

**HAMBLETON DISTRICT COUNCIL**

**Report To:** Cabinet  
19 March 2013

**Subject:** INVESTMENT PLAN TO PREVENT HOMELESSNESS 2013/15

**All Wards  
Portfolio Holder for Housing and Planning Councillor M Robson**

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**1.0 PURPOSE AND BACKGROUND:**

- 1.1 This report presents an investment plan to help prevent homelessness in Hambleton for the period 2013/2015, and seeks approval to invest £71,000 per annum of grant funding for the next 2 years to this purpose. In previous years plans of 1 year duration have been developed.
- 1.2 Homelessness Grant of £71,067 per annum has been allocated to the Council by the Department of Communities and Local Government for the financial years 2013/14 and 2014/15. For the first time this grant will be paid as part of the Business Rate Retention scheme, and it is not ring fenced. However, the Government has encouraged every local authority to ensure the funding reaches front line services.
- 1.3 Homelessness in Hambleton is rising, along with the national trend. Annex 1 provides some background information on trends in homelessness presentation, and the ability of Council interventions to prevent people experiencing homelessness.
- 1.4 This increase in service demand has taken place alongside a number of other initiatives and changes both locally, sub regionally and in the national arena. As the Housing Service is repatriated from Richmondshire District Council there is a need to rebuild and refocus the work of the Housing Options Team on the pro active prevention and relief of homelessness, and to improve service standards and customer experience for the clients of the service – among the most vulnerable members of our community. Annex 1 provides more detail about the changing environment within which these services operate.
- 1.5 In August 2012 the Government launched its new approach to tackling homelessness in the 2<sup>nd</sup> report of the Ministerial working group on homelessness ‘Making every contact count – a joint approach to preventing homelessness’. This document stresses the role local authorities must play in joint working with other statutory, voluntary and charitable agencies to prevent homelessness, and support those affected. Specifically, it lays down 10 challenges to the sector about how services must change and grow to focus on the pro active prevention of homelessness, rather than the reactive processing of homelessness applications. These are summarised in Annex 1.
- 1.6 Homelessness law also changed in 2012 to enable local authorities to discharge their homelessness duties by offering suitable accommodation in the private sector. This change broke the automatic link between homeless status and an entitlement to social housing. The cost advantages of this change to the Council can be realised by more pro active work with private landlords to identify and promote this option to clients.
- 1.7 The Governments reforms of the welfare system are predicted by local agencies to contribute to increasing homelessness. Indebtedness is a major factor in many homeless cases, and reforms to Local Housing Allowance, housing benefit, the forthcoming ‘bedroom tax’ in the social sector and the introduction of Universal Credit are widely expected to cause more repossessions and evictions, and make it more difficult for low income clients to access suitable accommodation. Annex 1 provides more detail on these issues.

1.8 In response to these issues a draft plan has been developed to invest in the prevention of homelessness, to support other agencies in prevention activity and to rebuild and refocus the work of the housing options service after repatriation. The detail of the proposal and some supporting information is given at Annex 2, and is shown in summary in the table below:-

Name of initiative	Investment required 2013/14 - £	Investment required 2014/15 - £
Employment of additional fixed term Housing Options Adviser post – including on costs and redundancy provision	32,000	32,000
Contribution to Rural Housing Enabler position	5,000	5,000
Homelessness prevention fund	20,000	20,000
CRISIS private rented sector access project 2013/14	5,000	
CAB financial inclusion project		5,000
Safe and Sound Homes	5,000	5,000
Choice Based Lettings licence fee contribution	4,000	4,000
<b>Total per annum</b>	<b>71,000</b>	<b>71,000</b>

1.9 The two major items proposed for investment are the employment of an additional full time officer in the Housing Options Team for a period of 2 years, and the continued provision of a Homelessness Prevention Fund. The risks to the Council of incurring redundancy liability on the cessation of the fixed term contract are to be managed by:-

- offering existing part time staff the opportunity to work additional hours and backfilling the resulting vacancy of a part time position on a temporary basis;
- making any offers of employment for a period not to exceed 2 years;
- making additional budgetary provision within the plan for any increased redundancy liability that may arise, notwithstanding these mitigation measures;
- The homelessness prevention fund will be carefully monitored and controlled, and replenished by the recycling of bonds and loans paid back to the Council. More detail is given at Annex 2.

## 2.0 **LINK TO COUNCIL PRIORITIES:**

2.1 The prevention of homelessness and making the best possible use of the available housing stock contributes to the priority 'to meet the housing needs of all sections of the community'. The reduction of homelessness will also feature as a Council priority in the 2013/14 Council Plan

## 3.0 **RISK ASSESSMENT:**

3.1 The key risks arise from not approving the recommendations and these are set out below:-

Risk	Implication	Prob	Imp	Total	Preventative action
Housing Options Team staff unable to manage increased service demand	Service unable to refocus and improve bottom quartile performance on homelessness acceptance	4	3	12	Recruit additional staff member on a fixed employment term

Overall the risk of agreeing with the recommendations outweighs the risks of not agreeing them and is considered acceptable

#### **4.0 FINANCIAL IMPLICATIONS:**

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

<b>Revenue Effects</b>	<b>2013/14 £</b>	<b>2014/15 £</b>
Cost of homelessness prevention plan	<u>71,000</u>	<u>71,000</u>
Financed by:	<u>71,000</u>	<u>71,000</u>
Contribution from the 'One-Off Fund'		
	<b><u>0</u></b>	<b><u>0</u></b>

4.2 The DCLG published a round up of research into the cost/benefits of homelessness in August 2012. This concludes that a number of studies have attempted to quantify the cost to the public purse of each homelessness presentation as between £24,000 and £30,000 per case. This is backed by a recent National Research paper by Shelter and Acclaim published in October 2010 'Value for Money in Housing options and Homelessness Services'. The research records that the minimum unit cost saving to a local authority per prevention compared to a household being accepted as being owed the main homelessness duty is in the range of £1,300 to £7,700. Averting the requirement for additional temporary accommodation and other costs to the Council of a homeless presentation will help avoid the need to make additional resources available to the Council's temporary accommodation budget.

#### **5.0 LEGAL IMPLICATIONS:**

5.1 There are no legal implications.

#### **6.0 RECOMMENDATIONS:**

6.1 It is recommended that:-

- (1) Members approve the proposed investment plan set out at Annex 2 of this report; and
- (2) £71,000 be transferred from the 'One-Off Fund' in 2013/14 and 2014/15 to fund the plan.

MICK JEWITT

**Background papers:** Making every contact count – a joint approach to preventing homelessness. 2<sup>nd</sup> report of the Ministerial working group on homelessness, DCLG, August 2012

Evidence review of the costs of homelessness, DCLG August 2012

Value for money in housing options and homelessness services, Shelter and Acclaim, October 2010

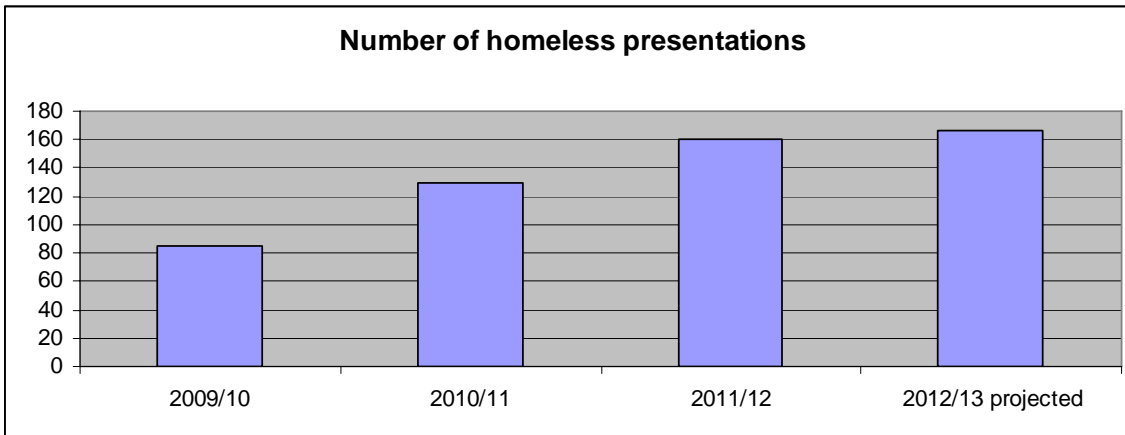
**Author ref:** HKF

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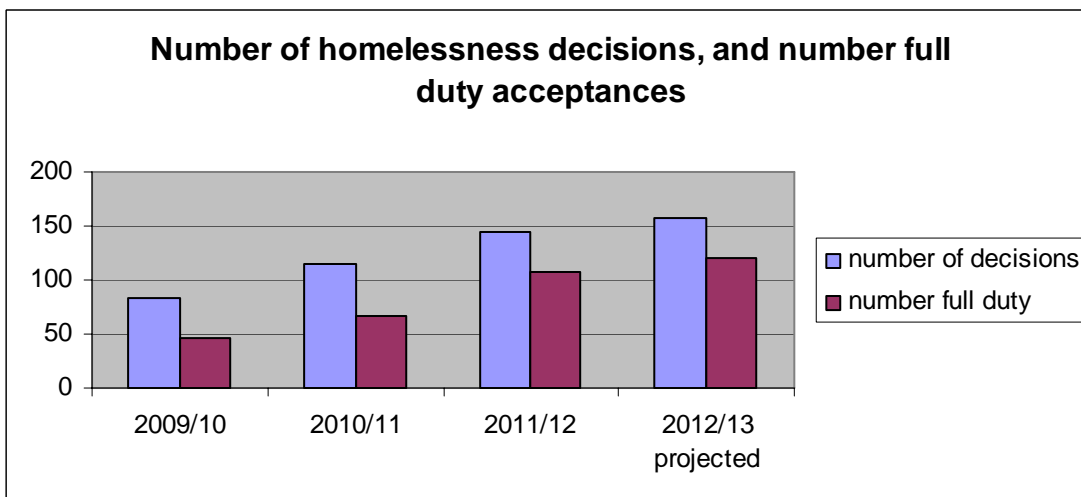
## Annex 1 – background information

### 1. Homelessness in Hambleton

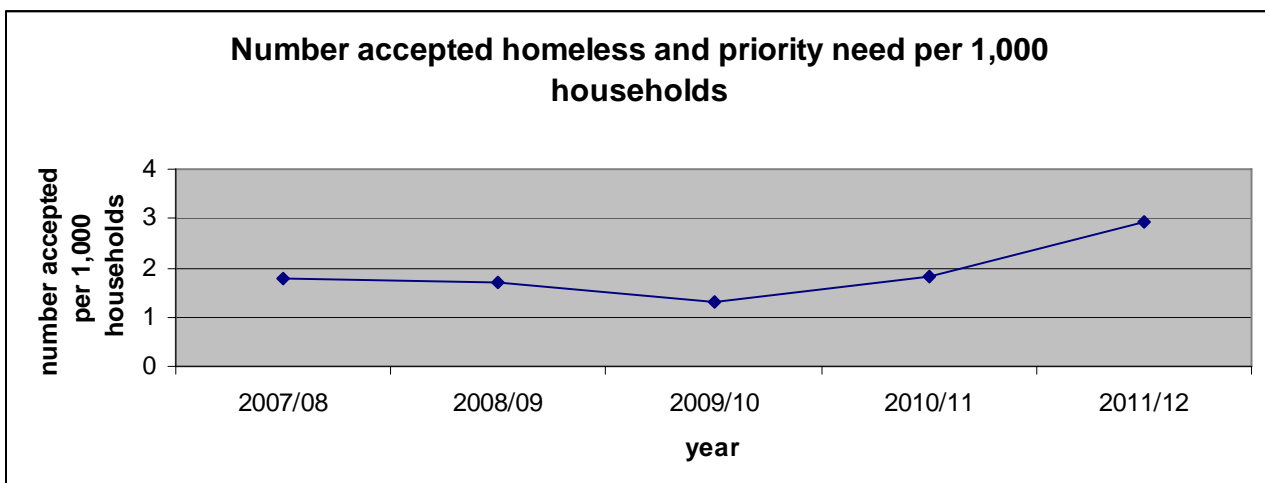
This section presents some facts and figures about homelessness in recent years in Hambleton



This graph illustrates the rising trend of homelessness presentation in Hambleton in recent years. 2012/13 figures are projected based on the first 3 quarters data.



This graph illustrates that not only is homelessness decision making increasing, but the proportion of cases leading to a full rehousing duty being accepted by the Council is also rising.



Benchmarking information from Rural Services Network confirms that Hambleton has slipped into the bottom quartile nationally for performance against this indicator, which measures the number of 'full duty' homeless acceptances per 1,000 population.

## **2. Local, sub regional and national context to this proposal**

The increase in service demand has taken place in the context of a number of developments and changes to the housing and homelessness arena.

Locally, in the past 2 years the Housing Options service has been shared with Richmondshire DC, and was restructured in preparation for this. The restructuring process included the appointment of some staff to new jobs for which a considerable amount of retraining and support was required. There have been a number of other staffing difficulties during the period. The logistics of providing essential front line cover in 2 locations with the resources available put the service under considerable pressure. Now the repatriated service is being planned with 0.9 full time equivalent fewer staff resources than previously available to Hambleton. This has led to the need to plan for the reestablishment of a strong team focussing on improved practice, whilst dealing with increasing caseloads.

Sub regionally, the introduction of a number of a number of new initiatives and new ways of working have changed the environment in which these services are delivered, and placed greater demands upon the service, specifically;

North Yorkshire Home choice was launched in July 2011. This has allowed unprecedented access for Hambleton staff to information and data about housing register applicants, available properties and decisions made by partner landlords. This has undoubtedly improved the way the team work to support clients, but has added responsibilities and duties to the work pattern.

In November 2011 the Young People's Pathway was launched. This partnership between District housing authorities, NYCC Children and Young People's Service and Supporting People Service, and Foundation has created a single hub for all young people seeking accommodation and advice. The additional responsibility for administering and coordinating the 'hub' processes has fallen to the Housing Options Service, and there are a variety of new relationships and arrangements to be managed which are placing additional demands on the service.

In 2012 North Yorkshire adopted the revised Housing and Homelessness Strategy, with its renewed emphasis on the prevention of homelessness, developing temporary accommodation pathways and preparation for the impacts of welfare reform. North Yorkshire has also worked to develop its joint 'No Second Night Out' offer – a package of measures and interventions to address rough sleeping and street homelessness.

Nationally, the Coalition Government has introduced legislation to amend the statutory basis for housing allocation, and to change the means by which local authorities may end their legal duties to homeless people. The ability to discharge homelessness duties in the private sector brings to an end the automatic link between homeless status, and an offer of social housing. Developing a private sector offer that satisfies the requirements of the legislation is the challenge for Housing Options staff in the future, if the financial benefits of these changes are to be realised.

The 2012 report 'Making every contact count' laid down 10 challenges to the sector to address the growing problem of homelessness – the sector should;

1. adopt a corporate commitment to the prevention of homelessness
2. actively work in partnership to address a range of needs
3. offer a Housing Options prevention service, to include written advice to all clients
4. adopt a no second night out model
5. develop housing pathways for each client group to include appropriate accommodation and support
6. develop a suitable private rented sector offer locally
7. actively engage in preventing repossessions

8. have a homelessness strategy that is proactively focussed on prevention, and renewed annually
9. not place any young person aged 16 or 17 in bed and Breakfast accommodation
10. not place any families in Bed and Breakfast accommodation unless in emergency, and then for no more than 6 weeks.

In order to respond to these challenges, a robust approach to rebuilding the work of the housing options service will be required.

### **3. Welfare reform**

The Coalition government have introduced, and legislated for the further introduction of significant reforms to the welfare system that are predicted to impact on homelessness figures. The reforms are widely predicted locally and nationally to lead to increased demand on available affordable homes, increased levels of arrears and repossession/evictions.

Reforms already implemented to housing related benefits include the restriction of Local Housing Allowance rates to the 30<sup>th</sup> centile of prevailing local rents, increased non dependant deductions and the extension of the single room rate to all single claimants up to the age of 35. This has already had the impact of severely restricting the available accommodation to vulnerable clients, especially young single people.

The proposal to introduce an overall cap on benefits in April 2013 has been delayed. However, in April 2013 property size criteria will be applied in the social sector. This has the effect of reducing the housing benefit paid to a household to the rate for the size of property they qualify for, not the size of property they occupy. Broadacres have identified c 500 affected under occupying tenants in their stock. This has led to concerns about the mismatch between the supply of available affordable homes and the demand for them, with an undersupply of 1 bedroom units identified. This is predicted to lead to increased arrears and problems with accommodating under occupiers. Again subject to recent proposals to delay, the introduction of Universal Credit is predicted to also result in increased arrears, indebtedness, repossession and eviction. All means tested benefits are proposed to be combined in a single payment of Universal Credit. This is to be paid monthly, in arrears and direct to claimants. Again, this is predicted to lead to difficulties with claimants – some of whom are unused to paying rent or managing larger sums of money – falling into arrears and debt resulting in eviction.

## Annex 2 - Investment plan to prevent homelessness 2013/15

Name of initiative	Investment required per annum - £
Employment of additional housing options adviser post – including on costs and redundancy provision	32,000
Contribution to Rural Housing Enabler position	5,000
Homelessness prevention fund	20,000
CRISIS private rented sector access project NB – 2013/14 only	5,000
CAB financial inclusion project NB 2014/15 only	5,000
Safe and Sound Homes	5,000
Choice Based Lettings licence fee contribution	4,000
<b>Total per annum 2013 - 2015</b>	<b>71,000</b>

Commentary on each of the proposals;

### Additional housing options adviser – 2 years fixed term.

The case is advanced for the employment of an additional full time officer post for a fixed term not to exceed 2 years to provide additional support to the Housing Options Team as it repatriates, rebuilds and refocuses its work, and manages the additional demands placed upon it in the current environment. It is considered that within the 2 year period the service will implement the changes required to adapt to the new environment, and an exit strategy for the post will be developed to ensure no continuation of dependency on grant funding to deliver this essential service.

Advice was sought from the CLG homelessness specialist advisor when Hambleton's performance slipped into bottom quartile for the first time for homelessness decision making last year. The impact on performance of the shared service with Richmondshire DC has been evidenced elsewhere, and the repatriated Housing Options Service returns to Hambleton with 24% less staffing capacity than before the sharing began. The CLG advice is that it is an entirely appropriate use of the Homelessness Grant to fund additional staffing capacity to deal with the challenges of implementing the required new approach to homelessness prevention described above. In addition, CLG have undertaken to provide support to carry out diagnostic and business improvement work with the Council, after the repatriation of staff.

The use of insecure grant funding to finance essential posts is recognised as a risk for the Council. It is proposed to manage this risk by making budgetary provision for a redundancy payment, should this be necessary at the end of the fixed term, by filling the vacancy by offering existing part time staff the opportunity to work additional hours, and by developing an exit strategy for the post within the life of the project. The exit strategy will include a review of processes and procedures to increase efficiency, clarification of different areas of responsibility for homeless children with CYPS, a review of the young people's homelessness prevention pathway to reduce the demands on Housing staff and careful monitoring of levels of presentation, temporary accommodation and move on to highlight risks to this strategy. Considering the impact on service improvement of failing to adequately resource this statutory service, it is considered that the benefits outweigh the risks.

### Contribution to Rural Housing Enabler position

Hambleton DC is the lead employer for the North Yorkshire Rural Housing Enabler project, which has won national recognition. 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 to 2015.

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.

### Homelessness prevention fund

The housing options team manage a fund for preventing homelessness, in recognition of the evidence that the costs of a homelessness presentation to the Council are significant, and the temporary accommodation budget will be placed under considerable strain by additional presentation. The proposed investment is to create a 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 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) for non repayable grants to clients for whom a repayment arrangement would render them further vulnerable or financially excluded.

### CRISIS private rented sector access project 2013/14

The Council, together with delivery partner Foundation has bid to and attracted funding from CRISIS, the national homelessness charity as part of its private rented sector access funding stream for 2013/14. Foundation will employ an additional worker to work alongside the Housing Options Team, developing housing solutions in the private rented sector for non priority, single clients. The project will also address access barriers for these groups by working with local landlords, and providing support for new tenants in the private rented sector. The investment of £5,000 in the life of this project is match funded by £35,000 from CRISIS, and in kind benefits from Foundation so is considered good value for money.

### CAB financial inclusion project

The Citizens Advice Bureau in Hambleton has an established project to fund financial capability support and training, together with debt and money advice, and the local Manager is keen to develop this service further. There are homelessness prevention outcomes from this work evidenced, and scope to link to other 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.

### Safe and Sound Homes (SASH)

SASH provide short term accommodation for young people in the homes of trained and accredited volunteers. This service is commissioned countywide by Supporting People as part of the young persons homelessness prevention pathway. Housing authorities are asked to contribute to this scheme as their contribution to the joint commission, and in recognition of the essential safe and supported accommodation SASH provides. The usage of SASH by Hambleton clients has reduced recently, for a number of reasons and hence the proposed investment has reduced accordingly in order to ensure value for money is achieved.

### Choice based lettings (CBL)

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 has established itself well across the sub region.

The Housing Options Team benefit from much closer collaboration and information sharing with Broadacres 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 and the recent evaluation project from Joseph Rowntree Foundation. 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 software is used to advertise other housing options, as well as Broadacres' 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 resulting in reduced length of stay in temporary accommodation, and reduced costs. The scheme operation will continue to be monitored carefully in partnership with Broadacres and other North Yorkshire partners.