

**Report of Chief Housing Officer – Housing Management**

**Report to Director of Resources and Housing**

**Date: 23/05/19**

**Subject: Flexible Homelessness Support Grant Additional Payment**

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 an additional Flexible Homelessness Support Grant allocation of £629k to supplement the standard allocation of £1130k for 2019/20. The additional grant is ring-fenced for the purposes of preventing/relieving homelessness, to meet legal duties set out in the 2017 Homelessness Reduction Act and to reduce temporary accommodation placements.
- 2 The new grant allocation represents a significant windfall to the Council and the report sets out the proposals to use the grant.

**Recommendations**

The Director of Resources & Housing is asked to approve the proposals for use of the additional 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 introduced the Flexible Homelessness Support Grant (FHSG) in April 2017 replacing Temporary Accommodation Fee (TAMF). The principle behind the change in grant use was to give local housing authorities greater control on the use of resources to tackle homelessness and specifically to place a greater emphasis on homeless prevention.
- 2.2. TAMF was payable, through the housing benefit system, at a rate of £60 per week for every temporary accommodation placement made that was sourced through a private landlord. The low level of temporary accommodation placements made through private landlords was low (around 7 placements on any given night) and therefore Leeds received approximately £23k through TAMF.
- 2.3. The formula for calculating FHSG allocation is complex and includes criteria relating to temporary accommodation placement numbers, homeless acceptances numbers, market rents in a district, deprivation levels and homeless prevention and homeless relief outcomes achieved by helping a household to secure a private rented letting. Such lettings, on a minimum 6 month fixed term assured shorthold tenancy, are distinct from temporary accommodation placements made through private landlords – the number of which was used to calculate TAMF.
- 2.4. Different local authorities have financially gained or lost from the replacement of TAMF by FHSG. Authorities that had high temporary accommodation placements, especially where the number of placements has continued to increase, and low homeless prevention outcomes relating to private rented lettings have lost funding. Leeds has been one of the authorities that has benefitted most from the introduction of FHSG. Funding allocations for Leeds are as follows:

	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Flexible Homelessness Support Grant	£1,636k	£1,794k	£1130k

- 2.5. The FHSG allocations need to be compared to the approximate £23k that Leeds would have received were TAMF to have continued. Leeds has received a significant reduction in funding for 19/20 as the formula has been updated to place a greater emphasis on more recent temporary accommodation placements number so that the financial burden on authorities that have lost funding through the grant change is not so high. Nevertheless, Leeds remains a significant beneficiary of FHSG.
- 2.6. It is important to have an understanding of the FHSG funding formula and what local authorities can potentially do to maximise funding. The element of the

funding formula that authorities have greatest control over is the number of homeless preventions and homeless reliefs linked to private rented lettings.

2.7. Leeds is to receive an additional £629k (paid in two parts - £422k and £207k) in Flexible Homelessness Support Grant. The grant was paid at the end of 2018/19 and the intention is that the funding will be used in 2019/20. The funding notification correspondence advises authorities that the funding should be used for the following purposes:

- Prioritise prevention activity
- Carry out homeless reduction activities in line with the principles of the Homelessness Reduction Act
- Reduce or eliminate the use of emergency bed and breakfast placements particularly for periods of over 6 weeks

2.8. The expectation is that the government, through its specialist Homelessness Advice and Support Team, will confirm compliance in grant use against these criteria.

2.9. FHSG is principally a housing options related funding given the emphasis on homeless prevention, temporary accommodation and adherence to the Homelessness Reduction Act. The Council receives separate funding targeted at reducing rough sleeping numbers: £352k in 18/19/£385k in 19/20 through the Rough Sleeper Initiative and £107k through the Rapid Re-Housing Pathway.

2.10. The 2017 Homelessness Reduction Act (HRA) came into force on 3 April 2018 and represents the most fundamental change in homeless law since 1977. The HRA introduced new legal duties that are applicable to the FHSG grant conditions:

- **Prevention Duty** - An authority must take reasonable steps to ensure that accommodation continues to be available for an eligible household who is at risk of losing their home. The expectation is that the accommodation will continue to be available for a minimum of 6 months. The prevention duty is in place for a standard 56 days.
- **Relief Duty** – An authority must take reasonable steps to ensure that accommodation becomes available for an eligible household that is homeless. The expectation is that the accommodation secured will be available for a minimum of 6 months. The relief duty is in place for a standard 56 days.
- **Personal Housing Plan** – An authority should develop a Personal Housing Plan, in partnership with the applicant, setting out specific actions that the authority and/or applicant will take to prevent or relieve homelessness.

2.11. A homeless prevention/relief is therefore an intervention, linked to a homeless application activated by an authority, whereby a person is enabled to either remain in their existing home/or make a planned move to alternative accommodation with an expectation that the accommodation will be available for a minimum of 6 months. A private rented letting, let on a fixed term of at least 6 months, is a principal prevention or relief outcome. This is reflected in the emphasis placed on this option through the FHSG funding criteria.

- 2.12. The HRA amended long-standing homeless law set out in Part VII 1996 Housing Act and the 2002 Homelessness Act. Specifically that, if homeless prevention and relief interventions have not been successful, the case is progressed to the 'main duty': a temporary accommodation duty is owed, pending longer-term rehousing, if the household is established to be eligible for assistance, unintentionally homeless and in priority need. A temporary accommodation duty is owed, pending these inquiries being completed or pending the relief duty being applied, if an eligible household is believed to be in priority need. It is also owed, for a reasonable time period, if the applicant is established to be eligible for assistance, intentionally homeless but in priority need.
- 2.13. Both homeless law and the Homelessness Code of Guidance set out criteria relating to the suitability of temporary accommodation. Since 2003 it has been unlawful to place an eligible homeless family in bed and breakfast accommodation, unless in exceptional circumstances, and then for no longer than 6 weeks. Temporary accommodation should ordinarily be secured within the catchment area of the local authority making the placement. Temporary accommodation should be suitable pending the temporary accommodation duty being owed – hence the statutory conditions relating to bed and breakfast usage and out of area placements. It takes on average 54 weeks for a Band A applicant to secure a council offer in Leeds. This period of time is relevant when determining suitability of temporary accommodation options.
- 2.14. Leeds has not placed an eligible homeless family in bed and breakfast accommodation since February 2013 and no 'out of area' placement has been made since at least 2010. Nevertheless maintaining this position remains a continuous challenge for the Leeds Housing Options given the availability of emergency accommodation options. It is only through investment in/effective application of prevention options that the minimisation of TA placements, including non-use of B&B, can be maintained.

### **3. Main Issues**

- 3.1. The funding proposals set out in this report reflect the requirement to use the grant allocation in accordance with the conditions set out in the grant determination letters and to promote activity that may positively impact upon future FHSG allocations from 20/21 onwards.
- 3.2. It is proposed to allocate £350k to the Adults and Health Commissioning Service (Housing Related Support) to look at additional/reconfigured temporary accommodation options for people owed some form of housing duty under the Homelessness Reduction Act. The intention is that the funding value is agreed and Adults and Health commissioners are given time to formulate proposals to best meet need. Initial discussions between Leeds Housing Options and Adults and Health Commissioning Service have centred around expanding temporary accommodation options for homeless females (including sex workers) who have often refuse the existing temporary accommodation options offered to them and to rough sleepers who again refuse/unable to sustain accommodation options such as St George's Crypt. A more detailed report setting out proposals for use of the

£350k will be authored by Adults and Health Commissioning Service once the proposals have been formulated.

- 3.3. It is intended to utilise the other £279k to increase resources and deliver improved outcomes in the Leeds Housing Options Private Sector Lettings scheme. This is to increase homeless prevention/relief outcomes relating to private rented lettings and to at least maintain the current low level of temporary accommodation placements. It is also mindful that future FHSG funding, and specifically the part that local authorities can readily impact on, may well relate to the number of homeless prevention/relief outcomes achieved that relate to private rented lettings.
- 3.4. The Leeds Housing Options Service Private Sector Lettings scheme is very successful (averaging around 50 lettings per month – which is why Leeds received a high value of FHSG) but there are a number of operational gaps and challenges that may well inhibit future growth of the service. These are:
- Bond/rent in advance asks by landlords are increasing in value due to perceived risks associated with Universal Credit and alternative options for letting properties
  - Resources to recover and recycle bond payments at end of tenancies
  - Support offer to private landlords as many are ‘accidental’ rather than ‘professionals’ landlords
  - Support offer to vulnerable tenants some of whom we need to house in the private rented sector because they are excluded from council housing
  - Effective bespoke software to support the scheme
  - Targeted marketing for the scheme utilising digital advertising, local radio and social media
  - Continuation of inspection resources so that properties are inspected swiftly (and are not lost to the scheme) and council payments are linked to quality housing.
- 3.5. **Increase in Homeless Prevention Fund funding (Landlord Incentives) £120k for 18/19 and 19/20:** 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 proposal is to increase the budget by £56k. The average spend per property is relatively low at the moment (£638) which is becoming increasingly difficult to maintain. The increase in funding would 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 along with double damage liability 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. In essence, this part of the funding is to assuage the landlords who are willing to offer long-term accommodation to the most vulnerable such as; rough sleepers, prison leavers, families in temporary accommodation and people with high dependency needs.

- 3.6. **Create 2 x C3 Housing Support Officers (Private Rented) £125k for 19/20 and 20/21.** This will better resource the Private Sector Lettings Team. Since the introduction of Universal Credit, landlords have shown a huge amount of concern with regards to future of letting to tenants in receipt of UC. Additional resources based within both the DWP and LHO will enhance the service we give to our landlords and entice landlords to the scheme. This will also give us the opportunity to utilise early intervention methods to prevent homelessness. Landlords will have a specific point of contact with regards to tenancy issues – for example rent arrears cases. Each C3 post will be responsible for managing 1xC1 post, contributing towards the development of existing staff wishing to progress to management roles. This will promote a culture within LHO that nurtures its existing staff by creating opportunities whilst fully embracing the 4 People Plans.
- 3.7. **Scheme Advertising and IT development (£34k):** Marketing for the scheme is virtually non-existent and the additional funding would enable a targeted marketing regime utilising digital advertising, local radio and social media. Leeds Housing Options expects this to increase the procurement of properties for the scheme and further increasing homeless preventions. Leeds Housing Options has identified a bespoke software package that is for both landlords and staff to use. This will deliver detailed reports, advertise properties in a modernised fashion and would bring together the work between LHO and the Private Sector Housing Team inspectors in one unified and accessible tool.

#### **4. Corporate Considerations**

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

- 4.2. The creation of additional posts to the Leeds Housing Options service will represent a change to structure. The proposed structure change will be carried out in conjunction with colleagues in HR and Finance. Consultation will be carried out with Trade Union colleagues. A separate decision report will be authored setting out the specific actions to create these posts.

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

- 4.4. 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.
- 4.5. An Equality Diversity and Cohesion Impact Assessment has been carried out and is appended to the report.

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

- 4.7. The Best Council Plan 2018/19 to 2020/21 Housing Priority includes an aim 'To minimise homelessness through a greater focus on prevention'.

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

4.9. All the proposals set out in the report are funded through the £629k funding allocation.

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

4.11. This is a Key Decision and is subject to call-in.

#### **4.12. Risk Management**

4.13. Risks are associated with using time-limited grant to fund the recruitment to permanent posts. Nevertheless the funds will be used to cover the cost for two years and the service can absorb the cost of two posts. The intention is to use the funding effectively to deliver further funding in future years.

### **5. Conclusion**

5.1. The Flexible Homelessness Support Grant allocation represents a significant windfall to the Council. The proposals set out are compliant with grant conditions. The proposals are targeted towards maximising homeless prevention/relief, adhering to the Homelessness Reduction Act and minimising temporary accommodation placements. The proposals will improve the temporary accommodation offer to people who need it. The proposals give Leeds the best opportunity to use the money to secure additional funding in future.

### **6. Recommendations**

6.1. The Director of Resources & Housing is asked to approve the proposals for use of the additional Flexible Homelessness Support Grant.

### **7. Background**

7.1 None

<sup>1</sup> 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.