



To: Councillor Kevin Price Executive Councillor for Housing

Report by: David Greening

Relevant scrutiny committee: Housing 21/9/2017 Scrutiny Committee

Wards affected: Abbey Arbury Castle Cherry Hinton Coleridge East Chesterton King's Hedges Market Newnham Petersfield Queen Edith's Romsey Trumpington West Chesterton

## THE HOMELESSNESS REDUCTION ACT

### Key Decision

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#### 1. Executive summary

This report provides an overview on the introduction of the Homelessness Reduction Act. The Act emanated from a private members bill brought before parliament by Bob Blackman MP. Although local authorities are still awaiting the formal Commencement Order, indicating when the Act will come into force, the Government wrote to all local authorities last month to announce that the Act is expected to apply from April 2018. The Homelessness Code of Guidance will be revised and the Housing Minister has advised that this will be subject to consultation in the autumn of this year, with a view to a final publication date of spring 2018.

Aside from providing an overview of the Act this report will also outline the following:

- The financial support available to local authorities to support the wider statutory responsibilities created by the Act
- The anticipated additional resource requirements for the Housing Advice Service and the rationale for assessing these
- New initiatives that the Council has, or is proposing to, put in place to support its new range of statutory responsibilities
- The Homelessness prevention grants programme for 2018-19

## **2. Recommendations**

The Executive Councillor is recommended:

1. To note the new provisions within the Homelessness Reduction Act and, in particular, the extended range of statutory homelessness duties the Council is obliged to perform under the new Act
2. To agree, subject to any changes that may be made as part of the budget setting process and the formal adoption of the 2018/19 budget by Council, to support a budget bid for additional staffing resources as set out in paragraphs 3.19 to 3.23 of this report
3. To agree to the proposals outlined in this report for expenditure from the Flexible Homelessness Support Grant as outlined in paragraph 3.23 and that any funds carried forward from this grant can be allocated under delegated authority to the Head of Revenues and Benefits, in consultation with the Executive Councillor for Housing
4. To agree, subject to any changes that may be made as part of the budget setting process and the formal adoption of the 2018/19 budget by Council, the proposed homelessness prevention grant funding allocations as outlined in appendix 3 of this report and to agree to delegate authority for decisions around spending the unallocated funds of £14,358 to the Head of Revenues and Benefits in consultation with the Executive Councillor for Housing
5. To agree delegated authority to the Head of Revenues and Benefits, in consultation with the Executive Councillor for Housing, to determine expenditure from the Government's 'new burdens' funding allocation to this local authority, once received later in the autumn

## **3. Background**

- 3.1 The Homelessness Reduction Act 2017 gained Royal Assent on 27th April 2017. The Act follows the introduction of similar legislation in Wales and places new responsibilities on local authorities to provide advice and assistance to prevent and endeavour to relieve homelessness, regardless of priority need, at an earlier stage.
- 3.2 The key points to note are as follows:
  - a) Under current legislation local authorities have a duty to take a homeless application and consider its statutory duties to any household approaching the local authority for assistance who is

threatened with homelessness within 28 days; under the new Act this period is extended to 56 days.

- b) The new Act includes a requirement for local authorities to support everyone to prevent homelessness and/or to obtain alternative accommodation (homelessness relief) regardless of 'priority need' as defined by the existing legislation – Housing Act 1996 part 7 as amended. For those not in 'priority need', the duty is for the authority to use its best endeavours to provide accommodation but no formal duty to do so
- c) Local authorities are obliged to agree a personal housing plan with all customers threatened with homelessness within 56 days. The plan will set out the actions that need to be taken by both the authority and the customer to prevent and/or relieve homelessness. It will need to include an assessment of the applicant's support needs and tailor the plan accordingly.
- d) The 56 days before the applicant becomes homeless is badged as the 'prevention' phase of the duty but, depending on what is agreed in the personal housing plan, this does not prevent the local authority and the applicant from agreeing that a homelessness relief option is preferable at this stage. Either way, the agreed solution should have a 'reasonable prospect' of being available for at least 6 months
- e) If, after the expiration of the 56 days, a solution has not been found and the applicant becomes homeless the 'relief' phase of the duty begins. Additionally some applicants will already be homeless when they first present to the local authority. The relief phase also lasts for a maximum of 56 days. For those in 'priority need' the authority will be obliged to provide temporary accommodation at the point of homelessness. The main way the authority can discharge the relief duty is to assist the customer to obtain suitable accommodation with a 'reasonable prospect' of being available for at least 6 months.
- f) There are a number of additional ways in which a local authority's duties can be discharged at each stage of the process and these are outlined in the flow chart at appendix 1 of this report. One of these scenarios is where the applicant is notified that s/he has deliberately or unreasonably refused to cooperate. This process for arriving at this decision is outlined on page 5 of the flow chart at appendix 1.
- g) The prevention and relief phases of the duty represent new statutory responsibilities for local authorities. If homelessness has still not been resolved and the duty has not been discharged by another means following the conclusion of these two phases, then the local authority

is obliged to assess the application under the full homelessness duty as currently exists.

- h) The Act places significant additional administrative burdens on local authorities in exercising the new duties. There are potentially 10 to 15 stages in the new process where the local authority is required to issue a written decision and where these decisions are all subject to review. In the flow chart at appendix 1 each stage where a review is possible for the customer is highlighted with a '(R)'. The Council currently commissions an external organisation to review its homelessness decisions and has made provision within the recently-renewed contract for the requirements under the Act to be covered, but each case is charged for individually and it is difficult to calculate how many review requests the Council is likely to receive. A further imponderable factor is that the Homelessness Code of Guidance is under review and, as yet, there are no indications as to the expected timescales for determining reviews at each stage.

### **3.3 Resources provided by government**

- 3.4 The Flexible Homelessness Support Grant (FHSG) is a new source of funding announced by government this year. Local authorities have been awarded this grant for a two year period to cover 2017/18 and 2018/19. This grant is not directly designed to cover the costs of implementing the Homelessness Reduction Act. However, for Cambridge City Council it can be of assistance in this regard.

- 3.5 The FHSG is a direct replacement for the 'Temporary Accommodation Management Fee' (TAMF), which was distributed to local authorities by the Department for Work and Pensions until the end of March 2017. The fee made £40 available per week per eligible temporary accommodation unit operated by authorities in London and £60 elsewhere in England.

- 3.6 The formula for calculating FHSG allocations was based on levels of homelessness, family size and housing costs in the area. Cambridge City's high numbers of homelessness acceptances, high housing costs and high numbers of homelessness preventions meant that this authority was awarded considerably more in funding than the Council's overall temporary accommodation subsidy requirements

- 3.7 The FHSG allocations to this authority are as follows:

- £282,835 for 2017/18
- £320,266 for 2018/19

3.8 The Government announced in January 2017 that it would be allocating £61m 'new burdens' funding to all housing authorities in England in acknowledgement of the transitional support required by local authorities implementing new processes and systems to prepare for commencement of the new Act. The process for homelessness data returns to government (The P1E) has also been overhauled and there is a significant increase in case level data required as a result. 'New burdens' funding allocations are expected later this autumn and it is anticipated that this will be a one-off funding allocation.

### 3.9 **Preparing for the Act – new initiatives**

3.10 As outlined in earlier paragraphs, the Homelessness Reduction Act broadens the Council's statutory duties to include all households threatened with homelessness. Cambridge City Council has a long track record in aiming to assist single homeless people to whom the Council does not necessarily owe a statutory duty. The Council supports a wider homelessness partnership via its strategic homelessness network, involving both statutory and voluntary partners who are key stakeholders in the council's Homelessness Strategy Action Plan and has established a sub-regional single homelessness service in October 2013 and a social lettings agency (*Town Hall Lettings*) in January 2014

3.11 Whilst the Council is well placed to meet the requirements of the Act, it is imperative, given the difficulties experienced by those on low incomes and/or reliant on state benefits in accessing the private rented market in Cambridge City and its environs, that the Council continually looks at new innovations designed to relieve homelessness.

3.12 One such proposal are the *HB Plus* and *HB Family Plus* schemes being developed by the Council; the former being for single households and couples, the latter for those requiring family-sized accommodation.

3.13 Both schemes are designed to give households a helping hand to access private rented accommodation in or around Cambridge by providing a payment to a landlord on top of housing benefit entitlement. The subsidy would cover the difference between local housing allowance and the rent up to a maximum figure per month.

3.14 The scheme is aspirational and is intended to operate in partnership with the Citizens' Advice Service (CAB) and CHS Group. The CAB would work with the households affected to help them to maximise income from benefits, minimise outgoings through price comparison

support and manage debt more effectively. CHS group would assist customers not in employment to gain employment or, for those already in employment, to improve their skills and gain better paid employment

3.15 HB Plus will be paid for a maximum of a year and HB Family Plus for a maximum of two years. By the end of this period it is hoped that the households will have attained a position where they are able to cope without additional Council subsidy. More detail on the HB Plus and HB Family Plus schemes is contained at appendix 2

3.16 The Council is also looking to expand its programme for single homeless people, which operates in line with 'Housing First' principles. The Homelessness Strategy Action Plan contains an objective to increase the number of 'training flats' from 2 to 10. Secondly, the Council is looking for opportunities to provide shared housing options for single people, provided both by social housing providers on new build sites and by *Town Hall Lettings*' portfolio in the private rented sector.

### 3.17 **Preparing for the Act – resource requirements**

3.18 In assessing the Council's staffing resource requirements so that the Council is ready to meet its statutory duties, the Housing Advice service has undertaken an analysis of the following:

- The number of customers approaching the service in 2016-17
- The cost per customer, based on existing staff provision at an average gross cost of £39,232 per full time equivalent officer (10 FTEs)
- The likely increase in the number of customers that would fall under the provisions of the new Act
- The additional time required to deal with each case to provide an enhanced standard of targeted advice and to create, monitor and review personal housing plans in each case
- The likely small reduction in homelessness assessment activity (the full duty as it exists now) on the basis that more homelessness would be prevented or relieved
- Increases in workloads experienced by Welsh local authorities and the London Borough of Southwark, which is mirroring the requirements of the Act with Homelessness Prevention Trailblazer funding

3.19 Using the revised cost per case multiplied by the number of approaches the Council anticipates, the Housing Advice Service has projected an increase of 60% in workload which equates to 6 FTEs and an additional staff resource cost totalling up to £235,392

- 3.20 One option would be to fund the additional staffing requirements from the FHSG. However, given that this fund is not guaranteed beyond a two year period the Council could only advertise for staff on a fixed term basis. Given that many local authorities will be looking to expand their workforces to meet the requirements of the Act, the job market in this area is likely to become highly competitive and not being in a position to offer permanent contracts may put the Council at a significant disadvantage in terms of recruiting the staff required.
- 3.21 However, despite the detailed analysis undertaken by the Housing Advice Service, the service implications cannot be predicted precisely and so this report is recommending that the Council supports an increase in the base budget of £235,392 from 2018-19 onwards. Funding from the FHSG would offset this outlay as income until the funds run out. This will allow the service to assess its requirements gradually without overcommitting resources, whilst allowing the service to make permanent appointments as and when required. An additional £29,424 could be used in 2017-18 to enable the new permanent staff to be in post early enough to allow a lead in period to April when the Act commences. Funding requirements will be reviewed annually and, should the service determine that it does not need the full funds available it would only draw down what is required.
- 3.22 Job roles are to include additional housing advisors, accommodation finders (within *Town Hall Lettings*) and administrative support
- 3.23 The following tables indicate proposed funding provision from the FHSG for 2017-18 and 2018-19

### 2017-18

Area of expenditure	Amount (£)
HB Plus and HB Family Plus	£50,000
Temporary accommodation subsidy	£32,000
Staffing	£29,424 (December 2017 to March 2018)
<b>Total</b>	<b>£111,424</b>
<i>Resource carried forward into 2018-19</i>	£171,411

### 2018-19

Area of expenditure	Amount (£)
HB Plus and HB Family Plus	£100,000
Temporary accommodation	£32,000

subsidy	
Staffing	£235,392
IT costs	£10,000
Reviews	£30,000
<b>Total</b>	<b>£407,392</b>
Remaining funds to carry forward	£84,285

3.24 The Council is currently engaged in a 2 year pilot funded as part of the Department of Communities and Local Government's Homelessness Prevention Trailblazers programme. This is a sub-regional project involving all the Cambridgeshire district authorities and Peterborough City Council. The Trailblazer programme is designed to help local authorities pilot innovations that may help to prevent homelessness and support new duties under the forthcoming Act. Further detail on the Cambridgeshire Trailblazer project can be found at <http://cambridgeshireinsight.org.uk/housing/trailblazer> Towards the end of the project, The Trailblazer partnership will want to review the efficacy of the work undertaken and may wish to continue funding particular parts of the Trailblazer work. The FHSG could be used to help support the continuation of this work.

### 3.25 Homelessness Prevention Grants Programme

3.26 One of the reasons why the Council is in a strong position to meet its statutory responsibilities under the new Act is the support provided to partner organisations delivering homelessness prevention services

3.27 All grant awards of over £5000 are reviewed annually by this committee and decisions on approval are founded on a composite assessment of the following:

- Strategic relevance against four headline areas listed in the Housing Strategy (preventing homelessness and rough sleeping, minimising the use of temporary accommodation and maximising use of longer term housing solutions, enabling people to make informed choices about their housing, promoting sustained and settled lifestyles and minimising social exclusion)
- Financial viability
- Performance against measureable outcomes
- The organisation's need for financial support from the Council

3.28 Officer recommendations on homelessness prevention grant funding awards for 2018-19 are contained at appendix 3. In addition, one



contract (Change, Grow, Live), one long term grant (Wintercomfort), one internal award (Public Realm street enforcement officer) and one Service Level Agreement for an Information Technology system (Homeless Link) are also listed. None of these have been required to make a grant application.

3.29 The unallocated funding totalling £14,358 is being reserved as a potential contribution to a wider review of CAB funding.

3.30 Organisations applying for grant funding for 2018-19 are as follows:

- Cambridge Cyrenians
- Citizens' Advice Bureau
- Cambridge Re-use
- Cambridge Women's Aid
- CHS Group
- Jimmy's Cambridge
- Centre 33
- Riverside Care and Support
- Cambridgeshire County Council

## **4. Implications**

### **(a) Financial Implications**

The financial implications are detailed in full within section 3 of this report.

### **(b) Staffing Implications (if not covered in Consultations Section)**

The staffing implications are outlined in paragraphs 3.18, 3.19 and 3.22 of this report.

### **(c) Equality and Poverty Implications**

The Homelessness Reduction Act requires the authority to perform additional statutory duties; it extends the range of people that receive homelessness advice and assistance. An Equality Impact assessment has, therefore not been completed.

### **(d) Environmental Implications**

Nil impact

(e) **Procurement**

The Street and Mental Health Outreach Service contract exceeds the Official Journal of the European Union (OJEU) thresholds for service contracts and was subject to an OJEU compliant tender process when the service was re-tendered last year. A separate report was brought to this committee last September and permission was given to re-tender the service.

(f) **Consultation and communication**

The Homelessness Reduction Act has been subject to an extensive consultation process by the Government.

As part of the full grants value-for money review process conducted during 2015 and the Housing Strategy review, partners have been consulted on strategic direction for homelessness prevention services via the Homelessness Strategy Implementation Partnership in alignment with the Housing Strategy consultation.

(g) **Community Safety**

The contract for Street and Mental Health Outreach Services is specifically shaped to improve community safety by supporting efforts to tackle street-based anti-social behaviour, as is the grant funding for the Public Realm Enforcement service. Cambridge Women's Aid provides refuge and support for victims of domestic violence and makes a significant contribution to community safety in so doing. Evaluations of the Counting Every Adult Service have shown significant reductions in costs to the Criminal Justice System.

## **5. Background papers**

None

## **6. Appendices**

Appendix 1 – National Practitioner Support Service (NPSS) Homelessness Reduction Act process flow chart

Appendix 2 – HB Plus and HB Family Plus

Appendix 3 – Homelessness Prevention Grant Programme 2018-19

## **7. Inspection of papers**

To inspect the background papers or if you have a query on the report please contact:

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