

## COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

18 MARCH 2015

### REPORT OF THE HEAD OF COMMUNITIES & NEIGHBOURHOODS

#### HOMELESSNESS REVIEW - BED & BREAKFAST CHARGES

##### 1.0 PURPOSE OF REPORT

- 1.1 To inform members of the outcome of the review in relation to bed & breakfast charges to homeless customers following recent review of homelessness services.

##### 2.0 RECOMMENDATIONS

**It is recommended that:**

- 2.1 **The committee note and comment on the current Homelessness service provision.**
- 2.2 **Members approve to increase the accommodation charges by inflation only from 1<sup>st</sup> April 2015 (Appendix A).**

##### 3.0 KEY ISSUES

- 3.1 The law defines somebody as being homeless if they do not have a legal right to occupy any accommodation, or if their accommodation is unsuitable to live in.
- 3.2 The original duties to homeless people were placed on local authorities by the Housing (Homeless Persons) Act 1977. The current duties are set out in the Housing Act 1996, recently amended by the Homelessness Act 2002, and placed local authorities under a duty to rehouse certain homeless people.
- 3.3 However, not everyone who falls under the above definition of homelessness will qualify for accommodation.
- 3.4 Melton Borough Council, like every other council has a duty to house individuals or households who meet the following criteria:-
- Eligible for assistance
  - Legally classed as homeless- having nowhere to live in the world
  - In priority need- certain groups
  - Unintentionally homeless- cause of homeless.
- 3.5 The current process is that the initial [homelessness] enquiry is received by Customer Services and an early investigation is undertaken to establish if all or any of the criteria points in 3.4 are applicable.

If following this investigation our duty is limited to Advice & Assistance then this will be undertaken by Customer services and appropriate housing advice will be provided to assist the applicant/s, ensuring that we consider and address the needs and welfare of the applicant/s.

- 3.6 If the application meets all of the criteria and we are accepting the homelessness application and the duty we have then this will be passed to specialist homeless officers within Communities & Neighbourhoods.
- 3.7 Officers will then discuss with the applicant/s the best course of action, which could include an offer of accommodation. However, due to the limited supply of suitable housing we often have to rely on temporary accommodation whilst we secure more sustainable accommodation, to enable us to discharge our duty. The temporary accommodation is often Bed & Breakfast Accommodation.

Members are asked to note that although the term 'Bed & Breakfast' is used as the accommodation provider may well provide both, the council duty only extends to accommodation. There is reference to breakfast charges in our current charges list, however, as we no longer provide this, members are asked to remove them from then list, as shown in Appendix A.

- 3.8 In regards to the number of Homeless applications received by the council, members are asked to note:-

**Homeless Statistics 2014**

Accepted Duty = 87

Non Priority Need = 86

Not Homeless = 39

Intentional = 1

**Total decisions = 213**

**Total cases prevented in 2014 – 69**

**Current Situation – January/February 2015**

Accepted Duty = 5

Non Priority Need = 16

Not Homeless = 0

Intentional = 0

Total Decisions = 21

Applications currently under investigation = 10

Approaches /then no contact = 8

Cases Prevented = 13

**Households Currently in Temporary Accommodation**

6 single in B&B

15 Households in Westbourne House

10 Households in Non –Secure

2 Households in Private Leased Properties

- 3.9 The accommodation charge applicable to the applicant will either be covered by Housing benefit or the applicant/s will be liable for that charge. Any charge not covered by housing benefit is recovered through the Council's sundry debtors system.
- 3.10 Accommodation Charges have not been increased for five years since 2009 and this review has considered the social impact and also looked at the financial impact to the Council particularly our housing benefit subsidy.
- 3.11 The way that charges are recovered has been reviewed and the current practice maximises the ability the council has of recovering this money. Close liaison between Housing Options officers and the Finance team ensure invoices are appropriately matched and contact with the applicant is made from day one to ensure that the council recovers a high percentage of the money owed,
- 3.12 Members are asked to note that during 2015/16 officers will be undertaking a further 'root and branch' full Homelessness review incorporating the delivery and impact of the service as part of the Transformation Programme. This will be reported back to members at an appropriate committee meeting during 2015/16.

#### 4.0 **POLICY AND CORPORATE IMPLICATIONS**

- 4.1 Any agreed increase to the accommodation charge will be covered by those who are eligible for HB.

This report links into looking after the most vulnerable people in our communities Corporate priority.

- 4.2 However consideration needs to be given to the affordability factor of any decision to increase accommodation particularly as the client group using this service is likely to already be vulnerable especially for those who only partially or not in receipt of any HB.

#### 5.0 **FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

- 5.1 Any accommodation increase can be covered by Housing Benefit. However the amount of HB we can reclaim from the Department for Work and Pensions compared to what the Council pays out is capped. This means in most cases we will not receive the full amount of HB paid out therefore incurring a cost to the Council. The current cap is £91.15 per week therefore no subsidy is payable on any weekly amount exceeding this figure. The cap has not changed since 2011. The Council are currently incurring a loss of 28 – 30% of HB subsidy based on current charges and cap therefore increased charges will more than likely lead to increased loss of subsidy. Demand for this service can be unpredictable – higher demand also means higher financial penalties.

The amount paid to accommodation providers ranges from £40 to £65 per day and in 2014/15 to date expenditure on our subsidy claim is £14,144 which is £4055 above the DWP cap which equates to 29%.

5.2 In line with other charges officers will ensure that appropriate actions and processes are in place to ensure that we maximise the collection of these charges.

**6.0 LEGAL IMPLICATIONS**

6.1 There are no particular implications arising from this report.

**7.0 COMMUNITY SAFETY**

7.1 By enabling homeless people to be accommodated enables the Council to meet its community safety duties in keeping people safe and protecting residents from issues such as domestic violence.

**8.0 EQUALITIES**

8.1 There are no implications arising from this report as the individual projects and programmes will as appropriate or applicable have their own Equalities Impact Assessment.

**9.0 RISKS**

**9.1 Probability**



Very High A				
High B				
Significant C		2		
Low D		1		
Very Low E				
Almost Impossible F				
	IV Neg- ligible	III Marg- inal	II Critical	I Catast- rophic

**Impact**

Risk No.	Description
1	Increased charges will lead to increased level of sundry debts that are unrecoverable.
2	Housing benefit subsidy is negatively affected by increases to charges.

**10.0 CLIMATE CHANGE**

10.1 There are no implications arising from this report.

**11.0 CONSULTATION**

11.1 Consultation has taken place with staff who manages the service.

## 12.0 WARDS AFFECTED

### 12.1 All

Contact Officer Harry Rai head of Communities & neighbourhoods  
Date: 5<sup>th</sup> March 2015

Appendices : Appendix A – Bed & Breakfast Charges

Background None  
Papers:

X drive/cttees/CSA/2014-15/180315/HR- Homeless review