



SCRUTINY COMMITTEE REPORT

Date Written	20th December 2023
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Service Area	Housing
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Housing and Homelessness

1.0 SUMMARY OF THE REPORT

1.1 The report provides an update on the housing and homelessness service and outlines the challenges the authority faces in discharging its statutory duties under the Housing (Wales) Act 2014, with specific reference to the sustained and increased pressures following the Welsh Government (WG) legislative reform of the act, implementation of the Renting Homes Act 2016 and wider pressures to support the Ukraine Crisis and the Afghan Resettlement programmes, whilst dealing with a homelessness crisis both locally and nationally.

2.0 PURPOSE OF THE REPORT

2.1 To provide an update on the housing and homelessness services since the last update provided to Scrutiny in September 2022, providing information on progress made to date and the ongoing challenges.

2.2 The report includes a cost forecast taking into consideration that the WG 'No One Left Out' grant has decreased year on year since the start of the pandemic and changes in WG guidance and legislation and there is no assurance from WG at this time that the funding will continue into 2024-25.

2.3 The report clearly demonstrates the Council has become over-reliant on the use of bed and breakfast accommodation, demonstrating the increased pressure on LA's to develop and implement a Rapid Rehousing Transition Plan for the next 5 years to overcome this.

2.4 This report outlines the range of options and housing developments being progressed to work to reduce homelessness and ensure MTCBC broaden the range

of accommodation to meet the presenting and ever-growing need by increase the supply and types of affordable homes.

3.0 INTRODUCTION AND BACKGROUND

- 3.1 The report has been brought to scrutiny as requested by way of an update on the service and challenges presented in September 2022. The Housing Service has undergone numerous staffing changes over the past 2-3 years. Many experienced staff members have left the sector which has been a common theme across many local authorities and housing support providers in Wales, as a result of the acute and continuous pressures placed on the homelessness services following WG's 'No One Left Out' approach which has resulted in a significant increase in homelessness presentations and the need for temporary accommodation. The cost-of-living crisis, the unintended consequences of the Renting Homes Act 2016, as well as the various Humanitarian crises seen across the globe has exacerbated the pressures on a service that was already at breaking point.
- 3.2 Alongside the changes in staffing, structure and services joining the department, there has been an exponential rise in demand for Housing and HSG services both pre and post pandemic. The increase is quite sizeable but isn't surprising as changes to homeless legislation (due to the pandemic) has provided the backdrop for an acceleration in homeless presentations and numbers in temporary accommodation remain at unprecedented levels.
- 3.3 Coupled with the increased demand and pressure on operational services, we have seen significant growth in capital grants and programmes such as the Social Housing Grant, Welsh Government (WG) Capital grants (VAWDASV, Housing with Care Fund, Land and Buildings Development Fund, Transitional Accommodation Capital Programme) etc to meet the exponential rise in housing need. This alongside the need to join up Housing in early Planning, Estates and Strategic Regeneration conversations to bring Housing to the forefront and maximise opportunities to meet the corporate need.

4.0 WHERE WE WERE

- 4.1 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.
- 4.2 The number of people approaching the service for a homelessness assessment has consistently increased year on year since the new housing legislation came into force in April 2015. Presentations experienced a significant surge following the changes made to priority need in March 2020 due to the Covid-19 pandemic and the Welsh Government's continued commitment to legislate the 'no one left out' approach. Homelessness

presentations in 2021/22 totalled 830, a reduction from the 2020/21 figure of 1345. The figures for 2022-23 were 784, and presentations to date for 2023-24 currently stand at 574 (as of December 13, 2023). However, there is increased pressure on officers to support those residing in temporary accommodation, assisting them in managing their placements.

- 4.3 While the number of new homelessness presentations may suggest a decrease, the ongoing shortage of move-on accommodation has resulted in a persistently high number of open homelessness cases. Many single individuals continue to reside in temporary accommodation for extended periods, averaging 18 months or more.
- 4.4 Pressures on housing staff have increased significantly as a result of the exponential rise in caseloads and their complexities, with many feeling that their work / life balance has been adversely affected. This is not unique to Merthyr Tydfil and is reflected nationally.
- 4.5 As the pressures and caseloads remain at unprecedented levels, we have undertaken independent consultations with staff as part of the evaluation of the staffing structure implemented in December 2021 which we continue to monitor, to understand what we are doing well, any barriers and opportunities to improve, wellbeing and morale amongst the team, and evaluate the effectiveness of the structure.
- 4.6 As a local authority we continue to use the following types of accommodation as temporary accommodation:
 - Refuge Accommodation
 - Hostels
 - HMO's (House of Multiple Occupation)
 - Flats owned by a registered social landlord/housing association
 - Supported housing schemes
 - Bed and Breakfast accommodation

5.0 WHERE WE ARE NOW

- 5.1 As of 13th December 2023, we have 135 households (mostly single people) accommodated across our local and out of county temporary accommodation provisions.

Accommodation type	Number of households
Supported Housing Hostels – Garth Villas and Chaplin’s	20 (at full capacity)
Bed and breakfast placements	90
Shared accommodation HMO	9
Other supported accommodation: Garth Newydd Court, Flooks and Hillfort	16
RSL Temporary accommodation: MVH	0
Temporary accommodation with Hafod	0
Awaiting placement (waiting list)	0
Total number of placements	135

- 5.2 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 during the pandemic and the on-going legislative reform which seeks to make these changes permanent by the end of this Senedd term (2025) will have inevitably contributed to this and have brought about unintended consequences on the demand for homelessness services.
- 5.3 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. People remain in B&B for extended periods of time. We envisage that many people will remain in B&B and other TA for 12- 18 months on average until an offer of suitable permanent accommodation can be made.
- 5.4 Without direct action to find alternative sources of temporary accommodation, projections for LA temporary accommodation expenditure for 2023-24, based on current demand, plus security costs at three hotels totals over £2.4 million (accommodation £2,104,238, security costs £322,041). (please note the projection includes estimates on housing benefit income at 9.5% recovery, and do not consider significant increases in demand that could happen or costs for additions such as storage which may add to the balance)
- 5.5 We are currently heavily dependent on B&B/hotel accommodation, with block bookings secured until March 31, 2024 (except for some out-of-area placements). However, there is no formal contract with any B&B, and beyond this date, there is no guarantee of continued availability. Additionally, proposed legislative reforms by the

Welsh Government will restrict the use of this type of accommodation by councils, except in the event of public health emergencies.

- 5.6 The Welsh Government has made a clear commitment to reform homelessness provision to focus on prevention and rapid rehousing. There is currently an open public consultation on the legislative changes being proposed (closes 16th January 2024) which will reinforce the policy message outlined in the [Ending Homelessness Action Plan](#) and [Oral Statement](#) by the Minister for Climate Change that we are not going back to the pre pandemic approach. This is intended to ensure no one is left to sleep rough in Wales and that homelessness is rare, brief and unrepeatable.
- 5.7 Primary changes proposed include removing priority need, intentionality, and local connection tests. If approved, this is likely to impose a duty on authorities to provide temporary accommodation to anyone presenting as homeless, akin to measures introduced during the pandemic. Consequently, we anticipate that the number of people presenting as homeless will not reduce to manageable levels anytime soon. Throughout the Welsh Government consultation process, all authorities have collectively expressed concerns about the additional pressures that may exacerbate services already at a breaking point.
- 5.8 The Suitability of Accommodation Order 2015 is also likely to be amended which will prevent the use of B&B and hotels for use as temporary accommodation in any circumstance, except for public health emergencies.
- 5.9 Individual meetings are also being held with all 22 authorities and WG representatives to discuss these proposals and the potential impact on services and staff. MTCBC is scheduled to meet with WG on 11th January 2024.
- 5.10 Whilst we agree that the use of B&B accommodation is unsuitable, given the acute shortage of suitable move on accommodation at this time, particularly for single people, it will be challenging for Council's to meet this legislation in the short term.
- 5.11 We continue to refocus our Housing Support Grant funding of £2,873,282 p.a., which has remained unchanged for the past 3 years. Our priority is directing funds towards additional supported accommodation units, aiming to reduce reliance on B&Bs and transitioning individuals into more suitable temporary accommodation with 24/7 support. However, due to limited grant funding in comparison to the borough's level of deprivation, we face challenges meeting all identified support needs. Consequently, over the last 1-2 years, we've had to make difficult decisions, decommissioning and remodelling some services to prioritise new supported accommodation provisions.
- 5.12 Many new housing developments are seeing unavoidable delays in completion due to the shortage of materials, financial instability of many building companies, planning consent constraints along with many other challenges and availability of move on accommodation has been impacted significantly. As a result, length of stays in B&B has been prolonged and has contributed to the bottle neck effect we are seeing across all TA. Managing the behaviours of some of the more complex individuals has also been extremely difficult, placing immense pressure on staff, particularly our Temporary Accommodation Officer.

- 5.13 Low LHA rates, the implementation of the Renting Homes Act together with increased market rents is driving private landlords out of the housing sector, thus reducing the number of properties available in the private rented sector (PRS) even further. Whilst WG have launched the Leasing Scheme, interest from the PRS has been disappointing to date and is proving challenging as despite the capital incentive, landlords are opting for higher rentals which out price many homelessness clients, particularly those on welfare benefits.
- 5.14 The Rapid Rehousing Transition Plan aspires to deliver this model over a five-year period, although WG now acknowledge that this timescale may be somewhat ambitious. The RRH approach will take some time to fully implement simply due to there being a significant lack of accommodation across Wales. LA's have been under relentless pressure over the past 2 years, and this will only increase it further. Many staff within the support sector and those working within statutory homelessness services are slowly 'burning out' under the relentless pressures and we are starting to see good and experienced staff leave as a result. Recent research undertaken by the Homelessness Network and other housing charities demonstrated that morale has never been so low across the whole sector and exclusion from the WG Covid 19 Staff Recognition scheme only exacerbated this issue.
- 5.15 As a result, reflective practice sessions are now held monthly for the homelessness officers with an independent practitioner, where they can discuss cases and any prevalent issues that they feel may have impacted on them personally. Team building exercises are also planned for December 2023 which will be held quarterly in an attempt to help improve staff morale and offer assurance that staff are valued by the authority.
- 5.16 Local social media sites such as Merthyr Tydfil Matters and Merthyr Council Truths have also had a negative impact on many staff, with some extremely upsetting comments having been posted by members of the public. Some have been personal in nature and one post mentioned where 2 employees were living. Whilst we appreciate the frustration that members of the public feel when facing homelessness and that they have a right to voice their opinions, such behaviour has most definitely impacted staff morale and as a consequence of this, we have seen an increase in sickness absence in the service over the past few weeks. Housing Managers continue to liaise with our corporate comms and legal team to ensure we can support staff as much as possible on this issue.
- 5.17 The Renting Homes Act 2016 was introduced on 1st December 2022. It is evident that the unintended consequences of the RHA are becoming more apparent, seeing increasingly more private landlords sell up and leave the sector, taking advantage of the high house prices. Legislative changes giving tenants more security certainly appears to be deterring many landlords in the Private Rented Sector (PRS), such as longer tenancies being required and longer notice periods having to be served (from 2 to 6 months) where a landlord wishes to gain back possession of the property.

5.18 **Ukraine and Resettlement/ Refugee Programmes**

As well as the above, the challenges around our Local Authority response to the Ukraine and other refugee and resettlement programmes which are developing

quickly and growing at a significant pace are adding additional pressures to services already experiencing significant and sustained pressure. The welcome centres were originally set up as a temporary and very short-term measure to provide wrap around support for up to 12 weeks. However, as the volume of those seeking refuge in the UK far exceeded expectations, this transitional accommodation is also experiencing bottlenecks due to the already stretched and limited permanent accommodation available.

5.19 In addition to this, as part of the Migration Dispersal Partnership, LAs are expected to support further by way of accommodation provisions for various refugees and those arrivals from countries such as Syria and Afghanistan as pressures continue to mount.

5.20 Housing officers are working with estates, planning and partner RSLs to look at potential solutions for transitional accommodation to help ease the pressures, without displacing land or sites that are already earmarked and in the development programme for our planned affordable house building to avoid solving one problem whilst creating another. However, land is limited and usually requires a significant level of remediation, the volatility within the construction sector remains after a difficult post covid period and the LA is working to grow the pipeline of projects coming through the development programme to meet the recent years' increases in capital funding, which now seems to be plateauing.

5.21 **ALLOCATIONS POLICY**

Changes to the Common Housing Register allocations policy to bring it in line with the Rapid Rehousing Transition Plan were approved at full council on 13th September 2023. Applicants currently registered on the 'Common Housing Register' have been contacted by letter from 23rd October advising them of the change in policy. All active applications are currently going through a review between the 20th November – 20th December to ensure we hold the most up to date information. Bandings will be amended during this period to coincide with the new policy where appropriate. Applicants will be notified of any changes made to their application/ banding.

5.22 **Strategic Development update**

The strategic housing function continues its efforts to maximise grant funding for the County Borough, advancing numerous development projects. We have allocated the full £5.7 million SHG (Social Housing Grant) budget for the next three years. We maintain close communication with the Welsh Government (WG) regarding the progress of our schemes. We've recently completed a strategic slippage return, aiming to secure £10 million in funding for the Swansea Road and Springfield schemes, in addition to 12 acquisitions. This strategic move will free up funding to expedite future schemes.

Currently, there are 10 schemes in the main program, collectively providing 177 General Needs homes. With regards to 'live schemes', Merthyr Tydfil Housing

Association (MTHA) is committed to delivering 16 homes by year-end, with an additional 32 units scheduled for completion by summer 2024.

The following developments have already completed in 2023-24, providing 34 new homes to homeless households:

- 8 Passivhaus units at Honeysuckle Close and Glasier Road
- 8 units of accommodation at Winch Fawr, Swansea Road
- 7 units of accommodation at Greenwood Close, Twynyrodyn
- 2 units of accommodation at Walnut Way, Gurnos
- 5 units of 24 hour supported accommodation for young people at Penydre Apartments (former Neighbourhood Learning Centre)
- 4 units of dispersed VAWDASV (Violence Against Women, Domestic Abuse and Sexual Violence) refuge accommodation for those unable to access traditional refuge models.

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

<u>Scheme</u>	<u>Units</u>	<u>Mix</u>	<u>Expected;</u>
Previous CAB Building	8 homes	6 x 1 bed flats, 2 x 2 bed flats	March '24
East Street, Dowlais	10 homes	6 x 1 bed flats, 4 x 2 bed houses	June '24
Bryniau Rd, Pant	31 homes	15 x 1 bed flats, 12 x 2 bed houses, 2 x 3 bed houses, 2 x 2 bed bungalows	9 Units due March '24 22 units Feb '25
Springfield Rise	23 homes	12 x 1 bed flats, 9 x 2 bed houses, 2 x 3 bed houses	October '25
Gurnos Police Station	1 adapted home	3 bed adapted property	Jan '24
Llysfaen	10 homes	2 x adapted flats, 4 x 2 bed flats, 4 x 1 bed flats	April '24
Acquisitions	12 homes	10 x 4 Person 2 Bed, 4 x 4 Person 3 Bed, 1 x 2 Person 1 Bed	June '24
St Illtyds	10 homes	10 x 1 bed flats	March '25
Swansea Road	42	12 x 1 bed 2 person flats 14 x 2 bed 4 person houses, 10 x 3 bed 5 person houses, 3 x 4 bed 7 person houses, 2 x 2 bed 3 person bungalows, 1 x 2 bed 3 person adapted	Jan '26

		bungalow.	
Cefn Isaf	40	28 x 1 bed & 12 x 2 bed. (4 which are designed to be adaptable and accessible)	March '26
Total:	177		

TACP 2023/24

We have been engaging with WG and partner RSLs to help identify a number of Voids/Acquisitions to bring forward via our Transitional Accommodation Capital Programme. We received notional allocation of £1.2m in October from WG and work has begun to bring a number of units forward. The scheme will allow us to bring forward 8 void properties, with work on-going with regards to development of an 18 unit supported accommodation.

Recycled Capital Grant has also been utilised by MTHA for the acquisition of a further 4 properties.

<u>Landlord</u>	<u>Mix</u>
MVH Voids	4 x 2P1B F 2 X 6P3B H 1 X 1P1B H
MTHA Voids	1 X 2P1B H
MVH Large Scale Acquisition	18 Unit Support Accommodation
MTHA RCG Acquisitions	2 x 3P2B H 1 X 4P3B H 1 X 2P1B H

MARSH HOUSE

Construction work on Marsh House remains in progress. However, potential delays have been identified due to unforeseeable work being required to the roof of the building. Additional costs to complete the project are now estimated to be in the region of £300K. Work has commenced on this additional element and will run concurrently with the existing construction programme to reduce delays in practical completion and transfer to MVH to lease to Pobl and open for residents shortly after completion of February 12th, 2024.

Recruitment for the support and management team at the project has commenced and Pobl (support provider) with the majority of staff now in place and operation, and we aim to have a full complement of staff by the end of the year. Transitional arrangements have begun in readiness to support those individuals moving from B&B to Marsh House.

EXTRA CARE

The scheme has regained momentum following delays resulting from a shortage of resources and staffing changes within Linc Cymru. Meetings have been conducted with the new Project Manager as part of the efforts to advance the development of a 60-unit Extra Care Scheme adjacent to the Kier Hardie Health Park. Engagements with COTS/Social Services have occurred to address design considerations. Linc Cymru is optimistic about presenting a new block plan in the early months of the upcoming year.

HMO

Officers are actively expanding supported accommodation in response to the increasing local demand for homelessness services. Collaborating with the private landlord, D2PropCo, we aim to boost the availability of Houses of Multiple Occupation (HMO) for temporary housing. Currently, three suitable properties have been identified and successfully progressed through the protocol.

An exchange has been completed for the first property, and a planning application is imminent, which will yield three units. The second property is advancing smoothly through legal processes and is expected to provide an additional three units of accommodation. Simultaneously, a planning application for the change of use has been submitted for the third property, promising six units of accommodation.

In total, these efforts will yield 12 beds across three units. We anticipate having these additional units operational by the end of the current financial year. Furthermore, a property in Merthyr Vale is being assessed for suitability as a larger HMO. If pursued, this property could potentially offer an additional 9-10 units of accommodation.

6.0 WHERE WE WANT TO BE

- 6.1 We are working at pace and scale to ensure we can meet our statutory obligations from a frontline homelessness perspective given the sustained pressures and increases on the staff's day to day caseloads and wider work.
- 6.2 Also, we are working to utilise as many various capital funding streams as possible to enhance the accommodation offering to better meet the ever growing and diversifying need, whilst lobbying WG for better revenue funds to meet the ongoing support needs of many of our homelessness clients.
- 6.3 We want to be able to cease using B&B and hotels as temporary accommodation at the very earliest opportunity and continue to develop additional Houses of Multiple Occupation (HMO's) and new supported accommodation projects, for use as suitable temporary accommodation.

7.0 WHAT WE NEED TO DO NEXT

- 7.1 Ongoing 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. This includes our recent take up of the WG Private leasing

Scheme to work with landlords to gain better access to the PRS market to help provide homes to those who need them most.

- 7.2 Completion of 22 supported accommodation units at Marsh House, together with its Community Hub. This will offer accommodation to those with low-medium support needs to reduce reliance on B&B and provide much needed supported accommodation.
- 7.3 Given the level of individuals currently housed in B&B and temporary accommodation with high/intensive needs (39% of those in TA), we must grow the supported accommodation offering to enable those to have the right support over a longer period to be able to sustain accommodation in the longer term. 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.
- 7.4 Create an additional 15-18 bed supported accommodation provision for individuals with multiple and complex needs, as detailed in the invest to save opportunity report taken to full council on 8th November 2023. A potential property for this provision has been identified and we are working in partnership with Merthyr Valley Homes (MVH), WG and a private landlord to identify whether the project is feasible and financially viable. If agreed, acquisition of the property must complete before 21st March 2023 to secure the TACP funding.
- 7.5 Given the existing pressures to cut services to fund the revenue support costs at Marsh House from the HSG budget, we would need to look for growth in revenue funding to fund any additional projects going forward. However, this will offset the current B&B costs for those moving into supported accommodation.
- 7.6 Close multi-agency working 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.
- 7.7 Improved partnership working with Social Services both adults and children in developing collaborative and innovative projects (Penydre apartments/Compass Hub, Marsh House and Extra Care).
- 7.8 We are working closely with partner RSLs and WG to access Transitional Accommodation Capital Program (TACP) monies to acquire former RSL market homes (buybacks), fund much needed works on longer term void properties and explore sites suitable for residential development using modern methods of construction as part of a transitional accommodation requirement.

7.9 Through the TACP, we have accessed £1.2million in grant funding. £238k of this has been used assist partner RSL's to buy back 8 properties allowing us to discharge our homelessness duties to many families. A further £982k has been allocated to the development of a further Supported Accommodation scheme. We will continue to apply for funding via this grant whilst available.

8.0 CONTRIBUTION TO WELLBEING OBJECTIVES

8.1 This plan relates directly to the living well objective allowing people to feel safe and provide suitable homes in which people can flourish, live well and as independently as possible. The plan also relates to the approved Housing Support Programme Strategy and Rapid Rehousing Transition Plan which is a WG requirement placed on LAs to reduce the use of temporary accommodation over the next 5 years and to make homelessness rare, brief and unrepeatable.

ELLIS COOPER
CHIEF EXECUTIVE

CLLR MICHELLE SYMONDS
REGENERATION, HOUSING & PUBLIC
PROTECTION

BACKGROUND PAPERS		
Title of Document(s)	Document(s) Date	Document Location
List the Background documents which have been relied on in preparing the report. E.g. previous minutes of relevant committees	Full Council Report – Supported Accommodation Provision- Invest to Save Opportunity 8 th November 2023	Committee Report.pdf (merthyr.gov.uk) Item 433 Full Council 8 th November 2023
Does the report contain any issue that may impact the Council's Constitution?		No