

THE EXECUTIVE**11 MARCH 2003****REPORT OF THE DIRECTOR OF HOUSING & HEALTH**

BED AND BREAKFAST COSTS AND FINANCIAL FORECAST 2003	FOR DECISION	
<p><i>This report is brought to the Executive's attention to inform Members that an increase in homelessness during January to December 2002 over the same period for 2001 has necessitated an increased use of Bed and Breakfast [B&B] accommodation for homeless applicants. The report highlights the budgetary requirements to maintain the Councils reduction of B&B usage during 2003 – 2004. It also asks Members to consider an increase in the volume of allocations of Council stock to house homeless applicants.</i></p>		
<p><u>Summary</u></p>		
<p>Members have previously been made aware of the trend in upward levels of homelessness and Members have agreed the procurement of Private Sector Leased [PSL] accommodation, to reduce reliance on Bed and Breakfast accommodation. Members have agreed the building of two homeless persons hostels, within the borough, which will provide a total of 71 rooms, an addition of 37 over existing availability that will further reduce reliance on B&B accommodation.</p>		
<p>This report will outline the reason for the increased Bed and Breakfast expenditure and explain the current and expected downward trend, concerning reliance on Bed and Breakfast accommodation for homeless families and single applicants in B&B.</p>		
<p><u>Recommendation</u></p>		
<p>The Executive is asked to:</p>		
<ol style="list-style-type: none"> 1. Note the contents of this report. 2. Agree the Bed and Breakfast budget for 2003/4. 3. Review the percentage of all allocation of accommodation offered to homeless applicants. 4. Agree a minimal target of 40% of allocations to homeless applicants. 		
<p><u>Reasons</u></p>		
<p>The decision is reserved for the Executive as it affects residents of the Council in all wards.</p>		
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1. Background

- 1.1 During January to December 2002, the Council's Housing Advice Section received 1900 homeless persons enquiries, which resulted in 760 referrals to the Homeless Persons Unit for investigation and the provision of temporary accommodation.
- 1.2 The number of Housing Advice referrals to the Homeless Persons Unit during January to December 2001 was 550.
- 1.3 The increased number of referrals to the Homeless Persons Unit represents a 28% increase over the previous year. One source of the increase has been the extension of the definition of Priority Need to include additional applicants. This includes 16 and 17 year olds, and those leaving institutionalised care, prison or the armed forces.
- 1.4 The increase in homeless enquiries has in part, necessitated the need to increase the use of B&B accommodation to meet the statutory obligation in regard to the provision of temporary accommodation. During September 2002, the number of homeless clients in B&B rose to 80. The number in January 2003 reduced to 58.

2. Private Sector Leasing and Bed and Breakfast

- 2.1 In November 2002, a report was submitted to the Executive that outlined the costs associated with using B&B. The report proposed the procurement of PSL accommodation to reduce reliance on B&B, reduce cost to the Council and indicated that such a reduction in B&B usage was in keeping with Government requirements not to use B&B for homeless families.
- 2.2 The Accommodation Resettlement Unit [ARU] has initiated the PSL scheme and to-date, 10 properties have been made available for homeless families. It is anticipated that an additional 10 properties will be procured monthly, which is expected to increase as negotiation with alternative providers continues.
- 2.3 A reduction in the reliance on B&B for homeless families can be expected therefore within 6 months. The financial implications for 2003 - 2004, alongside the existing B&B budget and with regard to full Housing Benefit payable for three bed accommodation, will require £73,086.80 for 2003 - 2004:

Below is a breakdown of the expected monthly expenditure, which will be taken from the budget quoted above.

- April 30 B&B placements per month = £26,543.40
- May 20 B&B placements per month = £17,695.60
- June 10 B&B placements per month = £8,847.80

3. Procurement

- 3.1 The ARU are recruiting currently to the post of procurement officer. The postholder once appointed will be required to develop alternative accommodation models aside from the proposed hostels, already planned at Bevan Avenue and Ravensfield Close This will further reduce reliance on B&B.

3.2 The reduction of B&B for homeless families will occur but some single applicants and unforeseen situations may necessitate emergency accommodation resulting in B&B placements.

4. Council [Accommodation] Allocation to Homeless Applicants

4.1 There was a total [flatted] allocation of 1418 tenancies during 2002, of which 537 tenancies were allocated to homeless applicants. This indicator shows that a total flatted allocation to homeless people was 38% of relevant lets [including elderly people and estate decants]. Thus, the target [35%] for allocation of Council properties to homeless families was exceeded, yet allocation has not meet demand during the same period.

4.2 There are some restrictive issues imposed on allocation staff, due to client social or medical restrictions, which has contributed to the increase in the length of stay in temporary accommodation and this has increased cost to cover these extended periods in B&B. Current indicators show an average stay of 41 days in B&B.

4.3 To relieve the pressure on homeless applicants residing in hostel and B&B accommodation, Members might want to consider extending the current level of 35% allocation from Council stock to homeless households.

4.4 The support for such an increase in the level of allocation can be demonstrated by the practice of other local authorities in the London area.

4.5 The London Housing Unit has produces a statistical table outlining the number of homeless applicants housed and subsequent percentage allocation of council accommodation during 2001 – 2002.

4.6 A sample group of local authorities is shown below:

Local Authority	Number of homeless housed	New lettings to homeless
Havering	246	32%
Kensington & Chelsea	348	50%
Newham	1,012	75%
Tower Hamlets	1,625	73%
Redbridge	161	39%
Waltham Forest	993	85%
Westminster	716	70%
Chelmsford BC		70%
Barking and Dagenham	537	35%

4.7 There is some clear potential within Barking and Dagenham to increase the current volume of allocations made to homeless families from its present level of 35%.

4.8 It is suggested that a revised target is set of a minimum of 40% of allocations should be made to homeless families.

4.9 This new target would be monitored as one of the outcomes in the allocation performance monitoring framework to be established under the new Housing Allocations Policy.

Background papers used in the preparation of this report:

- Housing Advice [P1E] monthly reports.
- DQRY DB5A
- HAROFEE2 lettings by application January 2002 – December 2002]