

**CANNOCK CHASE COUNCIL**

**CABINET**

**21 JULY 2011**

**REPORT OF THE CORPORATE DIRECTOR**

**RESPONSIBLE PORTFOLIO LEADER: HOUSING**

**HOMELESSNESS GRANT 2011-12**

**KEY DECISION – NO**

**1. Purpose of Report**

- 1.1 To consider the use of additional 2011-12 Homelessness Prevention Grant resources received from the Coalition Government.

**2. Recommendations**

- 2.1 That Cabinet be recommended to grant a supplementary estimate of £42,000 for Homelessness Prevention Initiatives, following the receipt of additional Homelessness Prevention Grant.
- 2.2 That subject to the above recommendation being agreed, the £42,000 of funding be provided to the following:
- (a) Citizens Advice Bureau – Extension of the Money Advice Service - £15,000
  - (b) Top up of CLG Mortgage and Landlord Repossession Prevention Grant Fund - £5,000
  - (c) Development of Landlord Incentive Scheme – Reserve of £7,000 subject to Cabinet agreeing to receive and approval of, a further report.
  - (d) Credit Union - £5,000
  - (e) Safe As Houses - £10,000

**3. Summary (inc. brief overview of relevant background history)**

- 3.1 Cabinet on 7 April 2005 agreed that delegated authority be given to the Head of Regeneration (now Head of Housing) following consultation with the Portfolio Leader for Social Inclusion and Housing (now the Portfolio Leader for Housing) to approve expenditure in relation to Central Government Homelessness Prevention Grant allocations, in accordance with the delivery of the Councils homelessness priorities as set out within the Councils Housing and Homelessness Strategies.
- 3.2 The grant allocation for 2011-12 received in March is £74,000. This was higher than expected and as a result only £32,000 was included in the agreed General Fund budget for 2011-12.

- 3.3 The £32,000 (together with £23,000 of resources carried forward from 2010-11) has been allocated by the Head of Housing and the former Housing Portfolio Leader to fund £55,000 of initiatives outlined in Annex 1.
- 3.4 The additional £42,000 whilst allocated by the Coalition Government for homelessness prevention is not ring fenced and forms part of the Area Based Grant. As a result, these additional resources can be utilised for either homelessness prevention or another purpose.

#### **4. Key Issues and Implications**

- 4.1 The revised Homelessness Strategy 2011-2016 due to be considered by Cabinet in July 2011 outlines the following priority issues for the District:
- Prevent and reduce levels of homelessness
  - Improve choice and access to housing
  - Support vulnerable households to live independently
- 4.2 During 2010/11 the Council received 222 applications from households presenting as homeless. All applicants now receive a housing options interview so their housing needs can be fully assessed and information is provided regarding the options available to solve their housing situation. Following 3 years of a continued reduction in homelessness acceptances, 2010/11 has seen an increase, which is in part due to the uncertain economic climate. The number of people falling into arrears on their assured short hold tenancies has increased and more landlords have been serving notice on their tenants as they wish to sell their properties to release capital.

| <b>Priority Need Group</b> | <b>2007/08</b> | <b>2008/09</b> | <b>2009/10</b> | <b>2010/11</b> |
|----------------------------|----------------|----------------|----------------|----------------|
| Applications Taken         | 408            | 301            | 180            | 222            |
| Priority Need              | 167            | 75             | 28             | 51             |
| No Duty Owed               | 241            | 226            | 152            | 171            |

Homelessness trends over the last four years show the main reasons for homeless acceptances were violent relationship breakdowns, loss of rented accommodation and parents being unable to accommodate.

- 4.3 Significant changes to Local Housing Allowances (LHA) for Housing Benefit claimants came into force on the 1<sup>st</sup> April 2011 and these changes may impact upon the number of households finding themselves at risk of homelessness or requiring alternative accommodation due to affordability issues. Changes include the ending of top up payments to tenants whose entitlement to benefit is more than their rent and capping the maximum amount of LHA payable at the 4 bedroom rate.

4.4 Funding the following initiatives will help to meet the priority actions contained within the Homelessness Strategy 2011-2016, help to prevent homelessness and support the most vulnerable members of the community during times of significant change.

- (a) Cannock Citizens Advice Service – Increased provision of the fast track money advice service.

This is provided by the CAB which has been part funded through the CLG Homelessness Grant since 2009/10. Applicants to the Mortgage Rescue Scheme receive valuable financial advice from this service. An additional £15,000 would enable the working hours of the Debt Case Worker to increase and widen the help given to incorporate general money management advice.

- (b) Top up the Prevent Homelessness due to Mortgage and Landlord Repossession grant

In 2009 the Council received a Communities and Local Government grant of £6,500 for the prevention of homelessness due to mortgage and landlord repossessions. In 2010/11 this money was used to assist 22 households in the private rented sector to remain in their property. Rent advance payments have been made to secure a private rented property, shortfalls in deposits have been paid and small shortfalls in rent have been paid for a specific period of time. £5,000 would ensure that these initiatives can continue and assistance given to enable approximately 15-20 additional preventions.

- (c) Development of a Landlord Incentive Scheme

Changes to be implemented by the Government's Local Reform Bill later in the year will enable the Council to discharge its homelessness duty through provision of accommodation in the private sector provided the applicant's housing need is met. However, the duty will only be discharged with the offer of a property in the private sector under an assured short hold tenancy agreement for a fixed term of at least 12 months. If the person or household becomes homeless again within two years through no fault of their own, the Council would have a duty to secure accommodation for them again. In order to encourage landlords to consider offering an assured short hold tenancy to a homeless family for a fixed term of between 1 and 2 years it may be necessary to offer incentives. A Landlord Incentive Scheme will be devised, based on a budget of £7,000 and this will be considered by Cabinet at a later date.

- (d) Contribution to a Credit Union

The Council have been approached by Fusion Credit Union who currently operate within the Lichfield District. They are a financial co-operative run by a team of volunteers whose members support each other through saving and borrowing together. It is a not-for-profit organisation whose members are encouraged to save and access to loans is provided at reasonable rates of interest. Fusion Credit Union would like to extend the scheme into Cannock Chase District and membership would be open to everyone who lives or works in the District. Discussions are currently ongoing, but if these are successful and the Council join the scheme, funding support of £5,000 is recommended which would help to tackle some of the debt issues affecting residents.

(e) Safe As Houses scheme

The Safe As Houses scheme enables victims of domestic violence to choose to remain in their existing homes rather than move to a secure property. Security adaptations were made to 28 properties in 2010/11, with an average spend per property of £875.09. A further £10,000 will ensure the scheme can continue to operate effectively into 2011/12.

**5. Conclusion(s) and Reason(s) for the Recommendation(s)**

- 5.1 The Coalition Government expect that the full homelessness allocation awarded to local authorities will be spent on homelessness prevention initiatives. Should the allocation be used for other purposes, it may reduce the amount of resources allocated in future years.

**6. Other Options Considered**

- 6.1 That the £42,000 is used for other non-homelessness prevention purposes.

**7. Report Author Details**

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**SCHEDULE OF ADDITIONAL INFORMATION**

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**Section 1**

**Contribution to Council Priorities**

The Homelessness Prevention grant contributes to the priority outcomes outlined in the Corporate Plan 2011-2014.

**Section 2**

**Contribution to Promoting Community Engagement**

Distribution of the Homelessness Prevention grant to enable partner agencies to assist in the prevention of homelessness helps to promote community engagement.

**Section 3**

**Financial Implications**

The "Implementation – Homelessness Act" budget for 2011-12 assumes a grant of £32,000, however the Council received £74,000 as part of its Revenue Support Grant for 2011-12, a difference of £42,000.

As mentioned in the main body of this report, the additional grant is not ring fenced, so Members have the option to support / part support the additional Schemes detailed in para 3.4, leave the £42,000 in reserves to support other Council Services or subject to a further report, spend the grant on other non-homelessness services.

The £23,000 referred to in para 3.3 was unused additional Homelessness Prevention Grant Received from DCLG at the end of 2009-10 which is currently held in a specific reserve.

**Section 4**

**Legal Implications**

If members agree to the recommendation it will be necessary for legal agreements to be entered into to ensure that the funding is used as required by the Council.

**Section 5**

**Human Resource Implications**

There are no human resource implications associated with this report.

**Section 6**

**Section 17 (Crime Prevention)**

There are no Section 17 (Crime Prevention) issues arising from this report.

**Section 7**

**Human Rights Act Implications**

There are no Human Rights Act implications arising from this report.

**Section 8**

**Data Protection Act Implications**

There are no Data Protection Act implications arising from this report.

**Section 9**

**Risk Management Implications**

The number of homeless acceptances increased in 2010/11 for the first time in 3 years. The uncertain economic climate and changes to housing benefit under the Local Housing Allowance arrangements could increase the number of people seeking advice and assistance from support services.

If the full amount of government grant isn't awarded to homelessness prevention initiatives the number of people being accepted as homeless could rise significantly, which could also result in an increased use of expensive bed and breakfast or temporary accommodation.

**Section 10**

**Equality and Diversity Implications**

Distribution of the Communities and Local Government grant to homelessness prevention initiatives contributes to meeting the needs of specific groups who are vulnerable and therefore contributes positively to equality and diversity.

**Section 11**

**List of Background Papers**

Homelessness Review 2009/10

Draft Homelessness Strategy 2011-2016

**Section 12**

**Report History**

- (a) Cabinet, 6 March 2003 – Homelessness Allocation 2002-03
- (b) Cabinet, 10 July 2003 – Homelessness Allocation 2003-04
- (c) Cabinet, 1 April 2004 – Homelessness Allocation 2004-05
- (d) Cabinet, 7 April 2005 – Homelessness Allocation 2005-06

**Annex 1**

| <b>Description of Scheme</b>   | <b>Amount</b>  |
|--|----------------|
| Safe As Houses – Victims of domestic violence can receive security adaptations to enable them to remain in their property if they wish to. | £20,000        |
| Domestic Violence Outreach Worker employed by Stafford Women’s Aid   | £5,000         |
| Citizens Advice Bureau – Continuation of money advice service  | £10,000        |
| Cannock Chase Churches Housing Coalition (Rent advance and loss and damage guarantee scheme)   | £5,000         |
| Contribution to Discretionary Housing Payments   | £5,000         |
| Study of the need for a Night Shelter in the District  | £5,000         |
| ‘Top up’ of CLG Preventing homelessness due to Mortgage and Landlord Repossession Grant Fund   | £5,000         |
| <b>TOTAL</b>   | <b>£55,000</b> |