

Approval to accept the Homelessness Prevention Grant 2023/24 & 2024/25, and associated top ups

Date: 9 August 2023

Report of: Deputy Housing Options Manager

Report to: Director of Communities, Housing and Environments

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

The Homelessness Prevention Grant is an annual grant given by the Government to all Local Authorities to run their homelessness services. The distribution of the grant to Local Authorities reflects relative homelessness pressures. The allocation for Leeds in 2023/24 is £2,528,524 and in 2024/25 is £2,660,341. The use of the grant is ringfenced to prevention and relief of homelessness. The Department of Levelling Up, Housing and Communities has also announced funding to help local authorities support Ukrainian guests as they move into their second year, and to reduce the risk of homelessness. The funding is allocated in the form of a top-up to the existing Homelessness Prevention Grant, and the same conditions apply to the top up. Leeds has been allocated £873,958. This report seeks approval to accept the Homelessness Prevention Grants and all current & future top-ups over 2023/24 and 2024/25 financial years, and the funds be allocated as set out in appendix 1 & 2.

Recommendations

- a) Approve acceptance of the Homelessness Prevention Grant 2023/2024 and 2024/25.
- b) Approve the budget allocation of the Homelessness Prevention Grant 2023/2024 as set out in Appendix 1, with the same approach to be applied to the Homelessness Prevent Grant 2024/2025.
- c) Approve acceptance of the Homes for Ukraine top-up to the Homelessness Prevention Fund and the breakdown of its allocation as set out in Appendix 2.
- d) Approve acceptance of any future funding from Department of Levelling Up, Housing and Communities that is paid in the form of a top up to the Homelessness Prevention Grant within 2023-2025 with its allocation set by Leeds Housing Options in a way that meets service demand and pressures, and achieves key objectives at that time.
- e) Approve the creation of 3x C1 Housing Adviser posts on the Leeds Housing Options structure, recruited to on a fixed term contract basis for two years.

What is this report about?

- 1 Leeds Housing Options is the statutory homelessness service for Leeds and is one of the busiest services nationally. Early intervention and upstream prevention ambitions support the service be one of the most effective and high performing nationally.
- 2 The Homelessness Prevention Grant (HPG) is an annual grant given to Local Authorities to support the running of their homelessness prevention services. The grant is ringfenced for activity relating to the prevention and relief of homelessness, targeting those most in need and to ensure local authorities are resourced to continue to implement the Homelessness Reduction Act 2017.
- 3 The HPG allocation for Leeds is £2,528,524 in 2023/24 and £2,660,341 in 2024/25.
- 4 The grant is administered by Leeds Housing Options (the statutory homelessness service), on behalf of Leeds City Council.
- 5 The grant should be used to deliver services to prevent and relieve homelessness in accordance with Housing Act 1996 (as amended) Part VII.
- 6 Leeds has also been allocated £873,958 as a top up to the Homelessness Prevention Grant of 2023/24, and the conditions for the additional funding apply in the same way as they do to the HPG.
- 7 The top up will assist the Ukrainian cohort into sustainable accommodation as well as offer upstream preventative support. It can also be used to support the wider homelessness pressures in Leeds.
- 8 This report therefore seeks approval to accept the Homelessness Prevention Grant 2023/24 & 2024/25, the proposed budget allocation of the grant and accepting the top up of £873,958 and its proposed allocation as set out in appendix 1.

What impact will this proposal have?

- 9 The proposal will enable the effective delivery of a successful housing options service that supports residents in Leeds experiencing homelessness to positive outcomes that resolves their housing needs. Through the increased budget provision in prevention activity and increasing staffing levels on a temporary basis offered by the Homes for Ukraine top up, it will further support homelessness prevention and the demand on the service being experienced as a result of a range of national and local factors – such as the cost of living crisis.

10 Budget allocation for the Homelessness Prevention Grant

a) *Leeds Housing Options staffing –*

The main cost of running the service is staffing cost. A proportion of the grant will be used towards staffing cost to ensure that the service can meet the demand.

b) *Prevention Fund –*

The prevention fund is a pot of money that can be used creatively to prevent or relieve homelessness. Housing Options staff have access to the fund to enable homelessness preventions or relief that requires financial input. All spending is subject to a 'spend to save' checks, ensuring the spend achieves a greater saving to the council in another area – this is commonly temporary accommodation costs. The fund has played a critical role in the successfulness of the prevention approach and will support the ambitions set out in the Homelessness and Rough Sleeping Strategy 2023 – 2028. Leeds Housing Options successfully prevents homelessness for those approaching at the 'threatened with homelessness' stage in almost 80% of cases, compared to the national average of 52%.

c) *Temporary accommodation costs –*

There is a legal obligation for the local authority to ensure an adequate provision of temporary accommodation to meet its statutory duties under s.188(1), s.190(2), s.199(A)(2) and s.200(1). Alongside formal commissioned temporary accommodation, the service needs the flexibility to spot purchase flexible accommodation (such as night by night) to meet demand.

d) *Contingency*

A small reserve is necessary to ensure any unforeseen costs can be covered.

- 11 In addition, the Council makes a range of budget allocations in respect of schemes and services designed to assist in the prevention and relief of homelessness.
- 12 The Homes for Ukraine top up will support increased staffing levels and increased budget to spend on prevention activity enabling the service to maintain and reduce existing low numbers of temporary accommodation placements.
- 13 Supporting partners to make direct emergency accommodation placements will support minimising the occurrence of rough sleeping and ensure an off-street accommodation option is available to anyone found sleeping rough.
- 14 Due to the demand of social housing, securing homelessness preventions and relief into the private sector is critical for the service. Starting a rent guarantee scheme will support the service improve its offer to private landlords and registered providers, increasing the procurement potential that will maximise available properties to the service, enabling more offers of accommodation to resolve a household's homelessness.
- 15 In respect of future top ups to the Homelessness Prevention Grant that may be received by the council, funding will be allocated effectively to meet the service demands at that time, and to support the prioritisation and achievement of key priorities and outcomes.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 16 The proposal will enable the effective delivery of a successful housing options service, meeting the needs of some of the most vulnerable citizens of Leeds and contributing directly to better health and wellbeing.
- 17 Partner services will be supported to deliver on homelessness prevention and relief activities improving the outcomes for people in experiencing homelessness.
- 18 The proposal will directly contribute to the strategic ambitions set out in the Homelessness and Rough Sleeping Strategy 2023 – 2028.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

- 19 No consultation has taken place in relation to the Homelessness Prevention Grant.

What are the resource implications?

- 20 The allocation of the HPG and the top up will enable effective service delivery, that will achieve more prevention outcomes at a time of high demand, but equally keep temporary accommodation numbers low. A significant increase in temporary accommodation is a financial

risk to the council, due to the large gap between the high cost of temporary provision and the amount the council can recover through the Housing Benefit subsidy from the Government.

- 21 The proposals has positive resource implications for the service and has created opportunity to create an innovative rent guarantee scheme that the existing budget would not otherwise have supported.

What are the key risks and how are they being managed?

- 22 The proposals set out in this report will enable the Council to fulfil its legal duties relating to the Housing Act 1996 (as amended) Part VII. The Housing Options Service has significant experience in delivering a homelessness service and will ensure that the budget is effectively managed and that key outcomes are achieved.

What are the legal implications?

- 23 Whilst Leeds City Council has wide discretion as to how to use the Homelessness Prevention Grant and the top up, the funds must be used solely for activity relating to the prevention and relief of homelessness, and fulfilment of duties under Part VII of the Housing Act 1996 (as amended). The allocations proposed meets this criteria.

Options, timescales and measuring success

What other options were considered?

- 24 No other applicable options.

How will success be measured?

- 25 The Homelessness and Rough Sleeping Strategy 2023 – 2028 sets out two frameworks of nationally comparable performance metrics that highlights what success looks like – such as positive prevention rates, homelessness applications accepted at the prevention stage, low temporary accommodation numbers, and reducing rough sleeper numbers.
- 26 The HPG is monitored closely to ensure the budget effectively meets service demand and delivery and spend supports the service's key objectives and strategic ambitions.

What is the timetable and who will be responsible for implementation?

- 27 Within the relevant financial years. The Head of Homelessness will be responsible for implementation.

Appendices

- Appendix 1 – The allocation of the £2,528,524 HPG 2023/24
- Appendix 2 – The allocation of the £873,958 top up to the HPG.

Background papers

None

Appendix 1 – The allocation of the £2,528,524 HPG 2023/24

Details	Budget 23/24
Base staffing	911,591
Contingency	97,163
Domestic Abuse - move on from Somewhere Safe to Stay	84,770
A&H Commissioning - Emergency Accommodation	350,000
A&H Commissioning Housing First worker - Basis	10,000
CGL Outreach Support	72,000
Homeless Prevention Fund	550,000
Homelessness in Hotels	250,000
Temporary Accommodation	203,000
Total	2,528,524

Appendix 2 – The Allocation of the £873,958 top up to the HPG

Breakdown	Budget	Notes
Rent Guarantee Scheme year 1	£ 250,000.00	Initial funding for a rent guarantee scheme to increase procurement of accommodation options
Prevention Fund uplift	£ 165,000.00	Increase funding available for effective homelessness prevention on an 'invest to save' basis
CGL direct placements	£ 50,000.00	Support improved health & wellbeing outcomes for rough sleepers through direct temporary placements
Temporary Accommodation Reserve	£ 100,000.00	Due to increased projected pressures in this area, further funding allocated to support provision and move on
Beacon uplift	£ 100,000.00	Support in delivering homelessness prevention and relief activity, and move on into settled accommodation
3x C1 for 2 years	£ 201,832.80	Additional staff on a temporary basis to support increased service pressures.
Addition to contingency	£ 7,125.20	Top up of a small reserve to ensure unforeseen costs can be met.