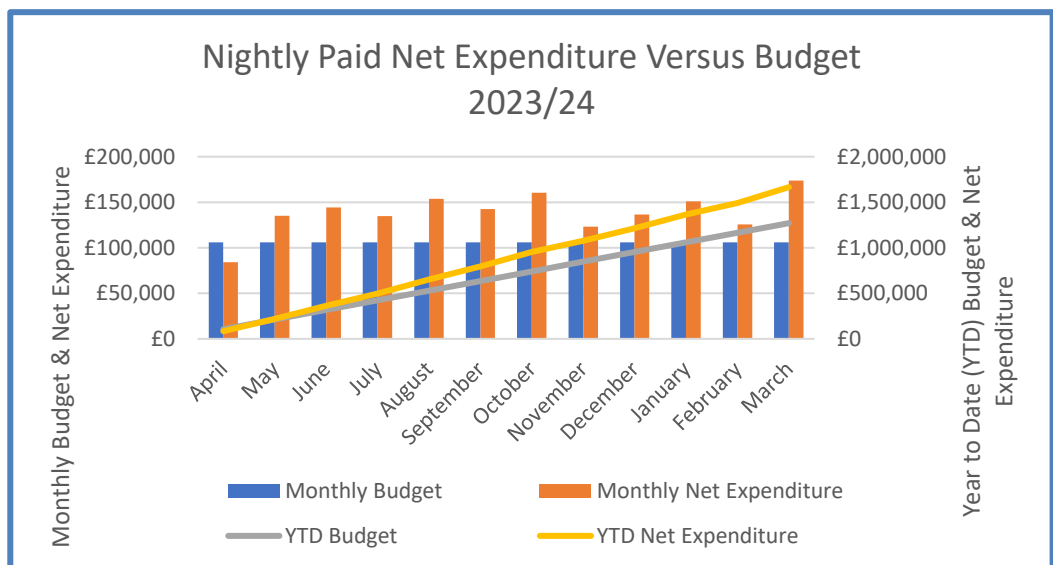


2.10 In addition to increasing demand, the cost of accommodating households in nightly paid accommodation has risen due to several factors. Competition from other local authorities, including London boroughs, is increasing demand and therefore costs and a number of landlords are leaving the nightly paid sector. In addition, the sharp increase in energy costs and inflation last year has led to all our providers raising their rent levels by 15%.

2.11 The rent level which the Council can charge households for temporary accommodation is restricted by the Housing Benefit temporary accommodation subsidy formula and this has not increased since 2011. Consequently, the Council is unable to mitigate the increase in temporary costs by charging homeless households higher rents.

2.12 Fig Z (below) shows costs for 2023/24. The total cost resulted in a budget overspend of £395k in 2023/4.

Fig Z



Community and Wellbeing Committee

09 July 2024

- 2.13 Due to demand for accommodation, officers are on occasion having to use economy hotel accommodations when no other accommodation is available. The gross cost for this can be in the region of £140 per night. The average net cost of nightly paid accommodation (NPA) for a small family increased by over 18% when compared with 2022/23 and is now c£23,500 pa.

3 Priority action points

- 3.1 The housing service has made significant progress since the implementation of the strategy in November 2022. The update for the first full year of the strategy 2023/24 shows a high number of completed tasks, ongoing work and identifies work streams moving forward, some of which are listed below.
- 3.2 One of the measures taken to minimise expenditure is to establish a Private Sector Leasing (PSL) scheme, where the Council leases a property for between 3-5 years from a private landlord for use as temporary accommodation. PSL properties are a significantly cheaper accommodation option and represents a significant cost avoidance. As a result, we have expanded the PSL scheme and will continue to add to our portfolio.
- 3.3 Preventing homelessness is a key area of focus and “Commitment to refer” isa protocol which is in place with Registered Providers (e.g.Town and Country Housing) to ensure early identification and intervention for people in housing debt to prevent eviction.
- 3.4 The Housing Options (Move On) Officer, recruited in June 2023, has had a very positive impact and helped to move on over 65 homeless households into temporary accommodation, either moving them on from expensive nightly paid accommodation (NPA) or preventing them from being placed in NPA. This work has helped manage the increase in the cost of NPA and has also led to a reduction in void costs the council incurs from our Registered Providers who provide Temporary Accommodation Now all team vacancies have been recruited to, this role will be even more proactive.
- 3.5 The Housing Delivery Group is an officer group from housing, finance and property which meets quarterly to consider how the housing potential of EEBC and other public body assets can be best utilised. The group is currently working on bringing forward a variety of projects, including micro homes, Ewell Court cottage and partnership opportunities.
- 3.6 The Strategic Housing Manager has responded to Local Plan consultation with specific reference to the Supplementary Planning Document (SPD), to ensure robust policy in place to increase affordable housing delivery on section 106 development sites and to shape affordable housing policy.

Community and Wellbeing Committee

09 July 2024

- 3.7 There are a few actions in the action plan which have slipped due to competing priorities within the team. This will be addressed in the coming months and an internal officer working group will meet in July to manage outcomes and agree where to focus resources over the upcoming 12 months and to identify the key partners to help deliver actions.

4 Next steps

- 4.1 The issues faced by the council in accommodating homeless households are unlikely to dissipate over the coming 12 months. It is therefore likely that despite continued positive performance from officers, the number of households in temporary accommodation will remain high for the foreseeable future.
- 4.2 The economic outlook remains challenging and has had a direct impact on housing delivery, leading to fewer residential developments coming forward and thus an overall reduction in house building and the development of affordable housing. In addition, schemes such as the Homes for Ukraine scheme and the government's asylum dispersal proposals continue to add to the pressure on limited affordable housing options still further.
- 4.3 The links between health and homelessness is recognised in the Council's Homelessness and Rough Sleeper strategy and in our close working with Surrey Downs Health and Care. The new Epsom and Ewell Neighbourhood Board will also consider possible practical interventions to support the health of homeless residents.
- 4.4 The on-going position within the service will continue to be reported monthly to the Chair and Vice Chair of this committee and officers will continue to complete the agreed actions as set out in the Homelessness Strategy Action Plan and seek other opportunities to increase the supply of suitable accommodation.
- 4.5 Officers will continue to outline the benefits of the PSL scheme to landlords and continue to work with housing associations and other partners to find creative solutions to increase the overall supply of affordable housing within existing stock. Officers will also seek to incorporate the housing related proposals of the Corporate Peer challenge.

5 Risk Assessment

Legal or other duties

5.1 Equality Impact Assessment

- 5.1.1 Minimising homelessness will have a positive impact on inequalities.

5.2 Crime & Disorder

Community and Wellbeing Committee

09 July 2024

5.2.1 None for the purposes of this report.

5.3 Safeguarding

5.3.1 Assisting homeless households to access safe and secure accommodation will have a positive impact on safeguarding.

5.4 Dependencies

5.4.1 Expenditure will continue to be monitored closely and adverse variances reported to Audit & Scrutiny Committee through the Council's agreed budget monitoring procedures, and to the Chair and vice Chair of this committee.

5.5 Other

5.5.1 None for the purposes of this report.

6 Financial Implications

6.1 The original budget for 2023/24 was based on 58 families in nightly paid accommodation. For 2024/25, the budget was increased to support an average of 70 households, but as at 31 May 2024, the Council was supporting 97. In addition, the average net cost of nightly paid accommodation for a small family has increased by an average of 15% when compared with 2022/23 due to an inflationary increase in prices charged by accommodation providers.

6.2 A quarterly report is prepared by the service and reported to the Department of Levelling Up Housing and Communities (DLUHC) to update on homelessness figures and current pressures. DLUHC responded to the increased pressures on local authorities in 2023/24 with additional grant funding of £165,909 to help ease the financial pressures.

6.3 The full year spend was £1.665m. This was met through the original budget, homelessness grant reserve, additional grant funding from DLUHC, the Council's contingency for inflationary pressures and general fund balance.

6.4 For 2024/25, the Council has been awarded £649,727 Homelessness Prevention Grant, which is £162,734 higher than had been originally expected in the budget.

6.5 However, should demand pressures continue throughout 2024/25, it is anticipated that in the absence of further government funding, there may be a continued need to apply the reserve while the service progresses initiatives to bring demand down to levels manageable within the budget.

6.6 The anticipated overspend for 2024/25 based on the figures for April and May is £350,000.

Community and Wellbeing Committee

09 July 2024

- 6.7 **Section 151 Officer's comments:** The cost of managing homelessness continues to represent a key risk to the Council's financial position. Increased costs of nightly paid accommodation, combined with higher numbers of households requiring support, reinforces the importance of the council progressing the homelessness reduction action plan initiatives identified in this report. Should demand remain at exceptionally high levels for a prolonged period, the Council may need to consider corporate measures to contain expenditure within available resources. Expenditure will continue to be monitored closely and adverse variances reported to Audit & Scrutiny Committee through the Council's agreed budget monitoring procedures.

7 Legal Implications

- 7.1 The Council's obligations, powers and duties in relation to homeless households are contained within the Housing Act 1996 and Homelessness Reduction Act 2017. If we do not meet our statutory obligations, then the Council will be in breach of its obligations and open to legal challenge.
- 7.2 **Legal Officer's comments:** None other than as set out in this report.

8 Policies, Plans & Partnerships

- 8.1 **Council's Key Priorities:** The following Key Priorities are engaged:
Safe & Well: Work with partners to improve health and wellbeing of our communities, focusing in particular on those who are more vulnerable.
- 8.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 8.3 **Climate & Environmental Impact of recommendations:** Not applicable.
- 8.4 **Sustainability Policy & Community Safety Implications:**
- 8.5 **Partnerships:** Registered Providers, in particular Town & Country Housing (formerly Rosebery) and Transform, East Surrey Outreach Service (ESOS), local letting agents, private sector landlords, Surrey Housing authorities

9 Background papers

- 9.1 The documents referred to in compiling this report are as follows:

Previous Reports:

- [Homelessness & Rough Sleeping Strategy 2022/27](#) - Community & Wellbeing Committee November 2022

Other papers:

Community and Wellbeing Committee
09 July 2024

- none