



TORBAY TEMPORARAY ACCOMODATION NEEDS ANALYSIS

2021

[Abstract](#)

TA needs analysis: Overview of bed need and quantity to inform delivery and sufficiency of supply in a rapidly changing housing market. This also therefore indicates the quantum of move on accommodation that is required by the service. This is against a backdrop of on average 200 properties being available through DHC p.a. in Torbay, which meets all needs irrespective of homelessness status.

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1.0 Introduction

This document provides a needs analysis and sets out the temporary accommodation (TA) requirements along with a framework for delivery for the council. This applies to accommodation sourced for use to meet the council's duties as laid down by the Housing Act 1996 (As amended). Taking into account the accompanying Homelessness (Suitability of Accommodation) (England) Order 2012 which sets out details of the standards of accommodation in respect of its nature, style, affordability, and location.

The document takes account of the local and national factors impacting upon the sourcing of accommodation; increases in the cost of home ownership and the scarcity of affordable new build accommodation along with the buoyant local housing market in Torbay. It also looks at the disparity between local rents and the LHA, an increasing reliance on the private sector due to a lack of social housing which has in turn led to an increase in rental costs.

The primary focus of this document will be to:

- (1) Identify and highlight the challenges facing the council in delivering adequate affordable TA units in a competitive and restricted market, for all the groups in housing need. Whilst maintaining responsible strict financial discipline by achieving best value.
- (2) Seek to mitigate the escalating cost of TA with creative value for money ideas for current and projected demand.
- (3) Offering mid and long term solutions which comply with the Council's financial and contract processes.

2.0 Background and Challenges

Torbay, unlike many local authorities do not currently own housing stock, this means that all the accommodation used for interim and full housing duties are sourced from the private sector. Torbay council currently provides temporary accommodation to eligible households and uses a range of different accommodation types. In some cases, TA is provided from bed and breakfast and holiday lets accommodation on a nightly rate. This means the council is always competing with the local tourist trade. Additional accommodation has also been provided through an agreement with Mears Plexus and elements of procurement from the wider sector. Historically, the rent and charges have been set independently based on the procurement agreement with the supplier for each type of accommodation. This mix of provision presents the following challenges:

- Availability and cost of accommodation during the tourist season. Resulting on lack of control of the market.
- Mears Plexus who run an PSL have nationally decided to stop the scheme, reducing the availability of move on and TA
- Contracted accommodation which is now out of procurement regulations.
- There have also previously been failed procurement processes, due to the lack of interest from the market in providing TA, due to complexity, risk, and profitability.

The Council's objective is to procure sufficient affordable temporary accommodation to accommodate homeless households within the local authority area as far as reasonably practicable or as close to where they were previously living, whilst being mindful of the budgetary constraints within which the Council operates.

2.1 Affordability

Households on low incomes are struggling to meet rental increases due partly to welfare reforms and the other current economic pressures locally and nationally. Landlords are also seeking to maximise their income in line with the changing market and increase of available renters due to the scarcity of properties. In the past, some households who may have sought a route into home ownership now find it impossible and are needing council assistance, as the only financially viable option is to secure accommodation in the private rented sector.

The private rented sector in Torbay is unaffordable for the majority of households on low incomes, with annual wages' being below the national average and rents exceeding LHA rates. This is particularly true for family sized accommodation. For an average 4 bed household this can mean having to find an extra £670 per month above the LHA.

| Property Size | Local average rent *** pcm | Torbay LHA Feb 2021++ pcm | Differential pcm |
|---------------|-------------------------------|------------------------------|------------------|
| 1 Bed | £450 - £550 | £414.24 (£103.56 pw) | - £36 - £136 |
| 2 Bed | £550 - £675 | £552 (£138.08 pw) | - £0 - £123 |
| 3 Bed | £800 - £1000 | £672 (£168.00 pw) | - £128 - £328 |
| 4 Bed | £900 - £1500 | £ 828.48 (£207.12 pw) | - £72 - £672 |

*** Rightmove.co.uk Feb 2021 ++ lha-direct.voa.gov.uk/

Table1: Average cost of rental accommodation in Torbay against the local level of LHA and hence the shortfall

Affordability comparisons of the median rent levels with the benefit cap levels (assuming that 40 per cent of income is spent on housing costs) show that Torbay is not affordable to any capped households across all property sizes.

2.2 Market Pressures

As a result of increased rent levels, the Council will continue to face increasing difficulty in securing sufficient affordable TA units. Welfare benefit reforms including the introduction of a benefit cap for some households, has made it more difficult, to afford their accommodation, meaning more reliance on council assistance. Under Universal Credit rules, the rent element of benefit is paid directly to tenants as opposed to direct to their landlord. This practice discourages some landlords from letting their properties to households in receipt of benefits, thereby making it more difficult to source move on accommodation meaning households staying in TA longer. The Homelessness Reduction Act

emphasises homelessness prevention tool, however, the concept of increased period in which clients are placed in TA to 56 days creates added pressures by increasing the length of stay in TA.

The types of accommodation used for various homeless duty and stages are be numerous meaning a varied mix of accommodation types is often required. Some temporary accommodation the council uses are:

- **Interim and Emergency Accommodation:** These are currently spot purchased using mainly commercial hotels with either shared facilities or self-contained and paid for on a nightly basis.
- **Longer-term Accommodation:** (relief duty) the council currently has a number of contract self-contained and shared leased units. These are provided through private sector suppliers for use as temporary accommodation. The Council uses accommodation with shared facilities and self-contained units.
- **Specialist Accommodation:** (DA, supported accommodation etc) for people with specialist needs like mental health problems and for young people. Dispersed units of accommodation are provided for individuals fleeing domestic violence through schemes managed by partner agencies. Allocations to those schemes will be decided in collaboration with the staff at these projects on the basis of the applicant's suitability for the support provided. How to meet the needs of Domestic Abuse Bill has its own section below.
- **Move on Accommodation:** (PRS and Social Housing) - this is accommodation provided by private sector landlords through one of the Council's lettings schemes or through Devon Home Choice.

3.0 Current Demand Analysis for TA

A broad analysis of households seeking assistance between 2017 and 2020 and those accommodated in TA was undertaken, the analysis shows the household mix and breakdowns seeking housing assistance over the period and helps with developing projected future TA needs. The result of the analysis also helps us project the types of housing to obtain, if the council is to meet future demand of temporary accommodation in a planned, orderly, and affordable manner.

The year 2020 has been an unusual year due to the Covid pandemic, with changing patterns of need and demand. The Council had an influx of single homeless person between March and June 2020. This was due to central government policy of Everyone In. Along with this was a drop in family sized applications, due partly to the suspension on evictions and other policies put in place in 2020 to deal with the Covid pandemic. As a result, future demand has not been predicted on 2020 data alone, due to the high level of uncertainty.

When we look at the reason for homelessness and the length stay for all household groups, we also find that the one bed household group makes the largest impact over the last two years.

We can see from the table below that single clients within TA increased significantly from 40% of total households in January 2019 to 63% in January 2020 and currently 71% of new clients in December 2020.

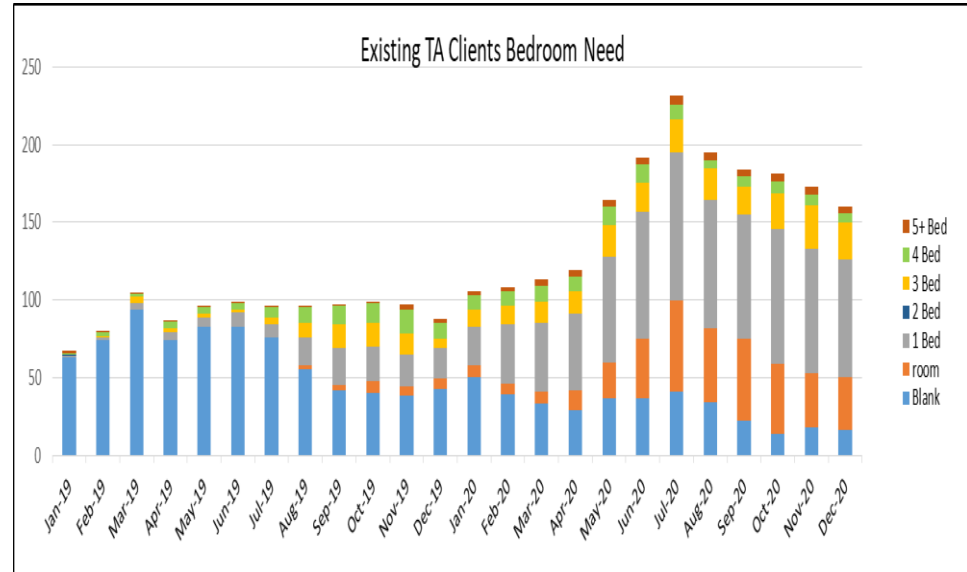
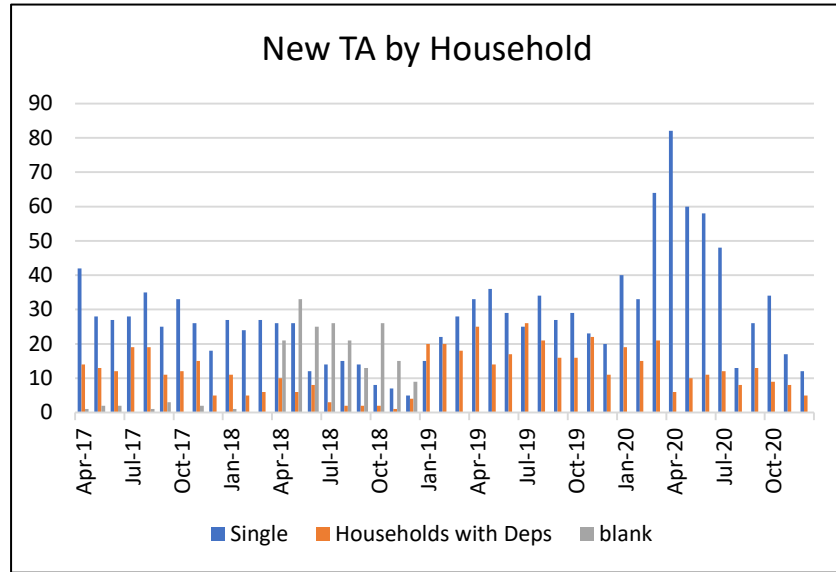


Figure1: Change in household composition requiring TA from 2017- 20.

Figure 2: Breakdown of bedroom need in TA 2019-20

| Bed Need | 2019 | % | 2020 | % |
|--------------------|-------------|-----|-------------|-----|
| Blank | 765 | 68% | 370 | 19% |
| Room | 26 | 2% | 371 | 19% |
| 1 Bed | 140 | 12% | 806 | 42% |
| 2 Bed | 75 | 7% | 225 | 12% |
| 3 Bed | 84 | 7% | 104 | 5% |
| 4 Bed | 16 | 1% | 51 | 3% |
| 5 Bed | 17 | 2% | 15 | 1% |
| Grand Total | 1123 | | 1942 | |

The main reasons for losing settled accommodation were loss of rented accommodation and asked to leave by friends and family, accounting for over 50% on TA cases consistently over the last 3 years. The next reason is due to DA and then lower level relationship breakdown.

Prior to the pandemic there had been a 20% increase in the number of families requiring assistance. Therefore, the current demand is very different that that experienced previously. The reasons for homelessness however have remained consistent.

Table 2: % breakdown of bed needs for clients in TA. (Blanks are due to changes in recording systems)

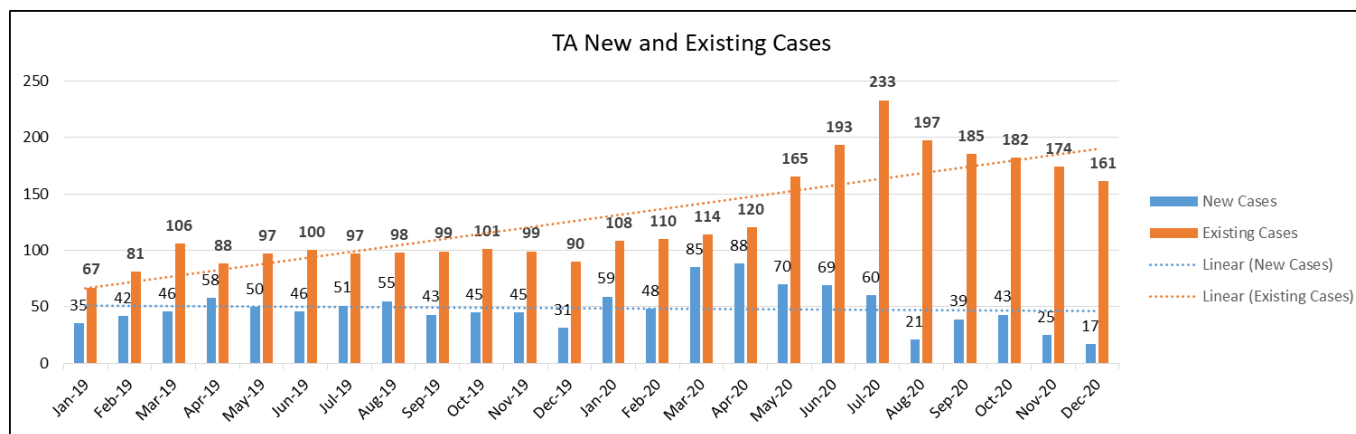


Figure 3: Graph illustrating the new and existing cases in TA. Illustrating demand against the inability to move people out of TA.

The demand for TA is also impacted by the ability of the service to move people onto settled accommodation and out of TA. Figures 3, illustrates one of the reasons for increased provision and cost is the lack of move on, providing a bottle next for the service. This therefore needs to be calculated in when assessing volume of units required. The average length of stay in accommodation has only increased slightly during the pandemic, illustrating the hard work and success the team have had in a very difficult market.

| Bed Need | 2019 | % | Average length of stay | 2020 | % | Average length of stay |
|-------------|------|-----|------------------------|------|-----|------------------------|
| 1 Bed | 316 | 58% | 94 days | 483 | 77% | 103 days |
| 2 Bed | 151 | 28% | 105 days | 110 | 18% | 115 days |
| 3 Bed | 17 | 3% | 150 days | 3 | 0% | 152 days |
| 4 Bed | 60 | 11% | 119 days | 24 | 4% | 144 days |
| 5 Bed | 3 | 1% | *191 days | 4 | 1% | **136 days |
| Grand Total | 547 | | | 624 | | |

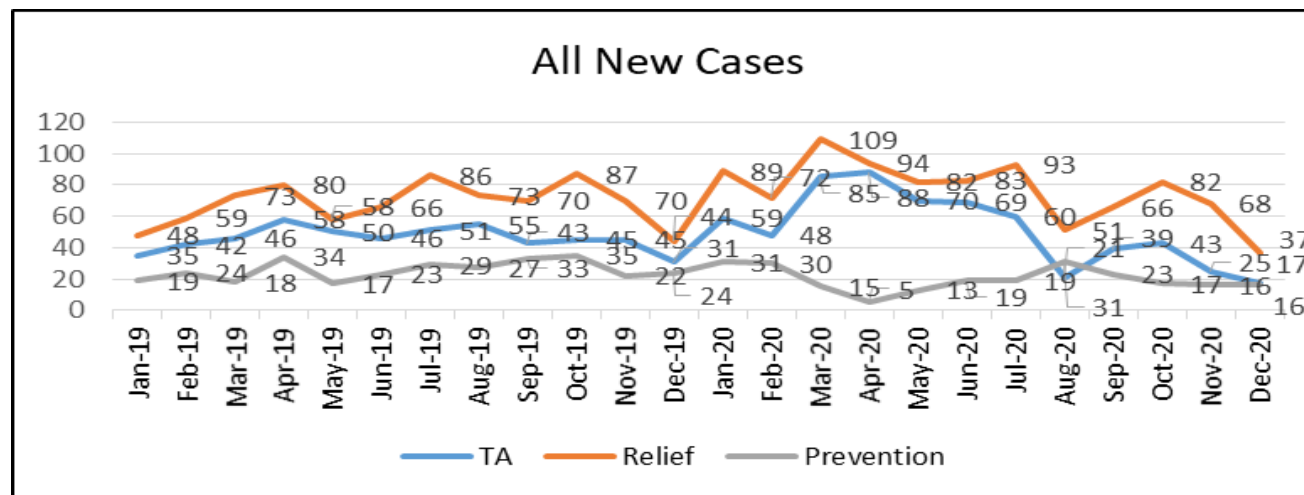
Two TA Resettlement Officers were employed in January 2021, to facilitate move on, providing encouragement and supporting individuals out of TA. Clients are reluctant to move from TA as they would like to obtain accommodation through DHC. As this accommodates approximately 260 households per year, with 1400 on the waiting list, this is not a reality for most.

Table 3: Average length of stay in TA for each client based on bed need

*It should be noted that whilst 3 clients required a 5 bed accommodation during 2019, one client still has a TA need as of 17th Feb 2021, therefore average has been calculated until this day. Average based on two remaining clients would have been 56 days.

** It should be noted that whilst 4 clients required a 5 bed accommodation during 2020, one client still has a TA need as of 17th Feb 2021, therefore average has been calculated until this date. Average based on three remaining clients would have been 124 days.

There is also a lack of meaningful prevention activity to reduce the numbers entering TA as illustrated figure 4.



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Figures 4: Illustrates the volume of cases. Key: **TA** – Those accommodated in temporary accommodation. The ‘**relief duty**’ – requires housing authorities to help people who are homeless to secure accommodation. **Prevention** – Number of homeless cases prevented.

3.1 Level of Expenditure on TA and rate of recovery

The total level of expenditure on TA has increased by 34% between 2018/19 to and 2019/20. This has increased again by 136% in 20/21 from 2019/20. The rate of recovery through Housing Benefit has also decreased. Recovery rates are monitored carefully and process in place to ensure maximum HB. Hence the differential is due to the difference in the amount reclaimed per household based against the unit cost. Also multiplied by the volume, especially on larger families where the differential is greatest and most costly to the LA.

| Cumulative | 2018/19 | 2019/20 | 2020/21 |
|------------------------------------------------|-----------|-------------------|---------------------|
| Amount of HB Recovered | £ 564,947 | £735,533 | £1,159,356 |
| Amount of Ineligible Spend (NET cost) | £338,400 | £479,084 (+41%) | £1,706,400 (+256%) |
| Gross cost TA | £904,347 | £1,214,617 (34+%) | £2,865,756 (+136 %) |
| Ineligible % total | 37.4% | 39.4% | 59.5% |

Table 4: Cost of TA and amounts reclaimed through HB

The gross cost of TA increased by 136% in 2020/21 from 2019/20. After HB reclaims the actual Net increase was 256% (£1,651,139). A proportion of this however was off set through additional expenditure received from central government.

By operating this level of subsidy loss, means more the Council is forced to subsidise TA from the general funds.

4.0 Projected Demand for TA

Using the analysis above, predictions have been undertaken on the future demand of TA over the next 5 years along with known changes in the market and legislation because of the pandemic have also been factored in as far as possible. The number of cases presenting as homeless is relatively consistent over the year, as such this assumption has been used to estimate the number of units required at any one time based on the average length of stay (table 5).

Table 5: Estimated number of units of accommodation required by size

| Bed Need | Total demand 2019 | Estimated number units based on average length stay 2019 | Total Demand 2020 | Estimated number units based on average length stay 2020 | Number units (Reduction 50% average length of time in TA) |
|--------------|-------------------|----------------------------------------------------------|-------------------|----------------------------------------------------------|-----------------------------------------------------------|
| 1 | 316 | 79 | 483 | 136 | 39 (47 days) |
| 2 | 151 | 43 | 110 | 34 | 22 (53 days) |
| 3 | 17 | 7 | 3 | 1 | 4 (75 days) |
| 4 | 60 | 19 | 24 | 9 | 10 (60 days) |
| 5 + | 3 | 1 | 4 | 1 | 1 (30 days) |
| Total | | 149 | | 181 | 79 |

If a reduction of 50% can be achieved in the length of stay through effective move on, then the number of units required can be halved (table 5). There are limitations however for larger families due to the availability of affordable accommodation. Also, the lifting on eviction will also negatively impact on families.

Along with this strategy also need to be an effective prevention service based within the community, allowing statutory service to work with complex client and those that are in crisis. This analysis is also based on the at prevention activity will enable the management of any increased demand.

This can be achieved through a variety of measures:

- TA resettlement officers. Providing direct assistance and engagement to proactively ensure clients take responsibility. (Resource in place - Jan 21)
- More effective case management by Housing Options Officers, ensuring that decisions are made in a timely way. (additional 4 x HO recruited and 1 Team Leader)
- Implement TA charging scheme for services to facilitate move on – part of work programme.
- Refocus of Private Sector Development Officer in Housing Options. (Completed as resource was diverted due to pandemic)

- Increase access to the PRS to facilitate move on (PRS strategy required encompassing opening access to accommodation – part of work program)
- Increase in access through DHC by increasing RP stock and freeing up under occupied homes (longer term partnership delivery).
- Development and investment in a community based homeless prevention service (Group being formed through CDT and investment agreed)

4.1 Specialist accommodation for domestic abuse clients

The Council has a duty to provide specialist temporary accommodation to some households. One of these groups are those fleeing domestic abuse. There are many factors affecting the demand and supply of TA for this cohort. Though there is scope for extra funding, the same market restrictions apply. The analysis of TA demand for this group showed that over an 18 month period, there were 4 clients per month with an average length of stay of 8 weeks.

As most clients fleeing DA come from settled homes, the analysis showed that more assistance would enable clients seek and maintain settled homes. Based on these and, the need for settled secure homes for families to rebuild, the current service will need to be more dynamic in supporting and encouraging clients into seeking accommodation wherever in the country that can be deemed safe and affordable enough with some support.

Based on these estimates it is predicted that an additional 6, 2-3 bed houses would be required providing some element of sharing and support. The unit's would be in addition to the 15 safe houses already in place. The units would have to be occupied for less than the safe house to facilitate through put.

The following is therefore being implemented:

- Up to 7 additional safe houses to be used specifically as short term temporary accommodation for domestic abuse victims and their children (identified 1 x 2 bed and 3 x 3 bed properties to date)
- Two additional full time Domestic Abuse Resettlement Officer posts, to be employed by Torbay Domestic Abuse Service (TDAS) but co-located within Housing Options. The prime focus of these posts will be to provide skilled, intensive, short term support to facilitate speedy move on into other accommodation
- A flexible funding pot that can provide grants to victims in safe accommodation to unblock barriers to move on
- Increased administration and managerial capacity in the TDAS service to support the additional staffing and activities required.

We are required to undertake a safe accommodation needs assessment including identification of cross boundary needs, using standardised datasets recommended by the Government. The needs assessment will inform a Safe Accommodation Strategy setting out how the identified needs will be met. MHCLG has extended the deadline for completion of the strategy from August 2021 to October 2021, following vociferous lobbying by Local Authorities. Funded through the New Burdens monies has been received for this purpose. An external consultant has been appointed to undertake the Safe Accommodation Needs Assessment, alongside a strategic review of the domestic abuse system in Torbay, including the Multi Agency Risk Assessment Conference (MARAC).

5.0 Delivery of TA in Torbay

It is not anticipated that all units of accommodation are procured or purchased, but to provide a blended model that provides the most cost effective mode of delivery and mitigates risk. The following options have been explored to provide a blended model of delivery.

- Lease
- Purchase
- Procure
- Spot Purchase from market and a nightly let

The procurement is to undertake a single procurement exercise for Temporary Accommodation split into the following lots:

| | Description | Volume / Number of Units |
|--------------|--------------------------------------------------------------------------------|----------------------------------------------------|
| Lot 1 | Single | 40 |
| Lot 2 | Self-Contained Family Accommodation -2,3,4 & 5 Bed). | 2 bed – 22 3 bed – 4 4 bed - 10 5 bed - 1 |
| Lot 3 | Young People – to be implemented through provider network TBC | |
| Lot 4 | Spot Purchase Framework (to include out of hours and emergency event response) | |

Table 6: Procurement Lots - Anticipated total number of units of TA required by bed size

The blended model of delivery will depend on the outcome of the procurement process based on availability and cost. Expression of Interest documentation will be issued in August with tender elevation in January, for implementation in April.

