



FULL COUNCIL - INFORMATION REPORT

Date Written	28 th June 2021
Report Author	Suzanne Lewis-Abbott/Suzanne Stephens
Service Area	Housing/Homelessness
Exempt/Non Exempt	Non Exempt
Committee Date	14 th July 2021

To: Mayor, Ladies and Gentlemen

Homelessness and Housing Update

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 including sustained and increased pressures throughout the COVID-19 pandemic.
- 1.2 The Council has become over-reliant on the use of bed and breakfast accommodation. This section includes some forecasting of costs once the WG Hardship Fund ceases to cover these costs.
- 1.3 This report outlines the range of options and developments being progressed to work towards an exit strategy and reduce homelessness and ensure MT increase the broad range of accommodation to meet the presenting need and increase the supply of affordable homes.

2.0 INTRODUCTION AND BACKGROUND

- 2.1. Over the past 5-6 years the frontline homelessness and housing services have seen increases in presentations to our statutory and non-statutory services, including those in housing need and those requiring housing related support through our Housing Support Programme (formerly Supporting People).

- 2.2 The number of people approaching the service for a homelessness assessment has increased consistently year on year since the new housing 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 were up 78%, with 1345 presentations compared to 754 in 2019-20.
- 2.3 The majority of homelessness presentations to the service are from single people, accounting for 75% of homeless cases in 2020-21 alone, presenting the Council with acute pressure to assist this cohort.
- 2.4 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.
- 2.5 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 LA 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.
- 2.6 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.
- 2.7 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 (current commitment remains until end of September 2021). From 1st October, there is a huge potential financial implication for the LA (see projected TA costs for 2021-22 in 3.6 below).
- 2.8 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, which means that the LA will lose 12 units of temporary accommodation for single people and families, placing further pressures on the homelessness service.

3.0 TEMPORARY ACCOMMODATION USAGE as at 29th June 2021

Accommodation type	Number of households
Supported Housing Hostels – Garth Villa and Chaplin’s	20 (at full capacity)
Bed and breakfast placements	84
Shared accommodation HMO	9
Private leasing scheme	1
Other supported accommodation: Garth Newydd Court and Flooks	12
RSL Temporary accommodation: MVH & Hafod	17
Total number of placements	143

- 3.1 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. In 2019/20 our B&B expenditure was approximately £130K per annum. In 2021/22, we have projected around £181k on core costs (not factoring in covid placements).
- 3.2 There have been dramatic increases in expenditure reflecting 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.
- 3.3 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.
- 3.4 Due to a lack of affordable single person accommodation in the County 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. Last year, only 58 units of single person accommodation available in total between all 4 RSL’s.
- 3.5 To date over £955,000 has been spent on temporary accommodation relating to covid (some of this includes advance block booking of utilised B&B’s under covid legislation until the end of September).

Projected expenditure on statutory core costs not relating to covid are expected to reach around £181k by the end of 2021/22 which mirrors the budget for this provision.

3.6 **LA Temporary Accommodation Expenditure for 2020-21:**

Without direct action to find alternative sources of temporary accommodation, **projections for 2021-22, based on current demand, plus security costs at three hotels reach £2,084,823.90, with the core costs this totals: £2,266,738.90.** There is an annual budget of £181K for core accommodation costs. This highlights the exponential rise in costs, should the WG hardship fund cease to cover these costs from October 1st (expecting announcement on this imminently from WG) and no changes to the legislation the Local Authority would be liable for these going forward.

3.7 **Castle Hotel:**

Whilst most of our B&B proprietors have verbally committed to offering the LA their accommodation for as long as it is required, naturally we have concerns that as the lockdown restrictions lift further, some businesses will want to revert back to their traditional business models and as a result will no longer wish to accommodate our service users.

One of the biggest hotels being used currently as TA is the Castle Hotel where we have 36 rooms in use. All rooms have been secured and funded through the Hardship fund in advance up to 31st December 2021, but after this time, all service users are likely to have to move on to alternative accommodation whether that be other TA or permanent accommodation.

Available via the background papers link is a more in-depth report specifically in relation to the Castle Hotel, the associated costs and the proposed exit strategy that will assist with move on accommodation for some service users.

4.0 **HOUSING RESPONSE AND DEVELOPMENTS**

4.1 In 2020/21, to assist in the significant rising demand of individuals presenting at both statutory and non-statutory services, the HSG and core budgets were utilised for growth in staffing levels in the service area to help meet the current demand, assist in working more preventatively to avoid individuals experiencing homelessness in the first place and provide a range of support through the additional £689,193 funding to assist the work of the frontline Housing and Homelessness teams.

4.2 As well as the additional resource to meet demand, the services are also better aligned with other complementary services to maximise grant finance, more effective partnership working, and strengthened multi-sector partnerships to tackle the wider issues resulting in increased homelessness presentations. To achieve better outcomes:

- Utilising HSG Funding to create more posts within the service to provide further targeted housing related support targeted at prevention.
- Increasing units of supported accommodation to be commissioned to assist exit planning from excessive use of B&B's as temporary accommodation.

- Regional projects developed, including a recent addition of substance misuse and mental health specialists to work with our service users in emergency accommodation to tackle the plethora of issues faced by those most vulnerable presenting at our frontline services.
- Better partnership working across Housing and Regeneration to maximise grant finance to increase housing supply to meet local need, as well as with strategic land development and partnership work with RSLs and Private Sector Landlords
- Closer working relationships with Estates, Planning, employability and Environmental Health on wider issues working collaboratively to drive change.
- Close multi-agency working as part of 4 weekly local cell coordination meetings with Health, Police, Probation, Service Providers to assist throughout the pandemic, the unintended consequences of current arrangements and going forward to better partnership approaches to local issues.
- Improved partnership working with Social Services both adults and children in developing collaborative and innovative projects (NLC and Extra Care)
- Utilisation of Phase 2 WG Grant monies to increase units of accommodation in the social and private sectors.

4.3 In April 2021, we received almost treble the funding on the previous year to **£4,386,945** Social Housing Grant (SHG) for 2021/22, £805K Phase 2 Funding, and £78k VAWDASV Capital Funding. As part of this and wider development work, we are progressing the following and other developments to increase housing supply:

4.4 **Social Housing Grant (SHG) Developments – Budget £4,386,945 for 2021/22**

In recent years, Merthyr Tydfil Housing Association (MTHA) have been developing in isolation, however in the past 18months, Merthyr Valley Homes (MVH) have increased their development capacity and reinvigorated their strategic developments to support our corporate need. Very recent discussions with Hafod also indicate a real drive to restart development within the County Borough and work to support MTCBC in the delivery of our affordable homes as well as a broad range of accommodation and schemes to meet our local need.

The following schemes are currently live in our main programme by way of new affordable homes schemes:

1. Previous CAB Building - demolished to make way for 8 units of affordable housing (5 x 1 bed flats, 1 x refurb flat, 2 x refurb flats).
2. East Street, Dowlais - 10 units of accommodation (6 x 1 bed flats, 4 x 2 bed houses).
3. Bryniau Rd, Pant - 31 units of accommodation (15 x 1 bed flats, 12 x 2 bed houses, 2 x 3 bed houses, 2 x 2 bed bungalows).
4. St Tydfil's, Merthyr - 31 units of accommodation (14 x 1 bed flat, 8 x 2 bed houses, 4 x 3 bed houses, 3 x 2 bed bungalows, 2 x 4 bed houses).
5. Lansbury Road - 12 units of accommodation (8 x 1 bed flats, 2 x 2 bed houses, 2 x 2 bed bungalows).
6. Courtland Tce (Penylan) - 6 units of Supported Accommodation (6 x 1 bed self-contained rooms).
7. Greenwood Close - 7 units of accommodation (2 x 1 bed flats, 5 x 2 bed bungalows).
8. Walnut Way - 4 units of accommodation (4 x 2/3 bed bungalows).

Below are those schemes in reserve ready to utilise any WG slippage funding or come into the main programme in the coming financial year(s):

1. St Illtyds - 10 units of accommodation (10 x 1 bed flats).
2. Springfield Rise - 23 units of accommodation (12 x 1 bed flats, 9 x 2 bed houses, 2 x 3 bed houses).

4.5 **WG Phase 2 - Schemes**

MTCBC were successful in obtaining funding in partnership with MVH and a PRS to deliver 9 units of accommodation using modern methods of construction and the redevelopment of an existing building. 7 units 'Passivhaus' are going to be sited across two sites; 2 at Glasier Rd, Twynyrodyn and 5 at Honeysuckle Close, Gurnos. A 2 bedroom property in Trevethick Street is going to undergo a refurbishment to create 2 x 1 bed flats.

Work is underway at Twynyrodyn and is scheduled to be completed by end of July. Work is set to begin at Honeysuckle (pending SAB approval) and is scheduled to be completed by end of September / early October.

Work at Trevethick Street is due to start first week in July, with an anticipated completion date of Mid October. We're hopeful that this type of project will be successful and will open the doors to future opportunities in developing those vital relationships with the PRS as we know we can't rely on RSL's alone to meet the housing challenges we face.

4.6 **Additional Supported Accommodation HSG**

An options appraisal has recently been undertaken by Merthyr Tydfil Housing Association (MTHA) to identify any suitable areas of land to build a fit for purpose long term supported accommodation with up to 5 self-contained units anticipated for occupation for at least 2 years until ready for more independent move on accommodation. This is available via the background papers link.

This model of accommodation will be focussed on individuals with multiple complex needs, where other forms of accommodation such as Housing First have failed due to them requiring 24/7 support due to their vulnerability. Time at the accommodation will not be limited and the step down to more independent accommodation will not be offered until such time that they are ready.

The aim will be to support the individual to engage with other appropriate services such as Community Mental Health, substance misuse services etc in order to lead a more stable lifestyle and live independently with floating support, in the hope that repeated homelessness will end. (See: MTHA Final Options Appraisal Report Paper for recommended areas in which to pursue this scheme as well as additional units of affordable homes across the County Borough).

We have been working with our Planning and Estates departments as well as partners including Merthyr Valleys Homes to identify suitable areas of land on which to develop this project.

We are also working in partnership with some of our existing supported accommodation support providers to gain their knowledge and expertise based on their experiences in other LA areas, to help design and plan the project in such a way that it will be modern, fit for purpose and provide maximum benefit to the service users and the organisation delivering the support.

4.7 **Dispersed VAWDASV Properties (x2)**

Two properties currently void in the locality have been identified as suitable for 2 additional units of dispersed accommodation for those requiring support under the VAWDASV agenda.

This will increase the accommodation options for those not traditionally able to access refuge provision and be delivered in partnership with MTHA, MVH and Llamau, utilising £78k Capital funding from WG to bring the properties into suitable standard with the required level of target hardening equipment (where required).

4.8 **NLC Development**

Following discussions around the learning opportunities in existence at the Neighbourhood Learning Centre (NLC), partnered with our corporate housing need and corporate parenting duties regeneration, employability, housing and children's services coproduced the concept and subsequent expression of interest (EOI) for funding to the Integrated Care Fund (ICF), MTCBC have been successful in being awarded £750,000 capital funding with in-principle ministerial approval.

The capital scheme proposed will look to refurbish one building (Block 2) into 5 self-contained flats and to re-locate existing workshops into the remaining buildings, resulting in minor adaptation and allowing part of the learning centre to remain open to the young people. The intention is to create a unique accommodation centre where young people have direct access to suitable modern, safe accommodation, whilst also providing them with access to onsite training that could lead to higher education by attending their local college and/or future employment. There are clear benefits of this approach in enhancing their social integration in a manner that supports them to engage in further education or future employment.

The project was developed in order to meet the accommodation needs of 16-24 year olds, who are known to social services and/or have been in the care system/Children Looked After, in Merthyr Tydfil, linking with employability teams offering training and employment support and refurbishing a tired council owned building to provide 5 units of one bed self-contained accommodation. This accommodation would be for the periods on leaving foster care or corporate parenting residential care accommodation. This innovative project cuts across a range of service areas to create an innovate project to set our already disadvantaged young people up for bright and sustainable futures by providing accommodation and support to live independently, whilst accessing training and employability support to reach and exceed their aspirations for the future.

4.9 **Extra Care**

The Housing and Adult Services department are exploring options to seek a delivery partner to develop an additional extra care facility for adults, including those with disabilities. This long-term sustainable housing model will support people to remain independent for longer and prevent or delay admission into residential care.

The housing scheme will include a minimum of 60 individual self-contained flats, a mix of 1 bed and 2 bed flats, which will provide the opportunity to support step-up and step-down care and enable couples to be housed together. This will support the emphasis within the Social Services and Wellbeing (Wales) Act 2014 on the wellbeing of the individual and on prevention and early intervention, which has resulted in renewed focus on the role that housing and housing-related support can play in promoting wellbeing, and, consequently, the importance of housing, social care and health services working together.

The collaborative and integrated scheme will enable adults to live independently for as long as possible with access to health and social care support when needed. It will enhance the wellbeing specifically of older adults, those with a disability and will enable married couples to remain living together. It is anticipated that the split of the level of need of the tenants will be approximately 33% independent, 33% lower needs, 33% higher needs but a robust eligibility and application process will be established.

An additional Extra Care facility in the County Borough would bring the following benefits:

- Promote choice, independence and stability - in line with national guidance.
- Contribute to the priority of enabling people to live independently in their own tenancies.
- Help to reduce emergency hospital admissions.
- Enable people to live in accommodation of their choice.
- Reduce the proportion of residents living in care homes.
- Accommodation will meet the required care standards.
- Fully trained staff sharing knowledge and experience with other providers.

The project links to the Living Well objective as outlined in the statement of Wellbeing for Merthyr Tydfil by supporting people to live safe and independent lives within their communities. Developing another Extra Care home will support this objective.

The development of an additional extra care facility in Merthyr Tydfil is a corporate priority and it is one of the key priorities in the Council's Recovery, Transformation and Improvement Plan. The main actions are:

- Review service need/consult.
- Secure partners and funding.
- Co-produce service model.
- Develop and implement project plan.

We anticipate the successful RSL working closely with MTCBC to develop the facility, in line with The Strategy for Older People in Wales (2013 – 2023) to ensure "Older people have access to housing and services that supports their needs and promote independence."

4.10 **Land Release Fund – 2 Sites**

In partnership, MTCBC and MTHA have coproduced a funding application to WG under the Land Release Fund to unlock for new social housing development two sites in the ownership of Merthyr Tydfil County Borough Council through a detailed review of the technical, planning, commercial and legal issues associated with the development of the site. The project will follow an iterative feasibility, design and evaluation process with a view to arriving at a series of design proposals that have been costed and which address the requirements of energy efficient low carbon development, modern methods of construction, place making and building technologies in delivering new social housing on each site. Whilst the project is based upon two specific sites, it is intended that the project will deliver a series of performance measures and a model with wider application for developing new social housing in the County Borough which responds to the specific spatial context of the area and thereby lead to the evolution of a 'Merthyr Standard'.

- To complete an iterative feasibility, design, and evaluation report of technical, planning, legal and commercial issues of two sites in local authority ownership in Merthyr County Borough that will inform the creation of a 'Merthyr Standard';
- To have a comprehensive understanding of the economic and technical viability issues of the two sites by August 2022 to commence construction of up to 90 new social rented homes by March 2023.

The site locations are noted as:

- Haydn Terrace, Penydarren
- Oaklands/Twyn Y Garreg, Treharris

4.11 **Houses of Multiple Occupation**

Increase number of HMOs locally to provide more suitable accommodation whilst reducing the cost to the LA in terms of temporary accommodation under our statutory responsibilities.

Two have already been operational within the County Borough in the Town ward, regular reviewing of the Housing market and consultation with ward members and our portfolio member in agreeing further properties suitable for conversion for this purpose ongoing.

Properties are being identified almost weekly, however due to a number of factors a third HMO has not yet been identified, some of these issues include the fast moving housing market where properties are sold within days/weeks of being listed, consultation takes time and some are deemed unsuitable for the areas in which they are proposed and time for planning processes to approve future HMO use. Work is ongoing and ward members are regularly communicated with on this topic.

Over recent years, officers have worked with Duncan Evans of D2PropCo, in consultation with members to identifying suitable properties for conversion into HMO to support the Authority in discharging its Housing duties under the Housing (Wales) Act 2014 and reduce overreliance on costly and inappropriate B&B accommodation, recently exacerbated by the covid-19 pandemic.

Since September 2020, 27 properties have been shared with members for consideration for inclusion as HMO with us and D2PropCo within the respective wards:

No of properties	Response	Rationale
17	Opposed	Due to area fit / due to existing HMO numbers in ward
1	No Response	-
1	Could potentially support - subject to community consultation	Community feedback requested before proceeding
5	Supported - but sold during consultation with members	-
3	D2PropCo ceased to pursue	Due to property/area constraints/ on pre app advice that unlikely to get HMO status (ie. insufficient parking)

This shows the speed of the housing market currently given that all of those in favour sold during the consultation process with members, one of which whilst awaiting pre application advice.

Also notably, a large proportion of properties have been discounted for various reasons including:

- Too close to Public Houses.
- It was felt that location not ideal as the local community would not be supportive.
- Unsuitable due to existing ASB/fly tipping in area.
- Too close to local school.

These properties which were opposed by members account for 63% of all considerations put forward, with an additional no response and another which was said to potentially be suitable, subject to community consultation (timescales make this impossible given speed houses are selling in the current market, and D2PropCo talk to immediate neighbours and share contact details etc. prior and post purchase).

Some sessions have been held with ward members to try and understand rationale for decisions and explain the level of monitoring/matching/CCTV and low-level nature of those being placed at HMO's. This still remains a significant challenge to proceed with currently.

4.12 **Empty Properties**

As part of our increased strategic housing function to forge stronger links internally for collaborative working with MTCBC colleagues across a range of departments in addressing our corporate housing need, initial conversations have taken place in identifying empty properties where Environmental Health may be looking at potential enforced sales or be in contact with private owners who wish to sell. With these properties, we are looking to liaise on potential for purchase by RSLs to refurb and relet to social tenants to help increase units of accommodation.

To support with this, we are working closely with Planning to identify any Section 106 monies available, as well as any grant funding through the SHG Programme (including Recycled Capital Grant (RCG)) which can be utilised to assist in purchase and refurb of properties that in the main require significant work or even demolition and complete rebuild.

Considerations are also being discussed around the potential of working with private landlords as part of a potential leasing scheme, our previous scheme with Calon (12 properties) is now ending. Also, concentrating some areas / properties which are currently eyesores across the County Borough for conversion into affordable housing/walk up 1 bed flats/houses.

There are limitations on the number of units that can be utilised in general in the private sector due to unaffordability of private rents locally due to low Local Housing Allowance and the majority of homes are 3 bed rather than the 1 bed we need to increase however there is scope to increase a number of units which will support housing and the overall Authority in meeting our strategic aims.

- 4.13 Given the demand on the Housing and Homelessness service, the strategic development function is working at pace to increase the scale of affordable accommodation utilising grants, innovate schemes and growing existing arrangements, however these require support from all areas and members in increasing the range of accommodation locally to reduce the anticipated exponential rise in temporary accommodation costs going forward.

5.0 FINANCIAL IMPLICATIONS

- 5.1 There are no financial implications specifically relating to this report. This report is simply an update on the current situation and various ongoing developments across Housing and Housing Support Grant for members information.

6.0 INTEGRATED IMPACT ASSESSMENT

	Positive Impacts	Negative Impacts	Neutral/Not Applicable	
1. Merthyr Tydfil Well-being Objectives	3 of 4	0 of 4	1 of 4	
2. Sustainable Development Principles - How have you considered the five ways of working? <ul style="list-style-type: none"> • Long term • Prevention • Integration • Collaboration • Involvement 	5 of 5	0 of 5	0 of 5	
3. Protected Characteristics (including Welsh Language)	3 of 10	0 of 10	7 of 10	
4. Socio-economic Disadvantage	5 of 6	0 of 6	1 of 6	
5. Consultation and Engagement	Undertaken	Due to be Undertaken	Not Required	
	1 of 1	0 of 1	0 of 1	
6. Data and Evidence to inform the proposal	Yes		No	
	1 of 1		0 of 1	
7. Biodiversity and the resilience of Ecosystems	Maintained	Enhanced	Reduced	Neutral/Not Applicable
	0 of 1	0 of 1	0 of 1	1 of 1
Summary				
The main positive impacts are:	People in Merthyr Tydfil are supported to avoid homelessness, or where it is unpreventable, that it is rare, brief and unrepeatable. They are supported to sustain safe and appropriate homes in which they may flourish. Capacity and resilience are increased, reducing the use of 'blue-light' services and improving levels of wellbeing.			
The main negative impacts are:	None			

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BACKGROUND PAPERS		
Title of Document(s)	Document(s) Date	Document Location
Castle Hotel Report MTHA Final Options Appraisal Report	June 2021 June 29 th 2021	Available via Background Papers link
Does the report contain any issue that may impact the Council's Constitution?		No

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