

Briefing Note to:	Housing and Neighbourhoods Overview and Scrutiny
From:	Julie Griffin, Acting Assistant Director for Housing
Date:	27 February 2020
Subject:	Housing Options Position Brief

Purpose

This briefing sets out the challenges facing the Housing Options Service and the impact this is having on the service budget situation. The report also highlights some of the ongoing activity to mitigate these issues in the short term and proposals to implement a new operating model to address the demand pressures in the medium to longer term.

Background

The housing options service has seen increasing demand with around 6000 presentations each year and the number of people requiring temporary accommodation (TA) increasing 125% between June 2015 and June 2019. The service has been working to reduce demand for TA and in particular Bed and Breakfast during the financial year with a high of 690 people placed in bed and breakfast in May 2018 to less than 350 as of January 2020. This contrasts with continual increases pre-May 2018 going back three years.

The continued increases in Temporary Accommodation demand and use has created an overspend or budget pressure for the service for several years which is becoming more difficult to manage alongside savings targets. The current projected overspend for 2019/20 is £3.8m (period 9) and current direction of travel shows that existing mitigations will be insufficient to maintain these current projections.

The service has a detailed TA Reduction Plan in place which focusses on reducing the use of Bed and Breakfast as it is both the costliest and least suitable provision for our customers. Many of the mitigating actions, including bringing online two new homeless centres offering 160 additional units has only prevented continued increases driven by demand in the city for suitable affordable housing. The TA Reduction Plan focusses on meeting the short to medium term demand for temporary accommodation and ensuring we have the most cost-effective options available to us. To impact on the numbers in TA over the medium to longer term the service must switch from servicing the crisis level demand we are seeing today to carrying out effective homelessness prevention. This requires resources to be invested up front to allow sufficient casework to prevent escalation into TA. Alongside robust casework the services must work with the private rented sector and registered providers to improve and increase the housing options available to our customers to both sustain their current tenancies and to secure alternative accommodation before TA is needed. When TA is required, we need a model that ensures sufficient support to stabilise the household and support them on to a new longer-term tenancy.

Proposal

The service is currently developing a new operating model that focusses on prevention and move on which will begin consultation and mobilisation in Spring 2020. The new operating model will see additional resources and capacity invested in staff, prevention toolkit and developing property options to reduce the need for temporary accommodation and improve the service to our customers. To ensure the service can switch to a prevention model at the same time as servicing caseloads currently in TA (c3100), investment is needed. As part of budget setting the service is proposing an invest to save bid to secure the space and time needed to turn the current model around.

The new model has been developed following the principles below:

- Improve the Customer Journey around the 'Move In, Live In, Move On' model
- Design a service that is fit for purpose for the future
- Ensure housing strategy is aligned to housing functions
- Ensure the correct resources are placed at front end to deliver good quality services
- Aim for increased staff to management ratios (excluding technical or specialist roles)
- Promote autonomy and multi-skilled teams
- Develop a workforce that is adaptive to change and can work together to solve issues

Investment is needed to prevent more cases from requiring Temporary Accommodation through increased prevention (a shift from 40% to 60%) and speeding up move on when TA is required. As we reduce the numbers being placed in TA through successful prevention and reduce the length of stay through adequately resourced move on support the spend on TA will reduce significantly. An increase in prevention rates of just 10% would reduce the numbers in TA by around 7 households per week which equates to 364 less TA cases in one year. Alongside in-year mitigations as part of the TA Reduction Plan, this would limit the use of Bed and Breakfast and reduce PSL use making significant savings on the £14m budget and subject to successful mobilisation would see a return on investment in the 2021/22 financial year.

Next Steps

Implementation of the new operating model will commence in Summer 2020 with a go live ambition of Autumn 2020. Whilst the full model will not be in operation until Autumn 2020 the service intends to move staff and resources over to the new model on a gradual basis to ensure the new model is set up robustly and is successful.