

Decision by Portfolio Holder



Report reference: HSG-014-2016/17

Date of report: 10 April 2017

**Epping Forest
District Council**

Portfolio: Housing

Author: Roger Wilson (Ext. 4419)

Democratic Services: Jackie Leither

Subject: Flexible Homelessness Support Grant

Decision:

- (1) That the appointment of 1 part-time (18 hours) additional Deputy Hostel Manager on a temporary contract for 2 years at Grade 5 be agreed, funded from the Government's new Flexible Homelessness Support Grant in order to deal with the additional workload at the Council's Homeless Persons' Hostel, Norway House, North Weald;**
- (2) That the Council enters into an Agreement with Zinc Arts, Ongar to place homeless applicants at the accommodation on an ad.hoc. licence basis, with the Council providing "top-up" funding representing the difference between the agreed rent levels and the relevant Local Housing Allowance;**
- (3) That initially 3 of the Council's single (or Parent and child) homeless applicants over 35 years of age are placed in 3 of Zinc Arts' units of accommodation for a pilot period of 3 months with the top-up cost of around £1,400 being met from the Government's Flexible Homelessness Support Grant thereby making an overall saving to the General Fund of around £4,800 if all 3 applicants are placed there for the full 3 month period;**
- (4) That the cost of the management fees for the first quarter of 2017/2018 in the sum of around £15,000 (formally met by the Department of Work and Pensions) for the provision of 17 units of private rented accommodation for homeless applicants by Genesis Housing Association be met from the Government's Flexible Homelessness Support Grant; and**
- (5) That a report be submitted to the meeting of the Cabinet in June 2017 to consider the full use of both the Government's Flexible Homelessness Support Grant and the expected grant to deal with the Council's new duties under the Homelessness Reduction Bill.**

ADVISORY NOTICE: <i>A Portfolio Holder may not take a decision on a matter on which he/she has declared a Pecuniary interest. A Portfolio Holder with a non-pecuniary interest must declare that interest when exercising delegated powers.</i>	
I have read and approve/ do not approve (delete as appropriate) the above decision: Comments/further action required:	
Signed: Cllr S-A Stavrou	Date: 18 th April 2017
<i>Non-pecuniary interest declared by Portfolio Holder/ conflict of non-pecuniary interest declared by any other consulted Cabinet Member:</i> None	<i>Dispensation granted by Standards Committee:</i> Yes/No or n/a N/A
Office use only: Call-in period begins: 21/04/2017	Expiry of Call-in period: 27/04/2017

After completion, one copy of this pro forma should be returned to Democratic Services IMMEDIATELY

Reason for decision:

In order to seek authority to make financial provision for a number of urgent homelessness matters funded from the Government's new Flexible Homelessness Support Grant prior to the Cabinet considering the full and longer-term use of the Grant at its meeting on 15 June 2017.

Options considered and rejected:

1. Not to appoint 1 part-time (18 hours) (or full-time) additional Deputy Hostel Manager on a temporary contract for 2 years funded from the Government's Flexible Homelessness Support Grant in order to deal with the additional workload at the Council's Homeless Persons' Hostel, Norway House, North Weald.
2. To appoint either a permanent part-time or full time additional Deputy Hostel Manager in order to deal with the additional workload at the Council's Homeless Persons' Hostel, Norway House, North Weald.
3. Not to enter into an Agreement with Zinc Arts, Ongar to place homeless applicants at the accommodation on an ad.hoc. basis with top-up funding.
4. To place an alternative number of homeless applicants, and/or applicants of different ages, at the Zinc Arts accommodation over a different pilot period, with the top-up being met from the Government's Flexible Homelessness Support Grant.
5. Not to meet the cost of the management fees for the first quarter of 2017/2018 in the sum of £15,000 (formally met by the Department of Work and Pensions) for the continued provision of 17 units of accommodation for homeless applicants by Genesis Housing Association from the Government's Flexible Homelessness Support Grant.

Background Report:

1. At its meeting on 2 February 2017, (Minute 130 refers), the Cabinet agreed the recommendation of the Communities Select Committee and subsequently the Finance and Performance Management Cabinet Committee that additional resources would be made available to deal with the increasing homelessness pressures in the District.

2. As a result of these increasing pressures, the Council's homeless persons' Hostel Norway House, North Weald is often full. In addition, the 8 units of accommodation for homeless families at Hemnall House, Epping are also full.

3. Furthermore, the Council is experiencing increasing use of bed and breakfast accommodation. At the time of writing the report, the Council is accommodating 30 homeless households in this way. Primarily, B&B hotels are used to accommodate single vulnerable people. However, although it is unlawful to accommodate homeless families with children in B&B for more than 6 weeks, increasing numbers of families are having to be accommodated in B&B, due to other temporary accommodation now generally being full.

The Government's Flexible Homelessness Support Grant

4. The Government's new Flexible Homelessness Support Grant replaces the former Department of Work and Pensions (DWP) Temporary Accommodation Management fee funding. The Government wants to "encourage local authorities to spend money on stopping homelessness instead of on costly temporary accommodation." It has therefore abolished paying management fees and provided instead a "lump sum" in order for authorities to tackle homelessness in more flexible and creative ways.

5. Under the Flexible Homelessness Support Grant, the Council will be receiving £277,000 in 2017/2018 and £313,000 in 2018/2019, compared to around £60,000 per annum previously received under the Temporary Accommodation Management funding,

Homelessness Reduction Bill Grant Funding

6. The Homelessness Reduction Bill is proceeding through Parliament, and is expected to become law later this year. Under the Bill there will be considerable additional duties placed upon authorities nationally to prevent and reduce homelessness.

7. The Government recognises that the provisions in the Bill will make a significant call on the resources of local authorities. The Government has therefore announced that it will be providing financial support to help meet with the consequences of the new duties. It is understood that the amount of funding to be received will be announced at the time the Bill received Royal Assent.

8. A report will be submitted to the meeting of the Cabinet on 15 June 2017 in order that consideration can be given to the use of both grants. However, in the meantime, there are some urgent decisions that need to be made on the use of some of the funding, in advance of the June Cabinet meeting.

Homeless Persons' Hostel, Norway House, North Weald

9. At its meeting on 9 March 2017, (Minute 146 refers) the Cabinet agreed a pilot scheme to install 3 units of "modular accommodation" (plus one additional storage container) to provide temporary accommodation for 6 single homeless households. The units will be installed (subject to planning permission) in the grounds of the Hostel and will reduce the number of placements being made in costly bed and breakfast hotels.

10. The Cabinet report explained that the proposed installation of the modular units have been discussed with the staff who are responsible for managing Norway House who have concerns about the heightened risk to staff and other residents about increasing the number of single vulnerable occupants being placed at the Hostel. Now that the Cabinet has made its decision, a formal Risk Assessment will be produced to identify the risks and ways that they can be mitigated.

11. The Council currently employs 1 FTE Hostel Manager and 2 FTE Deputy Hostel Managers at the Hostel. Staff at the Hostel provide support to homeless households there and also visit and provide support to homeless households living at Hemnall House, Epping. In addition, they visit and inspect all of the B&B hotels periodically.

12. Importantly, each of the staff participate in a 3-weekly on-call rota which means they are on-call one week (including the weekend) in three, which increases when there are absences through leave, sickness or vacancies which must be covered by the remaining staff.

13. Although it was reported to the Cabinet that there does not appear to be a need to increase the amount of on-site staffing due to the installation of the modular units, it is considered that when taking into account all of the additional pressures around the provision of temporary accommodation generally, the additional burdens of the Homelessness Reduction Bill and the onerous on-call arrangements, additional hostel management resources are needed.

14. It is therefore proposed that the appointment of 1 part-time (18 hours) additional Deputy Hostel Manager on a temporary contract for 2 years at a cost of £13,635 per annum including on-costs (based on Grade 5 mid-point) be agreed, funded from the Government's Flexible Homelessness Support Grant, in order to deal with the additional workload at the Hostel.

Zinc Arts, Ongar

15. Zinc Arts is a charity and offers a programme of accredited courses to those who struggle with mainstream education to make tangible achievements that help them into work. It promotes arts engagement by hosting exhibitions with publically accessible performances in its theatre within their building. They also have a restaurant on site and a cinema facility.

16. Also on site is a residential block, comprising 25 units which were originally designed for the use of students attending Zinc Arts' programmes. However, as there was limited interest from such students many of the rooms remain empty. Following the recent receipt of planning permission, it is the intention of Zinc Arts to let them to people who require support as a "health and wellbeing" project with a Duty Manager on-site 24 hours a day, 7 days a week.

17. The Council has discussed with Zinc Arts a proposal that the Council uses some of the available accommodation for either single or Parent and child homeless applicants. Officers have visited the site and found that the accommodation is of a good standard and would be suitable for this purpose, thereby reducing B&B costs for better accommodation.

18. The licence charge for each unit would be £735 per month which includes the provision of bed linen, towels and cleaning. Under Housing Benefit rules the Local Housing Allowance (LHA) rates varies for those under and over 35 years of age. The LHA is the maximum amount of housing benefit that can be provided to occupants. The following table sets out the potential annual savings to the General Fund for each unit based on the age of the applicant:

Homeless applicants <u>under</u> 35 years of age				
Licence charge for unit per annum (£)	Local Housing Allowance per unit per annum (£)	Council's top-up Charge per unit per annum (£)	Cost of B&B per room per annum (£)	Annual saving to the Council per unit per annum (£)
8,820	3,648	5,172	8,280	3,108
Homeless applicants <u>over</u> 35 years of age				
Licence charge for unit per annum (£)	Local Housing Allowance per unit per annum (£)	Council's top-up Charge per unit per annum (£)	Cost of B&B per room per annum (£)	Annual saving to the per unit per Council (£)
8,820	6,948	1,872	8,280	6,408

19. As can be seen, in order to achieve the potential savings in B&B costs, it will be necessary for the Council to enter into an agreement with Zinc Arts to provide "top-up" funding, representing the difference between the agreed rent levels and the relevant LHA. It is suggested that initially 3 of the Council's homeless applicants over 35 years of age are placed in 3 of their units of accommodation for a pilot period of 3 months, with the top-up cost of £1,404 being met from the Government's Flexible Homelessness Support Grant thereby making an overall saving to the General Fund of £4,806 if all 3 applicants are placed there for the full 3 month period. The Cabinet will be asked to consider the success of the scheme and whether further placements should be made when it considers the full use of the grant at its meeting on 15 June 2017.

Housing Association Leasing Direct (HALD) Scheme

20. The Council currently pays management fees of around £60,000 per annum to Genesis Housing Association to provide 17 units of private rented accommodation to some of the Council's homeless applicants, representing a cost of around £67 per week per unit. This cost has previously been met by the Department of Work and Pensions. However, as this funding has been replaced by the Government's Flexible Homelessness Support Grant it is suggested that the cost of the management fees for the first quarter of 2017/2018 in the sum of around £15,000 be met from the Government's Flexible Homelessness Support Grant. The Cabinet will be asked to consider whether this should continue to be funded when it considers the full use of the grant at its meeting on 15 June 2017.

21. Due to the urgency of the need to provide additional staffing resources at the Hostel, the opportunity to make substantial savings by placing a small number of homeless applicants at the Zinc Arts accommodation on a pilot basis and the need to continue with the funding of the HALD Scheme for at least the next 3 months, the Housing Portfolio Holder is asked to agree the recommendations in the report.

Resource Implications:

That the following is funded from the Government's Flexible Homelessness Support Grant:

Appointment of 1 part-time 18 hours additional Deputy Hostel Manager on a temporary contract for 2 years at a cost of £13,635 per annum including on-costs (based on Grade 5 mid-point).

Placing 3 of the Council's homeless applicants at the Zinc Arts accommodation for 3 months, meeting the top-up cost of £1,404.

Management fees for the first quarter of 2017/2018 in the sum of around £15,000 for the provision of 17 units of accommodation for homeless applicants by Genesis Housing Association.

Legal and Governance Implications:

Homelessness Act 1996 as amended by the Housing Act 2002
Homelessness Reduction Bill

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

No consultation undertaken

Background Papers:

Flexible Homelessness Support Grant Conditions

Risk Management:

Potential risk of no further Government funding being received after the initial 2 years.

Key Decision Reference (Y/N):

No