

***PLACE, ECONOMIC GROWTH AND ENVIRONMENT SCRUTINY
BOARD
Agenda***

Date Monday 27th January 2025

Time 6.00 pm

Venue Lees Suite, Civic Centre, Oldham, West Street, Oldham, OL1 1NL

Notes 1. DECLARATIONS OF INTEREST- If a Member requires advice on any item involving a possible declaration of interest which could affect his/her ability to speak and/or vote he/she is advised to contact Alex Bougatef or Peter Thompson at least 24 hours in advance of the meeting.

2. CONTACT OFFICER for this agenda is Peter Thompson, e-mail: peter.thompson@oldham.gov.uk

3. PUBLIC QUESTIONS - Any Member of the public wishing to ask a question at the above meeting can do so only if a written copy of the question is submitted to the contact officer by 12.00 noon on Thursday, 23rd January 2025.

4. FILMING - The Council, members of the public and the press may record/film/photograph or broadcast this meeting when the public and the press are not lawfully excluded. Any member of the public who attends a meeting and objects to being filmed should advise the Constitutional Services Officer who will instruct that they are not included in the filming.

Please note that anyone using recording equipment both audio and visual will not be permitted to leave the equipment in the room where a private meeting is held.

**MEMBERSHIP OF THE PLACE, ECONOMIC GROWTH AND
ENVIRONMENT SCRUTINY BOARD**

Councillors Ghafoor, J. Hussain (Chair), Kouser, Malik, McLaren (Vice-Chair), Moores, Murphy, Sharp, Shuttleworth, Wilkinson and Williamson

Item No

1 Apologies For Absence

2 Urgent Business

Urgent business, if any, introduced by the Chair

3 Declarations of Interest

To Receive Declarations of Interest in any Contract or matter to be discussed at the meeting.

4 Public Question Time

To receive Questions from the Public, in accordance with the Council's Constitution.

5 Call-in Procedure (Pages 3 - 4)

The Scrutiny Board is asked to note the Call-in Procedure

6 Oldham MBC – Temporary Accommodation Fair Share Policy (Pages 5 - 20)

The Scrutiny Board is requested to note the Call-in request and to consider the recommendations, in the report, which were approved by Cabinet on 16th December 2024 and that had been subsequently call-in by Councillors Kenyon and Al-Hamdani.

The Cabinet, on 16th December 2024, had been requested to consider the enactment of a new policy, allowing for charges to be made for occupation of temporary accommodation.

The report considered by the Cabinet on 16th December 2024 and the minute relating to this item (no. 12) are attached.

PROTOCOL FOR DEALING WITH CALLED-IN BUSINESS AT AN OVERVIEW AND SCRUTINY BOARD MEETING

The Chair of the Scrutiny Board will briefly outline the following procedure to the Scrutiny Board Members and others present at the meeting.

1. The Calling-in Members will explain to the Committee the reasons why they have called-in the Cabinet's decision.
2. The Cabinet Member will explain to the Scrutiny Board the background to the decision that has been called-in.
3. The Lead Director/report author or any relevant third party involved in the compilation of the report, will explain the reasons for the recommendation in the report.
4. The Calling-in Members may ask questions of the Cabinet Member and/or the Lead Director/report author or any relevant third party involved in the compilation of the report.
5. Members of the Scrutiny Board may ask questions of the Cabinet member and of the Lead Director/report author, or any relevant third party involved in the compilation of the report.
6. Members of the Scrutiny Board may ask questions of the Calling-in Members.
7. The Scrutiny Board will debate the issues.
8. The Calling-in Members will have the opportunity to respond to any relevant points raised during the debate (if appropriate).
9. The Cabinet Member and/or the Lead Director/report author or any relevant third party involved in the compilation of the report, will have the opportunity to respond to any relevant points raised during the debate (if appropriate).
10. The Scrutiny Board will make its decision, and there are essentially two decisions which the Board can make: -
 - a. to uphold the decision that has been called-in, which means the decision will take immediate effect.
 - b. To refer the decision back to the decision-making body (Cabinet) to determine at its next available meeting, if necessary, with any recommendations which this Scrutiny Board considers to be appropriate. (If this is the case the Cabinet can uphold its original decision, or make a different decision, in light of the scrutiny Board's consideration thereon. Any subsequent decision made by a Cabinet would be exempt from call-in).



Report to CABINET

OMBC – Temporary Accommodation Fair Share Policy

**Reason
for**

Portfolio Holder: Cllr Elaine Taylor, Deputy Leader and Portfolio Holder for Decent Homes

Officer Contact: Emma Barton, Deputy Chief Executive (Place)

Report Author: Matt Reeves / Simon Shuttleworth
Ext. 0480

16 December 2024

Decision

To consider enactment of a new policy, allowing for charges to be made for occupation of temporary accommodation, based on appropriate affordability checks.

Recommendations

That the proposed policy is approved and adopted

OMBC Charging Policy

1 Background and Current Position

- 1.1 In October 2024, Oldham had 727 households in temporary accommodation (T.A). Provision of T.A cost the Council £6.3m in 2023/24 and has cost over £5.9m in the year to the end of October.
- 1.2 People housed in T.A, especially over a longer period of time, can lose their sense of independence and control over their lives. Furthermore, the current lack of any requirement for a contribution towards costs can sometimes disincentivise people in T.A from accessing the support that is available to help them to move on.
- 1.3 The Council is empowered to require reasonable charges for the use and occupation of accommodation under s206(2) Housing Act 1996. However, the only mechanism the Council currently has in place to recoup costs is through claiming Housing Benefit at 90% of the 2011 Local Housing Allowance (LHA) rate.
- 1.4 Many working households (approx. 120 in T.A) are currently not contributing at all to the costs of their accommodation, leaving the local authority unable to claim against the stay, because the temporary accommodation user does not qualify for Housing Benefit.
- 1.5 This report proposes the introduction of a policy that will allow the Council to charge those tenants of Temporary Accommodation who can afford to contribute towards the cost of their accommodation. Any charge would be capped at the applicable LHA rate. This would not cover the total cost to the Council but would constitute a fair contribution to these costs.
- 1.6 Importantly, this policy will only apply to tenants placed in self-contained accommodation (i.e. with their own cooking and bathroom facilities, rather than hotels for example), as this is what MHCLG deems to be compliant, and the Council is working to reduce the number of tenants in non-compliant accommodation. Charges in such instances are likely to be subject to legal challenge.

2 Proposed Policy

- 2.1 The proposed policy is appended to this report. The policy seeks to ensure a balance, focusing on:
 - Ensuring affordability for the resident
 - Not discouraging residents from seeking employment
 - Ensuring there are no disincentives to residents seeking to move on from temporary accommodation
 - Making sure residents have access to the support that they need to move on and live independently
 - Recouping as much of the costs to the Council as is reasonable, while remaining in line with the above principles

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- 2.2 If adopted, all residents being placed into T.A would receive an affordability assessment, carried out by Housing Options, at the first point of contact. In addition, affordability assessments would also be carried out on current residents of T.A, to assess whether they should be required to contribute to costs going forward.
 - 2.3 Alongside these assessments, residents who may end up being placed into T.A would also receive intensive support through Housing Options to identify alternatives and to connect them in to support services who can assist in maximizing income and help with any other issues that affect them.
 - 2.4 In order to enact these charges, a new license agreement will be developed, to replace the currently used licenses. For existing residents who are assessed as being able to afford to contribute, they will be required to sign a new license agreement and will have a four week notice period before any charges apply.
 - 2.5 Based on modelling conducted around working people who are in self-contained accommodation (i.e. not hotel or bed and breakfast), instigating a scheme that would require a contribution towards costs (from those who can afford to pay) would pay for itself and generate a surplus. At this stage, the extent of this surplus is difficult to quantify, as it depends on collection rates and the outcomes of affordability assessments. However, as more assessments are carried out, it will allow for more robust forward modelling of the potential income.
 - 2.6 It is important to note that this policy, along with other changes being made to our approach, seeks to reduce the numbers of people coming into T.A – if successful, the amount of costs that can be offset by charging will reduce. However, any reduction in this income would be vastly offset by the reduction in the costs of T.A that will be seen as the number of households accommodated falls.

3 **Implementation.**

This section details the requirements for implementation of this policy within different Council services.

- 3.1 **Capacity from Housing Options.** Any necessary capacity will be met by the proposed service redesign of Housing Options, once implemented and fully staffed.
- 3.2 **IT.** In order to implement this policy, as well as bringing in a more robust approach to understanding (and therefore reducing) TA spend, it will be necessary to purchase the Locata Rent Modules. The service is already using Locata software for management of Housing Allocations and TA and this add-on has been identified as the best possible solution to deliver the Temporary Accommodation Fair Share Policy as it allows for tracking of charges and spend around TA. IT will provide project management support for the integration, and ongoing work to improve processes when required. Locata may be required to link directly to Agresso for invoicing for an automated function.

There will be a cost for initial implementation of the appropriate modules, potentially with some ongoing cost. These costs are still to be confirmed.

- 3.3 **Legal.** The Legal Department will be required to produce an updated license agreement that will be supplied to all placements in self-contained Temporary Accommodation. There may be a requirement for additional legal capacity on a temporary basis (if needed) to deal with any legal challenges to changes to license agreements for existing tenants. It is suggested that provision of up to **£55,000** is made for this eventuality and would cover a six-month period of work.

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- 3.4 **Revenues and Benefits.** To deliver the initial implementation of the Temporary Accommodation Fair Share Policy additional staffing resources will be required to maximise cost recovery.

2 FTE (Grade 3) staff would be required in the Accounts Receivable team, at a cost of **£69,920**.

NB – the above staffing would allow the service to initiate and administer this policy up to a certain level. If the number of households eligible to be charged reaches a higher proportion than anticipated, additional staffing may be required in the Council Tax team and Systems and Control Team. Demand will be monitored closely, to determine whether additional resources are required. If so, it is expected that the additional income from charges would be used to offset this cost.

3.5 Phasing

If the policy is agreed, it is proposed that it is phased in as follows.

1. Public consultation on the policy will begin, including writing to all current households in temporary accommodation. No charges will be issued until after the public consultation is complete, and any submissions considered.
2. Housing Options Team begin affordability assessments on new tenants coming in to T.A. and the new license format will begin to be used.

NB – charging would not be instigated immediately, as there is likely to be a lag in ability to charge and recover. However, it will ensure that tenants are on the new licenses and are aware that they may be asked to pay in the future (where the assessment shows it is appropriate). It will also begin to build insight on the proportion of tenants likely to be affected, allowing for modelling of future income.
3. Housing Options Team to carry out affordability assessments on existing tenants in TA who are working, and issue with new licenses. It is proposed to give four weeks notice of the new license coming into effect.
4. Housing Options Team to carry out affordability assessments on existing tenants in TA who are not working, and issue with new licenses (again, with four weeks notice)
5. When appropriate resources are in place, invoices will begin to be issued to tenants.
NB – it is recommended that a minimum level of payment is set, below which tenants will not be charged. An appropriate level is still to be determined.

4 Options/Alternatives

4.1 Option 1

Approve the proposed policy in its entirety in order to ensure that residents receive appropriate support to remain independent, and contributions towards costs are obtained from those who can afford to pay.

4.2 Option 2

Do nothing

5 Preferred Option

5.1 Option 1 - Approve the policy.

6 Recommendations

(a) Approve the policy

(b) Agree that the policy is implemented once appropriate consultation has been carried out, and subject to the necessary collection arrangements (staffing and I.T systems) being in place

7 Consultation

7.1 Portfolio holder, Housing Recovery Board. Public consultation to take place.

8 Financial Implications

8.1 Initial costs identified for the implementation of the Temporary Accommodation Fair Share Policy include -

Legal Support	55,000
Additional Revs and Bens Staff	69,920
Total Cost	124,920

8.2 In addition to this we have some, as yet unknown costs which include -

- The purchase of Locata Rent Modules
- Installation of these modules by IT
- Ongoing support of Locata Modules

8.3 Therefore, initially the Temporary Accommodation Fair Share Policy will have to recover at least £124,920 to offset the known costs of implementation.

8.4 Currently there are 119 working families in Temporary Accommodation. Of these 119 working families, 59 families would be excluded from the charging policy due to the fact they were in properties deemed non-compliant i.e. hotels (see para 1.6). Of the remaining 60 families, 33 of them are in receipt of some form of benefit whether it be Housing Benefit or Universal Credit. These 33 families would need to be individually financially assessed to gauge their ability to pay. As such it is difficult to quantify the amount of income that may be generated following assessment.

8.5 The remaining 27 working families who are either not entitled to benefits or have refused to answer would be subject to further assessment and an expectation to contribute to their TA costs. Using their housing need i.e. 2 bed, 3 bed, etc. and the assumption of charges capped at 2024 LHA rates the following table summarises the current position -

Expectation of Cash Collected	Charge to be Collected	Less Known Implementation Costs	Surplus/(Deficit)
50%	110,298	(124,920)	(14,622)
60%	132,358	(124,920)	7,438
70%	154,417	(124,920)	29,497
80%	176,477	(124,920)	51,557
90%	198,536	(124,920)	73,616
100%	220,596	(124,920)	95,676

8.6 Assuming the 27 working families were all charged at the maximum rate of LHA 2024 aligned to their bedroom need, the Council would need to recover at a rate of at least 60% to be confident of recovering their known implementation costs. In reality this figure would have to be higher to cater for the unknown costs such as software procurement and installation plus the ongoing support costs.

(John Hoskins)

9 Legal Implications

9.1 The Council balances a fine line between managing the costs of the Council and managing the expense of supporting people within the temporary accommodation system of Oldham.

9.2 It is reasonable and lawful for an authority to charge residents for their accommodation and associated costs and most local authorities in the Country do so. This Council has not done this and to do this the Council must have a suitable policy in place. The Council must also make sure that individuals affected must have the correct agreement, such as a license agreement informing the licensee of the charge.

9.3 The report refers to the relevant legislation that permits the Council to make charges in relation to the Housing function offered, specifically (2) of S206 Housing Act 1996. The specific wording being; "A local Housing authority may require a person in relation to whom they are discharging such functions to pay such reasonable charges as they may determine in respect of accommodation which they secure for his occupation (either by making it available themselves or otherwise), or (b) to pay such reasonable amount as they may determine in respect of sums payable by them for accommodation made available by another person".

9.4 The report mentions consultation and it is correct that the Council be mindful of its public consultation requirements. It is important for the Council to suitably consult with the individual service users as a minimum and other relevant stakeholders. This should be done and conclusions considered before implementing any changes. There is potential for legal challenge should this not be done.

(Alex Bougatef –Interim Borough Solicitor)

101 Equality Impact, including implications for Children and Young People

10.1 Yes/No [delete as appropriate] Ctrl and click to follow link to complete <https://app.powerbi.com/home?experience=power-bi>

11 Key Decision

11.1 Yes

12 **Key Decision Reference**

12.1 EE-03-24

13 **Background Papers**

13.1 None

14 **Appendices**

14.1 Oldham Council Temporary Accommodation Fair Share Policy



Temporary
Accommodation Fai

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Temporary Accommodation Fair Use Policy

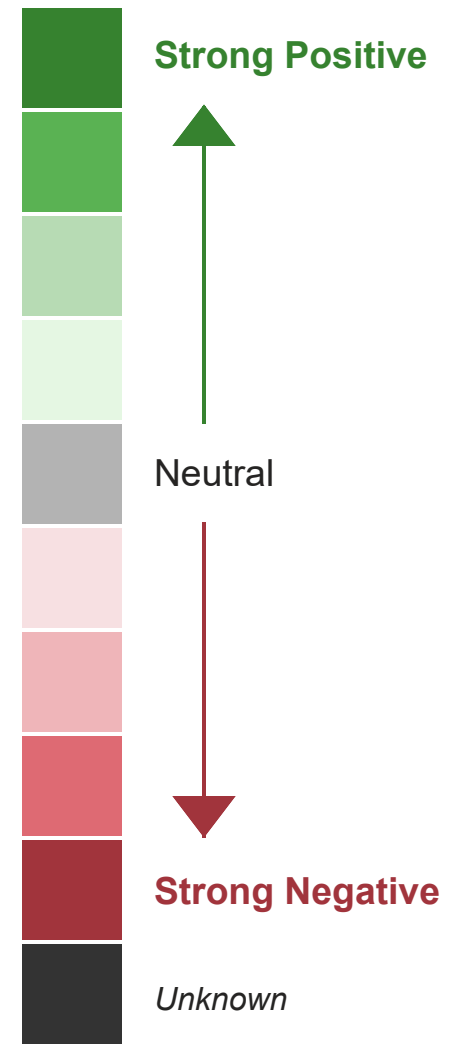
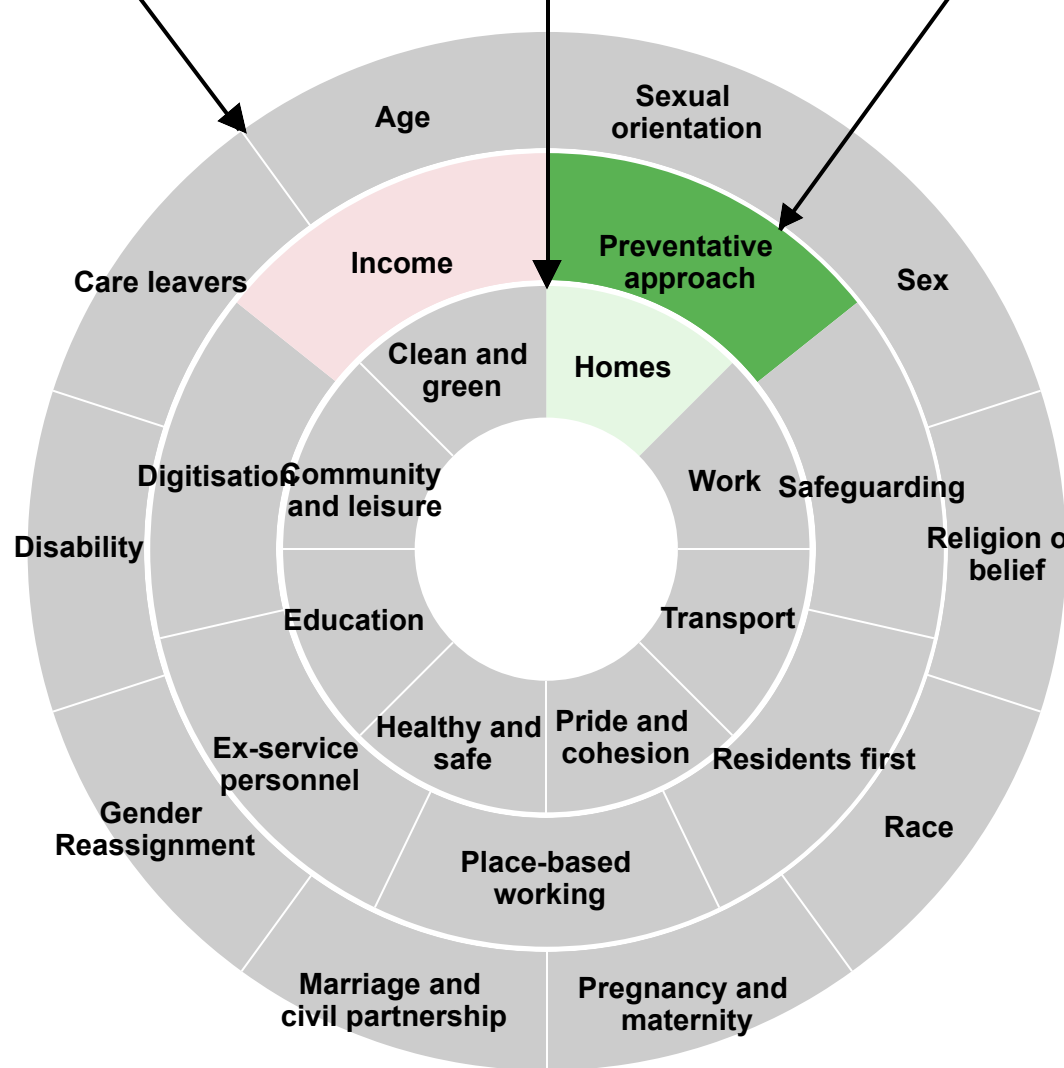
completed/last updated by Simon Shuttleworth on 13/11/2024

Portfolio	
Regeneration and Housing	
Directorate	
PEG (Place and Economic Growth)	
Service/Team	
PPL - Youth, Leisure, and Communi...	
Is this IA related to a Budget Reduction proposal?	<input type="text" value="No"/>

Equality Characteristics

Future Oldham Aims

Corporate Priorities



Equality Characteristics

Category	Impact	Likely	Duration	Impact Score	Comment
Age	Neutral	Possible	Short Term	0	
Care leavers	Neutral	Possible	Short Term	0	
Disability	Neutral	Possible	Short Term	0	
Gender Reassignment	Neutral	Possible	Short Term	0	
Marriage and civil partnership	Neutral	Possible	Short Term	0	
Pregnancy and maternity	Neutral	Possible	Short Term	0	
Race	Neutral	Possible	Short Term	0	
Religion or belief	Neutral	Possible	Short Term	0	
Sex	Neutral	Possible	Short Term	0	
Sexual orientation	Neutral	Possible	Short Term	0	

Corporate Priorities

Category	Impact	Likely	Duration	Impact Score	Comment
Income	Moderate Negative	Possible	Short Term	-1	Charges will impact existing TA tenants, whose accommodation costs have been met by the Council so far. New tenants coming in to TA will already have been paying for accommodation costs in their previous home situation. All charges would be based on an affordability assessment, to ensure residents are able to contribute.
Digitisation	Neutral	Possible	Short Term	0	
Ex-service personnel	Neutral	Possible	Short Term	0	
Place-based working	Neutral	Possible	Short Term	0	
Residents first	Neutral	Possible	Short Term	0	
Safeguarding	Neutral	Possible	Short Term	0	
Preventative approach	Moderate Positive	Very Likely	Long Term	4	The instigation of this policy is intended to support our wider approach to ensuring that people being placed into TA is a last resort, that a more preventative offer is available, and that people who do enter TA are supported to move on as soon as possible.

Future Oldham Aims

Category	Impact	Likely	Duration	Impact Score	Comment
Clean and green	Neutral	Possible	Short Term	0	
Community and leisure	Neutral	Possible	Short Term	0	
Education	Neutral	Possible	Short Term	0	
Healthy and safe	Neutral	Possible	Short Term	0	
Pride and cohesion	Neutral	Possible	Short Term	0	
Transport	Neutral	Possible	Short Term	0	
Work	Neutral	Possible	Short Term	0	
Homes	Moderate Positive	Possible	Short Term	1	This policy will support the broader ambition around people having access to appropriate housing, by helping to ensure that residents are less likely to end up in TA, and better placed to move on if they do get placed in TA.

Negative Impacts

Category	Impact	Likely	Duration	Impact Score	What action can be taken to mitigate the potential negative impacts?	Action(s)	Owner(s)	Timescale(s)	If the negative impacts can't be mitigated, why should the project/decision proceed?
Income	Moderate Negative	Possible	Short Term	-1	Affordability assessments, provision of support to budget, access appropriate benefits, etc	Implementation of assessments and support.	Housing Options	To be available for implementation.	N/A

Strong Positive Impacts that are Possible

Category	Impact	Likely	Duration	Impact Score	What action can be taken to increase the likelihood that positive impacts are realised?	Action(s)	Owner(s)	Timescale(s)
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12

OLDHAM MBC – TEMPORARY ACCOMMODATION FAIR SHARE POLICY

The Cabinet received a report of the Deputy Chief Executive (Place) which asked members to consider enactment of a new policy, allowing for charges to be made for occupation of temporary accommodation (TA), based on appropriate affordability checks.

The proposed policy sought to ensure fairness by focusing on: ensuring affordability for the resident; not discouraging residents from seeking employment; ensuring there are no disincentives to residents seeking to move on from temporary accommodation; making sure residents have access to the support that they need to move on and live independently; and recouping as much of the costs to the Council as is reasonable, while remaining in line with the above principles.

If adopted, all residents being placed into TA would receive an affordability assessment, carried out by Housing Options, at the first point of contact. In addition, affordability assessments would also be carried out on current residents of TA, to assess whether they should be required to contribute to costs going forward.

Options/Alternatives considered:

Option 1 – to approve the proposed policy in its entirety in order to ensure that residents receive appropriate support to remain independent, and contributions towards costs are obtained from those who can afford to pay.

Option 2 - do nothing.

The preferred Option was Option 1 to approve the policy.

Resolved:

That the proposed Temporary Accommodation Fair Share Policy, as outlined in the submitted report, be approved and adopted.

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