

# ***Information Paper***

## **Social & Community Overview and Scrutiny Committee - 11<sup>th</sup> July 2005**

### **The Homelessness Budget (H22400) 2005/06**

This note contains the information to keep Members informed of matters relating to the work of the Committee, but where no decisions from Members are needed.

#### **1. Why has this come to scrutiny?**

- 1.1 In July 2004, a scrutiny working group was set up by the Economy and Business Overview and Scrutiny Committee to review scrutiny's involvement in the budget process. This working group concluded that the scrutiny committees could be most effective in this role if they carried out a programme of 'cost of service' reviews during the year rather than only looking at budget issues in the budget setting period. In this way, members would be able to highlight any concerns or issues with a particular area at an early stage and be better informed for their formal review of the budget during the consultation stage. At the Social and Community Overview and Scrutiny Committee meeting on 2<sup>nd</sup> December 2004, it was identified that the committee would like to commence their reviews by looking at the council's budget for homelessness services for 2005/06.

#### **2. Summary of the Issue**

- 2.1 The provision of homelessness services is currently undertaken by the Homelessness & Allocations Team who sit within the Housing Services Team.
- 2.2 The team's purpose is to prevent homelessness in the town and assess all homelessness and housing needs applications in line with the council's Allocations Policy thus ensuring that allocations of accommodation are made according to need.
- 2.3 The work of the team has been identified as a high priority within the council's business plan stating that "we will work towards a balanced sustainable housing market". The homelessness & allocations team will contribute to the success of this priority by delivering on the following objectives;
- Providing housing related support for vulnerable people to enable them to remain in their tenancies;
  - Ensuring that families or households with pregnant women spend no more than 6

weeks in bed and breakfast accommodation.

- Carrying out a review with partners of rough sleeping and provision of tenancy support services, in line with the Supporting People Strategy for those with support needs;
- Working with partners to develop a one-stop-shop for housing advice and support;
- Reviewing the council's rental allocations policy and considering the option of adopting a choice based lettings allocations system

### **3. Summary of evidence/information**

**3.1** Appendix A details the budgeted costs for 2005/06 and the specific costs required to deliver the homelessness service.

**3.2** Since 2003/04 the council has reduced the money being spent on bed and breakfast accommodation for homeless households by £67,000. During 2004/05, only £61,000 was spent against a set budget of £70,000. The budget remains the same for 2005/06 and if the current trend continues there is unlikely to be any overspend.

**3.3** The council are also able to demonstrate that according to national statistics provided through the Chartered Institute of Public Finance and Accountancy, the council's average net accommodation cost per household per day in bed and breakfast during 2002/03 £16.07 compared to a national average of £25.50. In 2002/03 this fell to £7.68 in 2003/04 and fell again to £3.18 in 2004/05. Average national figures for these years are unavailable.

**3.4** This reduction can be accredited to the work of the Housing Services Team in increasing the number of temporary furnished properties from council housing stock , developing the Family Bond Scheme in partnership with the Cheltenham Housing Advice Centre (CHAC) and strengthening links with agencies across the town to deliver a preventative approach to tackling homelessness.

**3.5** The costs of providing the temporary furnished units and the running of the Family Bond Scheme has to date been funded through a grant provided by the Office of the Deputy Prime Minister (ODPM) for the specific use of preventing homelessness and finding alternatives to bed and breakfast. In 2004/05, the Housing Services Team were successful in bidding to the ODPM for additional funding and have increased this funding to £50,000 for 2005/06. It is unknown at present if this funding will be available to sustain these projects for 2006/07. The way in which this money is allocated is determined by the Cheltenham Homelessness Forum, a multi agency Forum established in 2002 to deliver the Homelessness Strategy. Members of the Forum include the Community Services Division, Cheltenham Housing Aid Centre, Cheltenham Community Projects, Shelter, the Youth Offending Service, Nightstop, Open Door, Rethink and the YMCA.

**3.6** The length of time that families spend in bed and breakfast is measured by the Audit Commission as a Best Value Indicator. During 2003/04 the average length of time spent by homeless families in bed and breakfast was 13.4 weeks. This figure was reduced to 3.4 weeks during 2004/05.

- 3.7** During 2004/05, the council spent £19,000 protecting the belongings of homeless households (where necessary) who have applied as homeless until they find housing. This is a statutory duty for local authorities and an allocation of £15,000 has been made to cover these costs for 2005/06.
- 3.8** All other budgetary provisions contribute to the day to day running of the service.
- 3.9** Value for Money – The rents charged to the council by bed and breakfast landlords are regulated through the Rents Service thus ensuring that we are not overcharged. The team are also in the process of negotiating more affordable costs with our storage provider and making comparisons with other providers in Cheltenham.

## **4. Next Steps**

- 4.1** The increased numbers of homeless households being accepted for housing by the council last year increased by 11% compared to 2003/04 despite the homelessness prevention work that is being carried out.
- 4.2** The council's housing stock is reducing annually through Right to Buy sales and demolition therefore there are likely to be fewer future allocations of permanent accommodation which may mean people having to stay in bed and breakfast or other temporary accommodation for longer periods. This will inevitably lead to increased costs in providing the service.
- 4.3** The Homelessness and Allocations Team are therefore aiming to increase the number of furnished units of temporary accommodation out of the council's housing stock, review the use of a private sector leasing scheme and continue to fund the Family Bond Scheme.
- 4.4** In the longer term, the Housing Services Team must continue to deliver the Homelessness Strategy and its three main aims which are to;
- Prevent incidents and reoccurrence of homelessness
  - Ensure sufficient and suitable accommodation is available for people who are homeless, or are threatened with homelessness;
  - Ensure that appropriate support services are available to homeless people
- 4.5** All the projects supporting these three aims are detailed in the Strategy's Action Plan and will be delivered through the Cheltenham Homelessness Forum and funded by the Homelessness Budget and ODPM funding.

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<b>Background Papers</b>	Homeless Strategy 2005  Homelessness Act 2002  The Homelessness (suitability of Accommodation) (England) Order 2003
<b>Contact Officer</b>	Tracey Murray, Housing Services Manager, Tracey.Murray@cheltenham.gov.uk
<b>Accountability</b>	Cllr. Webster – Deputy Neighbourhood and Community
<b>Scrutiny Function</b>	Social and Community Overview and Scrutiny Committee