

Cheltenham Borough Council
Cabinet – Tuesday 12th February 2019
Housing Options – Flexible Homelessness Support Grant and New Burdens Funding

Accountable member	Councillor Peter Jeffries – Cabinet Member - Housing
Accountable officer	Martin Stacy – Lead Commissioner – Housing Services
Ward(s) affected	All
Key Decision	Yes
Executive summary	<p>This report sets out the spending proposals for Cheltenham Borough Homes' Housing Options Service, using additional funding provided by the Ministry of Housing and Local Government (MHCLG). This funding is made up of New Burdens Funding (to take account of the additional responsibilities placed on councils as a result of the introduction of the Homelessness Reduction Act in 2018) and a Flexible Homelessness Support Grant.</p> <p>Both the New Burdens Funding and the Flexible Homelessness Support Grant have been made available to the council annually since 2017, and a report went to Cabinet in November 2017 detailing spending plans for the period 2017/18 to 2018/19. For the period 2019/20 the MHCLG have announced an increase in the level of Flexible Homelessness Support Grant to be allocated to the council. This additional funding provides the council with opportunities to invest more resources into the Housing Options Service, taking account of the increase in demand on the service as a result of the Homelessness Reduction Act, as well as providing opportunities to address any potential gaps in service provision. It is proposed this funding is utilised over a 2 year period to take account of uncertainties in the funding arrangements post April 2020. It is intended that a further report will be brought to Cabinet after the MHCLG have announced their funding plans for 2020-21.</p>
Recommendations	<ol style="list-style-type: none"> 1. To approve the transfer to Cheltenham Borough Homes' Housing Options Service the sum of £196,577; this being part of the MHCLG's New Burdens Funding and Flexible Homelessness Support Grant funding allocation to the council for 2019/20. 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, in consultation with Cabinet Member – Housing.

Financial implications	<p>To assist councils in responding to the new duties created by the Homelessness Reduction Act, MHCLG has allocated of £32,557 New Burdens Funding and approximately £220,000 Flexible Homelessness Support Grant for the period 2019/20. Given the uncertainties over future funding arrangements post April 2020, it is proposed that this funding allocation for 2019/20 is utilised over a two year period, in combination with the underspend of New Burdens Funding and Flexible Homelessness Support Grant carried forward from 2018/19, as detailed in Appendix 2 of this report.</p> <p>The remainder of the MHCLG funding allocation (c.£56,000) will remain with the council. £42k will be used to part fund a new Housing Strategy & Enabling post over two years, subject to approval from Council, with the remaining £14k to be allocated in due course, again, subject to the relevant approvals.</p> <p>Contact officer: Sarah Didcote, Sarah.didcote@cheltenham.gov.uk, 01242 264125</p>
Legal implications	<p>Homelessness support and prevention initiatives and schemes developed and funded through the Department for Communities and Local Government Grant assists the Council in meeting its statutory duties to those threatened with homelessness and homeless applicants including those placed in Temporary Accommodation under the Homeless provisions of the Housing Act 1996 (as amended). The new resources are expected to be used to strengthen homelessness prevention in the District.</p> <p>Contact officer: Vikki Fennell vikki.fennell@tewkesbury.gov.uk, 01684 272015</p>
HR implications (including learning and organisational development)	<p>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 and supported by Cheltenham Borough Homes' Human Resources Team.</p> <p>Contact officer: Clare Jones, HR Business Partner clare.jones@publicagroup.uk, 01242 624364</p>
Key risks	<p>Please see risk register at Appendix 1</p>
Corporate and community plan Implications	<p>This will support our community outcome: people live in strong, safe and healthy communities</p>
Environmental and climate change implications	<p>None as a direct result of this report</p>
Property/Asset Implications	<p>None as a direct result of this report. Staff accommodation will be provided within existing office space.</p> <p>Contact officer: Dominic Stead, Head of Property Services Dominic.stead@cheltenham.gov.uk</p>

1. Background

- 1.1** In November 2017, Cabinet approved the transfer of the Ministry of Housing, Communities and Local Government's (MHCLG) New Burdens Funding and the new Flexible Homelessness Support Grant, to Cheltenham Borough Homes' Housing Options Service in preparation for the implementation of the Homelessness Reduction Act in April 2018. As a result of this additional funding, improvements were made to the Housing Options Team, with the recruitment of an additional Housing Options Officer, and a new Housing Solutions Officer, focusing on developing initiatives to help prevent homelessness through the private rented sector.
- 1.2** This injection of funding coincided with a substantial increase in the number of households presenting to the Housing Options Service, following the introduction of the Homelessness Reduction Act. From April to end December 2018 there were 387 homelessness applications, compared with 216 over the same period during 2017, representing a 79% increase.
- 1.3** The additional resources put into the service to help manage this increase in demand and to find more preventive solutions for homeless households has led to a significant increase in the number of homelessness preventions and reliefs by the Housing Options Service. (Reliefs are when a settled housing solution is found for a homeless household before a statutory homeless duty is triggered.) Over the period April 2018 to December 2018 there were 187 households whose homelessness was prevented or relieved. This compares with 109 households over the same period in 2017.
- 1.4** The result is that homelessness acceptances (i.e. when the statutory homelessness duty is triggered) have reduced from 75 over the period April to December 2017 to 24 over the same period in 2018.
- 1.5** The MHCLG have now announced that, following changes to how the Flexible Homelessness Support Grant (FHSG) is calculated, the council is due to receive approximately £220,000 FHSG for 2019-20. This is an increase from approximately £67,000 that was awarded for the period 2018-19, and is in addition to the New Burdens Grant allocation of £32,567, also confirmed for 2019-20, and which is being provided to take account of the new responsibilities placed on councils as a result of the Homelessness Reduction Act.

2. Flexible Homelessness Support Grant and New Burdens Funding 2019-20

- 2.1** There is currently some uncertainty over MHCLG's grant funding arrangements post 2020. The council has been advised that a new formula is likely to be applied to the Flexible Homelessness Support Grant, and this heightens the uncertainty further. In addition, at present there has been no confirmation from MHCLG that the New Burdens Funding will continue post 2020.
- 2.2** In view of this uncertainty, it is proposed that the 2019-20 Flexible Homelessness Support Grant is utilised over a two year period in order to generate more certainty over service provision. This will also provide the council with more time to consider how successful the initial funding plans have been in delivering key outcomes; thereby enabling any necessary changes to be made later, should this be appropriate. It is envisaged that a further report will be presented to Cabinet in February 2020, firming up spending plans for 2020-21 and potentially 2021-22, by which time it is anticipated that MHCLG will have confirmed its future funding commitments to the council.
- 2.3** In order to maximise our spending plans over this two year period, it is intended that we carry forward the underspend of New Burdens funding and Flexible Homelessness Support Grant which has accrued during 2018-19. This underspend has come about as a result of:
- Challenges in recruiting a Housing Solutions Officer, which led to a lengthy delay in securing an officer for the post;
 - Significant team resources having to be diverted to implementing the changes brought about by the Homelessness Reduction Act (i.e. creating new processes, procedures, and

receiving training, etc.);

- Significant workload pressures as a result of an increase in homelessness approaches, along with a higher than normal staff turnover;
- The Housing Options Team taking advantage of other funding opportunities to deliver key outcomes, such as the use of the council's Discretionary Hardship Payments, which is managed by the council's Housing Benefits service.

3. Proposed use of the New Burdens funding and Flexible Homelessness Support Grant

- 3.1** Appendix 2 provides details of our proposed spending plans. In summary, it is proposed that the current additional Housing Options Officer post, along with the Housing Solutions Officer post, (both of which are being funded from the existing allocation of New Burdens and Flexible Homelessness Support grant funding) will continue to be funded. Both roles will help to manage the increase in demand on the Housing Options Service, and will support the delivery of key outcomes, as detailed in Section 1 above. The Housing Solutions Officer will continue 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. It is therefore also proposed that funding will continue to be allocated to support a range of initiatives that will help households gain access to alternative accommodation, as detailed at Appendix 2.
- 3.2** In addition, it is proposed that a new role is created - a Housing Interventions Officer - on a 2 year fixed term basis, to provide support to households approaching the Housing Options Service as homeless. The rationale for the creation of this new post is detailed in Section 4 below.

4. Reasons for recommendations

- 4.1** New duties arising from the Homelessness Reduction Act, in combination with an increase in demand on the Housing Options Service from homeless households, means that it is appropriate to continue to fund the two additional posts as detailed in Section 3 above, and to provide the necessary funding options that will continue to support the delivery of a range of initiatives and practical steps to prevent homelessness by the Housing Options Team.
- 4.2** In addition, it is proposed that a new post – a Housing Interventions Officer - is created, on a 2 year fixed term contract. The proposal for creating this post has come about from learning that has been derived since the implementation of the Homelessness Reduction Act, as follows:
- 4.2.1** Despite the positive outcomes, as highlighted in section 1 above, there have been a number of households who have removed themselves from the homelessness application process, or where their situation has remained unresolved. Over the period April to December 2018, the homelessness prevention duty was ended on 25 households because they no longer engaged with the service. In addition, a further 39 households who had become homeless simply stopped engaging with the Housing Options Service. The Housing Options Team work with households who are often vulnerable, chaotic and who have multiple and complex issues. Resolving the housing situation will often be one issue of many that a household may face at that time. A review of these cases confirms that a number of these households would have benefitted from additional support in order for a more holistic approach to be taken to managing their housing issues. If that support had been in place, then it is likely that more households approaching the Housing Options Service could have been helped into securing a settled housing solution.
- 4.2.2** Of the 378 homeless applications that made to the Housing Options Service in the first nine months from April 2018, 256 of the households were identified as having a support need - yet only 90 of these households were in fact engaged with support agencies at the initial point of contact.

Whilst it is not possible to directly translate this to a household requiring additional support from a Housing Interventions Officer, it is reasonable to assume that most would have benefited from the assistance that a Housing Interventions Officer could have provided; either through direct support provision from the Officer, or where more appropriate, through the Officer's coordination of support from other services.

4.2.3 It has also become clear that many of the barriers to accessing the private rented sector are attributable to private landlords' concerns about vulnerable households not being adequately supported. It is envisaged that the Housing Interventions Officer would undertake the role of providing reassurance to landlords so that, should support be needed for those households which the council has placed into the private rented sector as part of its homelessness prevention work, then that support will be provided.

4.2.4 In terms of the overall functions of the role, it is envisaged the Housing Interventions Officer will:

- Be responsible for providing extra resource and assistance to those most in need
- Be a key person for managing the relationship between supporting agencies and in trying to obtain and/or maintain accommodation
- Be effective and outcomes driven
- Provide support for vulnerable and complex households
- Link households to appropriate services
- Add value to services already in place rather than duplicate services
- Ensure high risk vulnerable clients have fair access to services
- Respond quickly and effectively to crisis situations
- Work closely with households in emergency accommodation
- Support vulnerable clients to ensure accommodation is maintained, or where necessary help to secure accommodation
- Work closely and effectively with the Housing Options Officers.

5. Alternative options considered

A number of alternative options were considered. These included having a role with a specific focus on young people, perhaps in the form of a mediation-type service. Consideration was also given to the development of a Money House – i.e. making available accommodation to train prospective tenants on how to maintain their accommodation. However it is considered that the Housing Interventions role is likely to be more impactful and cost effective in delivering positive outcomes for the Housing Options Service, and in some ways this role may well touch upon the other ideas that were considered. As the Housing Interventions role is initially for a two year period, there will be opportunities in the intervening time to consider its success and whether future investment in this area is warranted, should further funding be available.

6. Consultation and feedback

6.1 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, and the council's Housing Strategy and Enabling Officer.

7. Performance management – monitoring and review

7.1 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, in consultation with Cabinet Member – Housing.

Report author	Contact officer: Martin Stacy, Lead Commissioner – Housing Services, martin.stacy@cheltenham.gov.uk, 01242 264171
Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Indicative costings for delivery of enhanced Housing Options Service and ensuring compliance with the Homelessness Reduction Act 2017.
Background information	Report to Cabinet, November 2017

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 staffing levels within the Housing Options Team are not supported through the utilisation of MHCLG funding as detailed within this report, then the team will be less equipped to deal with the increase in the number of households approaching the service, and the increased time expected to manage each individual case as a result of the Homelessness Reduction Act.	Martin Stacy	10.1.19	3	5	15	Reduce	Cabinet to accept the recommendation within this report	7 th 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 MHCLG funding is significantly reduced post 2020, then it may not be possible to fund the additional posts as detailed within this report. (In particular, the additional Housing Options Officer and the Housing Solutions Officer are to become permanent posts during 2019)	Martin Stacy	10.1.18	3	3	9	Reduce	<p>Ensure that funding is planned over two years in order to guarantee funding of the posts over this period – as detailed within Appendix 2 of this report.</p> <p>Should future funding be unavailable after April 2021, then the Housing Options Service will have to review its service priorities, and if necessary the new permanently created posts may have to be</p>		Martin Stacy, CBC	Paul Tuckey, CBH

								made redundant, which would have to be financed from the MHCLG funding provision.			
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Explanatory notes

Impact – 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)

Likelihood – 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