

## BABERGH DISTRICT COUNCIL

|  |                                     |
|--|-------------------------------------|
| <b>From: Corporate Manager – Homeless Prevention and Financial Inclusion</b> | <b>Report Number: BOS/17/22</b>     |
| <b>To: Overview and Scrutiny Committee</b>                                   | <b>Date of meeting: 20 Nov 2017</b> |

### IMPLEMENTATION OF THE HOMELESS REDUCTION ACT (HRA)

#### 1. Purpose of Report

- 1.1 To outline the changes, which will impact on the Council as a result of the enactment of the Homeless Reduction Act (HRA) 2017.
- 1.2 To outline the work being carried out to ensure we are legally compliant and able to fulfil the new duties.
- 1.3 To outline the current and predicted work levels within the homelessness service.

#### 2. Recommendations

- 2.1 To note the information contained within this report.

The Committee is able to resolve this matter

#### 3. Financial Implications

- 3.1 At present, the Homeless Prevention Grant is received as part of the Revenue Support Grant (RSG) which is held within the general fund, but is no longer ring fenced. The S151 officer for the Councils has agreed that although the homelessness prevention grant is no longer ringfenced it will continue to be used to support the homelessness function for the year 2017/18. Any surplus or deficit identified within this financial year is transferred to or from a dedicated earmarked reserve. The RSG will disappear altogether from 2019/20.
- 3.2 A new funding arrangement commenced in April 2017. The Flexible Homeless Support Grant (FHSG) replaced the Temporary Accommodation Management Fee (TAMF). Previously we did not get any funding through the TAMF so this is 'new' funding. The FHSG is calculated based on how many homeless preventions we successfully achieve compared to the number of cases we accept a homeless duty to. The funding levels have been confirmed for 2017/18 and 2018/19. We have been advised that future funding will be based on the number of preventions of homelessness into the Private Rented Sector, although the full formula is still to be clarified. For 2017/18 we have received £115K and for 2018/19 we will receive £131K.
- 3.3 As a result of the Homeless Reduction Act 2017, new burdens funding of £61M over three years has been made available. We have recently received confirmation of the funding levels we will receive. We have been allocated £30,697 in 2017/18, £28,118 in 2018/19 and £32,315 in 2019/20. We were initially advised to expect around £50-£70K per year over two years, but they have now changed it to over three years and

the total is £91,130, which is slightly lower than first hoped but still a reasonable level of funding to help fund additional posts and preventative options.

- 3.4 None of the funds in the Flexible Homeless Support Grant (FHSG) or New Burdens Funding have been spent yet. However, the FHSG has been ring-fenced to homelessness services for the first two years by DCLG (2017/18 and 2018/19). We have now committed some of the FHSG for additional staffing resources.
- 3.5 Funding in 2019/20 onwards will be based on the level of prevention work that has been carried out in the previous year(s). The higher the number of preventions into the private rented sector, the higher the FHSG will be.
- 3.6 We need to ensure we have adequate funds to resource the service effectively but also to invest in prevention initiatives to ensure we meet our legal obligations.
- 3.7 The new staff costs can be met through the FHSG and the Financial Inclusion Budget, which is Housing Revenue Account (HRA). The new staffing structure is detailed at point 7.8.
- 3.10 There is a financial risk to the Council if resources for the homelessness service are reduced and if there are insufficient resources to manage homeless demand. There is a need to protect the current levels of funding for homelessness both now in 2017/18 and going forward into 2018/19 and beyond due to the far greater financial risk posed to the authority through higher numbers of homelessness approaches.

#### 4. Legal Implications

- 4.1 If we fail to accurately assess applications and carry out our duties, then we are at risk of legal challenge. A court case would lead to significant costs.

#### 5. Risk Management

- 5.1 This report is most closely linked with the Council's Corporate / Significant Business Risk No. 1a. Key risks are set out below:

| Risk Description  | Likelihood      | Impact     | Mitigation Measures  |
|---|-----------------|------------|--|
| Failure to identify detailed housing requirements for the local area  | Probable        | Noticeable | Invest in homeless prevention options / initiatives and effectively resource this area of work to ensure options are fully explored in all cases as required by the new legislation                      |
| Failure to fund preventative options, will increase temporary accommodation and Bed & Breakfast costs. If B&B Costs increase, this will put additional pressure on the General Fund Budget. | Highly Probable | Bad        | Sufficient staff levels to manage the demands and the funding of a Rent Deposit Scheme and Lodgings Scheme to offer preventative options and reduce the reliance on costly Bed & Breakfast accommodation |

|  |                 |     |  |
|--|-----------------|-----|--|
| Failure to offer preventative options has a detrimental impact on vulnerable residents, impacting on the full Suffolk System including Health and Social Care  | Probable        | Bad | Invest in homeless prevention options / initiatives, build on relationships with partners to ensure joined up working and effective pathways for all households  |
| Failure to comply with our legal duties, risks judicial reviews or appeals in the County Court. This will have an effect on our reputation and could attract attention in the press.                         | Probable        | Bad | Ensure adequate staff resource and sufficient training is sourced.   |
| Risk of delay in the recruitment process could impact on our ability to find the most appropriate, experienced staff. There will be high demand for competent, knowledgeable, experienced homeless officers. | Highly Probable | Bad | All Councils will be recruiting additional resources. Two local Councils have already recruited and we need to ensure we are prompt to recruit and attract the most suitable, experienced, competent staff to enable us to deliver the new duties within the prescribed timeframe. We propose to advertise in late November. |
| Failure to successfully prevent homelessness into the PRS will affect our future funding from DCLG.  | Probable        | Bad | We need to ensure adequate investment is made in resourcing the team and the Private Rented Sector offer to ensure preventions take place  |
| Government changes funding arrangements and we no longer receive funding we are expecting  | Unlikely        | Bad | This is beyond our control. However, DCLG has made a commitment to fund and the amounts involved have been confirmed. It is unlikely these will be changed or withdrawn in the next two years.   |

## 6. Shared Service / Partnership Implications

- 6.1 We are part of the Suffolk Homeless Officers Group (SHOG), which is made up of the other Suffolk Authorities. The HRA and its implications are regularly discussed and will continue to be.

- 6.2 At the beginning of the year, we successfully bid for £96k with St Edmundsbury and Forest Heath District Councils for funding from DCLG for tackling the increasing issue of rough sleeping across the Districts. We appointed a Rough Sleepers Prevention and Support Worker in May and he has already successfully secured housing for a number of clients and prevented them living on the streets.
- 6.3 We have recently successfully secured £500k through a Suffolk wide bid for funding to look at improving support and options for victims of domestic abuse. We are currently working with support providers and domestic abuse services to provide suitable specialist accommodation.
- 6.4 Shared Revenues Partnership (SRP) currently administer the Discretionary Housing Payment (DHP) Budget. New guidance was issued in 2016, which means DHP funding can now be used to access the Private Rented Sector (PRS), including helping with funds for Deposits and Rent in Advance (RIA).

## **7. Key Information**

### **Background Information on the Homeless Reduction Act (HRA) 2017**

- 7.1 The HRA, is due to be enacted in April 2018. This will place many additional statutory duties on an already stretched service and if we fail to resource this effectively, then it could have a significant impact on the general fund budgets as it is likely we will have to accommodate more homeless households in emergency temporary accommodation such as Bed and Breakfast. It could also mean we fail to meet our statutory obligations, which could result in legal challenge.
- 7.2 There are significant amounts of work to do in preparation for the new Act.
- 7.3 The HRA amends Part 7 of the Housing Act 1996. There are 13 new clauses that amend many of the existing duties and bring in a substantial number of new duties. The Council will need to understand and implement the new duties in a relatively short time frame.
- 7.4 There are many implications arising out of the new legislation. The most important change is the new prevention and relief duties, which will put significant pressures on the Councils. We need to ensure the Councils maximise all homeless prevention funding available to the Councils and ring fence it to ensure we are able to meet the duties.
- 7.5 Homelessness applications are expected to increase significantly. This will put tremendous pressure on the team. More information on the expected demand can be found under Metrics, section 7.7.
- 7.6 The Act introduces new requirements for local housing authorities: -
  - 7.6.1 To carry out homelessness prevention work with all those who are eligible for help and threatened with homelessness. Previously this was a discretionary power and those who were likely to be in 'priority need' and owed an accommodation duty would receive a more 'in depth' advice service than those who no duty would be owed to.

- 7.6.2 It changes the point at which a person is classed as being threatened with homelessness from 28 days before a person is likely to be homeless, to 56 days. This means cases will need to be open for longer and more work will be required, increasing the workload of the officers.
- 7.6.3 It requires local housing authorities to carry out an assessment of the applicant's needs, and that the steps agreed between the local housing authority and the applicant are set out in writing – in the form of a personalised plan. This is a new duty and a substantial administrative task. The steps written in the action plan need to show meaningful activities, which will mean significant levels of case work will be required to ensure we meet our obligations. The plans will also need to be reviewed and updated regularly.
- 7.6.4 It places a new duty on local housing authorities to take steps for 56 days to 'relieve' homelessness by helping any eligible homeless applicant to secure accommodation. This could be Council accommodation or private rented but must be secure for at least 6 months.
- 7.6.5 It places a new duty owed to certain applicants who deliberately and unreasonably refuse to co-operate with local housing authorities. The duty will be to ensure the applicant complies with the personal housing plan and if they fail to do so, that they are given warnings and offered further support before a potential discharge of the Councils' duties. There are also new rights to appeal, which means applicants can challenge our decision if we discharge our duty for this reason. The additional level of support is substantial.
- 7.6.6 It specifies that local agencies (likely to include police, probation, GP's and mental health teams amongst others) must refer those who are either homeless or at risk of being homeless to local housing authority housing teams creating a significant increase in case load. The legal statutes they follow will be amended to incorporate this responsibility. A lot of the people these agencies will refer to us would not previously have contacted us so this will be a further increase in workloads.
- 7.6.7 It makes provision for certain care leavers, to make it easier for them to show they have a local connection with both the area of the local authority responsible for them and the area in which they lived while in care if that was different. As a result we are likely to see an increase in the number of care leavers contacting us for advice, assistance and potentially accommodation.

## **7.7 Metrics**

- 7.7.1 It is difficult to gauge the full impact of the HRA2017 but the Housing (Wales) Act (HWA), which the HRA is based upon has been able to give us some indications of demand. In July, we employed a Homeless Consultant to offer some in depth training and who provided a briefing to Housing Staff, some members of SLT and a number of Councillors. He worked with the Welsh Authorities when they implemented the HWA and has a good knowledge and understanding of the

expected demand. He has also worked with DCLG and is currently assisting a number of LA's across the Country to implement the new Act.

7.7.2 The table below shows the current levels of homeless applications being taken, the number being accepted and the amount of prevention work being carried out.

As you can see from the table below, significantly more prevention work is carried out than homeless applications taken, which is extremely positive.

| <b>Performance 2016/17</b>   | <b>2016/17</b> | <b>Q1/Q2<br/>2017/18</b> |
|--|----------------|--------------------------|
| Number of Homeless Applications Taken  | 147            | 56                       |
| Number of Homeless Applications, 'Accepted' and owed a rehousing duty          | 72             | 25                       |
| Number of applicants where homelessness was successfully prevented or relieved | 358            | 187                      |

7.7.3 Babergh is below the England average for the number of acceptances, which is really positive and shows that it has a high performing homelessness service. This shows that Babergh accepts a homeless duty to less households than the average across England.

|  | 2014/15 | 2015/16 | 2016/17 |
|--|---------|---------|---------|
| Average Number of Households Accepted as Homeless at Babergh | 2.3     | 2.44    | 1.56    |
| English Average Number of Households Accepted as Homeless    | 2.4     | 2.52    | 2.54    |

7.7.4 In previous years, Babergh has been above the England Average for 'Preventions' but fell to just under the average in the last financial year. Options for housing those who are homeless or threatened with homelessness are becoming more limited and unless investment is made in preventative options, successful outcomes will reduce.

|   | 2014/15 | 2015/16 | 2016/17 |
|---|---------|---------|---------|
| Average Number of Households where Homelessness has been Prevented to Relieved per 1000 households at Babergh     | 11.76   | 10.38   | 9.17    |
| Average Number of Households, where Homelessness has been Prevented or Relived per 1000 households across England | 9.71    | 9.3     | 9.23    |

7.7.5 The table below shows the number of homeless households, who have been accepted as homeless and subsequently rehoused through the Choice Based Lettings system, and the average number of days someone had to wait in temporary accommodation for their permanent offer.

| <b>Date range</b> | <b>Number of bedrooms</b> | <b>Number housed through Choice Based Lettings</b> | <b>Average wait in days</b> |
|-------------------|---------------------------|--|-----------------------------|
| 2016/17           | 1                         | 12   | 266                         |

|                      |   |    |     |
|----------------------|---|----|-----|
|                      | 2 | 47 | 226 |
|                      | 3 | 5  | 142 |
|                      | 4 | 2  | 144 |
| Q1 and Q2<br>2017/18 | 1 | 6  | 247 |
|                      | 2 | 18 | 287 |
|                      | 3 | 4  | 254 |

The time taken to rehouse someone has an impact on the availability of temporary accommodation.

- 7.7.6 The table below details the predicted number of applications, BMDSC are likely to deal with under the HRA in 2018/19. As you will see, it is expected our workload could double. This table shows both Councils as it was necessary to use this calculation, when assessing the need for additional staffing resources.

| <b>Reason for Increase</b>  | <b>Numbers/<br/>Calculation</b>           |
|---|---|
| The number of Homeless Applications taken in 2016/17  | 227 (147 at BDC and 80 at MSDC)           |
| The estimated increase in homelessness applications for 2018/19 when the HRA2017 new duties come into effect: -<br><i>(These figures are predicted based on the evidence from Welsh local authorities when the Housing (Wales) Act was enacted)</i> | 26% = 59 extra homelessness applications  |
| One of the new duties means that specified public bodies will be under a legal duty to refer cases to us, which previously we would not have dealt with. The estimated increase in homelessness applications due to this new duty: -                | 65% = 148 extra homelessness applications |
| The estimated increase due to the standard, yearly expected rise in homelessness applications across England: -   | 9% = 20 extra homelessness applications   |
| <b>Total projected homelessness applications in 2018/19 following the enactment of the HRA2017 changes</b>  | <b>454 Cases (Double)</b>                 |

## 7.8 New Staffing Structure

Following the appointment of a new Assistant Director for Housing, some areas of responsibility have changed between Corporate Managers. The Corporate Manager with responsibility for Homelessness, has now also taken on responsibility for Financial Inclusion and is leading the project on the Implementation of Universal Credit. A business case was recently submitted to SLT, which put forward a case for additional staffing to manage the implementation of the Homeless Reduction Act, Universal Credit and expand the service offered by the Financial Inclusion Team.

Universal Credit (UC) is a new benefit system that takes six existing separate elements and provides an individual on a low wage or out of work with a monthly payment to meet all their costs.

Intelligence from landlords where UC has been in place for some time identifies that 'rent arrear' levels are likely to increase four to six fold. Should these levels of rent arrears increase within our districts our income could reduce by £1.5 to £2 million pounds. This would adversely impact on our HRA Business Plan.

UC is also expected to lead to an increase in homeless cases due to rent arrears, particularly with private landlords.

Therefore, this has been considered and factored into the new structure of the team.

The table below details the 'existing' and 'proposed' job roles and details the changes.

| Existing   | Proposed                                       | Changes   |
|--|--|---|
| 0.8 FTE – Corporate Manager  | 0.8 FTE – Corporate Manager                    | Unchanged   |
| 2.0 FTE – Lead Prevention and Homeless Officers                      | 1.0 FTE – Professional Lead                    | Reduction in Number of Posts but change in level of responsibility  |
| 2.0 FTE – Prevention and Homeless Officers                           | 4.0 FTE – Housing Solutions Officers           | At present, the Leads and Officers all do the same level of case work, so we need to ensure this continues to be resourced effectively. |
| None   | 1.0 FTE – Housing Solutions Assistant          | New Assistant Role to manage contact and make better use of Officer time.   |
| 0.5 FTE – Landlord Liaison Officer                                   | 1.0 FTE – Lettings Negotiator                  | Increase in FTE from 0.5 to 1.0, currently under resourced.   |
| 1.68 FTE – Tenancy Support Officers                                  | 2.68 FTE – Tenancy Support Officers            | Increase from 1.68 to 2.68 FTE to help with the implementation of UC.   |
| 0.6 FTE – Homeless Scheme Manager (MSDC Only)                        | 1.0 FTE – Temporary Accommodation Officer      | Increase in FTE from 0.6 to 1.0 but the role will now work across BMSDC whereas at present it only covers MSDC.                         |
| £30k Paid to CAB to Cover 14 Hours of Money Advice (BMSDC £15K each) | 1.0 FTE – Money Advisor (Fixed Term 18 Months) | Secondment being investigated with CAB  |
| 1.0 FTE – Admin & Technical Support                                  | 1.0 FTE – Admin & Technical Support            | Unchanged (0.5 is currently vacant)   |
| <b>8.58 FTE's + £30K to CAB</b>                                      | <b>13.48 FTE's (1 x Fixed Term)</b>            | <b>4.8 FTE increase</b>   |



All the increase in staff costs can be met through the new funding, which was been allocated by DCLG and the current Financial Inclusion Budget.

The new structure involves placing current staff 'At Risk' and carrying out a formal consultation process. This commenced on 25<sup>th</sup> October and runs for four weeks. It is proposed the majority of staff will be able to 'slot in' to suitable roles. The only two roles actually 'at risk' are posts only relevant to Mid Suffolk District Council. Providing the consultation process is successful, we propose to start internal and external recruitment at the end of November to have successful applicants in post in the New Year ready for the implementation of the Act in April.

## **7.9 Preparation for the Act**

### *Solo Lodgings*

In preparation for the HRA, we have just launched a new Lodgings scheme, with a local charity, called Solo Housing who have been established for many years and successfully prevented homelessness for single people in a high number of cases.

The scheme is a very simple and successful model, Solo provides practical help and advice to anyone who has a spare room in their house that they would like to rent out. At the same time Solo use an assessment criteria to match suitable people to available rooms, providing advice and support to single people who may like to take up a lodgings offer.

The service aims to provide a simple solution for those who would like to rent out a room, perhaps to help them pay their bills or for companionship and at the same time provides a housing solution for a single person who may not be able to access other suitable affordable accommodation on their own.

This scheme is particularly aimed at those who would not be owed a duty under the current homeless legislation as they do not meet the 'priority need' threshold. However, under the HRA2017, we will need to carry out meaningful activities to prevent these individuals from becoming homeless.

### *Private Rented Offer*

BMSDC currently offer a Rent Deposit Guarantee Scheme. We have significant issues trying to engage with landlords and encouraging them to take on residents through the scheme. There is no dedicated resource in this post at the moment and previously the post was only part-time. This post needs dedicated time to work with landlords and 'sell' them the benefits of the scheme.

As part of our preparation for the HRA, we will be reviewing and relaunching our Private Rented Sector (PRS) Offer. It is imperative we do this because our future funding will be dependent on successful preventions into the PRS.

This work will commence once we have a Professional Lead and Lettings Negotiator in post.

### *Homeless Reduction Event – Home is where the start is*

All Suffolk Councils jointly arranged a stakeholder event at The Apex in Bury St Edmunds to raise awareness and build relationships with partner organisations on

12<sup>th</sup> October. The event had a number of guest speakers including leading homeless charity Crisis, a homelessness expert, a Barrister from Arden Chambers in London and representatives from the Clinical Commissioning Group.

This is the first time an event like this has been arranged and hosted by Suffolk Councils and shows the commitment the Councils have to working closely with Partners across the Suffolk System.

### *Homeless Strategy*

Babergh and Mid Suffolk currently have a joint homeless strategy, which expires in 2018. A new strategy will shortly start to be developed and consulted on, ready for implementation next year.

The new Strategy will consider the progress made, look at the current major challenges affecting Babergh and Mid Suffolk and take into account the new duties of the HRA.

There are a number of requirements set out in the proposed Code of Guidance, which will need to be taken into consideration before a new Strategy can be produced.

### *Increasing Temporary Accommodation*

We are currently investigating the possibility of leasing some additional temporary accommodation units from a Registered Provider. These are in a purpose-built block in Stowmarket. We would place homeless households into this accommodation rather than Bed and Breakfast accommodation. We are currently negotiating on costs, but it will be much more cost effective and better value for money than using Bed and Breakfast as we do currently.

Although this accommodation is based in Stowmarket, a significant proportion of the units are likely to be occupied by Babergh applicants so there would need to be a commitment to funding from both Babergh and Mid Suffolk to secure this accommodation.

### *Training*

We have already accessed training for the team from NPSS (the National Practitioner Support Service) and Andy Gale, a Homeless Consultant who spent two days with us in July. In order to share costs we have jointly funded the training with West Suffolk Councils and have Andy Gale booked for a further three days in February.

We are also taking advantage of a number of free events being run by various organisations including the LGiU, LGA and DCLG to ensure we are fully aware of the Act and the changes ahead.

### *New Code of Guidance*

In order to fully understand our responsibilities, we require access to the new Code of Guidance (CoG), which we were hoping DCLG would publish in the Summer. The CoG was published in late October and is currently in a consultation phase, which ends in mid December.

The proposed CoG is currently being reviewed. It is a lengthy document, of over 170 pages. A verbal update on some of the key points can be provided at the meeting.

*Project Planning*

There is an HRA Implementation Project, which will monitor our work and risks to ensure we are effectively managing the preparation work. This work is monitored on a weekly basis and the risk matrix updated accordingly.

**Authorship:**

Heather Sparrow  
Corporate Manager – Homeless  
Prevention and Financial Inclusion

**Tel.** 07768 460108

**Email:**

heather.sparrow@baberghmidsuffolk.gov.uk