

CABINET

4 JULY 2012

THE OVERVIEW AND SCRUTINY COMMITTEE

9 JULY 2012

HOMELESSNESS PREVENTION FUND 2012/13

REPORT OF HEAD OF HOUSING SERVICES

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RECENT REFERENCES:

CAB2123 Preventing Homelessness Fund – Future Funding Options. 13 April 2011
CAB2259 (HSG) Current Homelessness Issues. 7 December 2011

EXECUTIVE SUMMARY:

The Council receives funding from Department for Communities and Local Government (DCLG) specifically to deal with homelessness. This report provides details of the income and expenditure proposals for 2012/13 and projections of the budget model for a further two years.

In recent years, much of the funding received has been retained within an earmarked reserve pending decisions on how it can best support the Council in meeting its obligations to homeless households.

In the last year, the Council has seen a significant increase in numbers of people seeking housing advice and presenting as homeless. This has resulted in increased reliance on bed and breakfast as well as the need to convert two buildings into additional temporary accommodation.

This report recommends investment and additional measures to support a greater emphasis on preventing homelessness and to reduce reliance on temporary accommodation and bed and breakfast.

RECOMMENDATIONS:

- 1 That Cabinet note the proposed expenditure on homelessness prevention for 2012/13 and projected spend for the following two years.
- 2 That, subject to the decision not being called in by The Overview and Scrutiny Committee, Cabinet approve a supplementary estimate of £50,000 to the Homelessness Prevention budget for 2012/13 funded from the Homelessness Prevention Earmarked Reserve and note proposals for the expenditure, as detailed in the appendix.
- 3 That proposals for expenditure in 2013/14 and 2014/15, as detailed in the appendix be noted, but that final proposals be included in budget reports to be considered later in the year.

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REPORT OF HEAD OF HOUSING SERVICES

1. INTRODUCTION

- 1.1. This report provides an update on the budget and expenditure proposals for the Council's Homelessness Prevention Fund.
- 1.2. Prevention of homelessness remains a high priority for central Government and the Council has benefitted from significant levels of funding designed to help us meet the growing pressures in this area of work. Locally the Council is experiencing increased demand for homelessness services. There are a number of factors which contribute to this including unemployment and lack of access to borrowing resulting from the economic downturn and significant changes to the welfare benefits system.
- 1.3. The Localism Act allows local authorities for the first time to discharge homelessness rehousing duties into the private-rented sector. Additionally the legislation allows registered providers to introduce new tenancy types with less security and higher rents. These legislative changes will lead to increased demands upon the private-rented sector in Winchester.

2. HOMELESSNESS SPECIALIST ADVISOR TEAM LEADER

- 2.1. Since April 2011 the Council has hosted the role of national Homelessness Specialist Advisor Team Leader. Funding has been paid to meet the salary and full employment costs of this post including the provision of administrative support. The Homelessness Prevention Funding was also uplifted by £120,000 as a one-off payment in 2011/12 and then by £117,000 on an annual basis as a direct result of hosting the Team Leader post. It is anticipated that this substantial budget uplift will continue to 2016/17 to facilitate the ongoing employment of the postholder.
- 2.2. The hosted role is the Government's national lead on homelessness who advises Government and local authorities on good practice in the sector. The Council has already benefited considerably from hosting this post through receiving expert free advice and from a formal

diagnostic inspection of homelessness services which has generated a considerable number of recommended service improvements.

3. INCOME AND EXPENDITURE

- 3.1. The table at Appendix 1 shows the Homelessness Prevention Earmarked Reserve with spending proposals.
- 3.2. An assumption has been made that Homeless Prevention Grant will continue at the current level for the next two years (from April 2013) although no confirmation of this has yet been received. Should there be any reduction in grant allocation, funding plans for those years will need to be revised.
- 3.3. Explanation of Budget Items:
 - 3.3.1. The Council hosts the post of Homelessness Specialist Advisor Team Leader on behalf of DCLG. This post, together with all expenses and administrative support is fully funded via a specified element within the Homelessness Prevention Fund. The salary costs and associated expenses of the Specialist Advisor post for 2013/14 and 2014/15 will be fully met from the one-off additional Homelessness Prevention Grant payment of £185,000 received in 2011/12.
 - 3.3.2. The Trinity Pilot Project is an initiative to tackle single homelessness and rough sleeping across the District. Funding is to be released on a periodic basis subject to performance. The outcomes of this work will help determine the need for extra specialist provision for rough sleepers and a £40,000 provision is included within the budget in 2013/14 for a suitable facility if required. See CAB2259 (HSG) for further details.
 - 3.3.3. CAB2123 dealt with the identified need for a Wet Shelter and preliminary work has been undertaken on establishing a small provision at Tower Street car park. £50,000 Housing Capital funding has been allowed for this, although no firm commitment yet exists for this and the work being undertaken through the Personalised Budget pilot project with Trinity will help inform the need for this provision.
 - 3.3.4. The future sustainability of the Housing Options Support Officer post from 2014/15 will be dependant upon additional resources being identified. Provision has however been made in the proposed budget for a half time position. The need for this post to continue will be determined by the outcomes achieved and the needs of the frontline housing advice and homelessness service and the spend to save argument of resourcing a post compared with the costs of additional statutory homelessness provision.

3.3.5. Access to Private Rented Sector (PRS) - The figure shown for expenditure on Rent Deposits and short-term accommodation includes a budget for Bed & Breakfast payments and is a net figure allowing for repayments from clients. Whilst the Council experienced a substantial increase in the number of placements into Bed & Breakfast in the second half of 2011/12, recent signs are more encouraging. This element of the funding will include small amounts of discretionary grant for minor works to bring rented accommodation up to a suitable standard for letting; provision of revised rent deposit / bond scheme arrangements; bring empty properties back into use; setting up and running a landlords forum and ensuring a long-term robust offer to landlords and tenants to achieve on-going engagement.

3.3.6. 'Homelessness Grants' (allocated) includes annual payments to voluntary sector partners whilst the unallocated element will allow officers a small amount of money to fund new initiatives to help deal with homelessness. Funding included in this budget line includes WACA £7,000; Society of Friends Deposit Scheme £2,000; Winchester Churches Nightshelter £5,000 and Keystone £8,000.

3.3.7. Proposed expenditure on helping people facing mortgage repossession reflects the amount of grant provided by DCLG expressly for that purpose. The funding has been split across two lines of the proposed budget; Mortgage Repossession work and Frontline Early Intervention funding to enable frontline officers to prevent homelessness.

3.3.8. Officers will be investigating what opportunities there might be for enhancing the services available to those facing homelessness to receive support in financial matters through additional money advice and affordable borrowing to meet housing needs. This is allowed for in the budget line entitled 'Money Advice / Credit Union Initiatives'.

4. SUSTAINABLE COMMUNITY STRATEGY AND CHANGE PLANS (RELEVANCE TO):

4.1. The Sustainable Community Strategy Active Communities outcome contains a commitment to 'support local people in accessing high quality and affordable housing which meets their needs'.

4.2. The Strategy also contains the stated principle that the Winchester District Strategic Partnership will 'prioritise those who most need our help in the community and make sure they have access to the support they need'

5. RESOURCE IMPLICATIONS:

- 5.1. The proposed expenditure outlined in this report is fully covered by the DCLG Preventing Homelessness Fund paid specifically to help the Council fulfil its obligations under the national homelessness agenda. Based on previous approvals the existing Homelessness Prevention budget for 2012/13 is £205,000, and an additional £15,000 is held within the community grants budget. The proposals in this report total £270,000 for 2012/13, meaning a supplementary budget estimate of £50,000 is required. This will be funded from the existing earmarked reserve.
- 5.2. For 2013/14 and 2014/15, the items shown in bold font in Appendix 1 are committed and fully funded from the closing earmarked reserve balance at the end of the current financial year. The committed items include the costs of the National Homelessness Advisor post; admin support for the National Advisor; Trinity Pilot Project and allocated homelessness grants. These items will account for expenditure of £276,000.
- 5.3. Separate approvals will be sought for the balance of the proposed expenditure in 2013/14 and 2014/15 subject to confirmation of grant levels for those years from DCLG. The continuation of the increased level of HPG will be conditional upon the Council continuing to host the Specialist Advisor Team Leader post in 2015/16 and 2016/17.

6. RISK MANAGEMENT IMPLICATIONS

- 6.1. As stated above the projected spend is based upon an expectation that government funding in relation to homelessness will continue at current levels. Indications to date suggest that this is a reasonable assumption. However, expenditure on homelessness prevention in future years will need to be adjusted to reflect any changes in grant income for this purpose.

BACKGROUND PAPERS:

None

APPENDICES:

Appendix 1 – Homelessness Prevention Proposals & Earmarked Reserve Forecast

Homelessness Prevention Proposals & Earmarked Reserve Forecast

	2011/12 Outturn	2012/13	2013/14	2014/15	2015/16
	£	£	£	£	£
Expenditure Forecasts					
Capital					
Wet Shelter			50,000		
Revenue					
Employee & associated costs					
National Homelessness Advisor Post	75,000	75,000	75,000	75,000	75,000
Admin Support for Homelessness Adviser post		22,000	22,000		
Housing Options Support Officer (Full cost forecast inc. salary + on-costs, mileage etc)		30,000	30,000	15,000	
other costs					
Trinity Pilot Project	20,185	39,815	30,000	30,000	
Repairs to 27 Eastgate Street	6,000				
Repairs to Barnes House - contribution to HRA		10,000			
NET Rent Deposits / short term accommodation	105,207	55,000	50,000	50,000	
Homelessness Grants (allocated)		22,000	22,000	22,000	
Homelessness Grants (unallocated)		1,500	1,500	1,000	
Mortgage Repossession work		5,000	5,000	5,000	
Front line Early Intervention Fund		5,000	5,000	5,000	
Money Advice / Credit Union initiatives		5,000	5,000	5,000	
Total Revenue Expenditure	206,392	270,315	245,500	208,000	
Funding					
Local Services Support Grant	190,470	190,470	190,470*	190,470*	
Additional one-off Grant	185,000				
Reimbursement of costs on 27 Eastgate St from Estates		6,000			
Gosport Borough Council Contribution	5,000				
DCLG Preventing Repossessions	30,000				
Total Income receivable	410,470	196,470	190,470	190,470	
Homelessness Prevention Earmarked Reserve					
Opening Balance	210,000	414,078	340,233	235,203	
Transfers out (to fund capital expenditure)			(50,000)		
Transfers out (Expenditure higher than funding)		(73,845)	(55,030)	(17,530)	
Transfers in (Income higher than expenditure)	204,078				
Forecast Closing Balances	414,078	340,233	235,203	217,673	
Minimum Reserve balance required to cover expenses and Winding up costs for S	80,000	80,000	80,000	80,000	
Available for future spending	334,078	260,233	155,203	137,673	
Future commitments		276,000	127,000		

* Funding amount unconfirmed