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Option 1 – fast tracking review of sheltered housing

Context

There is a significant lack of one bed general needs social housing in Flintshire, specifically within the Council's stock, yet this is the highest demand property type when considering the profile of homelessness. Approximately 80% of the homeless cohort are single people or couples under the age of 55 requiring one bed homes.

The Council's accommodation for people over the age of 55 (sheltered housing) accounts for around 29% of the total stock. Sheltered housing also accounts for a large number of void properties which become available each year for relet.

As of 30th October 2023, there were a total of 223 empty properties awaiting refurbishment, 96 of which were sheltered.

The Council designates some of its stock as 'mini group' properties and these are usually allocated to people over the age of 50. There are 550 mini group homes accounting for c.7.5% of all Council properties.

Of the 223 void properties there were 17 mini group awaiting refurbishment. Therefore, age restricted properties (over 50) accounts for over 50% of the current voids.

In comparison there were only seven vacant one-bed general needs homes awaiting refurbishment, with the remaining 103 general needs homes for use by families.

Void By Type	Void Properties	Void as %
1 bed General Needs	7	3.1%
2 bed General Needs	34	15.2%
3 bed General Needs	63	28.3%
4 bed+ General Needs	6	2.7%
1 bed Mini Group	12	5.4%
2 bed Mini Group	5	2.2%

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1 bed Sheltered	50	22.4%
2 bed Sheltered	46	20.6%
ALL	223	100%

Addressing the disconnect between the Council's supply of vacant homes and overall stock profile, to align it with the needs of the homeless cohort would increase supply and reduce demand on costly hotel and bed and breakfast placements. This would also better meet the housing needs of Flintshire residents, not just those who experience homelessness, as waiting times for one bed general needs homes is significantly longer than for those who require mini group or sheltered housing.

Option 1a - Progress with the sheltered housing review to develop recommendations for current schemes.

Following discussions at Communities and Housing Overview and Scrutiny Committee in February 2023 it was agreed that a task and finish group would be established to agree the methodology and consultation approach for the sheltered housing review. The terms of reference for this group have been agreed and the intention is to report back to Overview and Scrutiny in December 2023 on the outcomes from the group and progress the review of all schemes from January 2024.

Option 1a – risks and mitigations

The Sheltered Housing Review working group will manage all aspects of risks and mitigations with regards to this workstream and further reports will be shared with Cabinet and Scrutiny Committee in due course.

Option 1b - Reduce or remove the age thresholds for mini-group properties which is currently 50 years plus.

During the financial year 2022-2023 42 mini group properties were successfully relet by the Council with 37 mini group relets the previous year (2021-2022). As of 30th October 2023, there were 17 mini group properties vacant awaiting refurbishment and relet.

If allocation of 50% of these properties was to people who are homeless, and in homeless accommodation, there is an estimated reduction in expenditure on emergency housing of £587,000 based on an average figure of forty available homes each year.

Option 1b - Risks and mitigations

There is a commitment to creating sustainable communities. Specific concerns over 'mixed age' communities and the impact that younger people living within areas predominantly occupied by older people are valid, however can be mitigated. The following can be considered as mitigations.

- Reducing age ranges for mini group over a planned period may be one way to address this concern.

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Average cost of one individual in homeless accommodation for one year x twenty relets:

- Average cost for hotel room per week = £564.50
- Annual cost for hotel room for year = £29,354.00

Twenty people allocated in mini group properties could reduce homeless accommodation costs by £587,080 if accessed via the 50% Homeless Direct Policy.

Whilst there are many variables to consider when estimating savings, including availability of mini group homes, time to complete void works, length of stay in homeless accommodation, suitability of offer and specific property types and locations, this provides an indication of the potential impact of opening up mini group properties in terms of cost benefit for the Council Fund.

- Age range could be reduced to an agreed age (for example, 40 years) to mitigate concerns of younger people living within mini group sites.
- Sensitive lettings principles can be applied within the above age range profiles to ensure positive and complimentary behaviours for each community.
- Local lettings policies can be implemented to enable further scrutiny of an applicant's circumstances to reduce risks associated with substance misuse, offending behaviours, risk of community tension.
- Additional support can be put in place for people moving into mini group homes to support housing sustainment and support integration to a new community.

Option 2 - increase in homeless accommodation	
<p>Context</p> <p>The Homeless Hub is an example of a bespoke 24/7 supported housing community for people experiencing homelessness. Whilst the standard of accommodation (porta-kabin style) is not the aspiration in the long term, this model does provide excellent support for people and a safe place to stay.</p> <p>The accommodation provides housing for up to 26 single people and is located on Council land. Modular accommodation modules are leased long term, and compared with other housing options is relatively low cost. Support services provided by The Wallich are funded via the Housing Support Grant (HSG) and cost c.£480,000 per year.</p>	
<p>Option 2a - Replicate Glanrafon Homeless Hub in another location with use of modular accommodation modules</p> <p>Availability of land for temporary provision of modular accommodation modules will be a consideration but the Council may have sites available for such purposes. Higher standards of modular builds are available at an increased cost, however some forms of modular builds can be dismantled and relocated for use on other sites longer term.</p> <p>Consideration of 24/7 support services would be critical to delivering this model and HSG is fully committed for future years. Retendering of services is likely to place more pressure on the £7.8million of available funding for existing provision as operating costs for existing and new providers are increasing.</p>	<p>Option 2a – risks and mitigations</p> <p>Careful consideration should be given to increasing capacity for modular accommodation modules. This may be considered low quality in terms of what accommodation people who experience homelessness should be offered. This is mitigated to some extent by the quality of support offered.</p> <p>Use of modular accommodation modules may ease immediate financial pressures, however, it is not a long-term solution.</p> <p>Access to sites and planning conditions of a temporary nature is a risk. It should be noted the existing Homeless Hub only has planning permission until July 2026 and any additional sites will also have a limited consent period, however this will allow time to deliver more appropriate long term housing solutions for those who experience homelessness.</p>

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Option 2b - Replicate Glanrafon Homeless Hub through purchase of a large building or development of purpose built accommodation

The identification and acquisition of a larger existing building, for example, hotel or vacant pub, with plans to refurbish and repurpose for use as homeless accommodation could be considered. This would include the provision of 24/7 support on site or daytime support and security in the evening. As above, funding for support provision would need to be identified, given the limited HSG available, however a business case could be made against the current expenditure on hotel accommodation.

Social Housing Grant (SHG) or others capital grants may be available to purchase and repurpose accommodation. Grant conditions may be prohibitive regarding space standards and HRA or Council Fund capital funding may be required. Welsh Government are aware of the challenges around homelessness and are increasingly flexible and willing to work with Councils on bespoke housing solutions for homeless accommodation but do have a clear commitment to “quality housing”.

Option 2b - Risks and mitigations

Identifying suitable sites and ensuring the provision is accepted within the wider community is a risk. Engagement with the community and sensitive site location would mitigate this risk alongside robust management of the accommodation and support services.

If developing this option at scale, it will be important to ensure 24/7 support is available to reduce risks for vulnerable residents and ensure that the provision does not cause disruption within the community it is located.

Balancing the cost benefit of a large site in terms of capital funding and revenue costs for support services, or several smaller sites across the County will be a consideration for budgets. One centralised location may offer greater cost benefit for the Council in terms of capital and revenue expenditure, but a dispersed approach with a few smaller scale services may be more acceptable within communities.

Option 3 - changes to allocation policy

Context

The current Single Access Route to Housing (SARTH) Common Allocations Policy is applied for the assessment of all applicants for social housing and is adopted by the Council and all Housing Association partners. In most cases homelessness is a Band 2 qualifier along with most other housing needs. The exceptions are those who are homeless as a result of fleeing violence or abuse, or following leaving the forces which are both Band 1, and those who are intentionally homeless who are awarded Band 4.

Those residents within supported housing commissioned through HSG also receive Band 1 status when they are ready for move on. This is an existing element of easing pressures on homeless accommodation. As more homeless households are presenting with complex needs, many will benefit from access to supported housing. The Band 1 status for 'move on from supported housing' ensures the support housing portfolio does not become 'bed blocked'. This would result in households with complex needs remaining in unsuitable homeless accommodation where their support needs cannot be best addressed.

The Council and Housing Association partners agreed during Covid to a significant policy variation that allowed for 50% of all social housing to be offered to local Homeless Teams to allocate to those households in temporary accommodation. In Flintshire this also extends to those who are imminently homeless, in the hope an early offer would avoid the need for accessing homeless accommodation.

Whilst this approach has been beneficial and increased access to social housing for those who experience homelessness, the take up on the 50% quota has never been maximised and last year Flintshire only achieved a 23% take up of all social housing via this approach. As already referenced, this is predominantly due to the limited availability of one bed general needs housing and the significant disconnect between social housing supply and the homeless cohort demand profile. 75% of households accommodated by the Council due to homelessness, require a one bed general needs home, but less than 5% of the Council's stock is one bed general needs.

It should be noted significant changes to homeless legislation (Housing (Wales) Act 2014) and the Social Housing Allocations Code of Guidance within Wales are anticipated. The recent publication of the White Paper on 'Ending homelessness in Wales', is out for consultation and will provide firm direction and a legal framework for homelessness and the future allocation of social housing.

Flexibility within the current legal frameworks to amend the local Common Allocations Policy is something we should continue to explore and utilise.

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<p>Option 3a - Increase SARTH Homeless Direct Lets quota from 50% to 100%. Moving to a 100% Homeless Direct Lets would offer some benefit to easing pressures on homeless accommodation but does present challenges as outlined in the risk and mitigations section.</p> <p>The issue of the stock profile does mean such an approach would have a greater impact on some homeless households more than others. Whilst there would be benefit to all homeless households with increased move on, the limited availability of one bed general needs housing and over supply of housing for the over 50's cohort, remains a significant barrier if only considered in isolation to other changes to stock profile.</p> <p>Older people and families who experience homelessness would see the most noticeable benefit if the Council and Housing Association partners agreed to move to a 100% Homeless Direct Let approach.</p>	<p>Option 3a – risks and mitigations Whilst the needs of the homeless cohort are the focus of this paper, the Council also has duties to other housing applicants who have housing needs other than homelessness. Increasing access to social housing for the homeless cohort, will have an impact on other applicants on the register who will not be housed as frequently or as quickly.</p> <p>Delays in accessing social housing is one of the most common complaints and enquiries from residents, local Members and Members of Parliament and the Senedd. It is a risk that these complaints may increase because of people waiting longer for social housing.</p> <p>Other forms of housing need reflected on the housing register, such as people living in overcrowded housing, poor property conditions, serious medical issues compounded by current housing situation, are all housing issues that have cost implications on the public purse. Whilst much of this expenditure may be through health care pressures, there is also a potential impact on Council Fund through Social Care services who are already under significant operational and financial pressures. It is acknowledged such costs are difficult to quantify.</p>
<p>Option 3b - Place a temporary hold on non-urgent moves for social housing applicants via the Common Housing Register. Urgent moves should be considered as Band 1 applications as per the Common Allocations Policy. In addition, all SARTH partners have discretion to apply urgent management moves if they see fit,</p>	<p>Option 3b - Risks and mitigations As outlined above there are risks of increased enquiries and complaints due to extending waiting times for social housing applicants who have needs other than homelessness. There are also potential cost pressures across other public services</p>

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<p>for purposes of 'best use of stock' or to address pressing housing issues that would not be best addressed via the Common Allocations Policy. Therefore Band 2/3/4 applications could be considered 'non urgent moves'.</p> <p>As per the option 3a above, the impact for one bed general needs households would be positive but disproportionately limited, compared to other homeless household types and the supply of one bed general needs housing for those under 50 is limited.</p>	<p>because of these delays. This is difficult to quantify. This risk can be mitigated through constant review of the approach, to ensure there are no unintended consequences on certain groups and set time frames for applying this restriction.</p>
<p>Option 3c - Allocate two-bedroom Council housing to people who are homeless, have a one bedroom need and do not qualify for sheltered accommodation.</p> <p>The Common Allocations Policy applies the principles of 'right sizing' to ensure properties are fully occupied. This is a long established 'best use of stock' approach, that also mitigates the potential impact of the spare room subsidy linked to Housing Benefit entitlements (the 'bedroom tax').</p> <p>Whilst some homeless households may be able to afford larger properties, the vast majority are benefit dependent and would immediately receive a 14% benefit shortfall for their rental costs if under occupying housing and could fall into rent arrears. Those who can afford the extra bedroom can be considered for a larger property under the current Common Allocation Policy, but priority is given to those households who would fully occupy a property.</p> <p>As outlined in the table in option 1 there were 34 two bed general needs homes on the void list (30th October 2023). Of these vacant properties, 16 were two bed flats. Flats are less desirable for families and often have fewer applicants and higher refusal rates.</p>	<p>Option 3c - Risk and Mitigations</p> <p>Long term it may be cost prohibitive to absorb rent shortfalls, and this risk is heightened should Welsh Government grant be reduced. To mitigate this, the Council can project budgets to reflect the potential ongoing costs whilst also targeting this approach to those who are closest to the labour market, or closest to age range where the spare room subsidy is applied for those in receipt of benefits. The Council could also target back to work initiatives at those residents benefitting from two bed homes so they become financially independent over time.</p>

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<p>Offering two bed homes to households with a one bed need, even if limited to just two bed flats, would increase supply of social housing for the homeless cohort. Consideration would need to be given to how to mitigate the financial hardship for the residents, and the potential for increased rent arrears within the HRA.</p>	
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Option 4 - alternative use of FCC stock	
<p>Context</p> <p>There are currently twenty-two FCC properties being used as homeless accommodation. Twelve of these are new properties brought into Council ownership following successful funding bids for Welsh Government Phase 2 Covid Grant Funding. The other 10 properties are existing Council homes.</p> <p>These properties are managed by the Council's Homeless Team as temporary accommodation and occupied by homeless households under license agreement or Standard 'Homeless' Contacts of Occupation. They are dispersed across the County.</p> <p>Under Housing Benefit rules these properties can be under occupied without the impact of the spare room subsidy and rent is guaranteed for the HRA as the service pay for the accommodation 6 months in advance even during void periods.</p> <p>Turnover is higher than usual; however, this is a far more appropriate housing offer than hotels or large-scale shared housing such as Houses of Multiple Occupation (HMOs) (3 people or more sharing).</p>	
<p>Option 4a - Take more Council housing from HRA to use as temporary accommodation and create house shares for single people.</p> <p>The use of Council housing as temporary accommodation provides flexible use of stock in a way traditional secure contracts cannot. Properties could be fully occupied by households, under occupied with minimal financial risk or used as house shares for two people in two bed or three bed homes.</p> <p>Having two-bed house shares avoids triggering planning requirements for HMOs, but three-bed house shares, subject to bedroom sizes is viable with the appropriate consents. The Homeless Service already has two and three bed private sector properties on the Lease Scheme it successfully uses as small scale two- and three-person house shares.</p>	<p>Option 4a – risks and mitigations</p> <p>Using Council homes that would otherwise be allocated via the Common Housing Register will result in some households with housing needs other than homelessness, waiting longer for rehousing. This risk is outlined above. It should be noted that demand for three-bed homes is not as significant as two-bed homes, and therefore targeting three-bed homes offers some mitigation to complaints and reduces the impact of extended waiting times for families.</p>

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The current amount claimed in existing temporary accommodation of this type is £82.00 per week under Housing Benefit regulations. Consideration must also be given to other associated costs for establishing a shared house, for example, carpets, furnishings, white goods. Charges for utilities need to be factored into Council budgets but an element of these costs can be recharged out to occupants through service charges.

Routine repairs, compliance works and capital investment remains a cost for Housing Assets but tenant damage and breach of tenancy costs sit within the Homeless Service.

An example costing is provided below for a three-bed house with two people sharing operating this model of shared housing for temporary accommodation.

ROUTINE INCOME

Rental Income - £164pw

Service Charge - £40pw

ROUTINE OUTGOINGS

Rent payable - £125pw

Gas, electric and water charges - £50pw

START UP COSTS

Carpets - £1,000

Furnishings including blinds, curtains - £1,600

White goods and other miscellaneous Items - £1,400

REPAIRS AND REPLACEMENTS

Subject to turnover of rooms and occupant conduct - £2000pcy

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VOID COSTS AND BAD DEBT PROVISION

Subject to turnover and occupant conduct - £2,500pcy

Based on the approximate costings the annual cost of a two-person house share for the Homeless Service would be less than £3,000 (Routine Income – Routine Outgoings – Repairs and Replacements – Void Costs and Bad Debt Provisions). This is exclusive of any additional staff required to manage additional properties through the Temporary Accommodation Team.

Start-up costs to enable the house share model would be c.£4,000.

As a cost comparison, two single people in hotel accommodation with an average weekly cost of £564.50 per person (annual cost £58,708) the potential cost saving are £55,708 for each two-bed house share created. As such, utilising 10 x three-bed Council properties as two-bed house shares could potentially offset emergency housing expenditure of c. £550,000 per year. Even factoring in an additional staff member for the Temporary Accommodation Team at £50,000 per year the saving could be up to £500,000.

Option 5 – review offer to private landlords	
<p>Context</p> <p>Research commissioned by the Housing and Communities portfolio suggests that private sector availability is down approximately 60% in the last 5 years. Landlords are leaving the market and demand for housing is greater than ever. The impact of this is increasing rental charges and greater competition for the reduced number of available homes.</p> <p>This issue is further compounded with competing housing pressures relating to the resettlement schemes managed by the Council and Home Office commissioned contractors seeking to secure private rented homes across the county for asylum dispersal. Whilst some property owners are leaving the rental market, others are looking at guaranteed income streams through long term leasing offered through the above schemes.</p> <p>The Council already has a small portfolio of leased accommodation which is used as housing for homeless households but would need to improve its standard offer to reflect the above market challenges and budget for this accordingly.</p> <p>Target rents for the Homeless Lease Scheme are at 90% Local Housing Allowance (LHA) and rents are guaranteed and paid six months in advance for property owners. Minimal compliance and routine maintenance works are a benefit for the property owner and tenant damage, voids loss and void works are covered by the Council through the lease agreement.</p> <p>The Homeless Service uses spend to save budgets, Discretionary Homeless Grant and Discretionary Housing Payments via Housing Benefit, for landlord incentives such as rent rescue packages, rent in advance, deposits, rent top ups and other housing related costs helping people to exit or avoid homelessness by securing and sustaining homes in the private rental market.</p> <p>Additional in-year funding from Welsh Government has recently been announced (108% uplift from £195,103.00 to £406,465.00 for 2023-2024) and is available for most of these activities. This will enable the Council to enhance existing offers for landlords to rehouse homeless households. It is unclear if this enhanced award will be sustained in future years.</p>	
<p>Option 5a - Improve the lease scheme offer to attract more landlords</p> <p>Whilst paying more for leased accommodation will result in an increased expenditure for the leased portfolio (lease costs of 120% LHA compared to target of 90% is a significant uplift but makes the</p>	<p>Option 5a – risks and mitigations</p> <p>With additional properties to manage, the Temporary Accommodation Team will require more capacity to deliver quality services. This could be factored into budgets based on the cost benefit of moving away from a reliance on high-cost</p>

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<p>scheme more attractive to landlords), this expenditure in comparison to hotel costs is far more cost effective, even when factoring in additional costs associated with lease obligations for the Council and additional staffing costs for managing the accommodation.</p>	<p>hotel accommodation. Failure to manage properties robustly could lead to legal challenge from landlords, health and safety risks for occupants and disruption within the community if issues of anti-social behaviour are not resolved.</p> <p>Costs for enhance lease offers will need to be reflected in budgets but can offer greater value for money on limited Council Fund as we move away from hotel accommodation.</p>
<p>Option 5b - Target long-term empty properties for Council Lease Scheme</p> <p>Houses unfit for occupation and long-term empty properties is a challenge within Flintshire. Some landlords do not have the financial means or the capacity and skills to manage refurbishment of long-term empty properties. The development of a model as part of the Leasing Scheme whereby upfront investment costs to bring long term empty homes back into use are committed by the Council and refurbishment project managed by the Council could be considered. These costs could then be converted into a peppercorn rent fee (very low/nominal amount) over an agreed lease term, until the refurbishment and project management costs are repaid. An example of this approach is outlined below.</p> <p>3 bed house refurbishment work - £40,000 10% Project Management Charge - £4,000 Total Cost - £44,000</p> <p>Property Rental value - £8,000pcy</p> <p>Repayment Period – 4.5 years Lease Period 4.5 years</p>	<p>Option 5b – risk and mitigations</p> <p>This approach is high cost up front expenditure, but over the life cycle of the lease period, all investment is recouped through the peppercorn rent and reduced budget obligations for the term of the lease.</p> <p>Legal and Financial Regulation advice is being sought on this model to understand the implications and overcome any potential challenges, if it were to be considered a ‘loan scheme’.</p> <p>As outlined above, increasing the number of self-contained homes on the Lease Scheme will require additional staffing capacity to ensure a quality service is delivered, but this can be factored into the cost benefit of moving away from hotel accommodation.</p>

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<p>Lease Cost - £1.00pcy Total Lease Value £4.50</p> <p>Following repayment of the refurbishment costs, the Council and property owners would re-negotiate the terms of the lease and apply the usual Lease Scheme offer and conditions.</p>	
<p>Option 5c - Offer enhanced landlord incentives Offering landlords greater financial incentives to rehouse homeless households, or those at risk of homelessness, and maximising the grant available from Welsh Government is a response to a challenging housing market. This could reduce lengths of stays in homeless accommodation as well as potentially avoiding the need for people to have to access homeless accommodation in the first place.</p>	
<p>Option 5d - Exploring the use of a Rent Guarantee Scheme Many landlords now ask for guarantors as part of the resident selection process for private rentals. Although this is a long-term commitment there is potential to adopt a Rent Guarantee Scheme. A Rent Guarantee Scheme has already been developed as part of the Ukraine Resettlement Scheme in Flintshire and this could form the basis for a similar approach. Again, the enhanced Discretionary Homeless Fund from Welsh Government could support this, and financial modelling would be required to consider this as a long-term commitment, with or without Welsh Government grant.</p>	<p>Option 5d – Risks and mitigations Whilst savings may be achieved through this model, the longer term financial commitments placed on the Council would be significant but can be considered a spend to save principle. The total cost could be reduced by anticipating bad debt provision within the approach and is favourable when compared to expenditure on hotel accommodation. Assessment for eligible and ‘low risk’ households, along with additional support to help residents manage their finances and prioritise rent payments would mitigate the likelihood of claims against the Council.</p>