

# Gloucester City Council

<b>Meeting:</b>	<b>Cabinet</b>	<b>12 June 2019</b>
<b>Subject:</b>	<b>Tenancy Rescue and Homelessness Prevention Initiatives</b>	
<b>Report Of:</b>	<b>Cabinet Member for Communities and Neighbourhoods</b>	
<b>Wards Affected:</b>	<b>All</b>	
<b>Key Decision:</b>	<b>Yes/No</b>	<b>Budget/Policy Framework: No</b>
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<b>Appendices:</b>	<b>1. Homelessness Prevention – Guiding Principles</b>	
	<b>2. Draft SLA for Mediation Service</b>	
	<b>3. Draft Supplemental Agreement</b>	
	<b>4. PIA Screening attached</b>	

## FOR GENERAL RELEASE

### 1.0 Purpose of Report

- 1.1 The purpose of this report is to seek support for revised tenancy rescue and homelessness prevention initiatives to be used as a spend to save approach for the Housing Service. The funds are to be sourced from central government funding made available to local authority to prevent homelessness (Homelessness Prevention Grant Funding).
- 1.2 The proposals outlined in this report replace existing tenancy rescue measures undertaken by the Council. Current tenancy rescue initiatives are on an ad-hoc basis and approved on a case by case basis using the Homelessness Prevention Fund. This proposal seeks to extend this remit and make tenancy rescue a staple part of a Housing Officer's toolkit in order to reduce the burden on the Temporary Accommodation Budget. There is a recognised framework outlined in this report to ensure fairness and equitable use of this process.

### 2.0 Recommendations

2.1 Cabinet is asked to **RESOLVE** that:

- (1) the use of Homelessness Prevention Funding to be used for tenancy rescue initiatives be approved
- (2) authority be provided to the Housing Service Manager to adopt a flexible approach to Homelessness Prevention and to provide financial incentives that "allow households to remain in their accommodation or move to alternative accommodation" on the understanding that homelessness for these households is likely to have a greater financial impact on the Council's budget
- (3) a set of Homelessness Prevention Guiding Principles as opposed to a prescriptive policy in order to allow a degree of flexibility in the Council's approach to Homelessness Prevention be adopted (Set out in Appendix 1)
- (4) authority be provided to the Housing Services Manager to agree any variations to the Guiding Principles that may be required to reflect the housing market.

### **3.0 Background and Key Issues**

- 3.1 The local authority has duties placed upon it to either prevent or relieve homelessness.
- 3.2 Through the Housing Act 1996 (as amended) and the more recent Homelessness Reduction Act 2017, the local authority has a prevention duty lasting 56 days to assist a household threatened with homelessness to either remain in their accommodation or move to alternative accommodation.
- 3.2 When a household presents as homeless, or if prevention work has been unsuccessful, the local authority may owe an "interim duty" to accommodate the household if we have reason to believe the household is priority need. Interim accommodation is becoming increasingly costly for the Council and action should be taken now to reduce the impact of this.
- 3.3 Should a household (once homeless) be found to be eligible for assistance, in priority need and unintentionally homeless, the local authority may also owe a 'main' homelessness duty and as a result is required to identify suitable longer-term accommodation in order to discharge their duty. Discharging this duty may be achieved by offering a tenancy through Part VI of the Housing Act (a social tenancy); or through a 'private rented sector offer' (PRSO – provided it is for a period of 12 months). Such offers or refusals of suitable offers will bring to an end to the Council's main duty and our duty to provide temporary accommodation (TA).
- 3.3 The average cost of homelessness per household is calculated to be approx. £37,000 (Homeless Link, 2017) This figure takes into account costs placed on Local Authorities as well as other statutory and non-statutory services (NHS, Social Care, Voluntary Agencies, Criminal Justice, Employment, Education). The average prevention incentive is likely to be significantly less.
- 3.4 The average cost of temporary accommodation for a household in Gloucester City varies depending on household make up and property type. B&B accommodation is usually the most expensive type of accommodation and prices range from £150pw-£500pw depending on the requirements of the applicants being placed. The Council under s188 of the Housing Act 1996 will have a duty to provide applicants who they have reason to believe are priority need (as defined by the act) with temporary accommodation, the new relief duty brought in by the Homelessness Reduction Act requires the Council to assist a household to relieve their homelessness for a period of 56 days. No decisions around whether a main duty is owed can be made within this time and as a result many households will remain in TA for the duration of these 56 days until their homelessness can be relieved or a decision around whether a full housing duty is owed can be reached.
- 3.5 Below are indications of possible scenarios (not exclusive) where increased flexibility with the prevention budget will allow the Housing Service to increase the number of households we are able to help to remain in their existing accommodation.
- Rent Arrears Payments
  - Repairs Payments
  - Deposits
  - Furnishings
  - Rent Top Up's

#### Wider Prevention Work -

- Commissioning a Mediation/Counselling Service an example service level agreement attached (appendix 2)
  - This service may incorporate some Adverse Childhood Experience (ACES) principles to assist households at risk of homelessness as a result of lifestyle

or behaviours influenced by adverse childhood experiences. More work around the feasibility of this will be undertaken during procurement.

3.6 The table below provides an opportunity/risk breakdown of assisting households in these circumstances using prevention funding. List is not exhaustive and a flexible/creative approach to tenancy rescue is required in order to be successful and sustainable. The table below illustrates some of the more common actions that can be taken.

Scenario	Possible Actions to Prevent	Opportunity	Risk
Rent Arrears	Payment to resolve full or partial rent arrears in agreement that the landlord will provide another fixed term tenancy – min 6 months	<p>Cost substantially less than placing a household into interim accommodation.</p> <p>Opportunity to engage household with money advice services/employment services.</p>	<p>Difficult to recover the money without a robust recovery process however payments would be expected from household and overall cost in the long term would be lower.</p> <p>This option will allow families to remain in their home – paying off arrears for households who may have deliberately worsened their situation may not at first seem like fair solution. Financially this may be the more effective option.</p>
Repairs Payments	<p>Payment to resolve repairs issues at the property (e.g. if a tenant has damaged part of the property and the landlord wants to evict as a result)</p> <p>Should not be used for repairs which are the Landlord's responsibility e.g. roof repairs/central heating repairs etc</p>	<p>Cost substantially less than placing a household into interim accommodation.</p> <p>Household able to remain and property condition improved.</p>	<p>Difficult to recover the money without a robust recovery process however payments would be expected from household and overall cost in the long term would be lower.</p> <p>Risk that no payments will be recovered</p>
Deposits	In line with current landlord incentive scheme – deposits could be provided as an assurance to landlords for assisting	This can be used to assist households to move to alternative accommodation or remain in existing accommodation – double deposits could be provided for tenants in lieu of a guarantor or bad credit.	Robust recovery process required in order to recycle these deposits and to ensure that tenants are responsible for withheld deposits. Supplemental agreement example attached (appendix 3)

Furnishings	Very occasional but on an ad hoc basis – landlord could be incentivised to continue with existing tenancy if damaged furniture/fixtures are replaced etc.	This could include doors, painting of the property, carpets etc. Occasionally landlords may want to evict as tenants may have caused damage to the fixtures in the property –this can occasionally be resolved swiftly using tenancy rescue measures	Landlord could still evict tenant once this is paid – in order to mitigate the risk a fixed term of 12 months will be expected in order to confirm assistance.
Rent Top Ups	Top up rent when unaffordable.	<p>On basis that applicant works with agencies to assist to work/ money advice services to maximise income. Local Housing Allowance is significantly lower than market rents in the City and this incentive as a prevention tool is vital to allow the Council to access properties in the private rented sector. Assistance through rent top up will be dependent on the creation of a 6 month fixed term tenancy (minimum)</p> <p>This provision incentivises households (that are able) to actively look for work to ensure they can afford to remain once the top up ends.</p>	<p>Will need to ensure that rent can reasonably be affordable at the end of the fixed term paid for by GCC. If no reasonable prospect of affordability – e.g. unable to work/benefits maximised no top up should be approved.</p> <p>Cannot fetter discretion – there may be special reasons why the household should remain – medical adaptations for example</p>

3.6.1 All incentives will be provided on the production of a new fixed term tenancy agreement, required minimum suggested as 12 months however a 6 month fixed term may be considered in exceptional circumstances.

3.7 Commissioning a Mediation/Counselling Service can be an effective method of reducing homelessness as a result of relationship breakdown. A flexible approach to both counselling and mediation should be considered and the remit of this service should be open to all forms of relationships.

This service will try to incorporate principles around ACES (adverse childhood experiences) however the finer details of how this will work in practice will need to be discussed with a provider.

- 3.8 Guiding Principles will need to be reactive to changes in the market, local pressures, legislation and regulations. To avoid delays in seeking cabinet decisions, the Housing Services Manager could be delegated to have flexibility to agree minor variations to the policy.
- 3.9 Staff training required around new guidance and processes need to be mapped out – will need training around adopting a flexible approach to prevention and the processes for signing off payments and beginning the recovery process.
- 3.9.1 Sign off on payments over £3500 will require approval from Head of Communities and Head of Finance. Payments of this size will only be in very exceptional circumstances so sign off from heads of service is an additional budgetary safeguard.

#### **4.0 Asset Based Community Development (ABCD) Considerations**

- 4.1 This initiative has been considered in conjunction with ABCD principles. Households assisted as a result of tenancy rescue will be able to remain in their existing accommodation for a reasonable period of time allowing them to continue to engage and contribute to their local community. This will also prevent upheaval for families with children having to be placed into temporary accommodation which in itself could be considered an adverse childhood experience leading to further social impacts in the future.
- 4.2 Where appropriate Housing Officers will signpost/refer applicants to relevant agencies or self-help services within the community. This is an additional layer of support ensuring the sustainability of the tenancy.

#### **5.0 Alternative Options Considered**

- 5.1 No alternative options considered – proposed improvement to current tenancy rescue measures.

#### **6.0 Reasons for Recommendations**

- 6.1 The main reasons for the recommendations are associated with the desire to reduce the Councils reliance on temporary accommodation and the budget impact incurred as a result. Intention is to prevent households from becoming homeless at a lower overall cost to the Council.

It is unacceptable to the MHCLG for families to reside in bed and breakfast for any longer than is absolutely necessary whilst more suitable longer term options are secured.

#### **7.0 Future Work and Conclusions**

- 7.1 Flexible Mediation/Counselling Service option to be explored in particular around ACES principles
- 7.2 Continuous review of guiding principles to ensure process is effective

#### **8.0 Financial Implications**

- 8.1 Cost implications involve the expenditure of the Homelessness Prevention Budget. The flexibility around this scheme makes it difficult to predict total expenditure however savings should be seen to the temporary accommodation budget and KPI's around the number of successful homelessness preventions should increase.

- 8.2 Robust recovery process to ensure monies spent on preventing homelessness (where possible) can be recycled. This is particularly important when paying deposits for households. Process to be determined with finance but could involve landlords registering the deposit in the Council's name and returning the deposit once the tenancy ends. Any claim to the deposit as a result of unpaid rent/damage will require approval from the Local Authority and subsequently the applicant will receive an invoice for this amount. (set out in supplemental agreement – appendix 3)
- 8.3 Initial ringfence of £30,000 from Homelessness Prevention Budget in year 19/20 and 20/21 for pilot of this project. Forecasted reduction on TA budget will be outlined in 20/21 once pilot has had a year of implementation. Difficult to determine impact on TA budget in the first year due to nature of Homelessness Prevention, no way to determine how many eligible households will present to Local Authority. This figure will always be comparable against total presentations and reduction in TA budget usage will be on the assumption that levels of homelessness remain around the levels they are currently at.
- 8.4 Limited impact on DHP Budgets – DHP budget will always be used first as a priority if appropriate. DHP can be facilitated for some elements of tenancy rescue however it is not always appropriate to access this funding.
- 8.4.1 Some households if not currently in receipt of Housing Benefit or Universal Credit will not be eligible to apply for DHP.
- 8.4.2 Rescuing of a tenancy requires negotiation with a landlord and swift decisions on whether funding can be approved, this is not always possible with DHP as they require an application and approval outside of the Housing Service Remit.
- 8.5 Passed to finance for comments – awaiting feedback

## **9.0 Legal Implications**

Pursuant to Section 2 of the Homelessness Act 2002, local Housing Authorities have a duty to review homelessness in their District and to formulate and publish a strategy based on the results of their review. The Homelessness Reduction Act 2017 which came into force on 3 April 2018, requires that Local Authorities take reasonable steps to either maintain or secure accommodation for an eligible applicant threatened with homelessness, which is known as the 'prevention and relief' duty. In addition pursuant to section 182 of the Housing Act 1996, Local Authorities are also obliged to have regard to the Secretary of State's Homelessness Code of Guidance. A revised code was published on 22 February 2018. Failure to have a strategy may impact the Council's ability to defend challenges to decisions made under the Housing Act 1996 as amended by the Homelessness Reduction Act 2017.

Where the Council exercises discretion it must ensure that it does so in a lawful and fair manner otherwise it may be vulnerable to judicial review challenge. It is critical that those responsible for implementing any forthcoming policy in relation to any of the prevention measures in this report, are competent and suitably trained and that they implement those policies in a fair and lawful manner.

The procurement of any external Counselling/advisory service should be subject to such contract standing orders as may apply and any contract for services should be considered in conjunction with One Legal.

Any strategy should be subject to a People Impact Assessment before implementation.

## **10.0 Risk & Opportunity Management Implications**

10.1 The main areas of risk concerning these proposals are the ability to keep within budget and the ability to source adequate good quality provision. These matters may be mitigated by careful management of the budget area and by ensuring reports are completed quarterly of the cost savings made through successful prevention.

10.2 Another area of risk is around public relations and the politics where the Local Authority have paid for households to remain in accommodation when they may have deliberately worsened their situation. These households are likely to incur a cost to the authority regardless, this decision however will be around which budget they will impact (temporary accommodation or homelessness prevention) in the event the household is found intentionally homeless (once a main duty decision has been reached) if they have children they will incur further costs to Social Care budgets. As part of this process Households will only be assisted once through this scheme, if necessary exceptions can be made however this will need to be approved by the Service Manager.

### **11.0 People Impact Assessment (PIA) and Safeguarding:**

11.1 PIA Screening attached

### **12.0 Other Corporate Implications**

#### Community Safety

12.1 Limited impact

#### Sustainability

12.2 Sustainability will be dependent on continued Homelessness Prevention Funding. Recycling of existing budget through a robust recovery process will assist with this and enable the Council to assist more households with existing resources.

#### Staffing & Trade Union

12.3 No impact