

# Cheltenham Borough Council

## Cabinet – 7 November 2017

### Housing Options – Homelessness Prevention Grant and New Burdens Funding

<b>Accountable member</b>	<b>Councillor Peter Jeffries, Cabinet Member Housing</b>
<b>Accountable officer</b>	<b>Martin Stacy, Lead Commissioner – Housing Services and Waste</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Key Decision</b>	<b>Yes</b>
<b>Executive summary</b>	<p>The Homelessness Reduction Act 2017 (the Act) received Royal assent on the 27<sup>th</sup> April 2017 and will be implemented in April 2018. It significantly increases the statutory duties on councils to prevent and relieve homelessness.</p> <p>The Act places a new duty on councils to help prevent homelessness of all families and single people, regardless of priority need, who are eligible for assistance and threatened with homelessness.</p> <p>There is an emphasis on intervention and acting quickly to provide advice and to take action to prevent homelessness, rather than only intervening at crisis point. The duties to help prevent homelessness of non-priority applicants have also been extended.</p> <p>On 16<sup>th</sup> October 2017, it was announced that the council would receive new burdens funding over a 3 year period, including for this financial year, to help cover the costs of implementation. In addition, the council has received flexible homelessness support grant funding, over a two year period, which can be used to support its work to prevent homelessness.</p> <p>It is proposed that these funding streams are used to support the delivery of the new statutory requirements detailed within the Act, and to provide the Housing Options Service with the resources to provide a wider range of homelessness prevention options for households presenting as homeless, as detailed in Appendix 2 of this report. This will include the appointment of two new fixed term posts.</p>
<b>Recommendations</b>	<ol style="list-style-type: none"><li><b>1. To approve the transfer of the New Burdens Funding and Flexible Homelessness Support Grant to Cheltenham Borough Homes' Housing Options Service.</b></li><li><b>2. To note that the indicative expenditures detailed within Appendix 2 of the report may need to be flexible, depending upon demands of the service. The authority to make any changes to these spending plans is delegated to the Lead Commissioner – Housing Services &amp; Waste, in consultation with Cabinet Member – Housing.</b></li></ol>

**3. To also note that should it be required for back-office Housing Options staff to be relocated elsewhere, under more flexible working arrangements, as a result of the recruitment of two new posts, then any new location arrangements will be agreed in writing between CBH and the Lead Commissioner – Housing Services & Waste, in consultation with Cabinet Member – Housing.**

<p><b>Financial implications</b></p>	<p>To assist local authorities to respond to the new duties created by Homelessness Reduction Act the government has allocated initial funding of £131,000: £64,000 in 2017/18 and £67,000 in 2018/19 through the flexible homelessness support grant. In addition, new burdens funding of £32,000 in 2017/18 and £29,000 for 2018/19 has also been made available.</p> <p>It is proposed to create two fixed term posts for 12 months to December 2018. This will cost c.£18,000 in 2017/18 and c.£67,000 in 2018/19.</p> <p>The rest of the funding will be used to set aside funds to support a variety of initiatives set out in Appendix 2. It is anticipated that c.£50,000 will be spent in 2017/18 and c.£140,000 in 2018/9. This grant is ring fenced for activities to prevent and deal with homelessness and will be spent over the two financial years.</p> <p><b>Contact officer: Keith Saunders,</b>  <b>keith.saunders@cheltenham.gov.uk, 01242 264124</b></p>
<p><b>Legal implications</b></p>	<p>Secondary legislation will bring the Act into force in due course, with transitional provisions expected (which will presumably explain how the new duties will apply to applications already being processed when the reforms take effect). Although the additional burdens being placed on local authorities are set out in the report, the Act is not without its opportunities to assist the council in meeting its housing duties. The Act finally puts the valuable homelessness prevention work of Housing Options Teams on a statutory footing. For applicants who are threatened with homelessness, local authorities will have a much longer lead-in time in which to carry out prevention work. If prevention work is successful, and homelessness is avoided, then no final duties will arise. For applicants who are already homeless, or who become homeless at the end of the 56-day prevention period, the new initial duty gives a local authority a further 56-day window to resolve the applicant's homelessness. The initial duty can be discharged by securing suitable private sector accommodation for a minimum period of 6 months. The Act also imposes express duties on the applicant to cooperate in the processing of their application. A failure to cooperate means that duties can be discharged.</p> <p><b>Contact officer: Vikki Fennell</b>  <b>vikki.fennell@teWKesbury.gov.uk, 01684 272015</b></p>

<b>HR implications (including learning and organisational development)</b>	There are no HR implications arising from this report for Cheltenham Borough Council, however, if the proposed activities impact any employees of the Housing Options Service, then these will be managed by Cheltenham Borough Homes' Human Resources Team.  <b>Contact officer: Carmel Togher</b> <b>carmel.togher@cheltenham.gov.uk, 01242 775215</b>
<b>Key risks</b>	<b>Please see risk register at Appendix 1</b>
<b>Corporate and community plan Implications</b>	This will support our community outcome: people live in strong, safe and healthy communities
<b>Environmental and climate change implications</b>	None as a direct result of this report
<b>Property/Asset Implications</b>	None as a direct result of this report. Staff accommodation will be provided within existing Cheltenham Borough Homes Office space.  <b>Contact officer: David Roberts@cheltenham.gov.uk</b>

## 1. Background

- 1.1 The Homelessness Reduction Act 2017 (the Act) received Royal assent on the 27<sup>th</sup> April 2017 and will be implemented in April 2018. It significantly increases the statutory duties on councils to prevent and relieve homelessness.
- 1.2 An additional £72.7 million has been set aside by Central Government to meet the additional burdens from the Act, and it was announced on 16<sup>th</sup> October 2017 that the council would receive £31,838 for 2017/18, £29,163 for 2018/19 and £32,577 for 2019/20. (Recommendations to Cabinet over how the funding for year 3 should be spent will be considered during the course of 2018/19.) This new burdens funding is in addition to flexible homelessness support grant funding that has also been announced this year totalling £63,901 for 2017/18, and £67,300 for 2018/19.
- 1.3 The impact on service provision as a result of the new Act is likely to be high, and the cost associated with the implementation is unlikely to be fully met from the new burden's funding alone, as the Act places a new duty on local authorities to help prevent homelessness of all families and single people, regardless of priority need, who are eligible for assistance and threatened with homelessness. There is also an emphasis on intervention and acting quickly to provide advice and take action to prevent homelessness, rather than only intervening at crisis point. The duties to help prevent homelessness of non-priority applicants have also been extended.
- 1.4 Under current legislation the duty is to provide advice or seek to prevent or relieve homelessness where someone is threatened with homelessness within 28 days. This timescale has been widened to 56 days and provides further scope for intervention and prevention work.
- 1.5 A further 56 day window after the initial 56 day opportunity will be in place to applicants who are or who have become homeless.
- 1.6 Local authorities will have the ability to discharge duty to a homeless applicant into the private rented sector during the initial 56 day prevention period, although the applicant could refuse an offer, and still be owed a duty during the next 56 day homeless period.

- 1.7 In terms of the housing duty, under current legislation this only applies where someone is threatened with homelessness or homeless and they have a priority need. This includes someone with children who reside with them (or who could reasonably be expected to reside with them), or someone who is pregnant or who is vulnerable due to age illness, disability, or for another reason (such as ill health, domestic abuse or previously being a person in care).
- 1.8 The new Act extends these duties, both by increasing the timeframe where help has to be provided, but also extending the duties to people who are non-priority.
- 1.9 A new code of guidance to support the Act is due to be issued, and is necessary to help provide clear guidance on parts of the Act that are currently open to wide interpretation. However, what is clear is that there will be a shift in focus for the Housing Options Team to reflect early intervention work, and that there will be a requirement for detailed action plans and early assessment of all cases, regardless of whether or not a household is in priority need. The result is that Officers will spend and hold each case for longer, with increased opportunities for homelessness prevention being sought.
- 1.10 The purpose of the report going to Cabinet today is to seek approval on how to utilise the allocated new burdens funding and the flexible homelessness support grant funding.

## **2. Proposed use of the new burdens funding, in combination with the flexible homelessness support grant**

- 2.1 The proposals are for a fixed term post of Housing Options Officer until March 2019, and the introduction of a Homelessness Preventions/Initiatives post until December 2018. As one off payments, the money cannot be used to permanently increase staffing levels, but it does provide an opportunity to help the team prepare and meet the opportunities and challenges arising from the Act and to strengthen the services available over the next two to three years. A further opportunity can then be taken to review any future funding allocation, should it be forthcoming.
- 2.2 The role of the Preventions/Initiatives post will be to explore, open up and establish clear pathways to prevent and relieve homelessness across a range of areas. Part of this work will be to work with private landlords to establish trust and provide private rented solutions, whilst looking at new initiatives for those affected by changes in housing benefit regulations, and restrictions on benefit levels for applicants under 35.
- 2.3 To support this Preventions/Initiatives post, and the Housing Options Team generally, it is proposed that funding will be made available to set up a landlords incentive scheme for the private rented sector, a prevention fund, a lodgings scheme for single applicants (including under 35s), additional literature and a communications package, and a 'prevention purse' to enable Housing Options Officers to provide bespoke solutions to the issues that they are presented with.
- 2.4 More details about these initiatives, along with an indicative breakdown of how the funding can be used, are detailed in Appendix 2 of this report. The funding of the two posts is clear, however it is important that in terms of the remaining funding a flexible approach is taken so that the Housing Options Team is able to put resources into those prevention activities that prove to be the most effective, and which deliver best value for money, with the agreement of the Lead Commissioner – Housing Services & Waste, in consultation with the Cabinet Member - Housing.

## **3. Reasons for recommendations**

- 3.1 New duties within the Act, learning from the Welsh experience, and trailblazer authorities has highlighted the need for having adequate resources, and increased options for preventing and relieving homelessness. In fact, the introduction of similar legislation in Wales led to a 50% increase in demand for homelessness services, and the trailblazer authorities in England implementing the Act early have reported a similar increase.
- 3.2 We therefore anticipate an increase in numbers of people approaching the service for advice and

assistance, an increase in the number of applicants we are likely to have an ongoing duty to accommodate, and an increased initial contact time with each applicant and management of individual cases over a longer period of time.

- 3.3** The implementation of universal credit at the same time provides a further challenge. These new benefit changes are due to be implemented within Cheltenham from December 2017, and it is anticipated that this will lead to an increase in homelessness (particularly from vulnerable households) and applicants approaching the service for assistance, coupled with further reluctance from landlords to assist applicants on state benefits.
- 3.4** In the last few years the team has seen the number of private rented solutions reduce, as the gap between local housing allowance rates and rents increase, and the impact of welfare reform and benefit cap restrictions makes private renting a less attractive proposition to landlords and applicants alike. The proposals detailed within this report, and at Appendix 2, will enable the Housing Options Service to focus on, and provide a range of potential solutions to assist homeless households in finding accommodation in the private rented sector.

#### **4. Alternative options considered**

- 4.1** None. The introduction of the new Act means that additional resources are required within the Housing Options Service to meet the council's statutory duties. Additional posts alone, whilst ensuring that the council is technically compliant with the Act, are only likely to make a real difference to reducing homelessness if the Housing Options Service also has at Miray Polat <miray.polat@cheltenham.gov.uk> its disposal more financial resources, as detailed in Appendix 2 of this report.

#### **5. Consultation and feedback**

- 5.1** Consultation has been carried out with the Housing Options Team to review the impact of the Act, and to understand where indicative resources should be placed in order to maximize outcomes in reducing homelessness. These proposals have been discussed with, and are supported by the council's Lead Commissioner – Housing Services & Waste and Housing Strategy and Enabling Officer.

#### **6. Performance management – monitoring and review**

- 6.1** Regular performance monitoring meetings are already in place between the council and the Housing Options Service. Outcomes, and expenditure against these outcomes, will be monitored; and where necessary, the indicative proposals detailed within Appendix 2 may be changed if this is in the best interests of reducing homelessness and providing value for money. Any such changes will be agreed with the Lead Commissioner – Housing Services & Waste, in consultation with Cabinet Member – Housing.
- 6.2** Performance monitoring meetings will also be used to understand any accommodation pressures arising from additional team members being recruited. Again, should back-office staff need to be accommodated in alternative locations as part of more flexible working arrangements, then this will be agreed in writing between CBH and the Lead Commissioner – Housing Services & Waste, in consultation with Cabinet Member – Housing.

<b>Report author</b>	<p><b>Contact officer: Martin Stacy, Lead Commissioner – Housing Services and Waste,</b></p> <p><b><a href="mailto:martin.stacy@cheltenham.gov.uk">martin.stacy@cheltenham.gov.uk</a>,</b></p> <p><b>01242 775214</b></p> <p><b>Paul Tuckey, Housing Options Manager, Cheltenham Borough Homes.</b></p> <p><b><a href="mailto:Paul.tuckey@cbh.org">Paul.tuckey@cbh.org</a></b></p> <p><b>01242 264158</b></p>
<b>Appendices</b>	<ol style="list-style-type: none"> <li>1. Risk Assessment</li> <li>2. Indicative costings for delivery of enhanced Housing Options Service and ensuring compliance with the Homelessness Reduction Act 2017.</li> <li>3. Community Impact Assessment</li> </ol>
<b>Background information</b>	<p>None.</p>

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the staffing levels within the Housing Options Team are not increased then the team will not be equipped to cope with the expected increase in the number of people approaching the service, and the increased time expected to manage each individual case and therefore will be unable to fulfil the requirements of the new legislation.	Martin Stacy	10.10.17	3	5	15	Reduce	Cabinet to accept the recommendation within this report	7 <sup>th</sup> Nov	Paul Tuckey CBH	
	If the level of assistance that the Housing Options Team can offer to applicants is increased, then this could result in people from neighbouring districts seeking assistance from the Housing Options Service.	Martin Stacy	10.10.17	3	2	6	Reduce	The Housing Options Team will be increasing its level of assistance in line with the new Homelessness Reduction Act Legislation which will also be the case for neighbouring authorities across Gloucestershire who currently all offer different levels of assistance.  Local connection criteria will still apply where duties to house permanently are owed.	ongoing	Paul Tuckey - CBH	

								CBH will monitor presentations to the Housing Options Service as a result of any discrepancies in service across the authorities, and will seek to identify solutions with neighbouring authorities as part of their operational partnership meetings. Any issues requiring escalation can be aired for resolution at Strategic Housing Officers Group, followed by Strategic Directors Group, if required.			
	If additional staff are accommodated, then there may not be adequate provision within the Housing Options Office at Cheltenham First Stop	Martin Stacy	18.10.17	2	5	10	Reduce	Alternative back-office arrangements can be agreed between CBH and the Lead Commissioner – Housing Services & Waste, in consultation with the Cabinet Member – Housing	April 2018	Paul Tuckey CBH, Martin Stacy	
<b>Explanatory notes</b>											
<b>Impact</b> – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)											
<b>Likelihood</b> – how likely is it that the risk will occur on a scale of 1-6											

(1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)

**Control** - Either: Reduce / Accept / Transfer to 3rd party / Close



**Indicative costings for delivery of enhanced Housing Options Service and ensuring compliance with the Homelessness Reduction Act 2017**

<b>Flexible Homelessness Support Funding</b>	<b>Comments</b>	<b>2017/2018 £63,901</b>	<b>2018/2019 £67,300 plus £46,100.39 carried forward = £99,333.88</b>
<b>New Burdens Funding</b>		<b>£31,838</b>	<b>£29,163</b>
<b>Total funding</b>		<b>£95,739</b>	<b>£142,563.39</b>
<b>Total estimated expenditure</b>		<b>£49,638.61</b>	<b>£142,563.39</b>
Funding for additional Housing Options Officer post on Fixed term contract (including on-costs)	<ul style="list-style-type: none"> <li>• Increased capacity for homelessness prevention or relief cases</li> <li>• To help prepare and meet the additional work from the Act.</li> <li>• Early intervention to prevent households from becoming homeless</li> </ul>	£9433.56 (assumes start date 1/1/18)	£38,558.56
Funding for Preventions Initiatives Officer post on Fixed Term contract (including on-costs)	<ul style="list-style-type: none"> <li>• To help prepare and meet the additional work from the Act.</li> <li>• To increase access to housing for households at risk</li> </ul>	£9433.56 (assumes start date 1/1/18)	£28,918.89 (employment till end Dec 2018)

	<ul style="list-style-type: none"> <li>of homelessness</li> <li>To help set up initiatives and early management of schemes</li> </ul>		
Prevention fund for one-off payments of housing related debt or rent arrears on exceptional basis in order to prevent or relieve homelessness.	<ul style="list-style-type: none"> <li>To enable applicants to stay at current accommodation</li> <li>To enable homeless households to obtain accommodation</li> </ul>	£4,000	£16,000
Funding of landlords incentive scheme to secure additional units in the private rented sector	<ul style="list-style-type: none"> <li>To help meet the duties imposed from the Act</li> <li>Funding gap between Local Housing Allowance and rent levels in exceptional cases and as last alternative</li> </ul>		£22,000
Funding for lodgings scheme	<ul style="list-style-type: none"> <li>To help meet the needs of the Act</li> <li>Set up scheme and incentivise landlords</li> <li>To increase access for housing for single persons (particularly under 35's)</li> <li>Non priority deposits</li> </ul>		£16,000 Advertising, research, incentive payments
Prevention purse available to all Housing Options Officers for use	<ul style="list-style-type: none"> <li>Providing Housing Options Officers</li> </ul>	£4,271.49	£17,085.94

to help prevent homelessness	with options to bespoke solutions		
Additional literature and enhancement to communications	<ul style="list-style-type: none"> <li>To help ensure adequate advice, assistance and literature is available and tailored appropriately</li> </ul>	£3,000	Not required second year
Staff training	<ul style="list-style-type: none"> <li>Preparation for new legislation</li> <li>Initial training analysis has identified training requirements in negotiation skills, housing rights of domestic abuse victims</li> <li>Also need for provision of training and awareness to partner agencies</li> </ul>	£2,000	£2,000
IT and digital delivery i) Upgrade to current homelessness IT provision	<ul style="list-style-type: none"> <li>Upgrade of IT system to meet requirements of the HPA and new reporting requirement</li> <li>System upgrade to include provision of digital access and delivery to homeless</li> </ul>	£7,000	£2,000 (system upgrades)

ii) Pre-assessment module	<ul style="list-style-type: none"> <li>• applicants</li> <li>• Provision of pre application assessment module</li> <li>• Provides applicants with detailed and realistic housing options and action plan at point of initial contact</li> </ul>	£4,000	
Preparation for legislation	<ul style="list-style-type: none"> <li>• Recruitment of temporary Housing Options Officer to enable utilisation of existing resources in preparation for the implementation of the Act (prior to recruitment and training/induction time required for the fixed term posts)</li> </ul>	£6,500	
<b>Total anticipated spend</b>		<b>£49,638.61</b>	<b>£142,563.39</b>

\*The funding for the additional posts is fixed based on start and end dates, and made on reasonable assumptions of salary levels as advised by CBH Finance and taking into account inflationary salary increase.

\*\*Money request for other schemes is based upon best estimates but would offer some flexibility to switch between pots if required.

**Details of incentives/schemes**

**Lodgings scheme** - To encourage occupiers to offer accommodation in their home to those in need of housing. The highest percentage of occupiers attracted to the scheme appears to have been owner occupiers who have been through relationship breakdown and require additional money to help pay the rent/mortgage.

The money allocated would be for initial set up costs (advertising, events, speaking to prospective clients, potential website), setting up system of advice. It is envisaged that the money could be utilised to getting a property up to standard if required, and if required initial annual gas safety check. The Housing Options Service would be looking to assist an estimated 30 single applicants by end of second year.

**Prevention fund** To be used for one off payments of debt to prevent or relief homelessness.

**Prevention purse** - Available to Housing Options Officers on an individual basis to assist applicants outside of prevention fund remit. Although parameters will be set this would provide the officers with opportunity to be inventive in preventing or relieving homelessness.

**Landlords Incentive** - Payments made to encourage a landlord to maintain a tenant in the current home (e.g. if concerned about impact of universal credit changes), or to secure a tenancy, where there are financial concerns about the ability of the tenant to maintain the accommodation, e.g. as a result of universal credit.