

Value for Money in Greater Manchester

A paper from the Centre for Homelessness Impact (CHI)

January 2024 - Final

Background

On Friday, 3rd November, eight local authorities from across Greater Manchester, together with the Greater Manchester Combined Authority, came together for a day-long workshop focusing on the value for money of the use of temporary accommodation across the GM region. This was facilitated by the Centre for Homelessness Impact's value for money team.

The principles of value for money relate to economy (spending less); efficiency (spending the same but in a better way); and effectiveness (using money to get better outcomes). When taken together, and put as simply as possible, value for money is about ensuring that we get the best possible use of our resources. The CHI's value for money team has taken these high level principles and tailored them to the subject of homelessness, with the aim of helping to drive practical improvements. This has involved developing a value for money framework for how to measure spending on homelessness, starting with temporary accommodation. It has involved visiting and working with individual local authorities to understand the issues that they are facing and help them to identify any potential solutions to these.

Together, the group which met on 3rd November discussed both what was working well and the main challenges that they were facing. The group then moved onto identifying solutions and formalising ideas for developing joint working across GM.

This followed on from a week during which we conducted day-long value for money visits to four local authorities across the Greater Manchester area: Salford; Bolton; Manchester; and Rochdale. Prior to these visits we assessed the financial information that local authorities were using about their temporary accommodation. During the visits themselves we met with senior leaders from local authority housing and homelessness teams, frontline homelessness teams, and people experiencing homelessness. We also visited several different sites of temporary accommodation. These visits provided us with useful insight into the key issues driving demand for homelessness services across the region.

The cost and use of TA across Greater Manchester has increased significantly

Our work took place against a backdrop of significantly increasing use of temporary accommodation and significantly rising costs. The number of households in Greater Manchester in TA increased by 49% between March 2020 and March 2023 - far greater than the increase of 11% seen across England as a whole during the same period. In the Greater Manchester local authorities outside of Manchester City, the increase in the use of TA has been even greater, at 87% - eight times faster than in England as a whole.

There has also been a rise of 77% in the use of Hotel and B&B accommodation - the most expensive and often least suitable type of temporary accommodation available.

Change in the number of households in TA and B&B from March 2020 to March 2023 in England and Greater Manchester. Source - DLUHC homelessness statistics

Area	TA per thousand households in area					B&B per thousand households in area				
	March 2020	March 2021	March 2022	March 2023	% rise: 2020 to 2023	March 2020	March 2021	March 2022	March 2023	% rise: 2020 to 2023
England	3.92	4.02	3.98	4.35	11%	0.35	0.47	0.42	0.57	66%
England exc. London	1.61	1.76	1.90	2.18	35%	0.23	0.35	0.35	0.46	98%
North West	1.42	1.56	1.89	2.14	50%	0.23	0.36	0.38	0.53	134%
Greater Manchester	2.78	3.24	3.80	4.14	49%	0.41	0.50	0.60	0.73	77%
Greater Manchester exc. MCC	1.16	1.37	1.81	2.17	87%	0.23	0.29	0.33	0.38	67%

The cost and use of TA looks set to rise still further for many local authorities in Greater Manchester

The figures above are likely to be a substantial underestimate: in our discussions with local authorities across Greater Manchester we consistently heard that they had in recent months witnessed a significant increase in their use of TA, especially B&Bs, leading to a rapid acceleration in their spending on homelessness services. Additionally, many local authorities we met expressed concern at the potential acceleration in demand for their homelessness services coming in the rest of the autumn due to, for example, changes in the asylum decision-making process.

Local authorities in Greater Manchester were concerned by the cost impact of increased use of TA. As an example, one GM local authority provided figures showing that its housing benefit subsidy loss on TA had increased by 136% over a three year period. This was typical of the kinds of cost increases described by a number of the councils we spoke to. One local authority described their increase in spending on B&Bs as “exponential”.

Manchester City Council appears to be bucking trends

Manchester City Council has managed to stabilise its total use of TA over recent months and to dramatically reduce its use of B&B for families to the point where there are typically no families in B&B most nights. This has been achieved through a number of changes to practise, including a greater use of Private Rented Sector accommodation, modifications to the council's allocations policy and an increased emphasis on both homelessness prevention case checking and the use of 'homeless at home'. Manchester reports that this has already produced significant savings.

What's working well?

There were many examples of projects and partnerships that are working well, even in the current challenging landscape. People highlighted areas of good practice including regular inspection for TA and supplying food for households in hotel and B&B accommodation.

- **Developing partnerships**

Several local authorities highlighted the positive relationships that they have with other services and agencies. For example, some had housing officers based alongside hospital discharge teams, which has helped to reduce delayed discharge as well as inappropriate admissions. Some had well-developed partnerships with domestic abuse teams and children and family teams to enable quick responses from specialist teams.

Local authorities also spoke of the importance of good relationships with landlords. Existing relationships with landlords helped when finding available TA - even when that was out of borough.

- **Changing practice**

Several local authorities talked about recently redesigning specialist services like domestic abuse services so that they responded more quickly and effectively. Several local authorities highlighted work they had been doing on empty homes to bring these back into use.

Manchester City Council spoke about reducing their use of B&Bs for families from 200 in February to only four today. They also highlighted a recently opened prevention hub and their work with schools.

- **Allocations**

Allocations are key to managing how quickly households are moved out of temporary accommodation and into settled housing. Every group discussed their allocation policies and systems as being critical to better management of both TA and move on accommodation. Most of these examples were positive, in the "what's working well" section. However, there was also some discussion about the challenges of having differing allocation policies in a combined authority area - some participants felt that allocations policies are confusing and that there was risk of people "shopping around" for the best possibility of finding settled accommodation.

- **Accreditation and regulation**

We noted that certain local authorities have in place schemes for regulating the use of TA procured from the private sector, which could potentially be built upon at a greater scale. In Salford, for example, all temporary accommodation placements have a support officer visiting regularly and monitoring accommodation standards. Salford also employs two property officers to ensure that standards are adhered to on letting and maintenance of TA managed by the council.

Where are the challenges?

Local authorities face significant challenges:

- **Affordability and limited availability in the Private Rented Sector market**

The relatively limited availability of social housing means that local authorities are increasingly required to use PRS accommodation for people experiencing homelessness to whom it owes a statutory duty. One of the subjects most discussed was the inaccessibility of this sector. We were told that the increase in rents has led to varied, and sometimes competing, responses from LAs and their PRS teams in efforts to secure accommodation for households (including TA and move-on provision). Some local authorities reported that they could not afford to pay the incentives requested by some landlords, and this left them at a disadvantage in providing PRS options. Additionally, participants suggested that they were witnessing competition for PRS accommodation with central government - most notably, the Home Office.

Most participants suggested that an important step forward in addressing this challenge would be taking a developed and consistent response across Greater Manchester, embedding this in standards, and agreeing to a protocol.

- **“Cost of living” crisis**

In parallel with increased rents, participants in the workshop stated that rising prices during the ‘cost of living crisis’ were also contributing to poverty and therefore to people being made homeless and requiring temporary accommodation.

- **Managing costs**

We heard from many participants that shrinking supply in the TA market was contributing towards them taking a ‘reactive’, rather than ‘proactive’, approach to provision across GM, pushing their overall TA costs upwards. Adding to this pressure, we heard that in some cases registered providers had responded to financial incentives by converting family provision into Houses in Multiple Occupation (HMOs) in order to secure greater profits.

- **Need for invest to save plans**

Representatives of local authorities also discussed ‘spend to save’ plans designed to deliver greater value for money by investing in their own stock to be used as TA. However, they reported that there was a potential barrier to progressing these due to a lack of strategic direction and alignment between housing and finance departments within local authorities. It was also suggested that processes for reclaiming costs via housing benefits varied between local authorities and that there was a lack of clarity in some on Housing Benefit legislation and how to incorporate this into their provision.

- **Out of borough placements**

The challenge posed by out of borough placements was discussed by all participants, who suggested that a lack of process, understanding around placements, and data on

where people were being placed had increased pressures on local authorities. This also impacted on households who had been placed out of their local area. One group raised concerns that the lack of information on placements across boroughs has led to a 'rumour mill' regarding these placements.

Greater collaboration across Greater Manchester was proposed as a solution to this challenge, with consistent data collection and data analysis of out of borough placements proposed as key areas to focus on in efforts to increase understanding and predict demand.

- **Frontline pressures**

We discussed with participants from local authorities the impact that pressures on TA were having on frontline staff. This pressure was particularly felt amongst housing options teams, where caseload pressure was leading to high staff turnover and a feeling that the process had become 'dehumanising' at times. Challenges with case management were identified as a key issue, with the high volume of cases causing slow decision making, resulting in longer stays in temporary accommodation.

A proposed response to this challenge was training in case-load management and sharing best practice for Housing Options teams across GM.

Ideas for development

At the workshop, groups were asked to develop ideas that GMCA might take forward. Groups developed ideas ranging from the development of data infrastructure to an accreditation scheme for TA.

Groups were asked to focus on expanding what is working as well (e.g. training and utilising the existing Housing Needs Group) as well as thinking about solutions to the challenges that they are facing (e.g. cross border agreement on costs of TA). Some of these ideas are more developed than others, and some could be more easily implemented.

1) Agreement on costs of TA

Each local authority within Greater Manchester to set a maximum price for TA in their own area for each type and size of accommodation. Other local authorities agree not to pay more than this maximum price when making out of area placements, and also abide by the maximum set price in their own area.

The goal of this agreement would be to rationalise prices and stop competition from out of area placements driving up prices. It would therefore aim to take some of the control away from landlords and give it back to local authorities purchasing accommodation. It could also improve access to local, within area, TA for local authorities within Greater Manchester.

Making it happen

The group recognised that this would not be an easy task and it could only work if all local authorities within Greater Manchester agreed to and stuck to the agreement. They also recognised that the current highly pressurised market, where there is more demand for TA than supply, would make this more difficult to implement. There is a further barrier in that it would take quite a while to implement because LAs have existing agreements with landlords in place and these may take several months or even years to expire.

GMCA would be instrumental in bringing together local authorities to develop this agreement and ensure that there was buy-in at all levels, including political buy-in to the agreement.

Initial steps

GMCA could use existing IT systems to build a better picture of current TA use across GM and the rates paid by and within each LA.

2) GM TA Accreditation system

Greater Manchester Combined Authority would introduce a set of standards for TA providers that are beyond the minimum requirements. This could include a furniture package, response to repairs, heating, lighting, minimum EPC rating, and housing management (e.g. records of repairs and warnings).

The intended outcome for this would be to improve the quality of TA across Greater Manchester. An accreditation system, such as a Charter Mark for example, would be introduced as recognition of “better” landlords. There could be potential to then pay higher rates for TA approved under this system or to only purchase TA that has been accredited.

Making it happen

A set of standards would need to be agreed across all local authorities. GMCA’s role would be to coordinate the standards and ensure a consistent approach. Resources would be required to coordinate and inspect properties on an ongoing basis.

Initial steps

GMCA could begin this initiative by convening a group of representatives from all local authorities to begin to develop standards.

3) Housing Options accredited training

Training for all Housing Options staff in Greater Manchester, accredited by the Chartered Institute of Housing. This would be a Level 3 qualification for staff working in Housing Options teams. It would include training on issues including responding to domestic abuse, substance use, and resilience.

The aim of this would be to improve practice and consistency between local authorities in Greater Manchester. It would also aim to help to spread good practice and optimise the approach to Housing Options across Greater Manchester.

Making it happen

GMCA would play a convening role in bringing together local authorities as well as other contributors, such as people with lived experience of homelessness (e.g. ‘Lads Like Us’) and lead engagement with CIH to ensure that the training is accredited. Both the development and ongoing coordination of training would need to be resourced.

Initial steps

GMCA could discuss with CIH the process of developing accredited training

4) GM data strategy: a framework for success

Shared data and success framework building on the Ending Rough Sleeping Framework for homelessness data across Greater Manchester, including A Bed Every Night, collecting data regionally on TA and expected TA demand, alongside data on Prevention, Rare, Brief and Non-Recurring.

The intended outcomes of this would be to improve both local authority and GM data understanding, including:

- understanding effectiveness of interventions;
- future proofing provision through predicting demand;
- better understanding of costs across the different local authorities;
- improved understanding of need and the reasons for people becoming homeless;
- enabling smarter commissioning and prevention;
- consistent reporting of data across Greater Manchester; and
- reducing reactive reporting to GMCA

Making it happen

It was agreed that GMCA would be best placed to assist with developing and coordinating the framework. The groups identified Locata as the best system for collating and reporting data into the framework as local authorities are already using this for reporting. However, it was acknowledged that use and confidence about this system differ between local authorities and therefore system training available to local authorities would be necessary to ensure a joined-up approach. It was also discussed that additional data collection would require checks and balances.

Initial steps

Developing a framework strategy, with clear objectives framed around an overall commitment to a vision of a Greater Manchester where homelessness is prevented or is rare, brief and non-recurring, underpinned by suitable metrics and consistent metrics across the Combined Authority, accompanied by an implementation plan with, key phases and timelines. Engaging local authorities on the level of system training required and whether there are current opportunities for cross-peer learning. Re-commissioning of Locata and aligning this with the framework objectives.

5) Developing a cross-borough protocol for GM

Building on historic work in Greater Manchester on cross-borough placements to organise and track out of area placements.

The intended outcome of this would be to increase visibility of where households are being placed and reduce inefficiencies across GM. This would in theory reduce avoidable out of borough placements, reduce inappropriate placements, and ensure that local authorities' incentives don't adversely affect one another.

Discussants suggested that for this to be effective it ought to adhere to the following key principles:

- Housing benefit colleagues need to be involved
- Housing Options needs to be involved
- Other sectors
- Covers notifications re TA
- Covers procurement
- How much to pay

- Needs to be reviewed
- Better service for user
- Don't pay more than need to from landlords

Making it happen

Explore how data can be collected

Got to be agreement by all leaders and Andy Burnham

Needs business case - developed by talking to chief executives of different local authorities.

- Can use electronic systems
- Risk - How can this be enforced? Does it need to be?

6) Use of Cross-Greater Manchester governance structures on homelessness and TA

Building on existing cross-GM governance structures such as the Housing Needs Group, establish how learning, sharing knowledge and good practice in the use of TA will be enhanced across GM. This might involve different best practice groups for different levels of staff.

The intended outcomes would be:

- Better spreading of knowledge and up to date learning
- Staff development
- Professionalisation, career path, staff retention
- Sharing good practice more quickly, in a more formalised way

Making it a reality

There is potential for bringing universities into the learning network, such as Salford University's housing department. This would help to formalise the network and provide meaningful opportunities for development.

Initial Steps

GMCA could coordinate (or reconvene) the network, initially for senior staff to share good practice.

Recommendations for implementation

Recommendation 1: Greater Manchester to explore how to increase the supply of affordable social housing

In our workshop we discussed that, in common with many other parts of England, GM's local authorities are attempting to balance the need to increase the supply of genuinely affordable housing with that for solutions to address immediate pressures, which can in turn have adverse market effects.

GMCA, with its unique position across the GM city region, may seek to explore how it can increase the supply of affordable housing through established collaborative ties with social investors, access to capital funding to facilitate the exploration, and utilisation of alternative delivery models. These delivery mechanisms could leverage social and other investment to drive the supply of accommodation, whilst also delivering a financial return -presenting distinctive investment opportunities for acquiring properties for longer term use.

Recommendation 2: Take cross-GM approach to TA

GM has historically had in place protocols for different boroughs to work together collectively around homelessness and the use of TA. The 2018 Protocol, for example, was developed by Greater Manchester Combined Authority to improve communication between the local authority homelessness services in GM, and to enhance information sharing procedures and safeguarding commitments.

We recommend that you reconvene around this protocol and update it where necessary to reflect the current challenges. There is also opportunity to provide more detail on the guidance to encourage greater clarity, particularly in regards to what is deemed 'reasonable'. Ensuring that all local authorities re-commit to this protocol will help to drive forward other recommendations that rely on joint working and information sharing. Consultation with other sectors (such as social care and health) may also prove important when considering out of borough placements and the impact this has on services and households, ensuring joint working across sectors.

Recommendation 3: Data Collection Improvement Plan

GMCA should lead a project to improve data quality and consistency across all local authority areas. This would lead to a better understanding of need and services across the region. This would be useful for both GMCA and local authorities. More consistent data across GM would also help to inform central government's funding decisions. This should include data on costs and spending.

Getting colleagues around the table to both develop and implement data guidelines and providing quality assurance for data would be an ongoing process. CHI is able to offer support with this project.

This work, although difficult, would mean that GMCA is well placed to deliver more challenging projects in the future. A better understanding of TA and its costs could open up the possibility of reaching agreements on costs of TA and out of borough placements.

Recommendation 4: Data and Outcomes Analysis

GMCA is very well placed to analyse the success of programmes delivered across the combined authority, like A Bed Every Night (ABEN), as well as to understand strategically market conditions across the city region.

A particular area of interest which GMCA is well placed in to conduct research is LHA rates and their interaction with the PRS. We know that the PRS has become increasingly unaffordable for lower income households but we don't have a full understanding of how much housing in the PRS is affordable within the LHA rate. An analysis of the PRS across GM in order to determine, in each LA area how much of the PRS is available under the LHA rate for shared, 1-bed, 2-bed, 3-bed, etc. could give both a clear picture as well as, potentially contribute to an argument to make on a political level for increasing the LHA rate.

Additionally, GMCA could also lead on research across Greater Manchester into market conditions outside of the PRS.

Recommendation 4: Cross-GM accreditation for TA

Developing a set of standards and criteria and potentially using schemes such as the awarding of a Charter Mark to good landlords to help to improve the quality of TA and drive continuous improvement in its use.

This approach could be developed alongside the existing Good Landlord Charter. Under this Charter, GMCA is seeking to provide a description of what renting should be like across the city region. The Charter also sets out a proposed range of interventions across different types of tenancies.

Next Steps and how CHI can help

CHI would be very happy to support GMCA with the above recommendations by providing advice and practical support.