

Strategy and Resources Committee  
24 September 2019

**FLEXIBLE HOUSING SUPPORT GRANT**

**Head of Service/Contact:** Rod Brown, Head of Housing & Community

**Urgent Decision?(yes/no)** No

**If yes, reason urgent decision required:**

**Annexes/Appendices (attached):** **Annex 1** - Flexible Housing Support Grant  
**Annex 2** - Housing Services ICT Business Case

**Other available papers (not attached):**

**Report summary**

This report identifies the growth in demand for homelessness assistance since the introduction of the Homelessness Reduction Act in 2017 and the resulting increase in expenditure for the provision of the homelessness service in 2019/20.

The report recommends use of the Flexible Housing Support Grant to increase homelessness prevention activity, reduce the use of expensive out of borough nightly paid accommodation through the increased use of Private Sector Leased Properties and to purchase a new temporary accommodation rent accounting module and upgrade the existing Abritas Housing Services system.

**Recommendation (s)**

**That the Committee:**

- (1) Approves the use of £106,950 of Flexible Housing Support Grant to increase homelessness prevention activity and increase the supply of Private Sector Leased properties; and**
- (2) Approves the use of £63,000 of Flexible Housing Support Grant to purchase a new temporary accommodation rent accounting module and upgrade the existing Abritas Housing Services system to assist homelessness prevention & relief administration.**

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### **1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy**

- 1.1 Managing Resources - Utilise the Council's limited resources in the most efficient and effective way.
- 1.2 Quality of Life - Improve the quality of life for all residents, but particularly the more vulnerable within our society.
- 1.3 Health, Housing and Well-being is a priority theme of the Sustainable Community Strategy. The Council has a statutory duty to house homeless persons.

### **2 Homeless Reduction Act 2017**

- 2.1 The Homelessness Reduction Act (HRA) came into force on 3 April 2018 and in response the Council has changed the way it helps people who are homeless or threatened with homelessness. The main focus of the Act is to prevent homelessness by placing greater emphasis on working together with applicants to resolve housing problems.
- 2.2 The HRA extends the requirement on housing authorities (such as Epsom and Ewell Borough Council) to provide homelessness services to all those affected, not just those who have 'priority need'. It also extends the period during which someone who might be threatened with homelessness can receive assistance from 28 days to 56 days. This means that anyone that has been served with a valid Section 21 notice to end an Assured Shorthold Tenancy that expires in 56 days or less is classed as being threatened with homelessness. Therefore, where eligible, households will be owed help at an earlier stage and for a longer period of time.
- 2.3 The Act introduced numerous new responsibilities including:
  - 2.3.1 New Prevention Duty – the housing authority must take 'reasonable steps' or actions to help avoid losing existing accommodation or becoming homeless. This means either trying to help the household remain in their current accommodation or trying to help them find a new place to live before they actually become homeless. The prevention duty stage continues for 56 days unless it is ended before because accommodation has been found, or by the applicant becoming homeless.
  - 2.3.2 New Relief Duty - If the applicant is already homeless, or likely to become homeless despite any actions taken during the prevention duty stage, the reasonable steps will then be focused on trying to help the applicant find alternative accommodation. This duty lasts for 56 days unless ended in another way. If there is reason to believe any of the household is in 'priority need' then accommodation must be provided for 56 days, even if there is also reason to believe Intentional Homelessness.

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- 2.3.3 New Duty to refer - certain public authorities now have a duty to refer service users to the housing authority who they think may be homeless or threatened with homelessness.
- 2.3.4 New Personal Housing Plans – must be produced by the housing authority, with the applicant, setting out the reasonable steps that the applicant, the council's Housing Service and, if applicable, other professionals will take in order to prevent or relieve their homelessness.
- 2.4 At the time of the introduction of the HRA, the council's Housing Service took a cautious approach to adapting to the changes, allowing the new processes to bed in before reviewing the impact of the new duties on the service and any requirement to review capacity.
- 2.5 One year on from the introduction of HRA there is common consensus within Surrey Housing service teams that the Act has created higher use of temporary accommodation (TA) and greater footfall into council's Housing Services.
- 2.6 In addition, for those councils that previously demonstrated good preventative work, the Act has curtailed this good practice as it is much more prescriptive and only focuses on certain prevention & relief outcomes. There is no longer the government incentive to manage customers who fall outside of the two main Prevention and Relief duties. Rather than the much proclaimed 'extra' time to resolve households housing circumstances they are instead funnelled into a time frame that as well as being recorded by statutory returns, condenses the ability to take a much longer view. The Act has also significantly increased the administrative burden placed on the council in terms of recording and decision-making which has further curtailed prevention casework.

### **3 Mitigation measures already adopted**

- 3.1 In addition to the provision of housing advice and direct negotiations with landlords, the council continuously uses a wide range of homelessness prevention measures intended to maintain existing tenancies, prevent homelessness or provide homelessness relief.
- 3.2 The Council has also pursued additional initiatives to further mitigate the impact of homelessness. These include:
  - Revised Allocation Policy – tightened priority criteria on the Council's Housing Needs Register and dis-incentivising homelessness for achieving greater priority.
  - Acquisition of residential properties – 5 properties have been purchased for use as in-borough temporary accommodation. Funded from £3m agreed Residential Property Acquisition fund,

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- Private Sector leasing (PSL) – 10 additional in-borough temporary accommodation units have been provided through PSL. Each estimated to avoid £15,000 net expenditure on nightly paid emergency accommodation
- Negotiations with Housing Associations – this has secured additional units of temporary accommodation within the borough, which otherwise would not be available.
- Conversion of council owned property – Council owned property has been converted to provide 18 additional units of in-borough temporary accommodation.

### 4 Flexible Housing Support Grant (FSHG)

- 4.1 FHSG was provided from 2018 to Housing Authorities to support homelessness services, including the enablement more creative responses to the challenges of homelessness.
- 4.2 Future levels of FHSG funding remain uncertain. There is also uncertainty in forecasting potential expenditure. **Annex 1** shows year to date expenditure for FHSG with a straight line forecast to year end, the same level of fee income drawn down for EEBC properties as last year with an additional £100k estimate on higher numbers of clients for the rest of the year. Based on these assumptions it is possible there could be around £385k to carry forward into 2020-21.
- 4.3 Flexible Housing Support Grant was introduced to compensate local authorities for the loss of £60 per week per client management fee income, previously included in rental payments via the housing benefit system. Authorities can offset this allowance against their own reduced rental income and must also reimburse housing associations negatively affected by the change where they are providing accommodation for EEBC clients.

### 5 Increasing prevention work

- 5.1 Since the introduction of the HRA there has been a greater emphasis placed on the range of prevention work completed by the Housing Services team. However, there are frequently delays in initiating this preventative work, due to the increased service demand referred to above, which can result in more cases ultimately requiring homelessness relief.
- 5.2 The proposal would increase the amount of prevention work undertaken, ensuring preventative work is initiated earlier so as to avoid the need to place households in temporary accommodation.

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### 6 Increasing Private Sector Leased (PSL) properties

- 6.1 The Council's PSL scheme is a valuable option in reducing homeless expenditure, with typically each additional property generating avoided expenditure of approximately £15,000 per annum net.
- 6.2 We currently have 10 PSLs operating. Increasing the use of PSL will reduce the reliance on expensive nightly paid accommodation.

### 7 ICT investment

- 7.1 There are two aspects to the Housing Services ICT proposal. These are the purchase of a new temporary accommodation rent accounting module to replace the existing Academy/Capita Housing rent accounting system and an Abritas system upgrade from version 6.4 to version 9.0.
- 7.2 Both aspects of the ICT proposal are directly related to homelessness and temporary accommodation and support better and more efficient ways of working. These will significantly help reduce the administrative burdens related to the Homelessness Reduction Act.
- 7.3 **Annex 2** outlines the full business case and explains the reasons to undertake the project, provides estimated cost of the project and the anticipated benefits to us and the customer that will be gained from its implementation.
- 7.4 In summary the following benefits have been identified:

#### **Tenancies & Rents module**

- A fully functional rent accounting and rent arrears system, which is integrated into the existing homelessness module and with Housing Benefit & Cash interfaces
- More efficient/regular cash importing which will reduce staff inputting times and is less prone to errors
- More efficient rent arrears handling which will reduce debts owed to the council and free up staff resources
- Better management reporting on rental income, arrears and unit cost data
- New Rent Deposit Scheme functionality for the management of Rent Deposit applications and recording of property, landlord and financial information.
- Ability to manage loans for rent in advance/deposit payments, which could reduce expenditure for the RDS.
- Abritas is a web-based system, which requires minimal ICT input unlike the current Capita/ Academy system.
- Cancelling the Capita/ Academy contract would save approx. £12,000 pa in support costs and reduce the dependency on ICT staff for upgrades/system management/support.

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- Increase staff morale in having an effective system that is not dependant on “fixes and work arounds” just to undertake very basic rent accounting functions.
- System that the whole Housing Services team can use, which will reduce reliance on one officer.

#### **System Upgrade**

- Shared and reduce costs of the upgrade and benefits of shared project management with Mole Valley and Tandridge District Councils.
- System upgrade will increase longevity/viability of the whole system and enable us make use of new system functionality/enhancements
- Customer data management functionality that is automated, compliant with GDPR and can be customised to suit our particular data retention policies
- Improved customer interface through the upgraded Customer Housing Portal (CHP)
- Housing Options Officers will be able to use mobile devices while interviewing customers. This will help speed up data input, save from double keying and will allow Personalised Housing Plans to be compiled, generated and printed as part of the interview process
- Functionality to allow customers to view and update their Personalised Housing Plans via CHP. This will reduce risk of data breaches and significantly reduce the administration currently required by Housing Options Officers. This will also have the benefit of better customer engagement with the Homelessness prevention process.
- Ability for customers to upload documents/proofs via the CHP, speeding up processing time for both Housing Needs Register and Homelessness cases.

7.5 Total costs of the purchase of the Abritas Tenancies and Rent module is £17,800. Total costs of the upgrade to version 9.0 and the associated enhancements is £45,130.

## **8 Financial and Manpower Implications**

- 8.1 Flexible Housing Support Grant (FHSG) is ring fenced and can be used for any homelessness initiative.
- 8.2 To fund an increase in homelessness prevention activity and increased use of PSL properties as set out in this report will require an expenditure of £106,950, funded from FHSG.

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- 8.3 The combined costs of the Abris Tenancies and Rent module and system upgrade is £62,930, also funded from FHSG. Annual support costs for the new module are expected to be between £4,000 and £5,000, against current costs of £12,000 per annum. This represents an ongoing saving of between £7,000 and £8,000, which would be factored into the Council's revenue budget.
- 8.4 The proposed use of FHSG will fund additional temporary capacity within the Housing Service to deliver more directed homelessness prevention activity and an increase in PSL property.
- 8.5 **Chief Finance Officer's comments:** The Council has been in receipt of Flexible Housing Support Grant from MHCLG since 2017/18.
- 8.6 Currently the Council holds £771,000 in FHSG; minus expenditure for 2019/20 projected at £386,000, leaving an FHSG balance of £385,000. The proposed additional expenditure of £106,950 & £63,000 of FSHS would reduce the projected FHSG balance to £215,050. The Council has not yet been notified of grant funding for 2020/21 onwards.
- 8.7 Expenditure on homelessness prevention is identified as a key risk in the Council's budget reports. To manage the risk, service expenditure is closely monitored as part of the Council's budget monitoring procedures.

### 9 Legal Implications (including implications for matters relating to equality)

- 9.1 None arising from the report's recommendations.
- 9.2 **Monitoring Officer's comments:** none arising from the contents of this report.

### 10 Sustainability Policy and Community Safety Implications

- 10.1 None for the purposes of this report.

### 11 Partnerships

- 11.1 The causes of homelessness are varied and resolving homelessness requires the council to work with many partners. This includes housing associations, private landlords, government departments, police and social services as well as primary care organisations and welfare providers.
- 11.2 The Housing Services ICT proposal includes joint project working with Tandridge DC & Mole Valley DC.

### 12 Risk Assessment

- 12.1 Compared to a do nothing scenario, the measures proposed in this report are likely to improve the outcomes for service users and further minimise expenditure on homelessness within the borough.

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- 12.2 If the proposal to use FHSG to increase the use of homelessness prevention activities and increase the use of PSL properties were not agreed, it is likely that the number of households in nightly paid accommodation would increase further with associated increases in expenditure.
- 12.3 Provisions within the HRA are heavily prescribed and introduced new administrative processes as well as increased opportunities for applicants to challenge and appeal decision making. Under a no-change scenario there is greater risk of challenge.
- 12.4 Risks of not going ahead with the ICT proposal would leave Housing Services without a Rent Accounting system and an inability to manage temporary accommodation tenancies and associated rental income of over £480,000 pa. The system upgrade would still need to be implemented within the next 12 months however we would then not be able to take advantage of the shared costs and project management with Tandridge DC & Mole Valley DC or any of the system enhancements.

### **13 Conclusion and Recommendation**

- 13.1 The first recommendation within this report is to approve the use of £106,950 Flexible Housing Support Grant to increase homelessness prevention activity and increase the use of Private Sector Leased properties.
- 13.2 The second recommendation within this report is to approve the use of £63,000 of Flexible Housing Support Grant to purchase a new temporary accommodation rent accounting module and upgrade and enhance the existing Abritas Housing Services system to assist homelessness prevention & relief administration

**Ward(s) affected:** (All Wards);