



Finance Sub-Committee 13th November 2017

Homelessness Prevention Fund

Purpose of report

This report recommends the establishment of a Homelessness Prevention Fund to prevent and alleviate homelessness in the district.

Attachments:

Appendix 1 – Draft Homelessness Prevention One –Off Payment Scheme Policy and Procedure 2017

1.0 Background

1.1 The council has received Flexible Homelessness Support Grant of £45,521 in 2017/18 and will receive £48,403 in 2018/19. Whether this grant, which is ring fenced for the prevention and alleviation of homelessness, will be available after 2018/19 is unknown.

1.2 Members have committed some of this grant as follows:

Additional requirement	2017-18	2018-19
Homelessness Prevention Officer including on-costs	£17,000	£34,000
Works to provide extra office and interview space	£6,000	-
Addition to B&B budget	£3,000	£3,000
Total	£26,000	£37,000

This leaves government funding of approximately £19,000 during 2017/18 and £12,000 during 2018/19, a total of approximately £31,000.

1.3 Additional Burdens Funding has now also been allocated to East Northamptonshire as follows:

	2017/18	2018/19	2019/20	Total
East Northamptonshire Additional Burdens Funding Allocations	£15,056	£13,791	£17,784	£46,632

1.4 The Additional Burdens Funding, also ring-fenced for the prevention and alleviation of homelessness, is more than the £7,000 per annum anticipated. It is intended to assist local authorities with the initial costs associated with the introduction of the Homelessness Reduction Act. However, there will be no further Additional Burdens Funding after 2019/20. The Government anticipates that the increase in homelessness prevention work will lead to a reduction in more costly acceptances to the main housing duty, including temporary accommodation costs, and that local authorities should therefore be able to use the savings to fund the additional burdens. This is unlikely to be the case in East Northamptonshire as our Bed and Breakfast costs are low in comparison to other areas.

- 1.5 This Sub-Committee, at its meeting on 26th June 2017, considered a report entitled Homelessness Prevention Funding and the Homelessness Reduction Act. The Sub-Committee's recommendations to the Policy and Resources Committee included that
- Additional resources of up to £23,000 in 2017/18 and up to £34,000 in 2018/19 required to enable Midland Heart Housing Association to employ an additional Homelessness Prevention Officer for the remainder of the existing contract be allocated, together with the additional one-off office accommodation costs
 - The current bed and breakfast and temporary accommodation budget be increased from £2,000 to £5,000 for 2017/18 and 2018/19 with any unspent balances being carried forward to future years
 - It be noted that a report giving consideration to the establishment of an Invest to Save Homelessness Prevention Loan Fund Policy, to be used to prevent and alleviate homelessness, will be submitted to the Housing Policy Working Group.
- 1.6 This report follows on from the considerations of the Working Party on the potential establishment of the Invest to Save Homelessness Prevention Loan Fund Policy
- 1.7 The Government has also introduced much more onerous homelessness reporting and monitoring procedures to enable them to better measure both the extent of the problem and the effectiveness of the new legislation. It will be necessary to purchase new IT software to enable the Housing Services Team to meet these requirements. The cost is likely to be approximately £10,000 per annum and it is therefore recommended that the Additional Burdens Funding should be reserved at this stage to meet this cost. It should be noted that this funding is separate from the cost previously agreed by Policy and Resources Committee for the one-off software changes required to implement the changes to the council's Housing Allocation Policy.

2.0 Homelessness Prevention Fund Proposal

- 2.1 The Housing Policy Working Party considered a discussion paper submitted by the Housing Strategy and Delivery Manager at its meeting on 25th October 2017. It included details of schemes in operation in other authorities in the county, most of which had chosen to provide grants rather than loans.
- 2.2 The Working Party concurred with the concerns of this Sub-Committee and of some other authorities in respect of providing loans as a homelessness prevention tool for the following reasons:
- It is felt not to be appropriate for the council to be lending money to households who may be vulnerable and who may already have considerable debts
 - In order to provide loans the council would need to register with the Financial Conduct Authority (FCA) and be subject to regulatory controls. Registration with the FCA would incur additional costs including legal fees
 - There would be practical administrative issues around the collection of loan repayments, particularly in cases of non-payment.
- 2.3 Whilst the additional pressures on the Homes Direct Housing Options Team should be met by the additional Homelessness Prevention Officer post already agreed, it is not yet known whether additional resources will be required by the in-house Housing Services Team. Additional staffing may be required in the future but exactly what is unknown and it is unlikely there will be any further additional funding from Government to meet the costs involved with increasing staff resources.

- 2.4 It is therefore recommended that the remainder of the Flexible Homelessness Support Grant of approximately £31,000 should be set aside, at this stage, to provide a discretionary Homelessness Prevention Fund. Due to the concerns detailed at 2.2 above, it is suggested that funds should be allocated as grants rather than loans.
- 2.5 The fund could be operated on a pilot basis with a review of its efficacy and value for money after 12 months. If the fund does not continue after 12 months, any remaining funds could potentially be put towards additional staffing or other homelessness prevention initiatives, subject to member approval.
- 2.6 The fund would be used by the Housing Services and Housing Options Teams, on an 'Invest to Save' basis, to provide a homelessness prevention tool in line with the new duty to prevent homelessness and it would minimise the need to use Bed and Breakfast and other temporary accommodation. Uses of this funding could include:
- Payment of rent in advance to secure accommodation from Registered Providers and in the private rented sector
 - Payment of deposits to secure private rented accommodation
 - Payments towards rent or mortgage arrears to prevent evictions
 - Payment towards past tenant arrears which may be preventing permanent accommodation being offered by Registered Providers
 - Travel costs to take up accommodation available to the applicant.
- 2.7 Grants for repayment of current and past rent and mortgage arrears would only be made in exceptional circumstances, for example where arrears had accrued due to illness or loss of employment making the property unaffordable, or through relationship breakdown where the applicant did not control the finances. It would not be made available for cases of wilful non-payment of rent.
- 2.8 The following provisos would also be included:
- Payments would be entirely discretionary – there would be no application or appeal process
 - Payments would normally be limited to £500 or one month's rent
 - Payments would be made only where officers consider there is a good prospect of the accommodation retained or secured being available for at least 6 months
 - Payments for deposits to secure private rented accommodation would be subject to ENC being registered as having paid the deposit on the deposit protection documents to ensure it would be returned to the council if/when the tenancy ends
 - Recipients would normally have to have a local connection to the district.
- 2.9 Payments would not be made where:
- The applicant has sufficient financial resources to make the payments themselves
 - The applicant would be unable to manage a tenancy successfully due to too high support needs
 - False information has been supplied or housing circumstances have been deliberately worsened
 - The accommodation is unaffordable or unsustainable, in some way unsuitable, or in a poor state of repair
 - The accommodation would not be available for at least 6 months
 - It would support potentially illegal action being taken by a landlord
 - It is a repeat application for the same thing e.g. persistent rent arrears
 - Serious anti-social behaviour or arson offences.

2.10 A draft policy and procedure is attached at Appendix 1.

3.0 Equality and Diversity Implications

3.1 An initial Equality Impact Assessment has been carried out and only neutral or positive impacts have been identified. There are positive impacts of preventing and alleviating homelessness and in particular for those

- who are young or older
- with children, or who have just had a baby or are pregnant
- with poor physical and mental health
- suffering social exclusion.

The Equality Impact Assessment can be accessed as a background document.

4.0 Legal Implications

4.1 The council has a statutory duty under the housing and homelessness legislation to prevent homelessness and to accommodate households found to be homeless and in priority need. Those homeless but not in priority need are due a lesser duty but it still includes the provision of advice and assistance to find accommodation. The council's duties will be increased when the Homelessness Reduction Act 2017 is implemented in April 2018.

5.0 Risk Management

5.1 There is a risk that homelessness will increase in the district and that the council will have to pay the additional costs associated with the risk. The council's risk register includes RM PLN 014 – 'Increase in homelessness applications'. The risk score has recently increased to 8 in recognition of the 'very high' likelihood of an increase as a result of the new legislation. Its effects include:

- an increase in the need for emergency accommodation
- increased costs of providing B&B and other temporary accommodation
- an increase in homeless households given priority for rehousing, leading to longer waiting times for others.

6.0 Resource and Financial Implications

6.1 The Flexible Homelessness Support Grant and Additional Burdens Funding are ring-fenced to use for the prevention and relief of homelessness. The recommendations will therefore be cost neutral in terms of the council's MTFs. If further resources are required in the Housing Services Team, a separate report will be submitted to the Personnel Sub-Committee in the first instance. It is anticipated that the Homelessness Prevention Fund will assist the council to meet its new statutory responsibilities and by 'investing to save' keep B&B and temporary accommodation costs to a minimum.

7.0 Constitutional Implications

7.1 There are no constitutional implications arising from this report.

8.0 Implications for our Customers

8.1 The use of the Homelessness Prevention Fund will have a positive impact on our customers by preventing and alleviating homelessness and reducing the need for households to go into temporary accommodation with the consequent disruption to their lives.

9.0 Corporate Outcomes

9.1 The provision of the council's homelessness and homelessness prevention services contribute to the following corporate outcomes:

- Good Quality of Life – the Homelessness Prevention Fund will help prevent and reduce homelessness in the district, together with the associated health and social problems
- Good Value for Money – homelessness prevention saves the council money in the longer term by limiting the costs of temporary accommodation
- Effective Partnership Working – by working in partnership with Midland Heart Housing Association, available funding can be used to best effect and deliver better outcomes for homeless people.

10.0 Recommendation

10.1 The Housing Policy Working Party requests that this Sub-Committee recommends to Policy and Resources Committee that

- a) a Homelessness Prevention Fund is established from 1 January 2018 to be used on a discretionary 'invest to save' basis to prevent and alleviate homelessness
- b) the expenditure incurred to be funded from the remaining ring-fenced Flexible Homelessness Support Grant
- c) The draft policy and procedure document at Appendix 1 is approved
- d) The efficacy and value for money of the fund be evaluated after 12 months
- e) The Additional Burdens Funding allocated to the district be reserved at this stage for on-going IT software costs.

(Reason – to ensure the fair and transparent allocation of the available funding and ensure appropriate funding of statutory duties)

Legal	Power: Localism Act				
	Other considerations: Housing Act 1996 as amended by the Homelessness Act 2002, Homelessness Reduction Act 2017 and the Homelessness Code of Guidance				
Background Papers:	Policy and Resources Committee 4 September 2017 Item 7 Homelessness Monitoring Statistics and Temporary Accommodation Costs Report Finance Sub-Committee 26 June 2017 Item 11 Homelessness Prevention Funding and the Homelessness Reduction Act 2017 Homelessness Prevention Fund Equality Impact Assessment 26.10.2017				
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Date: 26th October 2017					
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Homelessness Prevention Fund

One-Off Payment Scheme and Procedure 2017

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1. Scope of Procedure

Homes Direct, acting under contract for East Northamptonshire Council (the Local Authority who has the duty towards homelessness), has a number of homeless prevention tools available to them for use in assisting people who are homeless or who are threatened with homelessness (where they may become homeless within the next three months) and in particular there is a fund for one off payments that can be used innovatively to prevent homelessness.

This procedure explains how the One-Off payments scheme works and how it can be accessed. When dealing with homelessness prevention, the 'Homelessness Code of Guidance for Local Authorities' and the 'Homelessness Prevention - a guide to good practice' or any more recent guidance documents should be consulted at all times.

2. Aims and Objectives of the One-Off Payment Scheme

The aim of the One-Off Payment Scheme is to assist households who are homeless/or threatened with homelessness by making relatively small one-off payments that will allow them to maintain their current accommodation, or access new accommodation, and therefore reduce the need to place people in temporary accommodation and other social costs that arise through homelessness.

The One-Off Payments Scheme is not intended to provide payments to applicants where it is felt that they have not taken sufficient responsibility to maintain their accommodation e.g. wilful non-payment of rent. This would not encourage personal responsibility and could encourage dependency on the Council. Whilst in some instances such refusals may result in the use of temporary accommodation, it should be acknowledged that the Council has a moral duty to utilise public funding in a manner that does not condone or reward deliberate behaviour on behalf of an applicant that places them at risk of losing their accommodation. However, decisions will be made on a case by case basis.

3. Examples of One-Off Payments

The scheme could be used for the following;

- Rent or mortgage arrears payments to Registered Providers (RPs), private landlords or building societies where extenuating reasons for the arrears can be given e.g. illness, loss of employment, or a short term prison sentence or, in some circumstances, marital breakdown. However, such payments will only be made where (subject to current rent or mortgage payments being maintained) there is an undertaking by the landlord or building society not to evict the applicant(s) for the

arrears and to allow the applicant(s) to remain in the property for at least 6 months. Rent and mortgage arrears payments will normally be paid monthly to ensure the recipient is also contributing to the arrears and maintaining current payments

- Payment of rent in advance to secure accommodation from Registered Providers or in the private sector
- Where the applicant has the funds to pay rent in advance or is eligible for the council's Rent in Advance Scheme, payments to RPs or private landlords for deposits in order to secure accommodation. Such payments will only be made if ENC is registered as the agency that paid the deposit on the deposit protection documents and if/when the tenancy ends the funding will be recouped by the council
- Payments to landlords to delay the eviction of private tenants whilst alternative accommodation is secured to prevent the need for temporary accommodation
- Travel costs e.g. to take up available accommodation elsewhere
- Any other payment that the Housing Services Officer and Housing Options Team Leader jointly believe will enable homelessness to be prevented for a minimum period of 6 months.

4. Eligibility

The scheme can assist single people or couples and families who are homeless or threatened with homelessness.

Payments will normally be restricted to a maximum of £500 or one month's rent, although each case will be judged on its merits and this may be increased in exceptional circumstances. Payments will normally be limited to 1 per household.

The payment must result in the applicant being able to maintain current accommodation or access new accommodation for a minimum of 6 months.

Households must also have a local connection to East Northamptonshire, which could be any of the following;

- Lived in East Northamptonshire for 3 years out of the last 5 years; or
- Lived in East Northamptonshire for 6 months out of the last 12 months; or
- Have stable employment in East Northamptonshire or
- Have close relatives who have lived in East Northamptonshire for the last five years; or
- Are Armed Forces Personnel (as defined in the council's Housing Allocation Policy 2017), or are war widows or widowers of Armed Forces personnel (including civil partners)
- Have special circumstances that would make the household an exception to these rules.

Households may not be eligible if:

- they have savings which would enable them to make the payments themselves
- there are alternative means of funding available e.g. if Housing Benefit payments would reduce or pay arrears
- there is evidence to suggest that they would be unable to manage a tenancy successfully, even if support was provided e.g. they have been refused access to supported accommodation owing to their needs being too high
- it becomes evident that false information has been supplied
- the accommodation is considered too expensive for the household to afford, is unsustainable, in some way unsuitable, or is in a poor state of repair
- the payment will not result in the applicant being able to access or remain in accommodation for at least 6 months
- there is a likelihood that the applicant will require further assistance in the near future and will not be able to sustain their home in the long term

- it is felt that the applicant has been responsible for worsening their housing circumstances e.g. wilful non-payment of rent/service charges, anti-social behaviour, non-engagement with debt counselling services where these have been offered
- they have been evicted for Anti-Social Behaviour in the last 12 months
- they have convictions relating to arson.

Payments will not be made for

- Bed and Breakfast, or other temporary accommodation, as the Prevention Fund is intended to facilitate alternatives to this
- anything which could be seen to support potentially illegal action being taken by a landlord e.g. attempting to make unreasonable charges to a tenant
- the same reason as a previous application e.g. rent arrears which have previously been cleared or reduced and which the applicant has since failed to address.

5. One-Off Payment Scheme Procedure

When a household approaches Homes Direct for assistance, the Homelessness Prevention Officer will consider if the household's homelessness could be prevented by accessing a one-off payment and whether the use of the scheme is viable.

If the Homelessness Prevention Officer believes that a payment from the scheme is viable they will complete a form and pass it to the Senior Homelessness Prevention Officer (SHPO) for approval.

Two forms of identification must be seen and copied on file to include proof that the applicant does not have any available funds themselves, e.g. a recent bank statement and proof of identification.

Payments up to £50 can be authorised by the SHPO. Payments over £50 will be forwarded to the Housing Services Officer (or in their absence the Housing Strategy and Delivery Manager or Housing Enabling Officer) and the Housing Options Team Leader (or in their absence the Senior Homelessness Prevention Officer) for joint authorisation.

Homes Direct will make the payments and invoice ENC on a quarterly basis.

If a payment is granted to cover court costs or arrears to a landlord or building society then the Homelessness Prevention Officer must ensure the landlord signs a statement to the effect that they undertake not to evict the tenant for 6 months if a payment is made, unless there are other grounds e.g. further arrears or Anti Social Behaviour.

6. Recording and Monitoring Arrangements

Details of payments made are to be recorded by Homes Direct, together with any repayments received from deposit protection schemes.

ENC will monitor the spend under the One-Off Payment Scheme against the budget.

ENC and Homes Direct will monitor the success of the One-Off Payment Scheme by

- checking at 6 and 12 months whether the applicant is still in the accommodation retained or obtained
- estimating annually the savings made in B&B and temporary accommodation costs.

7. Complaints and Appeals

Use of the fund is at the discretion of officers. There is no application procedure or appeals process.