



EAST STAFFORDSHIRE BOROUGH COUNCIL

REPORT COVER SHEET

Title of Report:	Homeless Reduction Act Compliance
Meeting of:	Cabinet
Date:	12 th February 2018
Is this an Executive Decision:	Yes
Is this a Key Decision:	Yes
Is the Report Confidential:	No
If so, please state relevant paragraph from Schedule 12A LGA 1972:	
<p>Essential Signatories:</p> <p>ALL REPORTS MUST BE IN THE NAME OF A HEAD OF SERVICE</p> <p>Monitoring Officer: Angela Wakefield</p> <p>Date Signature</p> <p>Chief Finance Officer: Sal Khan</p> <p>Date Signature</p>	

EAST STAFFORDSHIRE BOROUGH COUNCIL

Report to Cabinet

Date: 12th February 2018

REPORT TITLE: Homeless Reduction Act Compliance

PORTFOLIO: Enterprise

HEAD OF SERVICE: Sal Khan

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WARD(S) AFFECTED: None-specific

1. Purpose of the Report

- 1.1 To set out a detailed business case for achieving legislative compliance in the performing the additional duties to homeless households created by the Homeless Reduction Act 2017¹ (the Act). The Act will commence on 3rd April 2018.

2. Executive Summary

- 2.1 The Act amends the existing homelessness legislation contained in Part 7 of the Housing Act 1996. There are 13 Sections that amend many of the existing duties and bring in a substantial number of new duties. The Chief Executive of Crisis has described the Act as “undoubtedly...one of the most important developments in homelessness for 40 years.”² The Act is explicitly based on similar legislation that was introduced in Wales via the Housing Act (Wales) 2014 which took effect on 27 April 2015.³

¹ <http://www.legislation.gov.uk/ukpga/2017/13/contents/enacted>

² <http://researchbriefings.files.parliament.uk/documents/CBP-7201/CBP-7201.pdf>

³ <https://statswales.gov.wales/Catalogue/Housing/Homelessness>

- 2.2 The new duties likely to have the highest impact are as follows:
- 2.2.1 Requirement for the Council to carry out homelessness prevention work⁴ with all those who are eligible for help and *threatened* with homelessness within 56 days⁵ (previously 28 days). This requires the drawing up of a 'Personal Housing Plan'⁶ with actions for the Council and the homeless household which needs to be regularly monitored and meaningful.
- 2.2.2 Those who are assessed as *being* homeless are entitled to homelessness relief assistance for 56 days before a decision on what ongoing homeless duty is owed by the Council.⁷ If the household is believed to be priority need⁸ and is therefore eligible for interim accommodation⁹ pending a decision on their homelessness application, they will be provided with temporary accommodation (TA) whilst the relief duty is carried out. Therefore a decision about what duty is owed by the Council cannot be taken until after a priority need household has been in TA for 56 days unless there has been an intervening event – chiefly an offer of accommodation.
- 2.2.3 The duty to take reasonable steps to protect the homeless household's property¹⁰ is extended to include when a relief duty is owed - so encompasses all eligible homeless whether or not they are priority need and owed a TA duty.¹¹ Reasonable steps will depend on circumstances, however over a period of 56 days is likely to include collecting and packaging the belongings, transporting them for storage and then delivering them to the owner on termination of the duty. Termination of storage duties requires a notice period and variety of letters, so unless there is an address to deliver the belongings at the end of the 56 day period storage provision is likely to continue for longer than 56 days.
- 2.2.4 The Council may make a final offer of Private Rented Sector (PRS) accommodation subject to a number of conditions.¹² Conditions include: checking that landlord is a fit and proper person; the physical condition of the property; gas, electrical equipment, carbon monoxide safety etc.
- 2.3 Detailed process maps are available at Appendices 2 & 3, however Figures 1& 2 provide an overview of the change in processes and some of the primary duties in simplified form.

⁴ Section 2 of the Homelessness Reduction Act 2017

⁵ Section 1 of the Homelessness Reduction Act 2017

⁶ Section 3 of the Homelessness Reduction Act 2017

⁷ Section 5 of the Homelessness Reduction Act 2017

⁸ Categories of priority need are set out in Housing Act 1996 Part VII S189. They include: Persons who are pregnant or have dependent children; persons who are homeless due to flood, fire or other disaster; persons who are vulnerable due to disability etc.

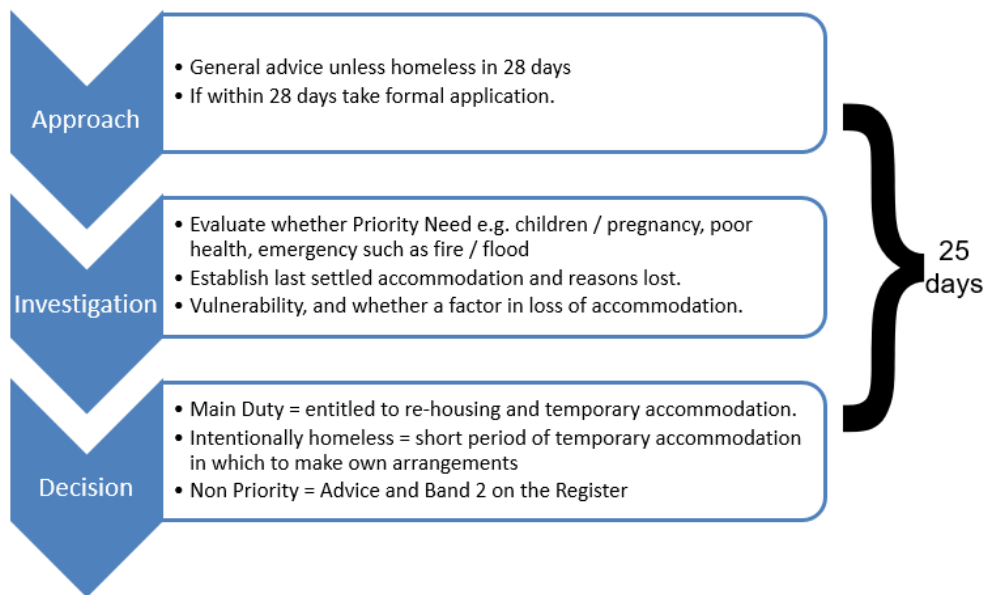
⁹ Housing Act 1996 Part VII, S188 (as amended by the Homelessness Reduction Act 2017)

¹⁰ Housing Act 1996 Part VII S211

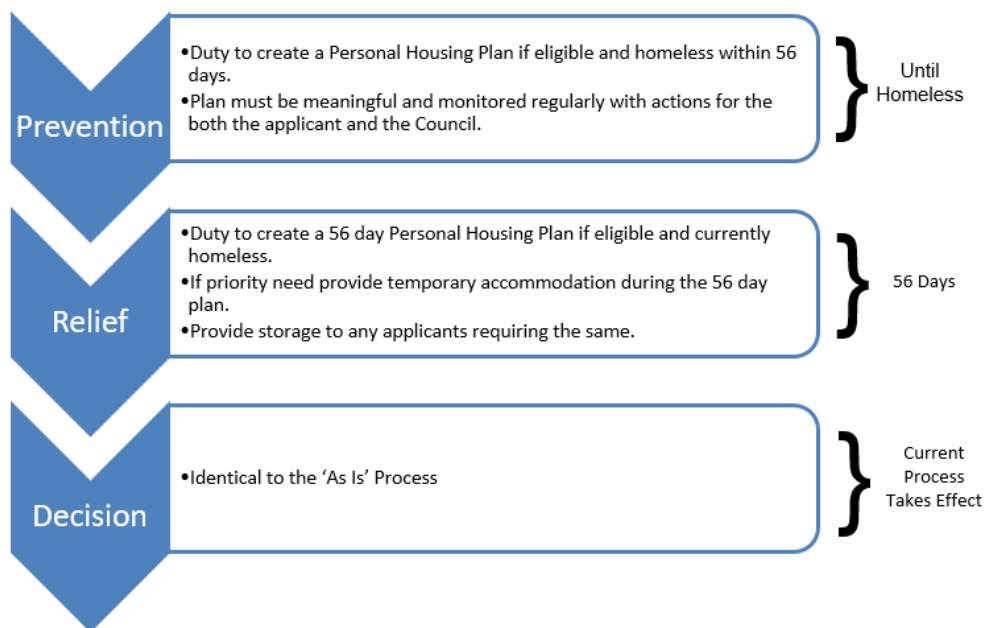
¹¹ Section 5(12) of the Homelessness Reduction Act 2017

¹² Section 6 and Section 12 of the Homelessness Reduction Act 2017

2.4 Figure 1: 'As Is' Process



2.5 Figure 2: 'New' Process



2.6 There are 2 primary operational changes:

2.6.1 Each homeless household will be within the service, and in some cases TA, for a longer period of time unless their homelessness is resolved.

2.6.2 Every household, including non-priority households, needs to have a meaningful plan that has a reasonable prospect of success.

- 2.7 Social housing that becomes available is already allocated to those most in need, and the numbers becoming available are likely to be similar in the medium and longer term¹³. The Allocations Policy will be revised to reflect the new categories of homeless applicant created by the Act, but due to the constrained supply of new lettings there is a need to generate new sources of homelessness assistance in order to be compliant with the Act.
- 2.8 The Council will receive approx. £297k up to 2019/20 in new burdens funding¹⁴ and the flexible homelessness support grant¹⁵ to support the delivery of new duties to the homeless. Two additional staff will be recruited to perform the frontline duties and manage the increased numbers in TA, this will account for £129k of the available funds. It is proposed that the remaining £168k is spent as follows:
- 2.8.1 Increase the meaningful help available by enabling households to remain in the home from which homelessness is threatened by offering loans to address rent arrears (Programme 1).
- 2.8.2 Improving the offer to private landlords so they are more willing to let their properties to households where they require alternative accommodation (Programme 2). The offer will be identical within & outside the selective licensing area.
- 2.8.3 In recognition of the increased length of applications, increase the provision of self-contained temporary accommodation by leasing more social rented properties to meet statutory suitability requirements for TA¹⁶. (Programme 3).

¹³ Local Authority Housing Statistics submitted to the CLG show that as at 1 April 2017 there were 2026 applicants on the housing register, of which 321 were in a statutory reasonable preference category.

¹⁴ <https://www.gov.uk/government/publications/homelessness-reduction-act-new-burdens-funding>

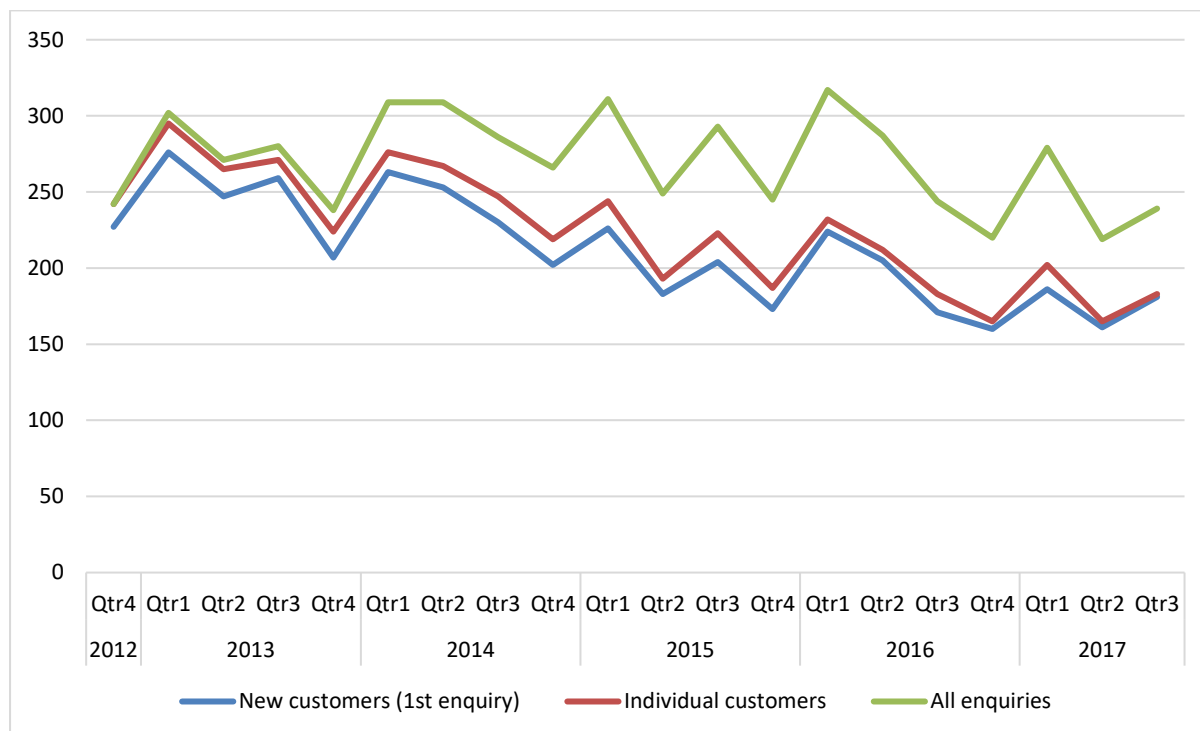
¹⁵ <https://www.gov.uk/government/publications/flexible-homelessness-support-grant-2017-18-to-2018-19>

¹⁶ The Homelessness (Suitability of Accommodation) (England) Order 2003 requires that households with family commitments are not placed in B&B for longer than 6 weeks.

3. Background

3.1 As the Local Housing Authority, the Council has a duty to provide services to the homeless under Part 7 of the Housing Act 1996. These are currently performed by 3 FT members of staff based at the Customer Services Centre, with a 24 / 7 phone number available for emergencies occurring outside office hours.

3.2 Figure 3: Number of enquiries to the Council's Housing Options Team



3.3 Figure 4: Primary reasons for homelessness

Reason given for homelessness	2012	2013	2014	2015	2016	2017	Av.
Non-violent breakdown of relationship	19.0%	12.9%	16.8%	14.5%	13.0%	17.5%	15.6%
Other loss of rented or tied accommodation	8.9%	12.4%	10.3%	12.0%	13.3%	13.3%	11.7%
Relatives/friends no longer willing/able to accommodate	13.1%	11.5%	12.6%	14.8%	14.9%	13.5%	13.4%
Parents no longer willing or able to accommodate	24.4%	18.3%	18.0%	20.2%	17.1%	16.8%	19.1%
Rent arrears	11.9%	16.1%	15.3%	10.3%	9.9%	10.1%	12.3%
Termination of Assured Shorthold Tenancy	13.7%	16.4%	17.6%	19.5%	21.6%	19.1%	18.0%
Violent breakdown of relationship	8.9%	12.5%	9.4%	8.7%	10.2%	9.7%	9.9%

3.4 There has been a rise in termination of Assured Shorthold Tenancies¹⁷ (AST) as primary reason for homelessness, whilst rent arrears has gone down after a peak in 2013-14. However, the overall picture on reasons for homelessness is largely unchanged over the past 5 years.

¹⁷ A standard tenancy agreement issued for renting housing in the private sector.

3.5 At present, households making an enquiry who are threatened with homelessness in 28 days are offered the opportunity to make an application¹⁸. An application involves the homeless household providing a formal statement of their circumstances which is then investigated; resulting in a well-reasoned decision which applies the correct tests and is set out in writing¹⁹. Such decisions are subject to a statutory right of review²⁰ and subsequently judicial review²¹ on a point of law.

3.6 Figure 5: Homelessness decisions 1 Oct 2012 until 31 Dec 17

Decision	2012	2013	2014	2015	2016	2017	Total	%
Eligible, unintentionally homeless and in priority need	11	87	129	134	144	111	616	38.7%
Eligible, homeless and in priority need, but intentionally homeless	10	34	19	26	22	16	127	8.0%
Eligible, homeless but not in priority need	14	39	67	51	42	31	244	15.3%
Eligible, but not homeless	5	16	28	32	24	32	137	8.6%
Ineligible	1	1	2	3	3	3	13	0.8%
Withdrawn	3	33	29	21	24	35	145	9.1%
Cancelled	1	3	5	4	5	24	42	2.6%
Found suitable alternative accommodation	4	58	54	45	47	44	252	15.8%
Other	3	2	2	4	3	3	17	1.1%
Total	52	273	335	320	314	299	1593	

3.7 The largest categories of homeless households are single female parents (28%) and single males with no children (30%). The largest group of homeless households accepted as eligible and in priority need are female single parents (40%), followed by male/female single adults (18% and 16% respectively).

3.8 Most acceptances were deemed vulnerable due to having dependent children (58.6%), the next largest group was vulnerable due to physical disability (13.7%).

3.9 Housing Options has a statutory duty to secure interim accommodation for a household it has reason to believe may be eligible, homeless and to have a priority need whilst the case is investigated and a decision is made. The decision will then give rise to further accommodation duties in most cases. The Council currently leases 3 properties from Trent & Dove Housing for this purpose, but many households have to be housed in bed & breakfast establishments.

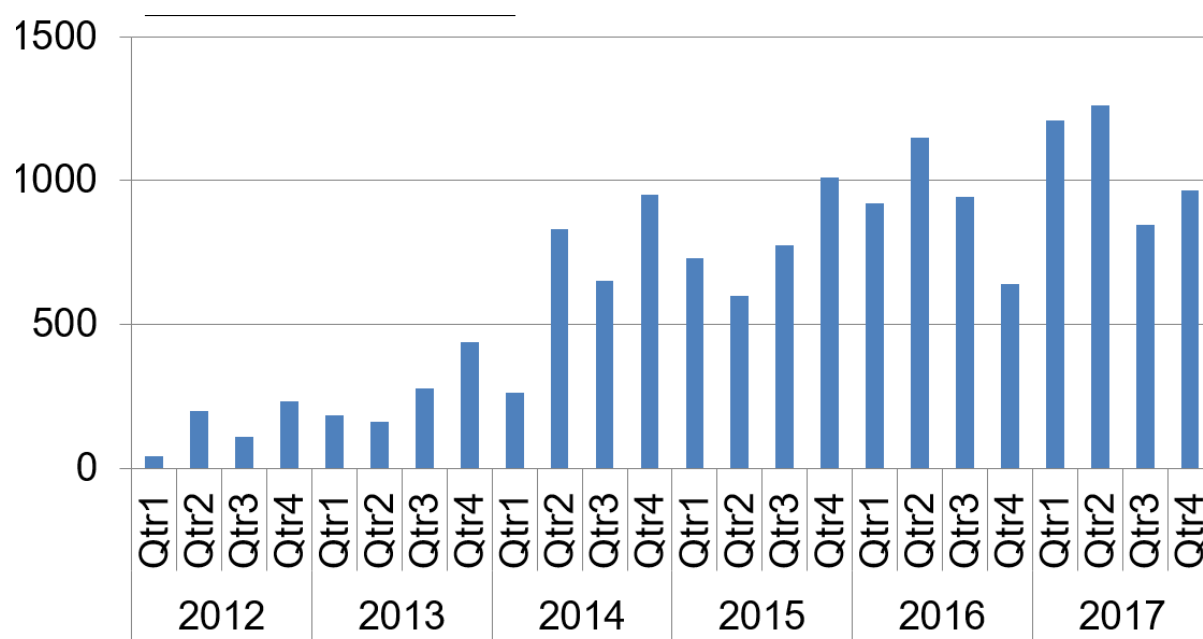
¹⁸ The Act increases the relevant period of threatened homelessness before making an application from 28 days to 56 days. Hence more enquirers will qualify for applications under the change.

¹⁹ Housing Act 1996 Part VII s184(3)

²⁰ Housing Act 1996 Part VII s202

²¹ Housing Act 1996 Part VII s204

3.10 Figure 6: Total number of nights of B&B accommodation – Jan 2012 to Dec 2017



3.11 There has been a steady increase in the need to provide temporary accommodation which has been sustained over time. A peak was reached in Quarter 1 of 2017, when 39 households were accommodated in B&B for 32 days on average.

3.12 There are a number of pressures likely to materialise in the coming months as a result of the ongoing welfare reform, Universal Credit is due to be fully rolled out in East Staffordshire in November 2018²² and there is evidence to indicate that increased rent arrears and homelessness could result.²³ Furthermore the benefit cap place an upper limit of £20kpa (£384.62 pwk) on the maximum overall benefit that any household can receive which will have an impact on the affordability of any potential housing solutions for larger families.²⁴

4. **Contribution to Corporate Priorities**

4.1 Corporate Plan Target Reference PSC18: Prepare for the Homeless Reduction Bill.

5. **Forecasting the Impact of the Act**

5.1 The change proposed is so far reaching that it is very difficult to model with any accuracy. The Act is explicitly based on similar legislation that was introduced in Wales via the Housing Act (Wales) 2014 which took effect on 27 April 2015.²⁵

²² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/664591/universal-credit-transition-rollout-schedule.pdf

²³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/388712/summary-direct-payment-demonstration-projects-18-month-reports.pdf

²⁴ ESBC Housing Benefit Records show 93 affected claimants as at 12 July 2017

²⁵ <https://statswales.gov.wales/Catalogue/Housing/Homelessness>

Hence the available comparators are the local housing authorities in Wales, and English authorities taking part in a well-resourced trail-blazer programme.

5.2 The Welsh Government has stated that the data collection on homelessness has changed to reflect the legislative changes, and as a result is incomparable with the data collected prior to the change.²⁶ In particular they point out the previous reporting structures focussed on those households owed the main homelessness duty²⁷ and provided little data on households owed lesser duties.

5.3 However, taking a broad view of the available evidence it is possible to discern the following:

5.3.1 The requirement to take applications at an earlier point, i.e. within 56 days rather than 28 days to threatened homelessness, in combination with the requirement on public bodies to refer cases of homelessness²⁸ is likely to result in an increase in formal applications. Andy Gale²⁹, Housing Consultant formerly with the DCLG, has evaluated the data and concluded that Wales has seen a 26% increase in Homeless Applications since April 2015³⁰. The London Borough of Southwark (Southwark) are a prominent trail-blazer authority having enacted the majority of the Act, they have experienced a 29% increase in applications.

5.3.2 Requirement to provide more intensive support work to all homeless households in the form of a written Personal Housing Plan, which can be subject to review. Under current arrangements non-priority households³¹ would receive some basic assistance and sign posting, this now needs to be far more intensive for a minimum of 56 days if homeless at approach. More importantly the support needs to be meaningful and offer a realistic prospect of success, which would require an expansion of the tools available to officers.

5.3.3 Cases will remain open to officers longer, in Wales 33% of cases went all the way to the pre-existing decision making process having passed through 56 days of relief and in some cases a period of prevention too. Southwark average case length has increased from 24 days to 130 days³². In particular intentionally homeless households will remain in the

²⁶ <http://gov.wales/docs/statistics/2015/150923-statutory-homelessness-legislative-changes-27-april-2015-en.pdf>

²⁷ Accepted to be eligible, priority need and unintentionally homeless.

²⁸ Section 10 of the Homelessness Reduction Act 2017

²⁹ Former Housing Needs Manager at Harrow Council, and DCLG Policy Advisor. Now well regarded housing consultant.

³⁰ Andy Gale's view has not received any formal recognition, but is available here:

<http://locatahousing.org.uk/information/new-andy-gale-toolkits-prevention-homelessness/>

³¹ There were 40 no priority need decisions in 2016/17.

³² Southwark is an inner London Authority with very severe housing pressures; used as a comparator with caution.

temporary accommodation for an additional 56 days³³ unless there is an intervening event.

5.3.4 Facilitating and arranging storage will likely expand, due to the inclusion of non-priority households and the additional 56 days owed to intentionally homeless household. Many households are able to make their own storage arrangements, so it is difficult to predict exactly what impact this expansion will have³⁴.

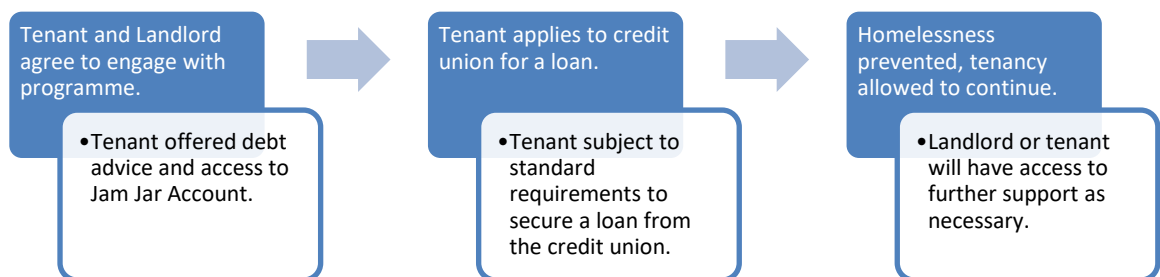
5.4 The impact is therefore likely to be pervasive, requiring significant remodelling of the current service provision.

6. **Programme 1: Loan to address Rent Arrears**

6.1 If it is possible to keep the tenant in the home from which homelessness is threatened then this is generally regarded as being the best outcome³⁵ because it minimises disruption to the household, and reduces pressure on the supply of new affordable housing to rent.

6.2 The Council currently receives approx. 80 approaches from households whose primary reason for threatened homelessness is rent arrears. In responding to these cases it is standard practice to explore the potential for a repayment plan, but such offers gain little traction with landlords because tenants can typically offer less than £50pcm. However, if landlords had an offer to clear the arrears in full there would be a solid business case for them to offer the tenants an assurance³⁶ that the tenancy will continue if the rent is paid in full and on time.

6.3 Figure 7: Process for Loan to address Rent Arrears.



6.4 This scheme would run alongside, and effectively mirror the current New Tenancy Finance Scheme (NTFS) which offers loans to secure alternative accommodation. The NTFS is run in partnership with the Money Spider Credit

³³ 20 households were found to be intentionally homeless in 2016/17

³⁴ Approx. £3k was spent on storage in 2016/17.

³⁵ This option would only be pursued having had regard to all the other factors; reasonable to continue to occupy etc.

³⁶ The assurance would not be legally binding, but there is little incentive for a landlord to evict a tenant who is up to date with their rent.

Union, loans are issued under the usual conditions³⁷ but are backed by the Council.

- 6.5 It is anticipated that the average loan required under the programme would be approx. £1k. The NTFS currently has a repayment rate of 85% and we would expect this to continue as we will be operating the same loan procedures with the same clientele. Take up within the 80 potential homeless households³⁸ will be limited to ensure the Council's overall exposure is within the new burdens envelope at less than £30,000.

7. Programme 2: Private Rented Sector Access

- 7.1 The Council already offers a loan scheme to assist homeless households with the upfront costs of securing a PRS tenancy which is fairly generous, but the number of successes is very small. There are a number of key difficulties in securing access for homeless households who are typically on a low income:

7.1.1 Shelter research³⁹ has found that the primary reason households facing homelessness are unable to secure new accommodation is the shortfall between Housing Benefit⁴⁰ and the cost of private renting. A quick search of prominent property rental websites indicates that East Staffordshire is similarly impacted.

7.1.2 Landlords may decide not to let their property to low income households due to the perceived risks posed by the group.

- 7.2 The Council consulted with landlords interested in housing homeless families following an announcement at the Landlord's Forum and subsequent email correspondence. This led to the identification of the following package which should entice some landlords to work more closely with the Council:

7.2.1 Housing Outreach Worker to act as tenant's first point of contact to assist in the management of the tenancy.

7.2.2 Insurance against rent arrears for first 12 months (approx. £150pa per property⁴¹)

7.2.3 Commit to make a one off payment of £600 towards court costs if required within first 2 years.

³⁷ <https://www.fca.org.uk/firms/credit-unions>

³⁸ Of the 80 potential homeless households and their landlords it is difficult to gauge how many will be interested and suitable for the loan required within the context of their overall income and expenditure. On this basis it is believed the cap on overall exposure is appropriate.

³⁹ http://england.shelter.org.uk/__data/assets/pdf_file/0005/1391675/LHA_analysis_note_FINAL.pdf

⁴⁰ <http://www.eaststaffsbc.gov.uk/benefits-and-support/housing-benefit/local-housing-allowance>

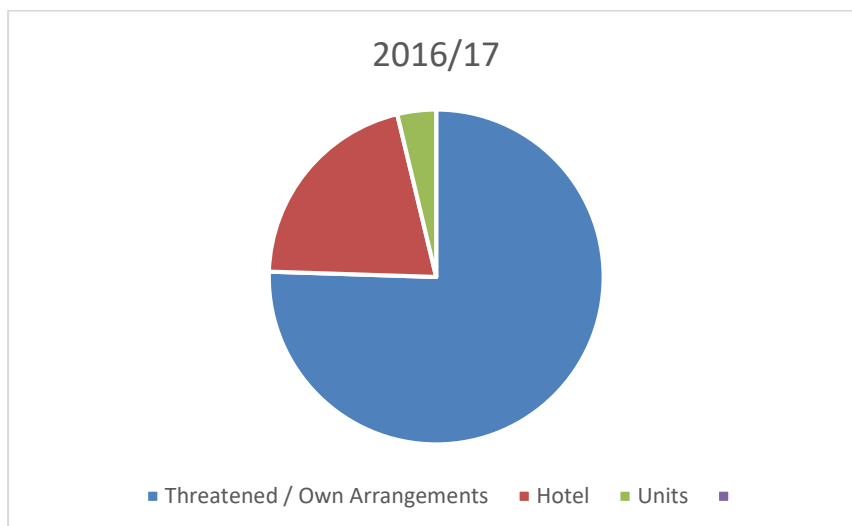
⁴¹ Figure supplied by Stafford Borough Council who operate a similar programme.

- 7.3 In exchange the landlord engaging with this offer will accept a tenant referred from Housing Options, and will commit to allow the tenancy to continue for 2 years subject to terms⁴².
- 7.4 This offer is likely to appeal to landlords who want less hassle and who would like to help homeless households if the risks were reduced. There could also be particular circumstances that make our offer more appealing e.g. those who live some distance away, or who operate on a very small scale with 1 or 2 properties.
- 7.5 We would anticipate that landlord interest in this programme will be small initially⁴³, however over time the reputation of the offer could encourage more landlords to take part. Take up will be limited to ensure the Council's overall exposure is within the new burdens envelope at less than £20,000, facilitating a maximum of 50 properties during the 2 year period of funding.

8. Programme 3: Lease additional Units of Self-contained Temporary Accommodation

8.1 The Council currently leases 3 units of self-contained temporary accommodation (units), but secures the vast majority of TA in hotels. However it is believed that the stock of units needs to be increased to meet the Authority's legal responsibilities⁴⁴ to homeless households with family commitments.

8.2 Figure 8: Homeless households by temporary accommodation type



8.3 The Homelessness (Suitability of Accommodation) (England) Order 2003 requires that households with family commitments⁴⁵ should not be placed in

⁴² The tenant will be free to end the tenancy if they wish to do so, and the landlord will only take action to end the tenancy within the 2 years if there are problems.

⁴³ Stafford Borough Council have taken on 8 properties in first 12 months of operation.

⁴⁴ http://www.legislation.gov.uk/ukxi/2003/3326/pdfs/ukxi_20033326_en.pdf

⁴⁵ With whom a pregnant woman or children reside or would reasonably be expected to reside.

'B&B accommodation' for longer than 6 weeks. B&B accommodation means accommodation which is not separate and self-contained premises, such as accommodation which requires amenities⁴⁶ to be shared. This is an imperative, which has recently been reinforced by the Ombudsman⁴⁷.

- 8.4 In order to ensure that this is achieved in all cases it is proposed that we aim to move households with family commitments into a unit at 4 weeks, ahead of the 6 week deadline. It is difficult to predict what impact the increased length of applications will have on homeless households requiring temporary accommodation, it is currently the case that the vast majority of households do not progress from being threatened with homelessness to requiring TA, and it is not clear why that should change following the introduction of the Act. It is of course known that the intentionally homeless are entitled to 56 additional days of TA than was the case before, however this group represents only 8% of cases (average of 25 pa) as set out in Figure 5. It is also hoped that Programmes 1 & 2 could resolve the homelessness of some of these households reducing their need for TA.
- 8.5 For these reasons unadjusted TA data from past 3 years has been used to model homeless households' use of TA, the additional leased units will enhance the Council's flexibility in responding to the Act without relying on assumptions which may prove incorrect. In order to meet the 4 week target the Council would need to procure an additional 2 x 3 bed units and 2 x 2 bed units.
- 8.6 This procurement will be straight forward as Trent and Dove Housing Association have already expressed an interest in making properties available for lease under the same arrangements we have for the 3 units we already hold long term. These units are charged at standard social rent, representing good value. It will be necessary to take court proceedings to repossess a unit and remove the occupier which will incur a cost. This has not been required over the 10 plus years we have leased the units, and for this reason has not been included in the figure below as an operating cost.
- 8.7 Figure 9: Costings for Lease of a 3 Bed Unit

⁴⁶ Amenities is defined as toilet, cooking and washing facilities.

⁴⁷ <http://www.lgo.org.uk/information-centre/news/2017/oct/councils-reminded-of-their-duty-to-homeless-families-following-ombudsman-investigation>

	Homeless Accommodation Budget	Housing Subsidy Budget	Total
	£	£	£
Lease cost of a typical 3 bed social property	5,740		5,740
Maintenance/Council Tax	1,700		1,700
Total Expenditure	7,440		7,440
Housing Benefit Subsidy/Income collected	(3,360)	3,360	0
DWP Subsidy		(3,360)	(3,360)
Net cost to Homeless Accommodation/Subsidy	4,080	0	4,080
Total for 2 x 3 bed units	8,160	0	8,160

8.8 Figure 10: Costings for Lease of a 2 Bed Unit

	Homeless Accommodation Budget	Housing Subsidy Budget	Total
	£	£	£
Lease cost of a typical 2 bed social property	4,950		4,950
Maintenance/Council Tax	1,700		1,700
Total Expenditure	6,650		6,650
Housing Benefit Subsidy/Income collected	(2,740)	2,740	0
Estimate DWP Subsidy Receivable		(2,740)	(2,740)
Net cost to Homeless Accommodation/Subsidy	3,910	0	3,910
Total for 2 x 2 bed units	7,820	0	7,820

8.9 The impact on the respective budgets relating to Bed and Breakfast is shown in Figure 11.

8.10 Figure 11: Monies released with use of Leased as opposed to Bed and Breakfast Accommodation

	Homeless Accommodation Budget	Housing Subsidy Budget	Total
	£	£	£
Gross Expenditure	12,190		12,190
Estimate Recovered by HB	(8,530)	8,530	0
Net Expenditure	3,660	8,530	12,190
Estimate DWP Subsidy		(3,800)	(3,800)
Net Expenditure Saved	3,660	4,730	8,390
Total if 4	14,640	18,920	33,560
Net Total	1,340	(18,920)	(17,580)

- 8.11 Acquiring additional units also offer us the opportunity to address groups that are poorly served within the hotel network; particularly larger families that cannot fit in a hotel room and people with significant physical disabilities.
- 8.12 There are a number of advantages to hotel usage⁴⁸, however the acquisition of units proposed under Programme 3 will simply augment the existing range of TA available.

9. **Financial Considerations**

- 9.1 *This section has been approved by the following member of the Financial Management Unit: Anya Murray*
- 9.2 The costs of providing homeless accommodation consist of two elements, the direct costs of accommodation and housing benefits that cannot be recovered from central government. Actual costs are set out in the table below:

	Accommodation	HB	Total
	£	£	£
2014/15	45,590	30,048	75,638
2015/16	44,584	40,710	85,294
2016/17	52,255	63,833	116,088

- 9.3 The council has been provided with Government funding to support the implementation of the Housing Reduction Act totalling £298k, as follows:

⁴⁸ Spot purchasing, management service provided by the hotelier, no requirement for court proceedings to secure possession etc.

Figure 13: Grant Income from Central Government

Grant Income from Central Government	2017/18	2018/19	2019/20	2020/21	Total
	£	£	£	£	£
Homeless Reduction Act - New Burdens	28,366	25,983	36,967	0	91,316
ICT HRA New Burdens	9,202	0	0	0	9,202
FHSG Allocation DCLG Flexible Homelessness Support Grant	94,123	103,170	<i>unknown</i>	<i>unknown</i>	197,293
Total	131,691	129,153	36,967	0	297,811

9.4 There are a number of financial implications arising from this report and these are dealt with below:

Estimated Cost to be met from Government Funding:	£	Report Para.
Programme 1 – Loans to Rent arrears	30,000	Section 6
Programme 2 – Package of Measures to support landlords	20,000	Section 7
Staffing Resource Requirement	129,000	Paragraph. 2.8
Inclusion of intentionally homeless (estimated cost)	9,880	Paragraph. 5.3.3
Storage and Removal Costs (estimated)	7,850	Paragraph. 5.3.4
Sums available to meet potential demand pressures (see below)	101,081	Paragraph 9.6
Total	297,811	

9.5 Programme 3 – Additional Leased Accommodation (Section 8)

Paragraphs 8.8 and 8.9 have demonstrated that it can be more cost effective to deliver temporary accommodation through leased premises instead of bed and breakfast. Figure 11 demonstrates a potential cost saving of £17k from this proposal. However there are a number of financial risks associated with this estimate:

9.5.1 Leased accommodation costs are fixed and if the occupancy levels fall below the estimate of 80% then these savings will reduce;

9.5.2 The nature of this type of accommodation may result in longer stays and therefore the overall number of nights being accommodated and the subsequent costs increase.

Any savings that do materialise can be used to offset existing pressures on this budget.

- 9.6 An assessment of what would happen if the implementation of the HRA in practice leads to an increase in applications and numbers accommodated.

Total Additional MTFBS Budget in 2018/19	Homeless accommodation	Housing Benefit	Total
	£	£	£
An increase of 5%	15,480	9,300	24,780
An increase of 10%	20,060	13,050	33,110
An increase of 26%	29,400	25,030	54,430

The 26% increase is based on the increase in applications experienced by Wales. All increases have been profiled based on our current average homelessness decisions on applications. (see Figure 5).

10. **Risk Assessment and Management**

- 10.1 The main risks to this Report and the Council achieving its objectives are as follows:

- 10.2 Positive (Opportunities/Benefits):

10.2.1 Reduce the numbers becoming homeless through early intervention.

10.2.2 Enhanced support and assistance for homeless households.

10.2.3 Improve the quality of temporary accommodation for those becoming homeless.

- 10.3 Negative (Threats):

10.3.1 Failure to meet new duties results in legal or other challenge.

10.3.2 Forecast is incorrect and the numbers are greater or less than expected, resulting in an under or over utilisation of the provision.

10.3.3 Reduction in grant without corresponding reduction in homelessness/legal duties.

- 10.4 The risks do not need to be entered in the Risk Register. Any financial implications to mitigate against these risks are considered above.

11. **Legal Considerations**

11.1 *This section has been approved by the following member of the Legal Team: John Kirkham.*

11.2 The main legal issues arising from this Report are as follows:

11.2.1 The Housing Act 1996 Part VII has been substantially altered by the Homeless Reduction Act 2017.

11.2.2 The proposed programmes of expenditure are not prohibited under the requirements of the specified funds.

12. Equalities and Health

12.1 **Equality impacts:** Potential to improve access to the private rented sector for young people, and improve the accessibility of temporary accommodation for those with disabilities and pregnant women.

12.2 **Health impacts:** Reduced periods of homelessness and self-contained temporary accommodation will have a beneficial impact on the health of those entering the service.

13. Human Rights

13.1 NA.

14. Sustainability (including climate change and change adaptation measures)

14.1 Does the proposal result in an overall positive effect in terms of sustainability (including climate change and change adaptation measures) Yes

14.2 Please detail any positive/negative aspects:

14.3 Positive (Opportunities/Benefits)

14.3.1 None.

14.4 Negative (threats)

14.4.1 None

15. Recommendation(s)

15.1 To proceed with Programme 1, making available loans to address rent arrears in the private rented sector, in order to increase the number of households whose homelessness is prevented by remaining in their homes.

15.2 To proceed with Programme 2, providing an enhanced offer to private landlords to increase the number of homeless households who are able to secure accommodation in the private sector.

15.3 To proceed with Programme 3, increasing the stock of self-contained temporary accommodation available to homeless households owed such a duty.

16. Background Papers

16.1 The Housing Strategy 2015

16.2 The Homelessness Strategy 2013

16.3 The Procurement Strategy 2016

17. Appendix 1

17.1 Figure 11: Number of households with family commitments in B&B accommodation longer than 4 weeks.

	2014				2015				2016				2017				Av.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Max. N. of Households in TA	4	5	4	3	4	3	3	5	2	8	8	3	2	3	2	1	3.93

2 Bedroom need at Max.	4	4	4	3	2	1	0	3	1	5	5	2	1	2	2	1	2.60
3 Bedroom need at Max.	0	1	0	0	2	2	3	2	1	3	3	1	1	1	0	0	1.33
Total N. of households in TA	4	9	7	5	6	4	3	6	3	8	10	4	2	4	2	2	4.94
Total Bedroom need - 2 bedrooms	4	8	7	5	3	1	0	3	2	5	7	3	1	3	2	2	3.50
Total Bedroom need - 3 bedrooms	0	1	0	0	3	3	3	3	1	3	3	1	1	1	0	0	1.44