

**Report of Head of Housing Support**

**Report to Director of Resources and Housing**

**Date: 23 May 2017**

**Subject: Flexible Homelessness Support Grant Allocation 2017/18 and 2018/19**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

- 1 The government has allocated Leeds a Flexible Homelessness Support Grant allocation of £1.636m in 2017/18 and £1.794m in 2018/19. The new grant replaces Temporary Accommodation Management Fee with the assumption that Leeds would have received £23k in 2017/18 through the old funding regime.
- 2 The new grant allocation represents a significant windfall to the Council and the report sets out the proposals to use the grant.

**Recommendations**

- 1 Approve the proposals for use of the Flexible Homelessness Support Grant.

## 1. Purpose of the Report

- 1.1. To set out the context relating to the Flexible Homelessness Support Grant allocation and approve the proposals for grant use.

## 2. Background Information

- 2.1. The government has introduced a new grant allocation to better assist local authorities to prevent homelessness and reduce temporary accommodation placements: Flexible Homelessness Support Grant (FHSG). Leeds City Council has been allocated £1.636m in 2017/18 and £1.794m in 2018/19<sup>1</sup>. FHSG replaces Temporary Accommodation Management Fee (TAMF) which was a payment of £60 per week per privately leased temporary accommodation placement. The government has calculated that it expected Leeds to receive £23k in TAMF in 2017/18, if the funding arrangement had been retained, on the basis of having an average of 7 privately leased temporary accommodation placements at any point in the year.
- 2.2 The purpose of the new FHSG is to give local authorities greater control on the use of resources to tackle homelessness. TAMF is only paid if a temporary accommodation placement is made and such a placement would be made because homeless prevention options have not been successful. Each authority should, in principle, be able to use FHSG to invest in prevention services/interventions that reduce the number and cost of temporary accommodation placements.
- 2.3 The new grant is being implemented concurrent to the Homelessness Reduction Bill being passed through Parliament. The Bill, when enacted, will place a legal duty on local authorities to offer personalised housing advice packages that aim to prevent homelessness. The government has made a further £61m available to local authorities to meet the new duties relating to the Bill and the by authority allocation will be announced in the autumn of 2017.
- 2.4 The FHSG allocation has been calculated using a formula relating to the number of homeless preventions achieved relating to private rented housing, number of homeless acceptances made and the average private rented rent in the city. Leeds has received a high value FHSG allocation because of high homeless prevention outcomes. The FHSG grant allocation needs to be used to cover the income loss from the removal of TAMF. However, because Leeds has been able to keep privately leased temporary accommodation placements at a low level then this will not have a significant impact in Leeds – the value required will be set out in the main issues part of the report.
- 2.5 A homeless prevention is defined as being an intervention by a local authority that assists a person/household, who has presented stating that they are threatened with homelessness, to either 'stay put' in their existing home or to make a 'planned move' to alternative housing. There should be an expectation that the retained/new housing option will be available for a minimum of six months. Examples of private

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<sup>1</sup> <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2017-03-15/HCWS538/>

rented related homeless preventions include assisting a person to secure a private rented tenancy through a bond payment and negotiating with a private landlord to withdraw a notice for possession issued perhaps by agreeing an arrears payment plan.

2.6 Other local authorities have received a FHSG allocation (because of low prevention outcomes) equivalent to what they would have received in TAMF. This does mean that some authorities cannot immediately use the money to invest in prevention services as the funding is required to cover the lost temporary accommodation placement subsidy. The notional TAMF figure has been calculated on the basis of average number of privately leased placements between the beginning of July 2015 and end of June 2016. If placements have risen since the end of June 2016 then the authority will have insufficient FHSG to cover the lost TAMF income. In comparison, Leeds is in a very favourable position to invest in homeless prevention services.

2.7 The government has also indicated that FHSG will continue into 2019/20 and that allocations for that year will be announced in some point in 2017/18. The Council will best place itself for a favourable allocation by continuing to increase homeless prevention outcomes and reducing temporary accommodation placements.

2.8 The FHSG complements an existing Homelessness Prevention Grant allocation which is a visible funding line within the core spending power<sup>2</sup>. Leeds will receive £862k in 2017/18, £864k in 2018/19 and £869k in 2019/20 in Homelessness Prevention Grant. The allocation in Leeds is used to pay for staffing at Leeds Housing Options and homeless prevention activity including the Homeless Prevention Fund.

2.9 In summary, the funding available to Leeds is as follows:

	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Homelessness Prevention Grant	£862k	£864k	£869k
Flexible Homelessness Support Grant	£1,636k	£1,794k	To be determined
Homelessness Reduction Act funding	To be determined	Non-recurring	Non-recurring

<sup>2</sup> <https://www.gov.uk/government/publications/core-spending-power-final-local-government-finance-settlement-2017-to-2018>

### 3. Main Issues

3.1. The proposed use of the Flexible Homelessness Support Grant in 2017/18 and 2018/19 is as follows:

	<b>2017/18</b>	<b>2018/19</b>
Cover loss TAMF income	£60k	£60k
Increase in Homeless Prevention Fund funding	£120k	£120k
Fill 4 vacant Housing Advisor posts and create 1 Senior Housing Advisor post	£151k	£153k
Create 2 Principal Housing Officer, 3 Senior Housing Officer and 3 Housing Officers posts to carry out private sector housing inspection work	£261k	£263k
Develop a selective licensing proposal including creating a Principal Housing Officer and 2 Senior Housing Officer posts	£150k	£150k
Fill two vacant Housing Officer (Support) posts and creating one additional Housing Officer (Support) post	£93k	£94k
Create a Community OT post and one Case Worker (Adaptations) post	£75k	£76k
Better assisting rough sleepers misusing substances	£100k	£100k
<b>Total</b>	<b>£1,010k</b>	<b>£1,016k</b>
<b>Surplus</b>	<b>£626k (from £1636k)</b>	<b>£779k (£1795k)</b>

3.2 **Cover loss of Temporary Accommodation Fee Income:** the Council will from 1 April 2017 no longer be able to claim TAMF of £60 per placement per week for temporary accommodation placements made through a private provider. We currently have 6 temporary accommodation placements made with the contracted private provider and £60k will cover an average of 16 placements per night across the next two years. It is important that we adopt a cautious approach to this issue and any under-spend will represent an efficiency saving.

3.3 **Increase in Homeless Prevention Fund funding:** the Homeless Prevention Fund is used to cover the cost of a range of interventions that help to prevent homelessness. This could include the payment of a bond/rent in advance to help a person secure a private rented tenancy. The original 2017/18 budget was to allocate £180k (from the long-

standing Homelessness Prevention Grant allocation of £862k) for the Homeless Prevention Fund. The proposal is to increase the budget from £180k to £300k per year using £240k over two years from FHSG. The increase in funding will enable the Leeds Housing Options Service to facilitate more private rented tenancies, especially in outlying/high housing demand areas, through the payment of higher value bonds and rent in advance payments. A number of housing applicants, who want to stay in specific areas, are using the private rented sector as an interim housing option, pending council re-housing, and the increase in Homeless Prevention Fund funding will promote such opportunities. The increase in Homeless Prevention Fund funding will also be used to help people moving into new unfurnished council tenancies to purchase furniture for their new homes. Being able to adequately furnish a property is a major issue in relation to tenancy sustainment and people may resort to buying items from high interest charge 'pay weekly' shops or unscrupulous lenders. The city is facing a significant challenge in relation to helping a small group (small group 12 people) of entrenched rough sleepers who refuse current emergency housing options such as a hostel space. The emerging approach is to help people off the streets through the allocation of a council letting (identified as a viable option by housing management and support services) and providing accompanying intensive support. The intention is to use additional Homeless Prevention Fund funding to furnish such new tenancies to promote tenancy sustainment.

**3.4 Recruit to 4 FTE vacant C1 Housing Advisor posts and create 1 FTE SO2 Senior Housing Advisor:** the Leeds Housing Options service, in common with other General Fund services, has to make efficiency savings and it was proposed to hold 7 FTE Housing Advisor posts (out of total of 55.5 FTE) in 2017/18 and 2018/19. Whilst the efficiency savings are necessary, the reduced number of housing advice posts will reduce the capacity of Leeds Housing Options to prevent homelessness. The proposed spend equates to filling 4 of the 7 vacant Housing Advisor posts and creating one Senior Housing Advisor post. The posts will be recruited to on a permanent basis and there is confidence that the posts can be funded in 2019/20 through a further FHSG allocation. If FHSG ceases then the Leeds Housing Options Service will work to phase out the requisite number of posts in a timely way.

**3.5 Create 2 FTE PO2 Principal Housing Officer, 3 SO2 Senior Housing Officer and 2 C3 Housing Officer to carry private sector housing inspections:** The private rented sector is a growing housing tenure in the city and is an increasingly important housing option to address homelessness and housing need. The private rented sector has the most significant concentration of poor housing standards and it is vital that the council maximises what it can do to make the private rented sector a viable and attractive housing option. Also, it is important to raise standards in the private rented sector in order to promote tenancy sustainment and prevent new homelessness. The focus of the private sector housing team in 2017/18 will increasingly be on carrying out as many property inspections as possible to improve the housing conditions of private rented tenants. The intention is to recruit to 7 new posts within the private sector housing team to deliver more housing inspection work and to challenge, including from a legal perspective, the activity of rogue landlords. The posts will comprise 2 x Principal Housing Officer, 3 x Senior Housing Officer and 2 x Housing Officer posts. The intention is that these posts will be recruited to on a permanent basis and there is an assumption they will continue to be funded through an FHSG in 2019/20. However, it is also intended that the posts can be alternatively funded in future from retained civil penalties that are applied to landlords who have been charged a penalty on the basis of their poor or illegal practice.

**3.6 Develop a selective licencing proposal including creating 1 FTE PO2 Principal Housing Officer and 2 SO2 Senior Housing Officer:** Funding of £300k (over two years) has been set aside to develop a selective licencing proposal for to be determined specific localities of concentrations of poor standard private rented housing. A selective licencing initiative will oblige landlords operating within a specific locality to secure a fee-based licence to operate. Shelter (the homelessness charity) supports the development of selective licencing initiatives as a means of raising standards of housing management /conditions and consequently promoting the prevention of homelessness<sup>3</sup>. The funding will be used to develop the proposal over the next 12-18 months including staffing required to develop the proposal and more definite reports on the initiative development will be produced. The purpose of this report is to set aside the money to enable this activity. An approved selective licencing initiative will require a number of operational staff which will be funded though the licence fee income

**3.7 Recruit to 2 vacant C3 Housing Officer (Support) posts and create 1 additional Housing Officer (Support) post:** The post-holders will deliver tenancy sustainment work to the cohort of entrenched rough sleepers who are moving in to council housing and also private rented tenants who are found to be vulnerable following a referral to the private sector housing team or through a property inspection. Two of the posts are currently held vacant as part of the housing revenue account efficiency saving and one is a new post. One of the post-holders will focus on promoting the health and wellbeing, including access to health and care services, for vulnerable tenants in areas such as the Recreation Streets Holbeck. It is proposed to recruit to these posts on a permanent basis and it is assumed that a FHSG in 2019/20 will enable the continued funding into the third year. There may well be opportunities to fund some of these posts through the HRA in future years.

**3.8 Create 1 PO1 Community OT post and 1 SO1 Case Worker (Adaptations) post:** the cost of adapting council housing is placing significant pressure on available funding and the Health and Housing service is working to increase the number of tenants who take up the option to move to already adapted housing as an alternative to adapting their current homes. We are looking to increase the number of moves by 100 (which is likely to generate a saving of £500k with an average adaptation scheme costed at £5k) in 2017/18 and the additional activity associated with helping people to move will be resourced through the recruitment of a PO1 Community OT and a SO1 Adaptations Case Worker. A disabled person being unable to mobilise in their own home is a form of homelessness as the accommodation is not reasonable to occupy. It is anticipated that the posts could be funded through the DFG allocation and the HRA in future years.

**3.9** The funding for the posts set out in paragraphs 3.4 to 3.8 represent funding for a full two years from the date when the recruited staff start in post rather than funding being limited to 2017/18 and 2018/19.

**3.10 Workforce Implementation Plan:** The workforce implementation plan for recruiting to the proposed new posts has been developed in line with corporate policy. The posts are additional to the existing Housing Support structure and no officer will be adversely affected by the proposal. It is proposed that the posts will be firstly matched to people who

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<sup>3</sup>

[http://england.shelter.org.uk/\\_\\_data/assets/pdf\\_file/0008/57779/Selective\\_licensing\\_for\\_local\\_authorities.pdf](http://england.shelter.org.uk/__data/assets/pdf_file/0008/57779/Selective_licensing_for_local_authorities.pdf)

have been displaced from their previous post and then, if required, the remaining posts will be advertised on an internal basis across the Council.

3.11 The proposed workforce implementation plan has been conveyed to Trade Union representatives.

**3.12 Funding to better assist rough sleepers/people living a street lifestyle with substance dependencies:** £100k per year has been set aside so that Adult Social Care/Public Health commissioning leads on housing related support/drug treatment can work with existing commissioned services to look at how rough sleepers, who are using substances such as Spice, can be best supported. A separate report, setting out the definite proposal, will be submitted at a later point.

3.11 The remaining funding for 2017/18 (£626k) and 2018/19 (£779k) will not be committed at this point and consideration will be given to allocating it to other priorities as they emerge.

## **4. Corporate Considerations**

### **4.1. Consultation and Engagement**

4.1.1 The workforce implementation plan is set out in paragraph 3.10. No existing staff will be adversely affected by the proposal. Officers within the Housing Support service have been advised of the proposals. Details of the new posts and workforce implementation plan have been conveyed to the trade unions. Consultation with all landlords operating in the proposed selective licensing areas will be an essential part of the proposal development.

### **4.2. Equality Diversity Cohesion and Integration**

4.2.1 Homelessness is one of the most acute forms of social exclusion/disadvantage and disproportionately affects the most vulnerable in society. The proposed funding interventions will help to tackle this disadvantage.

4.2.2 An Equality Diversity and Cohesion Impact Assessment has been carried out.

### **4.3. Council Policies and Best Council Plan**

4.3.1 Preventing homeless contributes to the Council Plan aims of tackling poverty and reducing inequalities and the vision for Leeds to be a compassionate city and the Best Council.

### **4.4. Resources and Value for Money**

4.4.1 There is sufficient budget to fill the proposed posts. The posts will promote the prevention of homelessness and reduce temporary accommodation placements. The proposals therefore represent 'invest to save' interventions. Significant consideration has been given to how the posts will be funded from 2019/20 onwards.

#### **4.5. Legal Implications, Access to Information and Call In**

4.5.1 The proposals set out in the report represent a significant operational decision and are subject to call in.

4.5.2 The prevention of homelessness will become a legal duty once the Homelessness Reduction Bill is enacted.

#### **4.6. Risk Management**

4.6.1 Risks are associated with using time-limited to fund the recruitment to permanent posts. However, the report sets out how such risks will be addressed.

### **5. Conclusion**

5.1 The Flexible Homelessness Support Grant allocations for the next two years represent a significant windfall for Leeds City Council and is a positive reflection of the success Leeds has had in preventing homelessness and reducing temporary accommodation placements. The proposals will better enable the Council to increase homeless prevention and further reduce temporary accommodation placements.

### **6. Recommendations**

6.1 Approve the proposals for the use of the Flexible Homelessness Support Grant.

### **7. Background**

7.1 None

The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.