

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO COMBINED MEETING OF SUBJECT OVERVIEW AND SCRUTINY COMMITTEE 3 & CORPORATE OVERVIEW AND SCRUTINY COMMITTEE

14 NOVEMBER 2022

REPORT OF THE CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE

HOUSING – POSITION STATEMENT

1. Purpose of report

- 1.1 The purpose of this report is to update the Subject Overview and Scrutiny Committee 3 & Corporate Overview and Scrutiny Committee on policy changes to the housing services and the current rehousing and homelessness position.

2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objectives under the **Well-being of Future Generations (Wales) Act 2015**:-

1. **Helping people and communities to be more healthy and resilient** - taking steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services. Supporting individuals and communities to build resilience, and enable them to develop solutions to have active, healthy and independent lives.
2. **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

3. Background

- 3.1 Bridgend County Borough Council (BCBC) Housing Service, like all other local authorities in Wales, is required to operate within the remit of the Housing (Wales) Act 2014 and Code of Guidance for homelessness and the Housing Act 1996 for allocations. The Housing (Wales) Act 2014 governs how homeless applications are processed. It sets out the different levels of support to be provided based on set criteria of priority and non-priority need. Pre Covid there were 10 priority need categories, if you were deemed a priority need, you were eligible for temporary accommodation and a final homeless duty which is a duty on the Authority to secure accommodation.
- 3.2 In March 2020, an emergency homelessness response was put in place by Welsh Government (WG) in recognition of the potential impact that Covid-19 could have on people who were homeless, especially people who were rough sleeping. Welsh Government amended its guidance in relation to homelessness and introduced an 'All In' approach and directed local authorities that no-one was to be without accommodation due to the public health imperative. WG introduced a Guidance Note which extended the definition of 'vulnerable' with regards to the 'priority need'

criteria set out in the Housing (Wales) Act 2014. In effect this made all homeless persons eligible for an offer of temporary accommodation.

- 3.3 This required the Housing Service to secure additional units of accommodation on an emergency and immediate basis as pre Covid the Council had only 87 units of temporary accommodation placements and the use of floor space provision for emergency purposes. To respond to the crisis the service made arrangements with local hotels to secure accommodation.
- 3.4 Additional units, such as self-contained holiday lets were also required to meet ongoing demands, including from families. Service Level Agreements (SLA's) between the hotels / other accommodation providers and the Housing Service were agreed. This was continued on the expectation that services would, within a short period of time, revert to pre Covid conditions and therefore this arrangement would not need to be continued for a long period.
- 3.5 Subsequently, whilst the emergency pandemic state has rescinded, the Housing Service remains in a critical position. WG's intention is not to revert back to pre Covid legislation when considering vulnerability and priority need for accommodation. Earlier this year, WG consulted to permanently change regulation so that rough sleepers were considered a priority need for accommodation. However, WG's change was wider than this; as of 24 October 2022, anyone that is street homeless is priority need for accommodation. Street homeless does not mean rough sleeping, street homeless is when a person has no accommodation they can occupy in the UK or elsewhere which they are entitled to occupy, which they have a license to occupy or which there is a rule of law enabling occupation. It is therefore difficult to foresee when a person will not be priority need for accommodation, on an ongoing basis.
- 3.6 The Council, as a non-stock holding authority, operates a Common Housing Register with a nomination process in place with Valleys to Coast, Hafod, Linc Cymru and Wales and West.
- 3.7 There are 9,385 social housing properties in the County Borough. Of those, 8,242 are general needs properties.

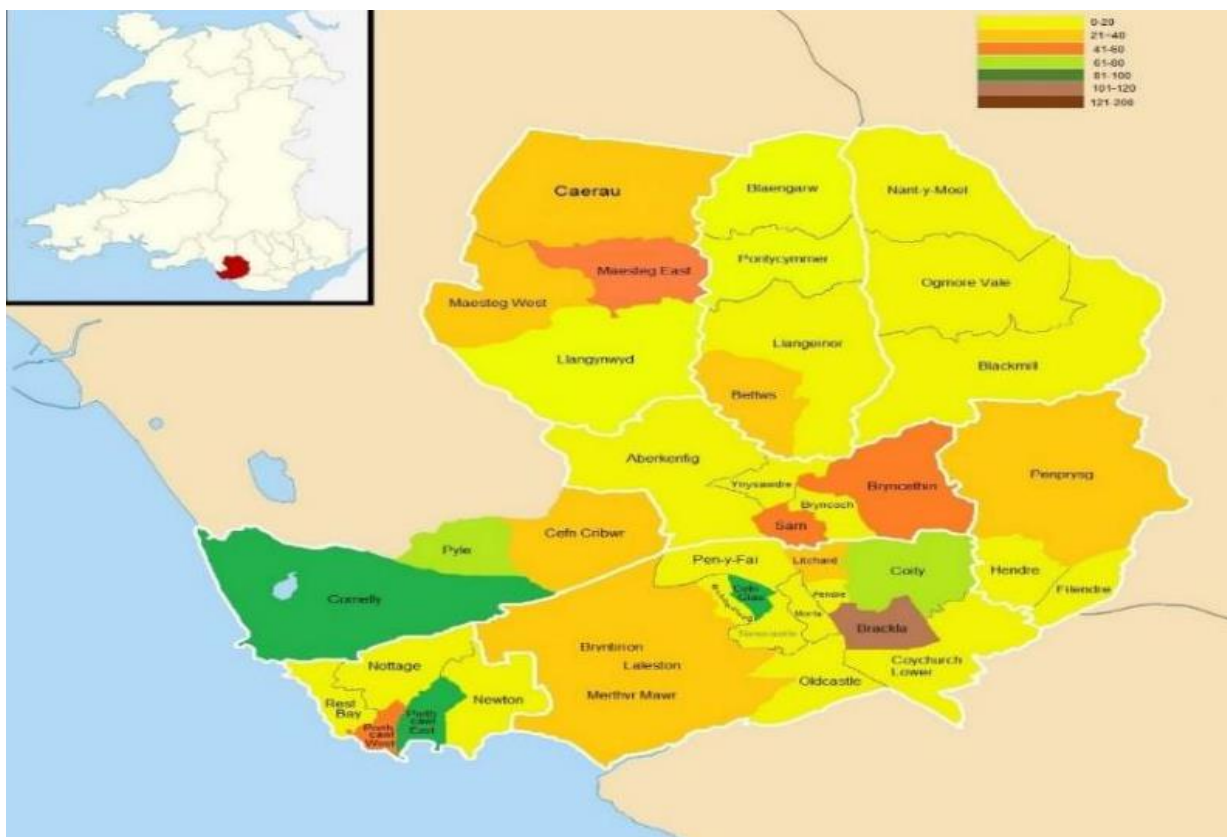
	1 bed	2 bed	3 bed	4 bed	5+ bed	Total
General needs	1497	3359	3246	134	6	8242
Supported housing (inc. sheltered)	212	197	55	9		473
Other supported housing	100	136	4			240
Extra care	49	31				80
Intermediate rent	48	139				187
Shared ownership	4	15				19
Market rent		1				1
Total	1910	3878	3305	143	6	9242

- 3.8 The table below shows the demand on the Common Housing Register across all bedroom needs. This represents a snapshot of the number of households on the waiting list earlier this year waiting to be rehoused. Looking at this in conjunction with the table at 3.7 above, one-bedroom demand is particularly acute. In order to meet one bedroom demand the Council requires almost three quarters additional properties of the total one-bedroom housing stock in Bridgend to meet demand.

Similarly, to meet demand for four-bedroom properties it requires almost double the total current four-bedroom stock. Housing demand is over and above current stock levels and expected to rise over the coming months.

	1 bed	2 bed	3 bed	4 bed	5+ bed
Housing demand	1087	492	268	122	28

3.9 The below map shows the preferred area of choice for those on the Common Housing Register across the county of Bridgend, as of March 2022. Members will note that areas to the South and South West of the borough are those in greatest demand, whereas areas in the Garw and Ogmore valley have less demand.



3.10 The Social Housing Allocations Policy (SHAP) is a policy the Council is required to have by law which determines the prioritisation of housing needs and the banding decision given to all applicants based on presenting needs. This is an evidence-based assessment against policy to ensure the service is based on fair and equitable standards. All re-housing applicants are assessed against this policy. It is the Council's role to forward nominations for properties at which point the Registered Social Landlords (RSL's) instigate their own processes to determine whether to make an offer of accommodation to the nominees. BCBC's current SHAP has been approved by Cabinet and can be accessed via the following link - <https://www.bridgend.gov.uk/media/5640/bridgend-social-housing-allocation-policy-v2.pdf>

3.11 Due to the impact of the Covid pandemic and to meet WG requirements to provide all homelessness cases with temporary accommodation, this policy has been supplemented by a Rapid Rehousing Protocol arrangement with partners to meet the urgent and increased demand for accommodation as a result of WG changes referred to in paragraph 3.2 above. This supports the nomination and allocation of mostly 1 bed properties to those that are in temporary accommodation. This Protocol is supported by partners and an established Homelessness Cell meets fortnightly to discuss challenging and emergency cases. Over the last three years, the support needs identified by those presenting as homeless have remained consistently high, with over 50% of applicants indicating they have support needs in addition to housing, such as alcohol or substance dependency, mental health or domestic abuse. Between 2015/16 and 2020/21, homelessness presentations (households for which assistance was provided) to BCBC increased by 163.9%. The period of 2020/21 saw the highest level of presentations recorded.

4. Current situation/proposal

4.1 The Housing Service has been under extreme pressure due to unprecedented demand for the service - in the 12 months to 25 May 2022, there were 1,656 household applications constituting 2,553 people including 658 children. There are approximately 1,900 households registered on the Common Housing Register. Between 24 and 30 October there were 211 households in temporary accommodation, comprising 254 adults and 143 children.

4.2 The service is unable to predict how long each applicant will need to wait before being rehoused. The average waiting time from registration to allocation will depend on the priority type, how many households are already on the waiting list for housing and what area of Bridgend the household has expressed a preference in. However, an on-line General Waiting Time Calculator is in place which attempts to give an indication of waiting list timescales to manage applicant expectations. The chart below estimates how long households were waiting before being offered a property, in the last three years.

	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms
2020	314 days	233 days	311 days	584 days
2021	413 days	286 days	316 days	444 days
2022	432 days	316 days	366 days	635 days

4.3 Void properties within communities lead to many queries and requests from applicants for properties. These requests cannot be met as properties must be offered to those with the most pressing housing need and who have been on the waiting list the longest in accordance with the SHAP. Some properties are void for short periods only, whilst they are being re-allocated or where maintenance is taking place. Other are classed as long-term voids.

RSL voids as at October 2022 are:

RSL	Voids in Bridgend as of October 2022	Average Void Turnover (days)
V2C	No data provided	No data provided
Linc	3	31.7
WWHA	6	35.33
Hafod	13	29.03

- 4.4 As demand for housing outweighs supply, the service is unable to meet the expectations of all applicants seeking rehousing. In some cases, staff have been subject to abuse, threats of harm, and unacceptable behaviour. This has led to increased queries and complaints with many applicants frustrated at the priority they have been given or the length of time they have been waiting.
- 4.5 The effect of this increased demand has impacted on service delivery and several operational changes have been made. Staff have taken on additional areas of work, a new Homelessness Team to focus on presentations has been agreed and support projects commissioned by 3rd sector partners have been expanded to take on and support new temporary accommodation arrangements. A new Resettlement Team to support refugee resettlement is currently being recruited to. Despite these changes, the sustained volume of applications, difficulties in recruiting staff with posts being advertised numerous times with some remaining unfilled, and the increasing complexity of cases has meant that the pressure on a small team remains.
- 4.6 In addition, the service has had to work within the context of constant change and unknown outcomes. The Renting Homes (Wales) Act 2016 will come into force on 1 December 2022. The Act is the biggest change to housing law in Wales in decades and changes the way landlords rent their properties. Anecdotally, the service has already seen the impact of this as private landlords are selling their properties to avoid the new legislative requirements which has resulted in increased presentations to the housing department. During 2020/21 there were 326 households made homeless or threatened with homelessness due to loss of tied or rented accommodation. To date during 2021/22, 190 cases have been reported, but this is expected to increase, and the end of year figure is expected to be larger. WG are still considering changes to the legislation, but once finalised Members will be informed of its potential impact on the Council and Cabinet will receive a report.
- 4.7 Also impacting on the availability of accommodation in the private sector is the local housing allowance rate (housing benefit) for properties. This allowance is set by central government.

Table showing local housing allowance rates, by bedrooms, for all property types. Rent averages are taken from a desktop search of properties available to rent on 1 August 2022.

Number of bedrooms	Average rent	LHA rate	Difference
Shared room rate	£444.00	£245.61	-£198.39
1 bedroom	£492.00	£388.91	-£103.09
2 bedrooms	£807.00	£473.72	-£333.28
3 bedrooms	£810.00	£498.63	-£311.37
4 bedrooms	£1,825.00	£673.14	-£1,151.86

- 4.8 WG has introduced several policy changes over recent months. These changes include the requirement for local authorities to develop and implement a Transitional Rapid Rehousing Plan (TRRP) to move people from hotels into other forms of suitable accommodation as new guidance on the definition of 'suitability of accommodation' to be issued by WG shortly is likely to classify hotel accommodation as not meeting relevant standards. In addition, a new Homelessness Strategy is required.

4.9 Work on developing the Transitional Rapid Rehousing Plan is currently on-going and is being developed in conjunction with the development of a Homelessness Strategy. These draft documents will be reported to Cabinet in the near future seeking approval to undertake formal public consultation.

4.10 Previously the number of RSL's that were able to develop housing within particular local authority areas were determined by a zoning arrangement established by Welsh Government which limited the number for each area. This is no longer the case. Regular discussions are held with the developing RSL's and newer partners such as Coastal and Pobl are also being encouraged to develop in Bridgend. The below RSL's are part of the quarterly meeting between RSL's and BCBC at an operational level.

Valleys to Coast
Linc Cymru
United Welsh
Wales and West Housing Association
Coastal
Pobl

4.11 The housing development opportunities have been expanded in recent years with a number of capital funding opportunities available to RSL's. These include Phase 2 Homelessness Capital Grant, increased Social Housing Grant (SHG), and Transitional Accommodation Capital Grant. Further detail on these funding streams is set out below.

4.12 Homelessness Grant Phase 2 This grant was made available by WG at the start of Covid to increase the supply of housing. Working in partnership with the RSL's Bridgend was successful in being awarded funding for five capital projects, totalling around £6.8 million through a combination of grant and RSL private finance.

4.13 Social Housing Grant. This grant (SHG) is provided by WG to RSL's for local housing development over a rolling 3-year programme called the Programme Delivery Plan (PDP).

4.14 Expenditure of this grant is approved and decided by WG after a series of concept, financial and technical scrutiny processes. The development journey can cross over many years to deliver, and a new local PI has been introduced last year to record the number of new schemes that are made available to the council for nomination purposes. Actual outturn will be available at the end of this financial year. Current estimates to date are -

- 62 units of new build accommodation has been let via the Common Housing Register this year;
- 24 units are expected to be let through the register by the end of the year;
- a further 4 units due to be completed with expectation these will be ready to let in the new year.

4.15 The PDP is a fluid and changeable plan which is updated on a quarterly basis and should not be considered a definitive position as there are many variable factors

that influence whether a scheme is brought to fruition. Factors such as viability and acceptable costs, planning approval, procurement and legal matters need to be satisfied before final approval is provided by WG. Currently there are 14 scheduled housing development schemes with an estimated 470 homes over a 2-year period. (These figures will increase when potential schemes are confirmed)

Currently –

Year 1 - 2022/23 grant expenditure of £13,129,808 committed against schemes

Year 2 – 2023/24 grant expenditure of £13,445,523 committed against schemes (£997,266 remains to be committed)

Year 3 – 2024/25 grant of £13,786,299 to be committed, against potential and new schemes

4.16 Transitional Capital Grant. This has been introduced by WG as a response to the current homelessness situation across Wales. This funding is by application only and not by allocation to local authorities. Phase 2 of this funding differs from the SHG outlined above, as it seeks to deliver schemes more quickly by being flexible in such things as space standards, types of accommodation funded, acquisition of properties, and the acceptance of a 'meanwhile' use for refurbished buildings or undeveloped sites for a short/medium period of time whilst more permanent decisions are made. Discussions are on-going with RSL's to identify appropriate opportunities.

4.17 Phase 1 of this grant provided funding for RSL's to bring back into use long term voids. V2C was successful in attracting £2.1m of grant funding to bring back into use 35 long term void properties. Match funding of £530,000 has been allocated in the Capital Programme to support this project.

5. Effect upon policy framework and procedure rules

5.1 There is no effect upon policy framework and procedure rules.

6. Equality Impact Assessment

6.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales, the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 The report contributes to the following goals within the Well-being of Future Generations (Wales) Act 2015:

- A prosperous Wales
- A resilient Wales
- A Wales of cohesive communities
- A globally responsive Wales

Long term	Providing permanent and temporary accommodation for people who are in housing need
Preventative	Through a person centred approach preventing individuals and families being without accommodation
Involvement	Supporting people through this process and providing accommodation and outreach support if required through Housing Services
Integration	Ensure individuals have accommodation
Collaboration	Working in partnership with a range of providers

8. Financial implications

- 8.1 The additional expenditure incurred to meet temporary housing demands has, to date, been largely funded by the WG Hardship Grant and costs and funding received is outlined below. (Accommodation costs also include additional items such as security costs)

Expenditure on temporary accommodation

	Financial Year	Temporary Accommodation costs	Grants received
		£'000	£'000
Pre Pandemic	2019-20	135	25
Pandemic	2020-21	2,292	2,082
	2021-22	3,130	2,794
	To date 2022-23	2,035	1,479
	Projected 2022-23	4,233	2,525

- 8.2 The projected costs of temporary accommodation in 2022-23 are £4.233 million. There is a core budget of £2.192 million for this accommodation. Additionally, WG funding of £2.525 million has been awarded in 2022-23 towards these costs, without which the service would have a projected overspend of £2.041 million.
- 8.3 Budget growth of £2.192 million was approved by Council as part of the Medium-Term Financial Strategy setting process in February 2021 to continue the commitment to focus support for homeless individuals providing them with accommodation. The core budget, combined with the WG funding highlighted in paragraph 3.6 totals £4.717 million resulting in a projected under spend in 2022-23 of £484,000 against the projected accommodation costs of £4.233 million. However, requests for support can change and this budget will be closely monitored for the remainder of this financial year. Without the WG funding, there would currently be a projected overspend of £2.041 million.

9. Recommendation

- 9.1 It is recommended that the Committees note the work being undertaken in relation to housing and homelessness in Bridgend County Borough Council and consider making comments upon the report.

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CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE

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Background documents: None