



## ***FULL COUNCIL REPORT***

Date Written	10 <sup>th</sup> March 2021 **
Report Author	Suzanne Stephens
Service Area	Housing
Exempt/Non Exempt	Non Exempt
Committee Date	24 <sup>th</sup> March 2021

*To: Mayor, Ladies and Gentlemen*

# **Suitable Temporary Accommodation for Homeless Clients**

## **1.0 SUMMARY OF THE REPORT**

- 1.1 This report outlines the increasing pressures on the LA's Homelessness Service and the challenges faced in discharging the Council's statutory duties under the Housing (Wales) Act 2014, with specific reference to homelessness.
- 1.2 Following changes made to the 'priority need' test within the Housing (Wales) Act 2014 as a direct result of the Covid 19 pandemic, the Council now has a legal duty to offer and provide temporary accommodation to everyone presenting as homeless and secure suitable, permanent accommodation thereafter.
- 1.3 The Council has become over-reliant on the use of bed and breakfast accommodation to discharge this duty. This practice is costly and the accommodation is deemed inappropriate (by Welsh Government). Each of these issues are discussed in detail in this report.
- 1.4 This report outlines a viable alternative option (or supplementary, depending on case demand at any one time), which is less expensive, more appropriate and reduces the risk to the LA.

## **2.0 RECOMMENDATIONS**

- 2.1 The officer recommendation for the Council to enter into another contract with D2PropCo or another private sector provider of accommodation (where appropriate) for an initial period of at least 2 years to increase its use of Houses in Multiple Occupation (HMO) from 2 to 3+ be approved.

- 2.2 The specification that each unit of accommodation shall not have more than five bedrooms and hence five homeless clients accommodated at any one time be approved.
- 2.3 The provision that officers shall decide upon the location of such units, in consultation with the Public Protection Unit (PPU) of South Wales Police and in consultation with local members, to ensure locations are safe and appropriate be approved.
- 2.4 The Housing Solutions Team objective of increasing its use of HMO's for temporary accommodation to help meet the Council's statutory duty be approved.

### **3.0 INTRODUCTION AND BACKGROUND**

- 3.1 When a household (which can be one person, a couple or family) approaches the Council and advises officers that they are homeless, the officer must consider 'whether there is reason to believe' the client is homeless and in 'priority need'.
- 3.2 Priority need is a term used within the legislation to identify certain groups or characteristics which may make someone more vulnerable than others. Examples include: clients with dependent children or someone with a significant physical or mental health issue.
- 3.3 Where the officer determines there is 'reason to believe' the client is homeless and in priority need – the Council must offer them temporary accommodation, whilst we investigate their circumstances further and seek evidence to support this position.
- 3.4 Changes made to homelessness legislation as a result of the Covid 19 pandemic, now places all individuals/households in 'priority need' if they are believed to be homeless, placing a statutory duty on the L.A. to provide temporary accommodation until affordable permanent accommodation can be secured. This has resulted in a significant increase in the amount of homelessness presentations since March 2020.
- 3.5 The Housing Solutions Team invariably has to rely upon local bed & breakfast and guest houses, to provide this temporary accommodation, at a cost of between £50 (single) - £90 (family) per room, per night. Not all of this cost is being met by the WG Phase One Covid 19 Hardship Fund. Income generated from any Housing Benefit claim for anyone in temporary accommodation is limited to £73 per week per individual.
- 3.6 The additional TA costs to the LA as a result of Covid 19 are currently being met by the WG Phase One Covid 19 Hardship Fund. However, WG have not committed to a date when this funding will end. When this happens, there is a huge financial implication for the LA. See projected TA costs for 2021-22 below.
- 3.7 B&B accommodation is not entirely appropriate for this purpose as outlined in sections 5.0 – 7.0 below.

- 3.8 The number of people approaching the service for a homelessness assessment has increased year on year since the new legislation came into force in April 2015. Presentations have seen a further significant increase following the changes made to priority need in March 2020 as a result of the Covid 19 pandemic. Homelessness presentations for 2020-21 are projected to see a 39% increase from 2019-20, up from 754 to an estimated 1048.
- 3.9 71% of homeless cases in 2019-20 were single people, this presents the Council with acute pressure to assist this cohort.
- 3.10 As a local authority we use the following types of accommodation as temporary accommodation:
- Refuge Accommodation
  - Hostels
  - Flats owned by a registered social landlord/housing association
  - Supported housing schemes
  - Bed and Breakfast accommodation
- 3.11 This report focusses on the increasing use, and over-reliance on bed and breakfast accommodation to discharge our homelessness duties.
- 3.12 It is also worth noting that our Private Sector Leasing Scheme, managed by Calon Residential Lettings, will cease to operate in Merthyr Tydfil very shortly and have made the decision to withdraw from this agreement following an internal restructure and review of their business improvement plan. This means that the L.A. will lose 12 units of temporary accommodation for single people and families, placing further pressures on the homelessness service.

#### **4.0 TEMPORARY ACCOMMODATION USAGE as at 1<sup>st</sup> March 2021**

<b>Accommodation type</b>	<b>Number of households</b>
Supported Housing Hostels – garth villa and Chaplin’s	20 (at full capacity)
Bed and breakfast placements	83
Shared accommodation HMO	9
Private leasing scheme	2
Other supported accommodation: Garth Newydd Court and Flooks	12
Temporary accommodation MVH including modular	11
<b>Total number of placements</b>	<b>137</b>

4.1 The average length of stay in 2019-20 was 16 nights. This figures for 2020-21 and 2021-22 are likely to be far higher due to a lack of move on accommodation available.

## **5.0 BED & BREAKFAST ACCOMMODATION – COSTS**

5.1 As the use of B&B increases so does the annual cost of this provision. Our expenditure on bed and breakfast accommodation has more than doubled within three years, even before the pandemic.

5.2 In 2019/20 our B&B expenditure was approximately £130K per annum. In 2020/21, we have spent £921,551.73 to date.

5.3 The dramatic increases in expenditure reflect the increasing number of cases requiring temporary accommodation. It is felt that changes made to homelessness legislation in light of Covid 19 have inevitably contributed to this and have brought about unintended consequences on the demand for homelessness services.

5.4 WG have not indicated whether it intends to revert its decision on priority need as we begin to recover from the pandemic, but there is a strong feeling that there is not an appetite to do this, as the Housing Minister has publically announced that she does not want anyone to return to rough sleeping under any circumstances.

5.5 Due to a lack of affordable single person accommodation in the borough, move on accommodation is extremely limited and there is insufficient RSL stock available to meet the current demand. We envisage that many people will remain in B&B and other TA for quite some time until permanent accommodation can be sourced.

5.6 In 2019/20 there were only 47 units of single person accommodation available in total between all 4 RSL's.

5.7 We are currently utilising hotels and B&B's which the LA have not used historically. Given the nature of hospitality venues, no formal contracts are in place for these provisions. Once Covid 19 restrictions begin to ease and business begins to return to their normal business models, there is a high risk to the L.A. that many hotels will no longer wish to accommodate our homeless clients and we would not be able to meet our statutory duty of providing alternative TA.

5.8 Without direct action to find alternative sources of temporary accommodation, projected expenditure for B&B for 2021-22 is over £1.8 million based on current demand which continues to rise.

5.9 **L.A. Temporary Accommodation Expenditure to 5<sup>th</sup> March 2021:**

Ledger As at 05/03/21			
	Costs (£)	Benefit Income (£)	Total (£)
B&B (Core)	116,121.30	- 11,668.26	104,453.04
Other TA (Core)	29,875.00		29,875.00
<b>Total Core</b>	<b>145,996.30</b>	<b>- 11,668.26</b>	<b>134,328.04</b>
B&B (Covid)	795,117.33	- 28,297.11	766,820.22
Other TA (Covid)	20,403.47		20,403.47
<b>Total Covid</b>	<b>815,520.80</b>	<b>- 28,297.11</b>	<b>787,223.69</b>
<b>Total</b>	<b>961,517.10</b>	<b>- 39,965.37</b>	<b>921,551.73</b>

Projections for 2021-22, are based on current demand, plus security costs at two hotels. We are also assuming that we will not be getting housing benefit income for all those housed. That being the case, estimated costs will be **£1,831,060.75** in total. There is a budget of £181K for core accommodation costs.

**6.0 BED & BREAKFAST ACCOMMODATION – NOT APPROPRIATE**

6.1 The Homelessness (Suitability of Accommodation) (Wales) Order 2015 outlines the specific requirements of bed and breakfast establishments (and other forms of temporary accommodation), when used by the Council to fulfil its relevant homelessness duties.

6.2 The Order specifically states -

*4. For the purposes of Part 2 of the 2014 Act, B&B accommodation is not to be regarded as suitable for a person who is, or may be in priority need unless at least one of the exceptions in article 6 or article 7(1) applies.*

The relevant exemptions as they apply to the B&B premises typically used in Merthyr Tydfil are:

- the authority believes that the applicant may be homeless or threatened with homelessness as a result of an emergency such as fire, flood or other disaster, and no other accommodation is reasonably available to the authority; or
- the authority has offered suitable accommodation to the applicant, but the applicant wishes to be accommodated in other accommodation(B&B)
- where the B&B meets the basic standard (which the one used locally does): the client may reside there for up to 2 weeks

- 6.3 Currently clients reside in B&B for longer than the prescribed 2 weeks (see figure 3.0). Many clients are now residing there for up to 56 days or longer, i.e. the duration of our section 73 duty (duty to assist).
- 6.4 It is also worth noting that some of the B&B's typically used, does not have disabled access to the main dwelling and does not have any adapted rooms. An increasing number of clients are presenting with significant medical problems, which we must lawfully consider when securing temporary accommodation for them. We often fail to offer such accommodation and hence are open to legal challenge and review.
- 6.5 B&B is generally considered unsuitable as temporary accommodation. Guests have curfews on the times they must return in the evenings and are unable to prepare their own food or do laundry. Eating out and using commercial laundry facilities can be expensive, especially on limited income.
- 6.6 In the Castle Hotel in particular, there is a high volume of homeless clients in one single location, many of whom will have multiple complex issues. This can often exacerbate anti-social behaviour problems.
- 6.7 In light of the above, we have commissioned support providers to be available at all our B&B sites to provide housing related support, with evening support also being available at the Castle Hotel. Security companies have also had to be bought in to provide services at the Castle Hotel and Tregenna Hotel.
- 6.8 Due to the high demand, we are also having to utilise three B&B's out of area in the Blaenau Gwent area for those with multiple complex issues who are unable to access local provisions.

## **7.0 BED & BREAKFAST ACCOMMODATION – HIGH RISK**

- 7.1 B&B premises are commercial enterprises. Therefore, the proprietors are free to attract trade from anywhere. It is not uncommon for the B&B/hotels that the Council uses to have clients from other Council's Homelessness Teams residing there, plus workmen, along with care leavers placed by this Council or others.
- 7.2 The complex mix of residents is therefore very difficult to account for and hence assess the risk of making a particular placement there. The Council is heavily reliant on the B&B proprietor to be open and honest when disclosing who else is residing at the premises and what risk they may pose, assuming the placing authority has disclosed risk information to the proprietor.
- 7.3 The Council is reliant on an untrained, commercial proprietor to manage the variety of risks presented by individuals in the premises; and the interactions between the individuals – which can on times increase risk levels.
- 7.4 The proprietor has the right to refuse some clients, with whom he may have had a previous bad experience with. This results in the Council not fulfilling its statutory duty to the client and leaves the Council exposed to legal challenge.
- 7.5 The proprietor could cease to accept referrals from us, in which case, we would have no options available to us to meet this identified need. Again leaving the Council exposed to legal challenge.

- 7.6 In June 2015, 22 year old Cerys Yemm was killed by homeless prison leaver Matthew Williams (aged 34) at the Sirhowy Arms (a B&B) in Caerphilly. Williams was placed at the B&B by Caerphilly CBC Homelessness Team. Williams was tasered by Police and also died at the scene. This awful incident clearly highlights the risks of using B&B premises to fulfil the Council's homelessness duties; and whilst this incident could of course have happened in the public realm or any other form of accommodation, the Council was still heavily criticised for using a commercial B&B to accommodate homeless ex-offenders.
- 7.7 Merthyr Tydfil has one of the the highest number of the population in prison, per capita than any other area in Wales. As a result we also have one of the highest number of homeless prison leavers, per capita, than other areas in Wales. Therefore the vast majority of ex-offenders that we have a duty to provide temporary accommodation for, are placed in B&B.
- 7.8 We have an unprecedented number of service users accessing B&B at present in light of Covid 19 and changes made to homeless legislation. When lockdown restrictions ease, it is anticipated that many B&B's will want to return to their usual business models and may no longer wish to accommodate our homeless population. As move on accommodation is extremely limited, we would have great difficulty in finding alternative temporary accommodation at short notice.

## **8.0 AN ALTERNATIVE SOLUTION**

- 8.1 We currently have a service level agreement with Duncan Evans of D2 PropCo to provide two HMO's in Merthyr Tydfil for use as temporary accommodation; a four bed property in Plymouth Street and a five bed property in Gilfach Cynon, both situated in the Town Ward.
- 8.2 Both HMO's are fully installed with CCTV in all communal areas of the property and all exit points. Staff check these cameras daily and report any issues immediately to the Housing Solutions Team and are reactive to any incidents that may occur. Daily visits to the properties are undertaken by D2PropCo staff, who also provide breakfast packs to the residents. The staff are also in regular communication with the neighbouring residents who have access to 24 hr emergency contact details for D2PropCo.
- 8.3 The principles of this alternative solution (alternative to B&B) are:
- The Council enters into a two year minimum contract with the company for exclusive use of a premises, to accommodate single homeless persons
  - The premises will be a 'regular house' converted into 4/5 (max) person shared house. Each with a lockable bedroom for exclusive use, plus shared bathroom, kitchen and living room areas. Plus shared garden (if present).
  - The Company will purchase said property in a suitable location, following consultation and dialogue with relevant officers.
  - The premises will receive daily visits from a premises manager provided by the Company

- The premises will have CCTV installed throughout to monitor and record behaviour of the residents.
  - All residents will be referred by the Housing Solutions Team.
  - The Council will pay £30 per person, per night. Which is 40% less than the current £50 pppn we currently pay for B&B.
- 8.4 The benefits of the Council adding this provision to its portfolio of temporary accommodation options address all 3 current issues with high B&B use, namely:
- Cost – this option is 40% less expensive
  - Appropriate – this option meets the required standards of the Order (referred to previously)
  - Risk – this option reduces a number of risks to the client, other clients and potentially the public and B&B proprietor, as the Council will have exclusive use of the premises – removing the potential of unknown persons with unknown risk factors residing in the room next to our clients. CCTV will assist in managing and recording behaviour in the premises and in the local neighbourhood. The Council will have greater control over instructing clients to leave the premises – if their behaviour is unsuitable, this will also end the Council’s duty to provide temporary accommodation.
- 8.5 It is worth noting that B&B use will still be required, given the current level of demand on homelessness services at this time and the restricted move on options available.
- 8.6 Housing related support provided by one of our multiple commissioned support providers is available to anyone living in Merthyr Tydfil who requires it, regardless of tenure. This support is not time limited and is available to anyone accessing this provision.
- 8.7 Here is a video link which showcases our HMO at Gilfach Cynon:  
<https://youtu.be/nATQMrzYTPo>

## **9.0 FINANCIAL IMPLICATION(S)**

- 9.1 The Company will be liable for the acquisition and refurbishment cost of the premises.
- 9.2 The Council will be liable to pay: £30 per night for occupied rooms and £10 per night for vacancies. Based on the current demand and use of temporary accommodation, it is expected the Council will utilise the premises at full capacity for the vast majority of the year.
- 9.3 The £30pppn rate is 40% less than what the Council currently pays for B&B (£50pppn)
- 9.4 As provision of temporary accommodation is a statutory duty in certain circumstances under the Housing (Wales) Act 2014, the cost of this new provision shall be met by the Housing Solutions budget and partially by the Covid 19 Hardship fund whilst this funding remains available (based on current eligibility criteria).



## 10.0 INTEGRATED IMPACT ASSESSMENT

	Positive Impacts	Negative Impacts	Not Applicable
<b>1. Merthyr Tydfil Well-being Objectives</b>	3 of 4	0 of 4	1 of 4
<b>2. Sustainable Development Principles - How have you considered the five ways of working:</b> <ul style="list-style-type: none"> <li>• Long term</li> <li>• Prevention</li> <li>• Integration</li> <li>• Collaboration</li> <li>• Involvement</li> </ul>	5 of 5	0 of 5	0 of 5
<b>3. Protected Characteristics</b> <i>(including Welsh Language)</i>	1 of 10	0 of 10	9 of 10
<b>4. Biodiversity</b>	0 of 1	0 of 1	1 of 1
<p><b><u>Summary:</u></b></p> <p>The main positive impacts are this proposal meets all five ways of working; plus reduces costs, provides a more appropriate solution and at lower risk to the individual, community and Council.</p> <p>The main negative impacts are - none relevant to the factors outlined in this document.</p>			

**ALYN OWEN**  
**DEPUTY CHIEF EXECUTIVE**

**COUNCILLOR GERAINT THOMAS**  
**CABINET MEMBER FOR**  
**REGENERATION, HOUSING & PUBLIC**  
**PROTECTION**

<b>BACKGROUND PAPERS</b>		
Title of Document(s)	Document(s) Date	Document Location
Does the report contain any issue that may impact the Council's Constitution?		<b>No</b>

***Consultation has been undertaken with the Corporate Management Team in respect of each proposal(s) and recommendation(s) set out in this report.***