



## AGENDA ITEM: 11

### SUMMARY

<b>Report for:</b>	<b>Cabinet</b>
<b>Date of meeting:</b>	<b>20 October 2015</b>

<b>Title of report:</b>	<b>HOMELESSNESS PREVENTION INITIATIVES</b>
<b>Contact:</b>	<p>Cllr Margaret Griffiths, Portfolio Holder for Housing</p> <p>Natasha Brathwaite, Strategic Housing Team Leader (Property)</p> <p>Julia Hedger, Group Manager Strategic Housing</p>
<b>Purpose of report:</b>	To set out a proposal to Cabinet for the drawdown of funds, from grants made to the Council as 'Homelessness Prevention Funds', to be used by the Council's Strategic Housing Service to fund homelessness prevention initiatives.
<b>Recommendations</b>	<p>That Cabinet approve a drawdown of £50K from the Homelessness Prevention Fund to fund the initiatives set out in Section 2 of this report.</p> <p>That Cabinet also approve a drawdown of £45k from the Homelessness Prevention Fund to fund two posts in the team (Private Sector Housing Partnership Officer and Lead Officer Private Sector Housing) plus training for officers, in order to ensure that the Council has the resources needed to carry out the initiatives set out in Section 2 of this report.</p>
<b>Corporate objectives:</b>	Affordable Housing
<b>Implications:</b>	<p><u>Financial</u></p> <p>The Strategic Housing Service is proposing a drawdown of £50,000 from the 'Homelessness Prevention Fund', which is government grant ring-fenced to be spent on schemes to prevent homelessness.</p> <p>The £50,000 is the total remaining grant not already committed to spend by the service. The grants making up this pot are not</p>

<p>'Value For Money Implications'</p>	<p>automatically re-occurring, and therefore unless the Council receives further grants, continuation of these schemes would have to be reviewed in terms of value for money and savings achieved.</p> <p><u>Value for Money</u></p> <p>The Council's Housing Advice and Options team provide advice and options to prevent homelessness in situations where the current home is no longer appropriate. Where possible (but only where the home is safe), officers will first seek to prevent homelessness by stabilising a household's current accommodation through mediation with family or a private landlord.</p> <p>The Council's private rented sector deposit guarantee scheme 'Help to Rent' is the main homelessness prevention scheme available to officers trying to prevent homelessness in situations where the current home is no longer appropriate.</p> <p>A household that becomes homeless carries a significant cost to the Council in terms of providing a temporary accommodation placement and managing the licence, investigating the homelessness case, providing welfare and support, and the clearance and void maintenance costs after move-on.</p> <p>The private rented sector is very strong in Dacorum and landlords are able to set high market rents that out-price most prospective tenants on low incomes and/or in receipt of benefits.</p> <p>Termination of an 'Assured Shorthold Tenancy' (AST, the standard form of tenancy used in the private sector) is increasing and is now the main reason for homeless presentations to the Council. In 2009 and 2015 this reason for homelessness accounted for 11% and 50% respectively of all homeless duties awarded by the Council.</p> <p>Prevention of homelessness is value for money and the Strategic Housing Service is proposing to allocate funds as follows:</p> <ul style="list-style-type: none"> <li>• £10,000 for a cash incentive scheme to attract landlords to work in partnership with the Council's Help to Rent scheme.</li> <li>• £30,000 to be available to officers for rent in advance/bridging deposit payments;</li> <li>• £5,000 to pay for travel arrangements; and</li> <li>• £5,000 to cover other emergency provision.</li> </ul>
<p>Risk Implications</p>	<p><u>Rogue private landlords</u></p>



Consultees:	Cllr Margaret Griffiths Elliott Brooks - Assistant Director for Housing All Housing Service Team Leaders and Group Managers
Background papers:	
Glossary of acronyms and any other abbreviations used in this report:	Assured Shorthold Tenancy - AST Help to Rent - HtR

## 1. INTRODUCTION

### 1.1 Temporary accommodation

The Council has a legal duty to provide temporary accommodation to homeless households with a priority need. A priority need household is one that contains:

- dependent children
- a pregnant woman
- a child aged 16 and 17 and not eligible for housing from social services
- a care leaver aged 18 to 21
- a vulnerable person (due to old age, a physical or learning disability or mental health problem, fleeing violence or harassment, time in care, time in the armed forces, time in a in a young offenders' institute or prison).

Or, the household has been made homeless by fire, flood or other disaster.

Temporary accommodation is very expensive to provide due to the costs of:

- identifying suitable accommodation and carrying out a sign up,
- managing the licence and collecting licence payments,
- investigating the homelessness case,
- providing welfare and support, and
- the clearance and void maintenance costs after move-on.

Once a household makes a homeless application an investigation is triggered. For those in temporary accommodation this will lead to two possible outcomes:

- Those who do not get the duty for permanent rehousing are served with a notice to leave. If a household chooses not to leave and the accommodation is self-contained then the Council has to take legal possession proceedings to remove them, which can incur significant additional cost.
- Those who do receive the duty for permanent rehousing will get either a placement into council or housing association accommodation, or a tenancy in the private rented sector that has a fixed term of at least 12 months.

### 1.2 The private rented sector

The operation of parts of the private rented sector is a significant factor contributing to homelessness in the borough and also a factor in determining the Council's ability to respond to homelessness. These factors are stated below:

- The main cause of homelessness in the borough is the termination of an Assured Shorthold Tenancy (AST, the standard form of tenancy used in the private sector). This accounted for 50% of the homeless duties awarded by the Council over first two quarters of 2015.
- A placement into a private rented property is the primary prevention option for housing a household threatened with homelessness and difficulties of some groups to be able to access private renting can make this very difficult. If the current home is not suitable and no private sector option is available, then it is likely the household will become homeless. A placement into a private rented property is the main alternative to social housing for households who have been awarded the full homeless duty for permanent re-housing. Unless a private sector offer can be made homeless households have to be offered council or housing association properties, reducing the stock available to those in other forms of housing need.

The Council has a private rented sector deposit guarantee scheme ('Help to Rent') that works in partnership with private landlords to get housing for homeless households by offering free services including:

- matching to prospective tenants known to the service,
- landlord and tenant support, and
- third party mediation in case of disputes

## **2. HOMELESSNESS PREVENTION INITIATIVE PROPOSALS**

### **2.1 Drawdown of grant for homeless prevention initiatives**

The Council has received grant funding for homeless prevention schemes from a few sources. Of this grant funding £50,000 is not currently committed to spend in the Council's budgets. This report is proposing to drawdown this remaining £50,000 and to allocate funds as follows:

- £10,000 for a cash incentive scheme to attract landlords to work in partnership with the Council's Help to Rent scheme.
- £30,000 to be available to officers for rent in advance/bridging deposit payments;
- £5,000 to pay for travel arrangements; and
- £5,000 to cover other emergency provision.

The grants making up this pot are not automatically re-occurring, and therefore unless the Council receives further grants, continuation of these schemes would have to be reviewed in terms of value for money and savings achieved.

### **2.2 Cash incentive scheme for landlords**

This report is proposing that £10,000 is used to offer the following incentives to landlords to let their property with at least a six month fixed term through the Council's Help to Rent scheme:

- £100 for a one, three or four bedroom property, and
- £150 for a two bedroom property as the majority of homelessness presentations to the Council are from households with a two-bed need.

These payments have been proposed based on officers' experiences working with the local private sector and with reference to similar schemes in place in neighbouring local authorities (Watford and St Albans, whose incentive packages are set out in Appendix 1). Unfortunately officers have not been able to access data on the numbers of lets achieved by these other local schemes.

The payment would be arranged once the sign up has been completed and paid by BACS into the landlord's bank account.

The service is currently achieving three or four lets a month, and the expectation is that the £10,000 would cover around a year's incentives based on a target of six lets a month.

The proposal is to review progress every month to see if these incentives do produce the target increase both in terms of numbers of:

- new properties into the scheme, and
- the proportion of properties already within the scheme that are re-let through the scheme at the point of void.

The Council is calculating that while the cash incentive may be enough to attract landlords at the point of a void occurring, it is not a significant enough amount to perversely incentivise landlords to evict tenants at the end of the fixed term in order to get a new 'incentive' payment.

At the moment the team expects to be able to absorb any additional workload generated by an increase in properties coming into the scheme within the current staff resource. This will be reviewed at the end of the one year trial.

The Help to Rent team already works in partnership with the Council's internal Communications Team make sure the scheme gets the maximum benefit from promotional tools available to the Council. The new incentives would be advertised in Dacorum Digest and the local press alongside current advertising.

### 2.3 Bridging payments/rent in advance

This report is proposing that £30,000 is available to officers working on prevention cases where a tenant is being evicted from the private rented sector.

In the private rented sector all tenant deposits have to be held in a registered deposit scheme. At the point a tenant vacates a private rented property inventory checks are carried out before the original deposit can be released. It is usual for these checks to be completed after the property is vacated, and by the time paperwork is completed by the relevant agent, it can be as much as two months before the deposit is returned.

Tenants are presenting to the Council as homeless because they do not have access to their deposit to secure a new private sector tenancy. This is compounded by private landlords often wanting both a deposit and a 'rent in advance' payment. In these cases the Council is providing temporary accommodation and accepting a homeless duty in accordance with the legislation. In the absence of private sector properties available to the Council's deposit guarantee scheme, these households then receive an offer of social housing.

Bridging payments would cover the gap between deposits and the Council will set up arrangements with lettings agencies to receive the funds from the original deposit once they are released. The net loss from these payments will therefore only be from:

- Deposits monies not returned due to damage;
- The new deposit being higher than the original deposit.

Officers do not believe it would be value for money to try and collect monies paid out as rent in advance or net loss from deposits due to the necessary administration around this. Rent in advance payments would reduce the fund available at a greater rate than bridging payments.

The Council will develop a procedure and audit trail for officers that would follow the following principles:

- a bridging payment will be the first option considered if there is evidence that the applicant does not have available money to cover this (officers must see statements from all current and savings accounts);
- a 'rent in advance' payment will only be considered after the officer has completed a standard calculation based on the applicant's financial position. This will be based on an agreed threshold of the necessary money that a household needs to live.

Assisting households with a rent in advance/bridging payment will help the Council manage the increasing demand for temporary accommodation and mean that fewer homeless households are moved into social housing.

The fund will be reviewed monthly and regular paperwork audits carried out to ensure that the Council is not exposing itself to risk.

#### 2.4 Travel arrangements



This report is proposing that £5,000 is made available to officers to pay for travel where an applicant needs help with transport to be able to access safe accommodation or return to an area where they have a local connection.

This would include payments made to assist with transport to emergency accommodation, such as Women's Refuge placements outside of the Dacorum area.

These payments would be made on a one-off basis and the household would not be expected to repay the money. Officers do not believe it would be value for money to try and collect monies paid out.

## 2.5 Emergency provision

This report is proposing that £5,000 is made available to officers to resource emergency provisions for households in desperate need.

Households may be in desperate need at the point of approaching as homeless because:

- Some households who are homeless also have a high level of medical or social needs and are without financial means to properly meet these needs while displaced due to their homelessness.
- Some households become homeless in an emergency (such as fire or flood) and are without many essential items.

The Council does have partnerships with charities able to supply some basic items, furniture and so on, however the necessary items are not always available, and sometimes the Council may need to source items outside of normal working hours.

Although infrequent, the Council has sometimes found that people decide to refuse temporary accommodation and it is known that they are rough sleeping. In these situations emergency items may reduce the risk of injury or detriment to the individual, such as the provision of warm clothing.

## 3. **RECOMMENDATION**

- 3.1 That Cabinet approve a drawdown of £50K from the Homelessness Prevention Fund to fund the initiatives set out in Section 2 of this report.
- 3.2 That Cabinet also approve a drawdown of £45k from the Homelessness Prevention Fund to fund two posts in the team (Private Sector Housing Partnership Officer and Lead Officer Private Sector Housing) plus training for officers, in order to ensure that the Council has the resources needed to carry out the initiatives set out in Section 2 of this report.

## Appendix 1

Watford Borough Council and St Albans District Council incentive packages to landlords.

	<b>Watford Borough Council</b>	<b>St Albans City and District Council</b>
<b>Scheme name</b>	Watford Homelet	StARSS St Albans Rent Secure Scheme
<b>Minimum tenancy period</b>	Standard package - 1 year fixed term tenancy  Enhanced or Premium packages - 2 year fixed term tenancy	Minimum 6 months
<b>What bond certificate covers</b>	Standard – up to 1 months rent  Enhanced and premium – up to 2 months rent  Can cover damage or rent	Up to 1 months rent  Can cover damage or rent
<b>Property managed?</b>	No	No
<b>Incentive</b>	3 different packages (based on length of fixed term of tenancy, affordability of rent, provision of white goods etc)  Standard 1 bed - £100 2 bed- £300 3 bed - £200  Enhanced 1 bed - £200 2 bed - £500 3 bed - £300  Premium 1 bed - £400 2 bed - £700 3 bed - £500	£100