

Report to the Cabinet

Report reference: C-064-2015/16

Date of meeting: 4 February 2016



**Epping Forest
District Council**

Portfolio: Housing

Subject: Invest to Save Proposal – Landlord Deposits and Rental Loans to Homeless Applicants

Responsible Officer: Roger Wilson (01992 564419).

Democratic Services: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

(1) That following the Cabinet agreeing at its last meeting the Invest to Save proposal of £30,000 per annum for three years, in order to provide landlord deposits to homeless applicants, the Cabinet further agrees that:

(a) the agreed budget also be used for the provision of both landlord deposits and rental loans in appropriate cases for potentially homeless families with dependent children;

(b) that both a rental loan and a landlord deposit loan be granted in appropriate cases to disabled people and applicants with extreme medical needs;

(c) that amounts repaid by applicants should be re-cycled to provide further landlord deposit and rental loans (or both in accordance with (a) and (b) above) to potentially homeless households; and

(d) the review of the Scheme referred to in the Cabinet's decision be undertaken by the Housing Select Committee.

Executive Summary:

The Cabinet agreed an "Invest to Save" proposal of £30,000 per annum for three years to provide landlord deposits to homeless applicants, in order to reduce the number of applicants being placed in costly bed and breakfast (B&B) and other temporary accommodation.

The Cabinet are being asked to agree the further use of the budget for the provision of both landlord deposits and rental loans for potentially homeless families with dependent children and applicants with disabilities and extreme medical needs, which would bring the Council substantial savings. Furthermore, that amounts repaid by applicants be re-cycled to provide further landlord deposit and rental loans, and that the review of the Scheme be undertaken by the Housing Select Committee.

Reasons for Proposed Decision:

In order to provide both landlord deposit loans and rental loans to potentially homeless families and those who are disabled or have proven extreme medical needs, which will save the Council providing more costly bed and breakfast accommodation. To agree that any monies repaid by applicants is used for further landlord deposits and rental loans to homeless applicants.

Other Options for Action:

- (i) That both a rental loan and a landlord deposit loan not be granted in appropriate cases for potentially homeless families with dependent children.
- (ii) That both a rental loan and a landlord deposit loan not be granted in appropriate cases to disabled people and applicants with extreme medical needs.
- (iii) That amounts repaid by applicants are not re-cycled to provide further rental loans and landlord deposit loans to potentially homeless households.
- (iv) That the review of the Scheme be undertaken by a different Committee.

Report:

1. At its meeting on 3 December 2015, the Cabinet considered a recommendation of the Finance and Performance Cabinet Committee on an "Invest to Save" proposal of £30,000 per annum for three years to provide further rental loans and landlord deposits to homeless applicants, in order to reduce the number of applicants being placed in costly bed and breakfast (B&B) and other temporary accommodation.

2. The Cabinet agreed at its meeting on 3 December 2015 that the Invest to Save funding would be provided, but only for landlord deposits as these were more likely to be recovered and that the Scheme be reviewed within three years.

3. The Cabinet further agreed that a report from the Housing Portfolio Holder be considered at this meeting of the Cabinet on whether:

- the use of the agreed budget should also be allowed for the provision of both landlord deposits and rental loans for potentially homeless families with dependent children which, bearing in mind the high costs of providing B&B for families, would bring the Council substantial savings;
- the review of the Scheme referred to in the Cabinet's decision be undertaken by the Housing Select Committee; and
- loans and deposits repaid by applicants should be re-cycled to provide further landlord deposits and rental loans (or both to families with dependent children) to further potentially homeless households.

4. It is further suggested that officers be given the flexibility to grant both a rental loan and a landlord deposit loan not only to larger families, in order to avoid providing more than one room in B&B accommodation which is very costly, but also to applicants who are disabled or have proven extreme medical needs.

Cost of Providing Bed and Breakfast Accommodation

5. The cost of providing one single room in bed and breakfast accommodation to a homeless applicant in 2016/2017 will be on average around £42.00 per night depending upon the hotel used. The cost of providing two double rooms to a homeless family or a person with extreme medical needs will be on average £101.00 per night.

Potential Savings for Single Homeless

6. When taking into account housing benefit subsidy received for bed and breakfast charges, the net cost of providing bed and breakfast for a single person over a period of 6 months is around £2,550. It was reported to the Cabinet at its last meeting that if rental loans (or the already agreed landlord deposits of similar value) were provided to 40 single applicants this would represent a potential saving of around £48,960 to the General Fund for each of the 3 years, when taking into account 52% housing benefit subsidy.

Potential Savings for Homeless Families

7. In accordance with Government rules, families can only remain in bed and breakfast accommodation for a maximum of six weeks. The net cost of providing such accommodation for this period is around £4,250. When taking into account housing benefit subsidy this would represent a potential saving of around £2,040 in each case provided both the landlord deposit and the rental loan is recovered. It should be noted that it is more likely that the Council would be able to recover any rental loan arrears as families are easier to trace. The Cabinet are also asked to take into account that if both landlord deposits and rental loans are granted to families, this will greatly assist the Council's efforts in preventing homeless and thereby reducing not only the numbers placed in bed and breakfast accommodation, but also the numbers of homeless families being placed in the Council's Hostel and indeed its own housing stock.

8. The Cabinet are therefore asked to agree the recommendations.

Resource Implications:

Use of £90,000 over three years from the Invest to Save Fund.

Legal and Governance Implications:

Housing Act 1996 as amended.

Safer, Cleaner and Greener Implications:

None.

Consultation Undertaken:

None.

Background Papers:

Homelessness Strategy.

Risk Management:

Reduced financial risk of placing families, disabled applicants and those with proven extreme medical needs in costly bed and breakfast accommodation.

Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

It is considered that there are no discriminatory implications due to the recommendations which also do not affect any one particular group. Providing both a rental loan and a landlord deposit loan to disabled people will ensure that those with such a protected characteristic are assisted.

It should be noted that access to the homelessness service is governed by strict conditions which are set out in the Housing Act 1996 as amended and the associated Code of Guidance.