

## CABINET ITEM COVERING SHEET PROFORMA

**AGENDA ITEM**

**REPORT TO CABINET**

**25 JANUARY 2018**

**REPORT OF  
CORPORATE  
MANAGEMENT TEAM**

### **CABINET DECISION**

**Regeneration and Housing – Lead Cabinet Member – Councillor N Cooke**

#### **HOMELESSNESS REDUCTION ACT 2017**

1. Summary

The Homelessness Reduction Act will come into force on the 3<sup>rd</sup> April 2018. It is a significant piece of new legislation which will require councils to provide services to anyone at risk of becoming homeless. The purpose of this report is to provide Cabinet with an overview of the new duties arising from the Homelessness Reduction Act, highlight the anticipated implications for the Council's Housing Service (based on the experience of authorities elsewhere) and to highlight the preparation work which is ongoing to ensure that the Council is appropriately prepared for April 2018.

2. Recommendations

Cabinet are asked to:

1. Note the new duties the Homelessness Reduction Act will place on local authorities and the anticipated impact on service delivery.
2. Note the work currently both on-going and planned to ensure the Council is prepared for the introduction of this new legislation.
3. Members are requested to delegate authorisation to the Director of Economic Growth and Development Services to make any necessary changes to the Tees Valley Common Allocations Policy to ensure its compliance with provisions set out in the Homelessness Reduction Act, in consultation with the Director of HR, Legal and Communications and Cabinet Member for Regeneration and Housing.
4. Agree that a further report is brought back to Cabinet 12 months after implementation of the Homelessness Reduction Act which will detail the impact of this legislation on the Council and our local communities.

3. Reasons for the Recommendations/Decision

The Homelessness Reduction Act received Royal Assent on 27<sup>th</sup> April 2017 and will come into effect from April 2018, as noted above it is a significant change in legislation and will place

significantly increased duties on local housing authorities to both prevent and relieve homelessness. In anticipation of this new legislation the Council is current reviewing its current service delivery model to ensure that we are appropriately prepared to best serve those who are both homelessness and at risk of homelessness in our borough.

#### 4. Members' Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in **paragraphs 9 and 11** of the Council's code of conduct and, if so, declare the existence and nature of that interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

Where a Member regards him/herself as having a personal interest, as described in **paragraph 16** of the code, in any business of the Council he/she must then, **in accordance with paragraph 18** of the code, consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest and the business:

- affects the members financial position or the financial position of a person or body described in **paragraph 17** of the code, or
- relates to the determining of any approval, consent, licence, permission or registration in relation to the member or any person or body described in **paragraph 17** of the code.

A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code).

Members may participate in any discussion and vote on a matter in which they have an interest, as described in **paragraph 18** of the code, where that interest relates to functions of the Council detailed in **paragraph 20** of the code.

#### **Disclosable Pecuniary Interests**

It is a criminal offence for a member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) **paragraph 21** of the code.

Members are required to comply with any procedural rule adopted by the Council which requires a member to leave the meeting room whilst the meeting is discussing a matter in which that member has a disclosable pecuniary interest (**paragraph 22** of the code)

## AGENDA ITEM

## REPORT TO CABINET

25 JANUARY 2018

## REPORT OF SENIOR MANAGEMENT TEAM

### CABINET DECISION

#### Regeneration and Housing – Lead Cabinet Member – Councillor N Cooke

#### HOMELESSNESS REDUCTION ACT 2017

#### SUMMARY

The Homelessness Reduction Act will come into force on the 3<sup>rd</sup> April 2018. It is a significant piece of new legislation which will require councils to provide services to anyone at risk of becoming homeless. The purpose of this report is to provide Cabinet with an overview of the new duties arising from the Homelessness Reduction Act, highlight the anticipated implications for the Council's Housing Service (based on the experience of authorities elsewhere) and to highlight the preparation work which is ongoing to ensure that the Council is appropriately prepared for April 2018.

#### RECOMMENDATIONS

Cabinet are asked to:

1. Note the new duties the Homelessness Reduction Act will place on local authorities and the anticipated impact on service delivery.
2. Note the work currently both on-going and planned to ensure the Council is prepared for the introduction of this new legislation.
3. Members are requested to delegate authorisation to the Director of Economic Growth and Development Services to make any necessary changes to the Tees Valley Common Allocations Policy to ensure its compliance with provisions set out in the Homelessness Reduction Act, in consultation with the Director of HR, Legal and Communications and Cabinet Member for Regeneration and Housing.
4. Agree that a further report is brought back to Cabinet 12 months after implementation of the Homelessness Reduction Act which will detail the impact of this legislation on the Council and our local communities.

#### DETAIL

1. The Homelessness Reduction Act 2017 received Royal Assent on 27<sup>th</sup> April 2017 and will come into effect from Monday 3<sup>rd</sup> April 2018. The Act is made up of 12 primary sections, the most significant change is the introduction of **homelessness prevention as a statutory duty**. Whilst generally welcomed by local authorities, the Local Government Association and homelessness charities due to its wider emphasis on 'prevention', it is widely acknowledged that the Homelessness Reduction Act will place significantly increased duties on local housing authorities to both prevent and relieve homelessness at a time when our local communities

are facing wider challenges (welfare reform pressures and the roll out of Universal Credit for example).

### Overview of the new Act

2. The Homelessness Reduction Act is intended to transform the way councils are expected to provide support and guidance to **all homeless people and will provide support to those who are not entitled to help under the current system**. Critically the Homelessness Reduction Act will require council's to try and prevent people from becoming homeless in the first place, intervening early and encouraging other public sector bodies to actively assist in identifying and referring those at risk of homelessness.

#### *Homelessness Reduction Act – the key provisions:*

- **Prevention duty** (providing/securing a solution for at least 6 months): a new duty for Councils to try and prevent the homelessness of people who are at risk of becoming homeless in the next 56 days, provided they are eligible for assistance on the basis of their immigration status. This duty will arise irrespective of their connection to the local area.
- **Relief duty** (helping someone to secure accommodation): a new duty for Councils to try and resolve the homelessness of people who are already homeless. To qualify for help they must be eligible for assistance on the basis of their immigration status and have a connection to the local area, otherwise they can be referred to another local authority.
- **Measures to incentivise cooperation**: people being helped under the prevention and relief duty will be expected to take reasonable steps to resolve their own homelessness.
- **Duty to refer** (*will come into effect from October 2018*): a new duty on other public services to refer people to the local housing authority if they are working with people who are homeless or at risk of homelessness.
- **Continued temporary accommodation protection for families**: Councils are required under existing law to accommodate homeless families, if they meet a number of tests and the Homelessness Reduction Act maintains these protections in cases where Councils are unable to help families under the new prevention and relief duties.

### The experience of others

3. In 2015 Wales implemented very similar legislation that focusses heavily on preventing homelessness and this formed the basis for the new Homelessness Reduction Act in England. Feedback from Welsh Authorities has identified:
  - More people are seeking help – a 26% increase in the number of customers approaching local authorities;
  - The number of cases owed prevention or relief duties that led to positive outcomes was higher than expected - 65% success rate for prevention duties and 45% success rate for relief duties;
  - 11% of those owed a prevention duty were ended due to the customer refusing assistance;
  - Nearly 10% of applications are withdrawn or there is loss of contact with the customer;
  - Over 50% of those helped are single people, many of whom would have previously received basic non-priority advice;

- 23% of customers were helped to stay in their current home and 77% were helped into alternative accommodation;
  - Social housing accounted for 34% of alternative accommodation solutions; and
  - Full duty acceptances were reduced by 70%.
4. More recent learning has come from the London Borough of Southwark who have been working with Department of Communities and Local Government (DCLG) as a Homelessness Trailblazer to 'pilot' the new requirements in advance of the Act's formal implementation, their experiences include:
- A 29% increase in the number of customers accessing the service;
  - A 53% reduction in the number of homeless acceptances; and
  - A 40% increase in the number of homelessness prevention cases.
  - As importantly they have advised that in order to ensure a streamlined and effective service delivery they have undertaken a comprehensive review of their service delivery model.

#### The anticipated local impact of the Homelessness Reduction Act

##### *An increasing (and potentially more complex) workload*

5. Unlike some authorities, the Council through its Homelessness and Housing Solutions team already delivers a homelessness prevention approach to supporting customers at risk of homelessness. That said we are still anticipating an increase in those seeking our support. This anticipated increase is in addition to the increasing demand on services we have experienced over previous years, for example over the last 3 years the number of clients seeking the support of the service has increased from 3586 to 4112 (13% increase).
6. In addition to the increase in workload we will be required to provide in depth help and support to both families and single people who may be at risk of homelessness irrespective of whether they are in priority need or have a local connection to Stockton, this will require a shift in our service focus to reflect earlier intervention requirements.
7. A further key change is the requirement to produce, issue and keep up to date a **Personal Housing Plans** (which will be a statutory document). Officers will need to carry out up to three stages of assessment of a client's needs and communicate their findings by formal letter at the initial prevention stage (i.e. prior to someone becoming homeless) and also under the relief stage (i.e. at the point of or just after someone is homeless). The personal housing plan will set out a number of actions to be taken by the client and the Council to address the client's homelessness and resolve their situation wherever possible. Clients will have a statutory right to challenge these plans.

##### *The need to strengthen and refine our relationships with partner organisations*

8. A number of local agencies (defined as public sector organisations) who work with families and single people will need to be aware of their new duties under the Act to identify clients they are working with who may be at risk of homelessness and to refer them to the local housing authority so that work can begin to prevent their homelessness. Further guidance is expected to clarify the full list of statutory agencies covered by this new duty and whilst DCLG is expected to carry out some communication directly on this, the service will need to ensure appropriate referral arrangements are in place and adequate resources are available to respond to those referrals. Public bodies are likely to include schools, hospitals, GP's, Police, Family Support agencies and the DWP. This new duty will come into effect from October 2018.

*A greater emphasis on finding accommodation and working with customers to help them understand what is deemed to be suitable accommodation*

9. Where prevention actions are unsuccessful and cases move towards becoming homeless there will also be a significant focus on helping to relieve homelessness through finding suitable accommodation for a wide range of customers, including supported accommodation for some of the most vulnerable residents of the borough.
10. Whilst we have good working relationships with our RP partners and have systems in place through the voluntary Landlord Accreditation Scheme, bond and rent guarantee schemes for example to work with private rented landlords, it is important that we continue to foster these relationships to ensure that we maximise access to all forms of suitable accommodation.
11. At the same time we will need to effectively engage with our customer to ensure they are realistic in terms of their housing aspirations, for example we will need to communicate that accommodation will be classed suitable if it is affordable, away from the risk of violence and is suitable in terms of health/ disability needs, location, condition and size.

*A potential increase in reviews and appeals*

12. As clients will have increased rights to seek reviews of the decisions made by councils at each stage of the assessment process and any aspect of the personal housing plan that they disagree with a number of the Welsh local authorities evidenced a significant increase in the number of reviews and appeals made. This therefore has the potential to generate a work pressure in terms of undertaking and issuing review decisions and may impact more widely on Legal officers potentially defending County Court reviews.

Draft Homelessness Code of Guidance for Local Authorities

13. DCLG has recently released the Homelessness Reduction Act draft Code of Guidance, this document provides guidance to on how housing authorities should exercise their functions in relation to homelessness and threatened homelessness and how to apply statutory duties in practice. The draft Code was subject to an 8-week consultation period which ceased on the 11 December 2017. Whilst authorities have welcomed the opportunity to comment on the draft Code, concerns have been raised that there will be limited time to prepare following publication of the final Code (expected early 2018) given that implication is the 3<sup>rd</sup> April 2018.

DCLG Homelessness Funding to Local Authorities

14. In October 2017, Government confirmed that nationally Councils will be allocated £72.2million in 'New Burdens' funding (for a 3 year period) to support the delivery and impact of the new duties which will be placed on them. Whilst this funding is welcomed concerns have been raised to whether this funding is sufficient, the London Councils for example have calculated that it will cost £77m per year to deliver these new requirements in London alone. Authorities in the North East were allocated £2m, which equates to only 3% of the national funding pot. Stockton total allocation is £136,039 (2017/18 - £47,029, 2018/19 - £43,079 and 2019/20 - £45,931). Whilst this funding has specifically been allocated to address the pressures LA will face as a direct result of the implementation of the Homelessness Reduction Act it is not ring-fenced, with Government encouraging local authorities to use this money to prepare for the new Act.
15. In addition to the new burdens funding Councils also received confirmation of financial support through the Homelessness Support Grant, however this is not entirely new money rather it is a transfer of funds from the Department of Work and Pensions to DCLG as a result of changes to Housing Benefit rules (whereby funding previously paid through Housing Benefits for specific types of temporary accommodation which involved management fees was withdrawn). Council's across England will receive £402million for the period 2017/18 - 2018/19, Stockton's

total allocation is £158,574 over this two year period. The Flexible Homeless Support Grant is ring-fenced and must be used for homeless prevention services.

16. Whilst the additional monies noted above are welcomed, there has been no commitment of further funding post 2018/19 for the Flexible Homelessness Support Grant and post 2019/20 for the New Burdens. It is proposed that both funding streams are used to ensure the Council is adequately prepared for this new legislation and that we have the necessary and appropriate tools to wherever possible prevent homelessness. By way of an example monies will be used to temporarily increase staffing levels (to pilot new ways of working), update our IT systems (to ensure they are much more customer focused and support customer interface and interaction) and develop, test and embed new initiatives aimed at both preventing and relieving homelessness.

#### How are we preparing

17. As Cabinet would expect the Homelessness and Housing Solutions Team have prepared a comprehensive project implementation plan and are progressing a number of key work streams. Work stream activities include:
18. Reviewing existing service delivery / all customer interfaces: identifying how the service will need to change to ensure we are able to respond in a timely and appropriate manner;
19. Identifying potential gaps in service delivery: which will enable us to develop/enhance different pathways for the different client groups who are likely to approach the service.
20. Reviewing our current methods of homeless prevention: for example we are examining how frequently each is used, evaluating each's cost and effectiveness and identifying the need for new 'tools' (including for example strengthening our engagement with private sector landlords).
21. Exploring potential new service initiatives: we will move towards implementation of a on a 'test and learn' basis.
22. Ensuring our staffing team are adequately trained and prepared: both in-house and external training and support.
23. Preparing (and implementing) a stakeholder engagement/communication strategy: which will identify our current stakeholders, wider partners and determining the most effective method of interaction going forward.
24. Working collaboratively with our TV LA partners: to identify (and implement) activities which would be best undertaken on a sub-regional basis, such as reviewing and updating the Tees Valley Common Allocations Policy (the document that sets out the approach to housing allocations of the Tees Valley Choice Based Lettings Partnership which comprises the 5 Tees Valley Local Authorities and a number of Registered Providers) to ensure the Policy is compliant with the provisions set out in the Homelessness Reduction Act and Code of Guidance.
25. Preparing for the new (and extensive) DCLG data collection requirements which will replace the existing statutory returns all LAs are required to complete: reviewing the capability of our current data collection methods and their appropriateness going forward etc.

#### **FINANCIAL IMPLICATIONS**

26. As noted within paragraph 14 to 16 of this report the Government has provided additional (fixed term) funding to authorities to prepare and implement this new legislation.

## LEGAL IMPLICATIONS

27. As highlighted within the body of the report the Homelessness Reduction Act received Royal Assent on 27<sup>th</sup> April 2017 and will come into effect on Monday 3<sup>rd</sup> April 2018. It will place significantly increased duties on local housing authorities to both prevent and relieve homelessness and will also imposes express duties on the applicant to cooperate in the process of their application, a failure to cooperate will result in duties owed the duties being discharged.

## RISK ASSESSMENT

28. A detailed risk register is being drafted (and will be regularly reviewed) on an ongoing basis both pre and post April 2018. The risk register is being informed by the release of information by DCLG and by discussions with trailblazer authorities. By way of an example the London Borough of Southwark identified that the roll out of Universal Credit was likely to place a significant financial pressures on local authorities who use Bed and Breakfast Accommodation to provide temporary accommodation. Whilst this form of accommodation is only used in Stockton in an emergency situation (and for as limited time as possible) as we have access to a range of other, more suitable (and commissioned) temporary accommodation services we were concerned and had commenced work to determine its potential 'financial hit' on the authority. However the November 2017 budget highlighted that this issue has been acknowledged by Government who propose to legislate for the payment of temporary accommodation through Housing Benefit rather than Universal Credit (this change is expected from April 2018).

## COUNCIL PLAN POLICY PRINCIPLES

29. The Councils response to the implementation of the Homelessness Reduction Act will impact on the following Council Plan themes:
- Projecting the vulnerable and promoting equality of opportunity through targeted intervention
  - Developing strong and healthy communities and creating economic prosperity across the borough.

## CORPORATE PARENTING IMPLICATIONS

30. Local authorities have duties and powers to assist young people who are leaving and have left local authority care. In Stockton protocols are in place between Children's and Housing Services to ensure that appropriate accommodation (both supported temporary and secure/permanent) is provided in a timely, safe and appropriate accommodation.

## CONSULTATION INCLUDING WARD/COUNCILLORS

31. Regular briefings have taken place with the Cabinet member for Regeneration and Housing. To ensure that all members are aware of the change in legislation and how best to advise and support their local communities it is proposed that Member drop-in sessions are held prior the formal introduction of the Act (these sessions are likely to be held late January/early February 2018).

**Richard McGuckin**

**Director of Economic Growth and Development Services**

**Name of Contact Officer: Jane Edmends**

**Post Title: Housing Services Manager**

**Telephone No. 01642 526682**

**Email Address: [jane.edmends@stockton.gov.uk](mailto:jane.edmends@stockton.gov.uk)**



Education related?

No.

Background Papers

None.

Ward(s) and Ward Councillors

All wards.

Property

None.