

**OVERVIEW AND SCRUTINY COMMITTEE
19 SEPTEMBER 2017**

***PART 1 – PUBLIC DOCUMENT**

AGENDA ITEM No.

9

TITLE OF REPORT: PROPOSALS REGARDING THE IMPLEMENTATION OF THE HOMELESSNESS REDUCTION ACT 2017

REPORT OF: HEAD OF HOUSING AND PUBLIC PROTECTION

EXECUTIVE MEMBER: CLLR BERNARD LOVEWELL

COUNCIL PRIORITY: RESPONSIVE AND EFFICIENT / ATTRACTIVE AND THRIVING

1. EXECUTIVE SUMMARY

- 1.1 The Homelessness Reduction Act 2017 (“HRA”) will place *significant* new legal duties on the Council regarding the prevention and management of homeless persons and households.
- 1.2 The Department of Communities and Local Government (DCLG) is providing the Council with additional funding in respect of these new legal obligations and this report seeks agreement on how best to deploy these resources.

2. RECOMMENDATIONS

- 2.1 That Cabinet approves the proposed measures (outlined in section 8.3) so as to enable the Council to prepare for the Homelessness Reduction Act 2017 and discharge its new duties as regards the prevention and relief of homelessness.
- 2.2 That Cabinet delegates to the Head of Housing and Public Protection, in consultation with the Executive Member for Housing and Environmental Health, the power to deploy any unallocated Flexible Homelessness Support Grant in order to best meet increased demand for homelessness services.
- 2.3 That Cabinet delegates to the Head of Housing and Public Protection, in consultation with the Executive Member for Housing and Environmental Health, the power to deploy new burdens funding when it becomes available.
- 2.4 That Cabinet agrees the housing services base budget for 2017/18 and beyond be amended so that the current annual allocation of £6,000 for project work be reallocated to support homelessness prevention activity.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To enable the Council, acting in its capacity as the Local Housing Authority (LHA), to deploy its resources to best effect in order to meet the legal obligations contained within the Homelessness Reduction Act 2017.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The Cabinet could decide against the package of measures outlined in this report. However, it is highly unlikely the new legal responsibilities introduced by the Homelessness Reduction Act 2017 could be accommodated within the Council's existing resources.
- 4.2 The Cabinet could decide to assign existing and prospective resources in a different way than set out in this report.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 Cllr Bernard Lovewell, the Executive Member for Housing and Environmental Health, has been consulted and is supportive of the proposals contained within this report.
- 5.2 A number of workshops were held on 4th July 2017 regarding the key elements of the Homelessness Reduction Act 2017 and also its likely impacts as regards this Council. These workshops were open to Members, Officers, and partner organisations such as Hertfordshire County Council. The resultant information and suggestions contributed to the development of the options set out in section 8.3 below.
- 5.3 The Andy Gale Housing Consultancy (that has experience of similar legislation in Wales and also the Pathfinder LHAs in England) was engaged to provide independent advice on the implications of the HRA, vis-à-vis North Hertfordshire District Council, and how best it should respond to them. This advice was also used to inform the proposals detailed below, in section 8.3.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 16th May 2017.

7. BACKGROUND

- 7.1 The Homelessness Reduction Act 2017 represents the most significant change to homelessness legislation since the Housing (Homeless Persons) Act 1977, which first created the legal duty for councils to house homeless people who were judged to be in priority need. The HRA received Royal Assent on 27th April 2017 and it will be enacted on 1st April 2018.

- 7.2 The HRA amends Part VII of the Housing Act 1996, bringing in substantial new duties for English LHAs and amends many of the existing statutory duties in this area. The 2017 Act intends to provide everyone who is homeless (or at risk of homelessness) with access to assistance, irrespective of their 'priority need' status. There is also a much greater emphasis on prevention work, which is enshrined within a statutory framework for the first time.
- 7.3 By way of contrast, existing legislation is very much focused around the assessment of whether a person meets specific tests regarding homelessness - only those falling within defined categories of priority need are owed assistance by the Council. These are generally families and vulnerable people such as care leavers and people fleeing violence.
- 7.4 Additionally, the 2017 Act places a new duty on "specified public authorities" to refer people they believe may be homeless or threatened with homelessness to a local housing authority. Further details about what is meant by "specified public authorities" will be set out in regulations and is likely to include the police, hospitals, GPs, prisons, and schools amongst others.
- 7.5 More information on the main provisions of the Act is contained within Appendix 1.
- 7.6 The Council assists a large number of people through homelessness prevention and relief work. This includes mediation and tenancy/mortgage legal advice services (provided by via a local young person's charity, HYH and the Citizens Advice Bureau), accommodation and support plans for young people and care leavers with Hertfordshire County Council, and support for the local night-shelter in Hitchin, run by Stevenage Haven; Discretionary Housing payments and affordable credit union loans are also made available to sustain or obtain tenancies as well as general assistance with securing or maintaining accommodation.
- 7.7 The table below provides data on homeless cases managed by the Council over the past two years. The Council receives a consistently high level of contact from members of the public with housing related queries. These range from general housing advice regarding matters such as general tenancy advice to those who may be threatened with homelessness, or already homeless. Over the last two years there have been a fairly consistent number of homelessness applications at around 150 per year and typically 50%-60% of these households will be owed the main accommodation duty under the current legislation. The Council has been successful in preventing homelessness, helping over 160 households in 2016/17.

Cases	2015/16	2016/17
Total number of approaches, including advice	1102	945
Number of households assisted	905	759
<i>Homelessness applications</i>		
Total homelessness applications (decisions)	140	152
of which, households owed main duty	90	76
<i>Homelessness prevention</i>		
Households prevented from homelessness	136	164

7.8 Historically, the number of people sleeping rough in the district has been very low. When the Council undertook a recent survey in June 2017, seven individuals were found to be sleeping rough in the district. This had grown to 13 following a joint review with the Hertfordshire Constabulary and the Stevenage Haven in August 2017. The ongoing effects of welfare reform and a continuing scarcity of affordable housing mean that rough sleeping is unfortunately likely to remain a district wide challenge for the foreseeable future.

7.9 Currently, the Homelessness and Housing Advice Team comprises one manager and 5.8 full time equivalent front line officers. The operating environment is challenging – the ongoing impact of welfare reform coupled with difficulties accessing accommodation in the private rented sector has created a high demand for services; this situation is unlikely to improve in the short term.

8. RELEVANT CONSIDERATIONS

8.1 The Potential impact

8.1.1 Whilst it is difficult to predict, with precision, the actual impact of the new legislation, it is clear the HRA will impose significant new burdens on the Council's housing services:

- whilst the Council already has an active prevention programme, the HRA will extend the Council's legal obligations to prevent and relieve homelessness to a much wider cohort of clients, including rough sleepers;
- these new duties require extensive assessment of need, more intensive casework (and over an extended period of time) regardless of whether an applicant may be accepted as being owed a main homelessness duty;
- there are extensive new notification requirements and the right to request a review of Council decisions has been considerably extended.

8.1.2 Experience from similar legislation recently introduced in Wales suggests that homelessness applications to the Council are likely to *at least double*. Additional demand on services will doubtless arise from the new duty on public authorities to refer cases to the Council (see 7.4 above) and also from increased public awareness as a result of national publicity (from central government, media and homelessness charities).

8.2 Funding

8.2.1 The Council's current base budget supports housing and homelessness services to the value of XXXX (TBC).

8.2.2 There are two *new* sources of funding from central government to help the Council meet these new duties:

- *Flexible Homelessness Support Grant (FHSG)* - this has been provided for an initial period of two years and is ring-fenced as regards the prevention or management of homelessness. The Council's allocation is £124,459 for 2017/18 and £140,930 for 2018/19. The future of the FHSG has yet to be confirmed by the DCLG, however it is likely to become part of core funding arrangements beyond the initial two year period and future allocations are likely to be dependent upon the levels of success in preventing and relieving homelessness.
- The *transitional 'new burdens' funding* has been earmarked by the DCLG for a two year period, starting in 2018/19. The level of funding to the Council has not yet been announced; however, funding allocations are expected to be released toward the end of the calendar year; the Council's allocation is expected to be in the region of £50,000-£70,000 a year in each of 2018/19 and 2019/20. This funding is also likely to be ring-fenced for work to prevent or tackle homelessness.

8.2.3 The current housing services base budget includes £6,000 pa for both the funding of a joint housing post with other authorities and a similar arrangement for a shared environmental health co-ordinator post. These posts have either been suspended for terminated by partner organisations.

8.2.4 In addition to the proposals in this report, officers will continue to investigate all potential sources of funding to help meet the requirements of the new legislation. This includes the use of Discretionary Housing Payments and Commuted Sums arising from planning gain.

8.3 Proposed interventions

8.3.1 General approach

Given the inherent uncertainty concerning the actual impact of the HRA (and the future of associated governmental funding) it is proposed that the deployment of the resources set out 8.2.2, *et al*, is undertaken *flexibly*. Accordingly, the proposals below relate in an initial two year period, reflecting the duration of the *Flexible Homelessness Support Grant* and the *transitional 'new burdens' funding*. Nevertheless, throughout this period, the impact of the HRA, statutory guidance, case law, and emergent best practice will be analysed and the use of resources reviewed and amended as appropriate.

8.3.2 Increased in-house capacity

Due to the expected increase in referrals to the Council, it is recommended that in-house capacity is increased commensurately in order for the Council to discharge the homelessness prevention and relief duties contained within the HRA. This increased capacity is also recommended to extend to a dedicated officer with responsibility for sourcing and maintaining a supply of private rented sector accommodation – a critical homelessness prevention tool. The Council's performance regarding the prevention and relief of homelessness is likely to significantly influence the level of future homelessness funding from central government.

8.3.3 Management of rough sleeping

People who rough sleep (and may also engage begging and street drinking) often have complex personal histories, mental and physical health care needs, and dependency issues. Accordingly, it is recommended that the Council engages with rough sleepers, from a HRA perspective, via an appropriately experienced specialist organisation. A two year outreach service should feature support tailored to the individual needs of the client to ensure a successful transition from homelessness to a stable life in the community. Should the numbers of rough sleepers fall significantly during this period, a contract provision will enable underutilised capacity to be redirected to providing advice and/or support to single people who are threatened with homelessness.

8.3.4 Unassigned grant budget

A consistent point of advice from the appointed housing consultant and other Pathfinder LHAs was the capacity of the LHA to react quickly to new challenges. Accordingly, this report recommends that the remaining FHSG and the transitional new burdens funding be retained for *ad hoc* deployment as the need arises. Accordingly, it is suggested that these allocations are subject to Executive Member and Head of Service oversight.

9. LEGAL IMPLICATIONS

- 9.1 It is within the Terms of Reference for Cabinet to prepare and agree to implement policies and strategies other than those reserved to Council. This includes policies relating to housing matters including enabling and the provision of housing and homelessness.
- 9.2 Section 4 of the Homelessness Act 2002 confirms that North Hertfordshire District Council is the Local Housing Authority (LHA) under the Housing Act 1985 Section 1 (1).
- 9.3 The Homelessness Reduction Act 2017 amends Housing Act 1996 Part VII and places new duties on English local housing authorities.
- 9.4 The Homelessness Reduction Act will come into force in April 2018 through secondary legislation (which may or may not also make transitional provisions).
- 9.5 The new section 214A of the Housing Act 1996 also makes provision for the Secretary of State to issue 'one or more' statutory codes of practice, to which local housing authorities must have regard.

9.6 The appointment of a specialist outreach service for rough sleepers, if approved by Cabinet, would be subject to the Council's Contract and Procurement Rules.

10. FINANCIAL IMPLICATIONS

10.1 The Department for Communities and Local Government has yet to announce the grant conditions regarding FHSG or *transitional 'new burdens' funding* and so the financial implications of this report are based on a number of assumptions concerning their use.

10.2 The proposed allocations of the two years of confirmed FHSG revenue, as set out in paragraph 8.3 above, are presented in the table below:

Intervention	Purpose	Approximate cost for two years	% of FHSG	Implementation and duration
Increased in-house officer capacity	To increase general front line capacity with increased focus on harnessing private rented sector housing opportunities	£186k	70.2%	January 2018 for two years
Rough sleeper outreach project (probably via a contract to a specialist organisation)	Reduce incidences of rough sleeping	£70k	26.4%	January 2018 for two years
Subtotal		£256k	96.6%	
Unassigned budget		£9k	3.4%	
Total FHSG		£265k	100.0%	

10.3 It is also proposed that existing housing projects budget for £6,000 pa (see paragraph 8.2.3 above) is reallocated to support homelessness prevention activity.

10.4 There are no specific capital implications arising from this report.

11. RISK IMPLICATIONS

11.1 The introduction of the HRA has been recorded as a corporate risk (reference RR550) due to the potential demand pressures created by the new legislation with particular reference to the availability of Council resources (i.e. appropriately experienced Officers) and its impact on the ability to discharge its new statutory duties. NB: since the Act impacts on all LHAs simultaneously, recruitment and retention of skilled staff is likely to be a significant factor.

11.2 Increased homelessness and use of bed and breakfast (B&B) accommodation is also registered a corporate risk (reference TR60). B&B accommodation is used when all designated temporary accommodation is occupied; the risk concerns the negative impact on those homeless households placed in B&B as well as the potentially significant budgetary implications for the Council. The risk is currently mitigated by a series of interventions.

12. EQUALITIES IMPLICATIONS

12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

12.2 Due to the expanded scope of the HRA, no adverse effect on equalities is anticipated, as the needs of each individual household will be considered and plans put in place that are unique to their needs. However, the impact and operation of the HRA will be monitored and reviewed periodically.

13. SOCIAL VALUE IMPLICATIONS

13.1 The Social Value Act and “go local” policy do not apply to this report.

14. HUMAN RESOURCE IMPLICATIONS

14.1 Should the proposals be agreed, the Council’s Human Resource policies will be consulted as appropriate.

15. APPENDICES

15.1 Appendix 1 – Powerpoint slides from Andy Gale Housing Consultant

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17. BACKGROUND PAPERS

17.1 None