

## HOUSING OPTIONS - SERVICE CHANGES AND RESOURCING

### SUMMARY AND RECOMMENDATIONS:

The Homelessness Reduction Act (**HRA**) came into force on 3<sup>rd</sup> April, 2018; homelessness legislation has significantly changed as a result of the HRA, placing a number of new duties on District Councils.

Central Government has allocated two ring-fenced grants to local authorities, which can be used to subsidise the provision of temporary accommodation and deploy as appropriate to implement and embed new burdens imposed by the HRA.

In the light of the introduction of the new duties a review has been carried out of the work and resources to ensure that, going forward, the Council can provide a responsive and resilient service which provides a positive customer experience. This report sets out the proposed use of the ring-fenced grants to meet the challenges imposed by the Act.

. The Cabinet is recommended to:

- **Endorse the approach for use of the grants as set out in the report**
- **Approve the necessary budget amendments to reflect receipt of the grants and the use thereof as set out in Appendix 2**
- **Approve delegated authority** to the Head of Environmental Health and Housing in consultation with the Health and Housing Portfolio Holder for any future spend of the homelessness ring-fenced grants.

## 1. INTRODUCTION

- 1.1. Dealing with and preventing homelessness is a statutory duty for District Councils. The HRA will further increase demand on the already stretched homelessness service. Evidence of this is provided in **Appendix 1 - Housing Options Demand**. The work generated by the new provisions will have a significant impact on the work of the Housing Options Team.
- 1.2. The Cabinet has previously agreed to recruit one additional full-time Housing Options Officer (G5 post), for a period of two years from the ring-fenced budget, to support the implementation of the HRA and maintain delivery of the Council's homelessness duty.

- 1.3. Given the predicted increase in homeless applications and subsequent casework, the previous staffing proposal has been reviewed and it is clear that additional resource is required within the Housing Options team to meet the current and predicted work demands now that the implications of HRA are becoming clearer.
- 1.4. By reallocating work within the team, this additional workload can be met by employing 2 team members at grade 4 (subject to job evaluation) to provide additional support with the more complex grade 5 work being undertaken by existing staff, thus keeping additional costs to a minimum.

## 2. HOMELESSNESS GRANT FUNDING

2.1. The table below summarises the available homelessness grant funding:

| Grant Funding   | Year 17/18      | Year 18/19      | Year 19/20      | Ring-fenced |
|---|-----------------|-----------------|-----------------|-------------|
| <b>New Burdens funding</b>  | £37,324         | £34,198         | £36,140         | Yes         |
| <b>Flexible Homelessness Support Grant</b>  | £246,605.49     | £283,743.57     | 286,969         | Yes         |
| <b>Homelessness Prevention Grant</b><br><br><i>The homelessness prevention grant has been in payment for a number of years and is not ring fenced. It is currently £98K per year.</i> | £98,000         | £98,000         | £98,000         | No          |
| <b>Total Grant</b>  | <b>£381,929</b> | <b>£415,942</b> | <b>£421,109</b> |             |

### 2.2. Flexible Homelessness Support Grant

On 16<sup>th</sup> March, 2017 the Ministry of Housing, Communities and Local Government (MHCLG) announced a new Flexible Homelessness Support Grant (FHSG). From 1<sup>st</sup> April 2017, this grant incorporates funding for Temporary Accommodation Management Fee previously funded by the Department for Work and Pensions (DWP).

Ring-fenced FHSG has been allocated for a period of three years 2017/18, 2018/19 and 2019/20; no further commitment has been made beyond this period at this stage.

### 2.3. New Burden Funding

The New Burden Funding (NBF) has been awarded at £107,000 over three years 2017/18, 2018/19 and 2019/20; no further commitment has been made beyond this period at this stage.

### 2.4. Homelessness Prevention Grant

This is non ring-fenced annual sum of £98,000 from Central Government, which currently appears as a “visible line” within the Council’s core spending power. Core spending power measures the core revenue funding available for local authority services, including Council Tax and locally retained business rates and Homelessness Prevention is one element of this funding. This is currently accounted for within the budget to support all Council services including existing homelessness prevention work and is not ring-fenced to a specific service.

**Appendix 2 – Homelessness Grants Schedule** shows a full account of grant monies received, spend proposed/committed and evidences that there is sufficient funding in the FHSG to subsidise the NBF to create the proposed two new supported-housing G4 posts for two years, without requiring additional resources from the Council.

## 3. PROPOSAL

- 3.1. Appendix 2 shows how the FHSG and NBF will be used to recruit two G4 Housing Options Support Officers for a period of two years to ensure sufficient staffing resources to implement and embed the new legislation as well as provide support to existing caseworkers and improve resilience in the team. The new roles will be subject to job evaluations. The remaining bulk of the FHSG will be used to cover the costs no longer being met by the DWP in respect of temporary accommodation at Clayton Court and other similar properties. It is estimated that there will be sufficient balance remaining to manage any additional void costs at Clayton Court as it nears the end of current arrangements or to allow for some additional costs if further provision for temporary accommodation is made.
- 3.2. It is proposed that Cabinet approves delegated authority to the Head of Environmental Health and Housing in consultation with the Health and Housing Portfolio Holder in any future spend of the homelessness ring-fenced grants to enable a swift response in the appropriate use of the grant funding, in dealing with and preventing homelessness.

## 4. IMPLICATIONS AND RISKS RELATING TO THE HRA

**Appendix 3 – Risk Associated with the HRA** identifies the risks associated with insufficient staff resource.

### 4.1. Financial Implications

There is no direct financial implication for the Council as all costs set out in the report are to be met from ring-fenced homelessness grant funding from Central

Government. There is sufficient buffer in the use of the grant to allow for increases in temporary accommodation costs if further provision is made, to allow for the run-down of existing temporary accommodation and to cover any potential additional costs arising from the outcome of the job evaluations.

#### **4.2. Legal Implications**

The Council will be better resourced to fulfil its statutory homelessness duties.

### **5. CONCLUSIONS**

- 5.1. This proposal is based on the evidential, substantial increase in new burdens and demand on the homelessness service created by the HRA and in response to the additional funding being made available to support this work. The Corporate Leadership Team has supported the proposal as a way to address the work demands.
- 5.2. The plans should ensure that the team will meet demand and respond both appropriately and successfully to the new burdens posed by the new legislation in addition to meeting the costs of temporary accommodation no longer supported by the DWP.

#### **BACKGROUND DOCUMENTS:**

***Appendix 1 – Housing Options Demand***

***Appendix 2 – Homelessness Grants Schedule***

***Appendix 3 – Risk Associated with the HRA***

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## Appendix 1 – Housing Options Demand 2016/17 & 2017/18

| Year    | Number of phone calls | Percentage increase |
|---------|-----------------------|---------------------|
| 2016/17 | 19,520                | -                   |
| 2017/18 | 23,298                | 19%                 |

| Year    | Number of People seen on reception | Number by officer | Percentage increase |
|---------|------------------------------------|-------------------|---------------------|
| 2016/17 | 2223                               | 444.2             | -                   |
| 2017/18 | 2226                               | 444.6             | 0.13%               |

Numbers seen on reception have not risen, however the conversion of contacts into complex work has increased significantly as demonstrated in the table below.

| Year    | Average duration for a customer to wait in reception | Percentage increase |
|---------|--|---------------------|
| 2016/17 | 27 minutes   | -                   |
| 2017/18 | 34 minutes   | 25%                 |

| <b>Year</b> | <b>Number of advice and prevention cases seen by HOTS – complex work resolving housing issues</b> | <b>Number by officer</b> | <b>Percentage increase</b> |
|-------------|---|--------------------------|----------------------------|
| 2016/17     | 630   | 126                      | -                          |
| 2017/18     | 970   | 194                      | 53%                        |

| <b>Year</b> | <b>Net Cost of B&amp;B</b> | <b>Percentage increase</b> |
|-------------|----------------------------|----------------------------|
| 2016/17     | £41,470                    | -                          |
| 2017/18     | £65,000 estimated          | 57%                        |

Appendix 2

| <u>New Burdens Funding</u>   | <u>2017/18</u> | <u>2018/19</u> | <u>2019/20</u> | <u>Total expenditure (Dr)<br/>Income (Cr)</u> |
|--|----------------|----------------|----------------|---|
|  | £              | £              | £              | £   |
| <u>Funding</u>   | -37,324        | -34,198        | -36,140        | -107,662                                      |
| New burden - Homelessness Reduction Act (any unspent funds will be transferred to earmarked reserves to use in future years)                             |                |                |                |   |
| <u>Costs</u>   |                |                |                |   |
| 2 x G4 post - assume pay award each year 2%  |                | 67,543         | 69,569         | 137,112                                       |
| <b>Additional funding required for 2 x G4 posts</b>  |                |                |                | 29,450  |
| Use of balances from Flexible Homelessness Grant (see below)   |                |                |                | -29,450                                       |
|  |                |                |                | 0   |
|  |                |                |                | 0   |
| <u>Flexible Homelessness Grant</u>   | <u>2017/18</u> | <u>2018/19</u> | <u>2019/20</u> | <u>Total expenditure (Dr)<br/>Income (Cr)</u> |
|  | £              | £              | £              | £   |
| <u>Funding</u>   | -246,605       | -283,743       | -286,969       | -817,317                                      |
| <u>Costs</u>   |                |                |                |   |
| Estimated use to cover HB costs based on current claimants (changes to rules on temp accommodation affecting Clayton Court and other similar properties) | 180,000        | 200,000        | 220,000        | 600,000                                       |
| Estimated balance to be ring fenced to cover other spend for homelessness use of this grant to cover 2 G4 posts  | -66,605        | -83,743        | -66,969        | -217,317<br>29,450                            |
| Estimated balance of flexible homelessness grant (allocated to earmarked reserves)   |                |                |                | -187,867                                      |





## Appendix 3

### Homelessness Reduction Act: Impact and Risk Matrix

| Amendment Description   | Current provision  | Impact   | Risks  |
|---|--|--|--|
| <p><b>Threatened with Homelessness</b><br/>An extension of the period during which an authority should treat someone as threatened with homelessness from 28 to 56 days.</p>  | <p>The current period during which an authority should treat someone as threatened with homelessness is 28 days.</p>   | <p>It will be very easy to trigger a homeless application given that virtually any applicant with a housing problem that may bring about a risk of homelessness may be at risk of losing their home within 56 days.</p>  | <p>Increase in use of temporary accommodation and storage costs, and lengths of stay likely to be longer.</p>  |
| <p><b>Action on ending of Assured Shorthold Tenancy</b><br/>Clarification of the action an authority should take when someone applies for assistance having been served with a section 8, or section 21 notice of intention to seek possession of an assured shorthold tenancy.</p>   | <p>Current advice given to applicants is to remain in the accommodation where it is reasonable and safe to do so, until the notice expires. Some cases go through the court to Possessions Order stage and beyond.</p>   | <p>This duty will have a significant financial impact on local authorities. The loss of an AST now accounts for nearly 40% of all full duty homeless acceptances in England, and as this will reduce the ability of a LHA to negotiate a solution with the landlord, LHAs will need to place in TA a lot earlier than currently.</p> | <p>Increased length of time for officers to manage cases. Additional temporary accommodation and storage costs as placements made earlier and for longer. Significant risk of serious shortages of TA provision.</p> |
| <p><b>Extended Housing Advice Duty</b><br/>New duty requiring services designed to meet the needs of certain groups through, for example developing 'pathway plans'. This duty applies to:<br/>a) persons released from prison or youth detention; b) care leavers; c) former members of the regular armed forces; d) persons leaving hospital; e) victims of domestic abuse; f) persons suffering from mental illness; and g) any other groups identified as at particular</p> | <p>LHAs are already under a general duty to ensure that advice and information about homelessness, and preventing homelessness, is available to everyone in their district free of charge. For non-priority groups, including some that fall within the adjacent categories, this is often simply details of</p> | <p>Developing pathways requires support from other agencies that are also facing serious resource challenges. This enhanced new duty will require skilled Housing Advisers/ Housing Options officers spending considerably more time with customers until their housing needs are met.</p>   | <p>Risk of appropriate support from other agencies not being made available. Lack of additional experienced staff required to manage increased workload. Additional cost not covered by new burdens funding.</p>     |

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| <p>risk of homelessness within the authority's area.</p>   | <p>landlords and agents within the Borough.</p>  |  |   |
| <p><b>Duty to assess all eligible applicants' cases and agree a plan</b><br/> This clause inserts a new duty into the 1996 Act, where if the LHA are satisfied that an applicant is homeless or threatened with homelessness, and eligible for assistance, they are required to carry out an assessment of the applicant's case, looking at the circumstances that caused the applicant's homelessness, their housing needs, and the support they need to be able to have and retain suitable accommodation.<br/> The LHA must then work with the applicant to agree, in writing, the actions to be taken by both parties.<br/> Where a LHA deems an applicant to be intentionally homeless, they will be required to take account of the assessment carried when providing advice and assistance.</p> | <p>Currently the level of assessment undertaken within this new duty is only applied to a homelessness application as part of the homelessness investigation.<br/><br/> Housing plans are currently not routinely carried out.</p> | <p>The duty is very prescriptive, requiring several notifications and introducing a bureaucratic process for keeping Personal Housing Plans, and a requirement to keep each step contained within that PHP under review.<br/><br/> The duty is priority-neutral, and therefore <i>all</i> customers approaching LHA as homeless would require an Assessment and PHP, rather than only those in Priority need.<br/> This duty would require more time spent with a greater number of customers in agreeing and managing the PHP, and in administering the documentation to ensure that the process was legally compliant.</p> |   |
| <p><b>Duty in cases of threatened homelessness</b><br/> This clause requires LHAs to take steps to help prevent homelessness for any eligible household threatened with homelessness. It places LHAs under a duty to take reasonable steps to help the applicant to secure that accommodation does not stop being</p>  | <p>While the prevention of homelessness is universal good practice and has been the focus of LHA homelessness services delivery for some years, it is not currently a prescribed duty.</p>   | <p>This duty is also priority-neutral, and therefore increases the number of cases to whom a duty is owed, and the length of time required to be spent with each customer on an ongoing basis.<br/> This duty would require more time spent with a greater number of customers. We are carrying out</p>  | <p>As levels of homelessness rise the number of cases owed this duty will increase. Additional staff will be required to meet this increased need.<br/> There is a risk of 'homelessness tourism' increasing approaches, with</p> |

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| <p>available for their occupation for a period of 56 days from when the LHA is first satisfied that the applicant is eligible and threatened with homelessness.</p>   |   | <p>further analysis as we believe that this would have a minimum 50% increase in case numbers at current levels.<br/>Local connection is not applied to applicants at the prevention duty stage.</p>  | <p>applicants seeking advice and accommodation away from their own LHA area.</p>  |
| <p><b>A new 56 day duty on local housing authorities to take steps to relieve homelessness</b><br/>Help would be provided for households regardless of whether they are in 'priority need'.<br/>LHAs will be required to take reasonable steps that are likely to help the applicant to secure accommodation. Reasonable steps could include, for example, providing a rent deposit or access to mediation to keep households together.</p> | <p>Relief of homelessness is undertaken where homelessness cannot be prevented.<br/>However, this is currently only in Priority Need cases.</p> | <p>Authorities will have to take steps to assist applicants in securing accommodation for a period of 56 days. There would be no duty on the authority to actually source and secure accommodation itself.<br/>This Relief duty will come to an end after 56 days if the applicant is in priority need and not Intentionally Homeless. This is likely to result in many cases remaining open up to and after 56 days. Clarity over whether the requirement to 'help the applicant secure accommodation' includes paying for the accommodation is being sought by LGA.</p> | <p>As levels of homelessness rise the number of cases owed this duty will increase.<br/>Additional staff will be required to meet this increased need.<br/>Risk of temporary accommodation placements and storage cost increasing to cover non-priority households.</p> |
| <p><b>Requirement for applicants to cooperate with the reasonable steps agreed</b><br/>Where a local authority owes a duty to prevent or relieve homelessness, a notice may be served on the applicant advising that they are considered to have deliberately and unreasonably refused to co-operate with the authority.</p>  | <p>There are currently no such requirements on applicants.</p>  | <p>This Clause places a duty on councils to offer applicants with priority need that do not cooperate a six-month AST.<br/>There would be a continuing duty to applicants in priority need to secure that accommodation is available for their occupation, but these applicants would <i>not</i> be owed a main</p>   | <p>As there is a shortage of private sector tenancies locally, so discharge of this continuing duty will be particularly challenging and resource-intensive.</p>  |

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|  |   | homelessness duty, and therefore would have to be offered an AST of at least six months as a minimum. Those that are not priority need and do not co-operate with the LHA will not be entitled to this support.   |  |
| <p><b>Clarity of the circumstances under which care leavers should be treated as having a local connection with a local authority.</b></p> <p>This clause amends 1996 Act to provide that all care leavers who are owed continuing duties under section 23C of the Children Act 1989 are deemed to have a local connection in the area of the local authority that owes them those duties.</p> <p>Where the young person was looked after by a county council they will have a local connection to any district in that county.</p> <p>Where a care leaver has lived in a different area to the above for at least two years, some or all of which falls before they turned 16 they also have a local connection with that district until they are 21.</p> | Local Connection of care leavers is currently a grey area often subject to review.  | This extends the legal definition for residency rules for local connection. While this gives greater clarity, it will mean that care leavers formerly looked after by KCC can apply to any district within the County, regardless of which district they were placed in for care. | Potential for increased number of care leavers placed in other Kent districts by KCC to approach LHAs for housing assistance. There is currently an acute shortage of appropriate housing for care leavers within LHA areas. Therefore temporary accommodation placements and associated costs could increase. |
| <p><b>Additional Rights of Review</b></p> <p>The clause adds rights of review in relation to new duties in the Bill. An applicant has the right to request a review when a local housing authority makes a decision as to:</p> <p>(i) what duty is owed to an</p>  | Current rights of review cover only the decisions made regarding the homelessness application and the suitability of accommodation. | This new set of review rights is potentially very onerous.  | Significantly increased workload for senior staff. Ongoing legal training will be required at all levels. Potential requirement for housing law specialists to be  |

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| <p>applicant under the new initial duty owed to all persons who are homeless;</p> <p>(ii) duties to applicants who have deliberately and unreasonably failed to cooperate;</p> <p>(iii) the steps they are to take to help the applicant secure suitable accommodation;</p> <p>(iv) give notice they will bring the duty to help secure accommodation to an end;</p> <p>(v) give an applicant notice that they have deliberately and unreasonably failed cooperate;</p> <p>(vi) the steps to be taken where an applicant is threatened with homelessness and the LHA must take reasonable steps to help the applicant prevent homelessness;</p> <p>(vii) give notice they are bringing the above duty to an end; or</p> <p>(viii) the suitability of accommodation offered by way of a final accommodation offer</p> |   |   | <p>recruited.</p> <p>Increased risk of challenge by homelessness charities, advocates, and the Ombudsman, as well as increased risk of judicial review.</p>   |
| <p><b>New Duty for public authorities</b></p> <p>This applies to all public authorities specified in regulations made by the Secretary of State, if they consider that a person in England to whom they exercise functions may be homeless or at risk of becoming homeless.</p> <p>The person may choose which LHA they wish to be referred to.</p>  | <p>There is currently no such duty on other public authorities within current homelessness legislation.</p> | <p>As it stands this clause only amounts to a duty for other public agencies to refer to the LHA, and does not require the public authority to take any responsibility themselves for trying to prevent homelessness.</p> | <p>Potential for tension within essential partnership working as a greater number of cases are simply referred to the Housing Options Service.</p> <p>Potential increase in complex cases such as prison release, hospital discharge etc.</p> |