

Report to the Cabinet

Report reference: C-040-2012/13
Date of meeting: 3 December 2012



Portfolio: Housing
Subject: Homelessness Prevention Service – Future Funding
Responsible Officer: Roger Wilson (01992 564419).
Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

- (1) That, in addition to the Council's current expenditure of £30,000 per annum, £60,000 per annum of the (£113,000 per annum) grant received as part of the Council's Local Government Grant settlement specifically for homeless prevention measures for the next 2 years, be used to continue to fund the full cost of staffing the existing Homelessness Prevention Service in 2013/2014 & 2014/2015;**
- (2) That the remaining unallocated grant funding of £53,000 per annum be used each year in 2013/2014 & 2014/2015 as follows:**
 - (a) In accordance with the Welfare Reform Mitigation Action Plan, already adopted by the Cabinet, the appointment of 1 FTE additional Homelessness Prevention Officer on a temporary basis for two years at a cost of around £28,500 per annum including on-costs in order to respond to the anticipated increased numbers of homelessness applications;**
 - (b) In accordance with the Welfare Reform Mitigation Action Plan, £7,000 in 2013/2014 and £3,500 in 2014/2015 be used to meet the non HRA contribution for two temporary full-time paid Debt Advisors for Epping Forest Citizens Advice Bureau, to avoid the need for a contribution from the General Fund; and**
 - (c) In order to assist homeless applicants in securing private rented accommodation, an additional £17,500 in 2013/2014 and £21,000 in 2014/2015 be made available for the Council's Rental Loan Scheme.**

Executive Summary:

The Homelessness Prevention Service introduced in January 2003, has proved to be a great success, bringing about a huge reduction in the level of homelessness acceptances leading to a high number of people being able to remain in their own homes. The service has also brought significant savings to the General Fund by reducing the number of single homeless applicants who have had to be placed in bed and breakfast accommodation as a result.

The Council currently employs 1 full time Senior Homelessness Prevention Officer and 2 full time Homelessness Prevention Officers. The posts are currently funded as follows:

Government Grant	£60,000 per annum
General Fund	£30,000 per annum
Total	£90,000 per annum

It has been possible to shift the emphasis from homelessness investigation case work to prevention. This has resulted in 2 full-time Homelessness Investigation Officers being seconded to the Homelessness Prevention Team in 2008, (with the Team now consisting of 5 FTE), leaving the need for only one remaining Investigation Officer.

As part of this year's Local Government Grant settlement, the Council has been awarded £113,000 per annum for the next 2 years (being the same amount received for the previous 2 years) specifically for the purpose of preventing homelessness. However, as the grant has not been specifically "ring-fenced", the Cabinet is being asked to consider how the grant should be used. The Cabinet is asked to agree the recommendations that all of the Preventing Homelessness Grant is used for homelessness prevention measures.

Reasons for Proposed Decision:

The Council needs to decide how to allocate the Government's Homelessness Prevention Grant.

Other Options for Action:

To use only £90,000 of the Preventing Homelessness Grant for the continuation of the Homelessness Prevention Service at its current levels with the remaining £23,000 meeting both the General Fund's contribution for the 2 temporary Debt Advisors for the CAB and a reduced amount for the Council's Rental Loan Scheme. This would represent a saving to the General Fund of £30,000 per annum being its contribution towards the service. However, under this option it would not be possible to appoint 1 FTE additional Homelessness Prevention Officer to help mitigate the increased homelessness that is expected to arise due to Welfare Reforms, and could result in an increase in bed & breakfast costs potentially in excess of the General Fund's current contribution.

To use £90,000 of the Preventing Homelessness Grant for the continuation of the Homelessness Prevention Service at its current levels. Although a proportion of the grant would not be used for its original purpose, this would represent a total saving of £53,000 per annum to the General Fund being its current contribution to the funding of the service and the balance of the grant. However, under this option there would be no additional funding available for further preventing homelessness initiatives.

To discontinue the Homelessness Prevention Service where the Council would have the full Homelessness Prevention grant available for other reasons, but its costs would increase drastically in other areas of homelessness and would incur staff redundancy costs. Furthermore, should none of the Government's grant be used on homelessness, it is unlikely that the Government would provide funding in 2015/2016 and 2016/2017.

Report:

Introduction

1. The Homelessness Prevention Service was introduced in January 2003, and has proved to be a great success. It has brought a huge reduction in the level of homelessness acceptances, led to a high number of people being able to remain in their own homes, and resulted in significant savings to the Council's General Fund.
2. The service has brought savings to the General Fund since homelessness prevention work

drastically reduces the number of single homeless applicants having to be placed in bed and breakfast accommodation. Indeed, at the time of writing this report, there are only 7 applicants being accommodated in bed and breakfast accommodation, compared to 35 applicants at any one time in 2002/2003, just prior to the service being introduced. In addition, only 1 homeless applicant is now temporarily living in the Council's housing stock (for management reasons), compared to 202 applicants being accommodated in this way prior to the Homelessness Prevention Service being introduced.

3. The number of cases being dealt with through homelessness prevention exceeds by far the resultant number of cases being dealt with as statutorily homeless and needing accommodation. This has ensured that any "unnecessary" homeless applications no longer occur. However, despite this approach, the Council's statutory duties are still being met under the Housing Act 1996 PT VII as amended, with homelessness applications being received from any person who require that safety net, investigated and, where required, resulting in the provision of accommodation.

4. Homelessness Prevention Officers now provide a comprehensive service, with a range of initiatives at their disposal to assist them with resolving the housing difficulties for clients they are seeking to serve, including:

- Epping Forest Housing Aid's (EFHAS) Damage Deposit Guarantee (Bond) Scheme;
- The Council's Rental Loan Scheme;
- Housing Association Leasing Direct;
- Private Lease Agreements Converting Empty (PLACE) Properties;
- Mortgage Rescue Scheme;
- Mediation;
- The Council's Sanctuary Scheme;
- The Council's Preventing Re-possession Fund;
- Discretionary housing benefit payments; and
- Negotiation with landlords, banks, families and friends.

Success of the Homelessness Prevention Service

5. A table demonstrating the success of homelessness prevention work over the last 4 years showing, for each year, the number of cases that presented to the Homelessness Prevention Service and the preventative action taken, together with the numbers of cases prevented, is attached at Appendix One.

6. As can be seen, during the period set out in the table, the Prevention Service dealt with a total of 2,233 homelessness cases, of which 1,820 (82%) have been prevented. This has been a considerable achievement. These results have had a direct impact on not only the homelessness acceptance rate, which has significantly reduced during the same period, but also the quality of life for the applicants involved.

Current Funding of the Homelessness Prevention Service

7. The Council currently employs 1 full time Senior Homelessness Prevention Officer and 2 full time Homelessness Prevention Officers, all employed on permanent contracts. The posts are currently funded as follows:

- Government Grant £60,000 per annum
- General Fund £30,000 per annum
- **Total** **£90,000 per annum**

8. In addition to the 3 FTE staff on permanent contracts, as with most other local authorities, it has been possible to shift the emphasis from homelessness investigation case work to prevention. This resulted in 2 full-time Homelessness Investigation Officers being seconded to the Homelessness Prevention Team in 2008, (with the Team now consisting of 5 FTE), leaving the need for only one remaining homelessness Investigation Officer. However, it is possible that the allocation of this overall staffing resource may change in the future, due to the implications of the Welfare Reform Act 2012.

Future Funding

9. As part of this year's Local Government Grant settlement, the Council has been awarded £113,000 per annum for the next 2 years (being the same amount received for the previous 2 years) specifically for the purpose of preventing homelessness. However, as the Government gives councils much greater control over how grants are spent with "no strings attached to the money in the form of grant conditions", the grant has not been specifically "ring-fenced." Therefore, the Cabinet is being asked to consider how the grant should be used.

10. The Government's Specialist Advisor on Homelessness, when advising the Council of its increased award, stated that:

"The Government remains committed to support local services to prevent and tackle homelessness and has encouraged every local authority to ensure funding reaches front line services."

11. At the same time as announcing the funding, the Government published a report from the Ministerial Working Group on Homelessness entitled "Making Every Contact Count: A Joint Approach to Preventing Homelessness" which sets out a number of challenges including the challenge to "adopt a corporate commitment to prevent homelessness which has buy-in across all local authority services". This underlines the Government's intention that the funding should be used for this purpose.

12. It is proposed that the Government Grant be used as follows:

- (a) Additional 1 FTE Homelessness Prevention Officer;
- (b) Citizens Advice Bureau (CAB) – 2 (FTE) Additional Paid Advisors; and
- (c) Rental Loan Scheme.

Additional 1 FTE Homelessness Prevention Officer

13. At its meeting on 22 October 2012 (minute xx refers), the Cabinet noted the main provisions of the Welfare Reform Act 2012 which will have a significant impact on Council tenants, private tenants and homelessness in the District. The Council commissioned the Chartered Institute of Housing (funded externally) to undertake a major study into the effect on the District and to propose ways of mitigating them. The CIH estimates a total loss of around £1.1 million per annum in housing and other welfare benefits to Council and private tenants in the District as a result of the Welfare Reforms. This is in addition to the loss to Council Tax claimants as a result of the new Local Council Tax Support Scheme in April 2013. A Welfare Reform Mitigation Project Team has been set up which has produced an Action Plan. The Action Plan adopted by the Cabinet proposes that part of the recently-allocated funding from the Government Grant for preventing homelessness be used to appoint 1 FTE additional Homelessness Prevention Officer to help mitigate the increased homelessness that is expected to arise as a result of the reform. It is therefore suggested that, in accordance with the Welfare Reform Mitigation Action Plan, 1 FTE additional Homelessness Prevention Officer be appointed on a temporary basis for two years, at a

cost of around £28,500 per annum including on-costs, in order to respond to the anticipated increased numbers of homelessness applications.

14. As mentioned in Paragraph 8 above, there has been a shift in emphasis from homelessness investigation case work to prevention. However, as is possible that more homelessness investigation case work may be needed in the future, the allocation of the overall homelessness staffing resource may need to change, particularly due to the implications of the Welfare Reform Act 2012. Therefore, in order to retain some flexibility should there be an increase in homelessness investigation case work, it is the intention to include both aspects of the service in the Job Description for the post.

Citizens Advice Bureau (CAB) – 2 (FTE) Additional Paid Advisors

15. Furthermore, under the Welfare Reform Mitigation Action Plan, already adopted by the Cabinet, it is proposed to discuss with Epping Forest CAB the possibility of them appointing 2 temporary paid Advisors for 18 months from 1 April 2013, funded jointly from the Council's Housing Revenue Account (HRA) (90%) and from the General Fund (10%) as an addition to the existing Service Level Agreement, if supported by the CAB. Following discussions with the CAB, they have agreed the proposal in principle and also agreed that, as a condition of the funding, one of the Advisors will be based at the Limes Centre in Chigwell for one half day each week in order to offer advice to residents on the estate. In order that no additional expenditure falls to the General Fund, it is proposed that £7,000 in 2013/2014 and £3,500 in 2014/2015 of the Government Grant for preventing homelessness be used to meet the non-HRA contribution for the 2 temporary Debt Advisors for Epping Forest Citizens Advice Bureau.

Rental Loan Scheme

16. The Rental Loan Scheme was set up in 2008/2009 following the Council receiving a grant of £10,000 from the CLG in recognition of its excellent performance in preventing homelessness. The scheme provides applicants with a rental loan of £650 for single people and £1,000 for families to meet the costs of (or contribute towards) the first month's rent in advance when securing accommodation in the private rented sector. Applicants are required to repay the loan on an interest free basis over 24 months, thereby re-cycling the budget to enable others to benefit from the Scheme in the future. Only around £35,000 in total has been repaid by applicants with all bad debtors being referred to Legal Services.

17. In December 2008, the Cabinet agreed that an additional £20,000 should be made available for the Scheme. Furthermore, the Council's Cabinet also agreed that £26,500 of CLG funding should be used to provide further rental loans in both 2011/12 and 2012/13. This Scheme removes the need, in some cases, for the Council to provide permanent accommodation itself, leaving more properties available for existing Housing Register applicants.

18. Since the Scheme commenced in 2008, when taking into account monies repaid by applicants, 184 loans have been allocated to the value of around £147,000. It is proposed that an additional £17,500 in 2013/2014 and £21,000 in 2014/2015 be made available for the Rental Loan Scheme from the Government Grant which would result in around 22 and 26 additional rental loans respectively in these two years.

19. By using Government Grant in this way, the Homelessness Prevention Team could increase the service it offers during the period when the Welfare Reforms are going to impact the most on residents in the District. It would also result in additional rental loans being offered in order to assist homeless applicants secure accommodation in the private rented sector and remove the need for the General Fund to contribute to the funding of the 2 proposed CAB Debt Advisors. Furthermore, it would meet with the Government's intention that the grant is spent fully on homelessness prevention measures.

Resource Implications:

Use of the Government's Preventing Homelessness Grant funding of £113,000 per annum for 2013/2014 & 2014/2015.

Legal and Governance Implications:

The Council's homelessness duties under the Housing Act 1996 PT 7 as amended will continue to be met.

Safer, Cleaner and Greener Implications:

None identified.

Consultation Undertaken:

None.

Background Papers:

Homelessness Strategy 2012/13 to 2014/15.

Impact Assessments:Risk Management

There is a possibility (although unlikely due to the Government's commitment to fund homelessness prevention measures) that under the Government's next Comprehensive Spending Review, the funding could be reduced or withdrawn in 2014/2015.

Equality and Diversity

A Customer Impact Assessment has been completed on the Homelessness Prevention Service. A copy of the Assessment is available on request.

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? No

What equality implications were identified through the Equality Impact Assessment process?
N/A.

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?
N/A.

APPENDIX ONE

Prevention Action	2008/09	2009/10	2010/11	2011/12
Mediation	3	4	8	4
Reconciliation	17	12	13	25
Financial payments from homelessness prevention fund.	0	4	4	3
Debt advice.	6	4	1	2
Resolving housing benefit problem.	14	9	5	3
Resolving rent arrears.	4	6	0	3
Sanctuary scheme for victims of domestic violence.	4	2	2	2
Crisis intervention.	0	1	5	3
Negotiation to help someone remain in the private rented sector.	0	1	7	3
Providing other assistance to enable someone to remain in private rented sector.	9	29	16	13
Mortgage arrears.	1	19	12	21
Other homelessness prevention measure (where work has commenced but there has been no further contact and resolution is unknown).	192	165	159	134

Prevention Action	2008/09	2009/10	2010/11	2011/12
Housed in hostel or HMO.	11	22	9	8
Housed in private rented sector with landlord incentive scheme.	75	63	61	53
Housed in private rented sector without landlord incentive scheme.	42	60	55	69
Accommodation arranged with friends or relatives.	16	12	26	46
Supported accommodation.	5	5	18	9
Social housing management move.	3	6	4	5
Social housing: Housing Register offer.	29	19	39	30
Social housing: Housing Association direct offer.	1	1	5	6
Low cost home ownership scheme.	0	2	0	0
Other homelessness relieved.	28	5	14	4
Total Cases	580	549	557	547
Total cases prevented	460 (79%)	451 (82%)	463 (83%)	446 (82%)