

HAMBLETON DISTRICT COUNCIL

Report To: Cabinet
17 April 2011

Subject: INVESTMENT PROGRAMME TO PREVENT HOMELESSNESS AND REPOSSESSION 2012/13

**All Wards
Scrutiny Committees
Cabinet Member for Housing and Planning: Councillor M Robson**

1.0 PURPOSE AND BACKGROUND:

- 1.1 Homelessness Grant from Communities and Local Government is paid each year to assist local housing authorities with the prevention and relief of homelessness. It is not a ring fenced grant, but CLG advice is that Local Authorities are expected to invest the funds in the areas intended. The confirmed allocation for Hambleton for 2012/13 is £51,050, together with an additional £30,000 grant for preventing repossession in the owner occupied sector. £81,050 will be placed in the Service Improvement Reserve.
- 1.2 Annex A provides evidence to support an application for ongoing investment in homelessness and repossession prevention, financed from the Service Improvement Reserve. Agencies across Hambleton predict increases in homelessness as a result of forthcoming welfare reform and the ongoing effects of the economic downturn. In Hambleton homelessness is already rising. Further detail is given at Annex A.
- 1.3 The shared housing options team has identified a number of projects and initiatives that require investment if levels of service to homeless and potentially homeless clients are to be maintained in the current economic climate, and future costs to the Council's budgets are to be managed. Annex A identifies some of the factors that have informed this, and shows a proposed Homelessness Prevention Investment Plan for 2012/13. This Plan has been developed in consultation with partners and is endorsed by the Housing and Planning Board. It addresses actions in the Homelessness Prevention Plan and the Housing Strategy Action Plan for both Councils. It is a joint Plan for both Hambleton and Richmondshire Councils, and is a key component of the development and embedding of the shared housing options service.

2.0 DECISIONS SOUGHT:

- 2.1 To approve the Hambleton element of the homelessness prevention investment plan shown at Annex A

3.0 LINK TO CORPORATE PRIORITIES:

- 3.1 **The prevention of homelessness** – The investment plan is key to the continued ability to prevent homelessness by a range of practical interventions to help those at risk

4.0 **RISK ASSESSMENT**

4.1 Risk in not approving the recommendation(s)

| Risk | Implication | Prob* | Imp* | Total | Preventative action |
|--|---|-------|------|-------|---|
| Homelessness presentations continue to increase without targeted prevention activity | costs of temporary accommodation increase, performance against key PIs worsens, | 4 | 4 | 16 | Approve homelessness prevention investment plan |

4.2 Risk in approving the recommendation

4.2.1 There are no significant risks associated with approving the recommendation. Overall the risk of agreeing with the recommendations outweighs the risks of not agreeing them and is considered acceptable

5.0 **SUSTAINABILITY IMPLICATIONS:**

5.1 There are no sustainability implications

6.0 **FINANCIAL IMPLICATIONS AND EFFICIENCIES:**

6.1 The proposal includes an up front provision for a homelessness prevention budget, rather than the provision for bad debts historically made from this grant. This will enable funds to be recycled within the scheme as loans are repaid and rent deposits returned, better managing the Authority's exposure to bad debt.

6.2 Overall the revenue effects of the homelessness prevention investment plan will be as follows:-

| Revenue Effects | 2012/13 £ |
|---|--------------|
| Cost of homelessness prevention investment plan | 81,000 |
| Financed by: | 81,000 |
| Service Improvement Reserve | |
| | 0 |

7.0 **LEGAL IMPLICATIONS:**

7.1 The Housing Advice and Homelessness service operates within the statutory framework of the Housing Act 1996 as amended by the Homelessness Act 2002. This legislation and associated codes of guidance convey statutory duties on this Authority to provide advice and assistance, temporary accommodation and support to access suitable accommodation to certain categories of homeless people.

8.0 **SECTION 17 CRIME AND DISORDER ACT 1998:**

8.1 Young homeless people are vulnerable both to committing crimes and becoming victims of crime. The provision of safe and secure emergency accommodation to young people in need, and the associated efforts to reconcile them to their families and enable them to return home, or to move to secure accommodation helps prevent their involvement in

criminal or anti-social behaviour.

9.0 EQUALITY/DIVERSITY ISSUES:

9.1 Outcome equality monitoring takes place throughout the Housing service, and in the Foundation Housing projects to ensure services are not being provided in a discriminatory or inequitable manner.

10.0 RECOMMENDATION:

10.1 It is recommended that Members approve the proposed investment programme up to £81,000 set out at Annex A of this report to be financed from the Service Improvement Reserve.

COLIN DALES

Background papers:

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HOMELESSNESS PREVENTION INVESTMENT PLAN 2012/13 – HAMBLETON AND RICHMONDSHIRE DISTRICT COUNCILS

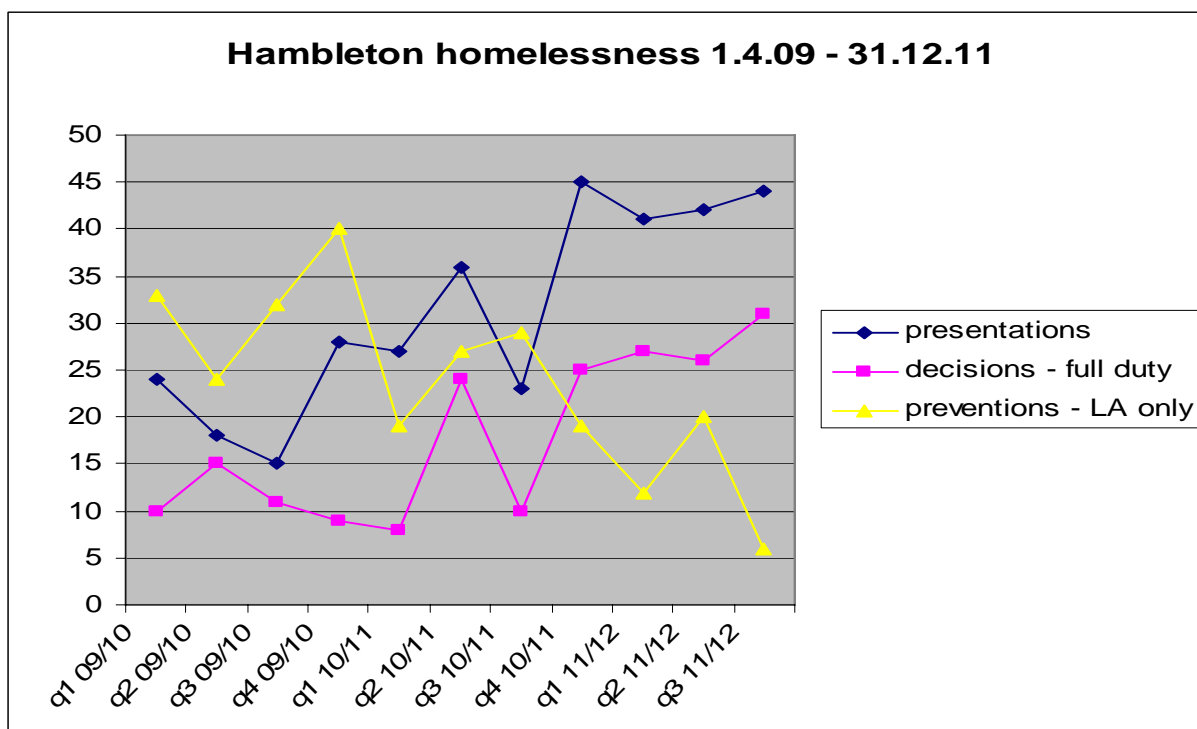
Background

In a climate of severe cuts to public sector funding, CLG have preserved investment in homelessness prevention. This is due in part to an acknowledgement of the value of preventative services – research carried out in 2007 by Heriot-Watt University demonstrated that preventing homelessness can save money when compared to the cost of helping someone who is already homeless. The savings are based on the assumption that the cost to the public pursue of providing temporary accommodation and the re-housing afterwards amounts to £5,300 per case per year.

Major reforms to the Local Housing Allowance were implemented from 1st April 2011. This has resulted in reductions to benefit affecting most claimants. In addition, increases to ‘non dependant deductions’ – the amount adult family members are expected to contribute to housing costs of c 25% have been enacted. This year ‘single room rate’ restrictions to benefit eligibility have been extended to all single claimants up to the age of 35, and benefit for social tenants will be restricted to the size of property the household needs, rather than the size of property occupied. This is already leading to increased difficulty for benefit claimants’ ability to access privately rented accommodation, and is leading to an increase in arrears and debt, and increased repossessions and evictions.

Agencies across Hambleton and Richmondshire predict increases in homeless presentation as a result of this, the ongoing effects of the global recession, and the austerity measures introduced by the Coalition government.

In Hambleton and Richmondshire homelessness is already rising. In Hambleton, during 2011 172 households presented homeless to the Council – this represents a 51% increase over the previous year. The chart below illustrates this;



This investment proposal for the prevention of homelessness is an essential part of the shared strategic housing service's delivery of housing options and homelessness services across the two areas.

Resources

Both Hambleton and Richmondshire's housing teams have a strong track record of 'investing to save' by preventing homelessness in partnership with local agencies using homelessness grant. CLG Homelessness grant has been confirmed for both Authorities for 2012/13 at the following rate;

| | 2012/13 | Repossession prevention grant | Total |
|-----------------|----------------|--------------------------------------|--------------|
| Hambleton - | £51,050 | £30,000 | £81,050 |
| Richmondshire - | £35,050 | £30,000 | £65,050 |

The grant increased significantly for 2011/12, and has now dropped to historical levels this year. This is not a ring fenced grant. However, various homelessness agencies have lobbied local government to preserve the intended protection to front line services to potentially homeless clients offered by the settlement. In particular, Jenny Edwards, CEO of Homeless Link – a charity that works closely with CLG on homelessness issues – wrote to LA Leaders in December 2010 and made a plea for investment in the sector to be preserved - specifically;

'The projected increases in unemployment and the changes to Housing Benefit and Local Housing Allowance are likely to affect many households. Those that are vulnerable with experience of homelessness are least likely to have resilience or alternative ways to cope..... Under the circumstances I would ask you to consider:

- *Ensuring that services to homeless people receive funding that matches the intentions of the Spending Review and wherever possible protects services for vulnerable homeless people and as a minimum ensures they receive a better than average outcome.'*

The Housing shared service evidences savings to Hambleton's temporary accommodation budget by continuing the focus on prevention activity, and by allowing access to Richmondshire's homeless hostel. Whilst this arrangement is embedding, it is clear that the increase in homeless presentations means that increasing pressure is being placed on temporary accommodation, with all its associated costs.

Investment proposals

Following consultation with local agencies a proposed homelessness prevention investment plan has been devised to deliver the shared services' objective of preventing homelessness and reducing Council costs. A summary table is shown below, followed by some commentary;

| Investment area | Hambleton contribution-£ | Performance management mechanism |
|---|---------------------------------|--|
| Rural housing enabler | 5,000 | North Yorkshire Housing Partnership. Housing and Planning Board. |
| Choice Based Lettings | 4,000 | Home Choice Management Board. Housing and Planning Board. |
| Homelessness prevention fund – incorporating repossession prevention (owner occupied sector) | 45,000 | Housing and Planning Board |
| Flexible additional staffing resource | 15,000 | Housing and Planning Board |

| Investment area | Hambleton contribution-£ | Performance management mechanism |
|---|---------------------------------|---|
| Contribution to joint (NYCC/SP/Districts) commissioning of young peoples accommodation and support | 7,000 | SP quarterly monitoring, Housing and Planning Board YP Pathway Group |
| CAB financial inclusion project | 5,000 | SLA and quarterly liaison |
| Total | 81,000 | |

Commentary on investment priorities;

Rural Housing Enabler

Hambleton DC is the lead employer for the North Yorkshire rural housing enabler project, which has won national recognition. Previously funded by the Regional Housing Board, the end of this funding in March 2011 prompted a project review and restructure, resulting in a move from an establishment of 7 enablers across North Yorkshire to a new establishment of 4.

Hambleton and Richmondshire benefit from the services of a shared RHE. A new funding model has been agreed with developing RPs across North Yorkshire to fund the programme moving forward.

It is felt appropriate to use homelessness grant to fund the Local Authority contribution to this project because of the valuable work to address rural housing need the RHE programme delivers. The investment benefits from significant match funding and represents good value for money.

Choice Based Lettings (CBL)

Both Hambleton and Richmondshire worked to introduce CBL for some time. CBL is a scheme for letting affordable homes based on the public advertising of available property. North Yorkshire Homechoice went live in July 2011 and is establishing itself well across the sub region.

The Housing Options Team benefit from much closer collaboration and information sharing with Broadacres and Richmondshire DC as a result of this change, and the options for homeless clients are improved, as evidenced in reducing average lengths of stay in temporary accommodation. Broadacres – who operate the system in Hambleton - have sought assurances from Hambleton that costs associated with the software and scheme operation will be shared, in accordance with practice in other LSVT Council areas in North Yorkshire. Following negotiation, it has been agreed that a 50% shared costs arrangement for the software operating licence of some £8,000 pa would not be unreasonable. The costs of CBL in Richmondshire are met via the housing revenue account as its landlord service remains in-house.

The software is used to advertise other housing options, as well as Broadacres' and Richmondshire's own vacancies, and is developing as an essential tool in the prevention of homelessness and the provision of high quality advice to home seekers. It is appropriate to make this payment from homelessness grant due to the facility within the scheme for statutorily homeless clients to be made a 'direct let' of available vacancies by the Council. This is starting to result in reduced length of stay in temporary accommodation, and reduced costs. The scheme operation will be monitored carefully in partnership with Broadacres and Richmondshire's in-house team.

Homelessness prevention fund

The housing options team operate a 'spend to save' based fund for preventing homelessness, and the development of a new joint approach to this work has been a key success of the shared service. The proposed investment represents a joint prevention fund which will include the following prevention tools:

- bond scheme
- rent in advance scheme
- debt relief scheme
- assistance for non-priority clients (subject to case by case appraisal)
- assistance for homeowners facing repossession
- support to 'top up' the national Mortgage Rescue Scheme

The proposed prevention tools reduce Council financial risk by making up front budgetary provision for a flexible fund that can be used to prevent homelessness. This fund is a key prevention tool for the shared service, and is based on either a direct grant in some circumstances, or a repayable interest free loan at a rate clients can afford. Payments that are made – either from clients repaying their loans, or rent deposits being returned to the Councils – may be recycled and reinvested. It is proposed that within the fund a small amount is set aside each year (in accordance with current practice at both Councils) for non repayable grants to clients for whom a repayment arrangement would render them further vulnerable or financially excluded.

Flexible additional staffing resource

The housing shared service housing options team is still developing its effectiveness, having faced a number of challenges since implementation in August 2011.

During the restructure process the team contributed to corporate cost saving and redundancy avoidance plans by taking on a redeployee from another service, and internally promoting existing staff into new roles. When combined with the increase in caseloads evidenced earlier, and the implementation of a number of new initiatives across North Yorkshire, such as Homechoice and the Young Persons Hub and Pathway the result has been – at times – a lack of capacity to deliver essential front line services. There is also a vacant post currently in recruitment.

It is proposed to set aside a fund to provide for additional staffing resources as and when needed, to address issues of peak workloads and backlog, and to add essential expertise whilst capacity is being built and developed. This proposal in no way represents a dependence on homelessness grant to fund key posts. It is a plan to maintain good standards of customer service to vulnerable clients, and protect the Councils' interests in what is an increasingly challenging and litigious sector.

Contribution to joint commission of young peoples' services

Both Councils have historically invested in prevention services specifically aimed at young people, in accordance with the priorities in both the North Yorkshire and local homelessness prevention plans.

The Hambleton and Richmondshire Young People's Homelessness Prevention programme was launched across our area in November last year. Funded by NYCC Supporting People and Children and Young People's Service, as well as the District housing authorities, this programme jointly commissions the provision of a homelessness prevention service, accommodation and support to homeless young people. Young people at risk move through a 'pathway' towards independence, before being resettled into permanent homes. The process is coordinated within the housing options team, giving unprecedented levels of influence and direction over the allocation of resources towards the most vulnerable young people.

The proposed investment will pay for an additional unit of high level accommodation with support to be used in accordance with the 'Crashpad' model in Northallerton. This provides intensive, short term interventions to homeless young people to enable them to return home, or to settled accommodation in a safe and planned way.

CAB Financial Inclusion Project

The Citizens Advice Bureaux in Hambleton and Richmondshire are to join together from April 2012. There is an established project to fund financial capability support and training, together with debt and money advice, and the joint Manager is keen to develop this service further across the 2 areas. There are significant homelessness prevention outcomes from this work evidenced in Richmond in the past, and scope to link to the Credit Union initiatives aimed at social housing tenants and homeseekers to help deal with the impacts of welfare reform and plan for the introduction of direct payments of Universal Credit in 2013.

Helen Fielding
March 2012