

Future Housing Options Service Provision

Report of the Housing & Environmental Health Portfolio Holder

Recommended:

1. That the financial position with regard to the Homelessness Reserve and resourcing the front line housing options service be noted.
2. That the Head of Housing & Environmental Health, in consultation with the Portfolio Holder for Housing & Environmental Health and the Head of Finance & Revenues, be given delegated authority to draw from ear-marked grant reserves for homelessness to support the delivery of effective TVBC housing services.
3. That the Head of Housing & Environmental Health, in consultation with the Portfolio Holder for Housing & Environmental Health, the Portfolio Holder for Finance & Resources, and the Head of Finance & Revenues, be given delegated authority to draw monies received from central government that are ring fenced for homelessness that may, from time to time, be provided to meet identifiable homelessness pressures, for purposes that meet the terms of those grants.

SUMMARY:

- The Council receives a number of short term ring-fenced homelessness funding streams from the Department for Levelling Up, Housing & Communities (DLUHC). The Housing Options Service is, in part, supported by these temporary government grants.
- For 2021/22, the government consolidated the previous 'Flexible Homelessness Support Grant' (FHSG) and the 'Homelessness Reduction Grant' into a new 'Homelessness Prevention Grant'. TVBC's allocation of Homelessness Prevention Grant was £371,626 for 2021/22. This funding is held in an ear-marked reserve and is used to support, in part, the resourcing of the Council's Housing Options Services.
- This report seeks delegated authority to enable the service to plan staffing and other arrangements making targeted use of ring fenced government funding for homelessness, with agility (subject to necessary consultations) to mobilise schemes associated with short term grant requirements, without the requirement to first bring forward recommendations for approval to Cabinet (and notwithstanding any substantive changes to future grant arrangements).

1 Introduction

- 1.1 The Housing Options Service delivers the Council's statutory housing duties as they relate to homelessness and housing allocations.

- 1.2 The Housing Options Service is, in part, supported by ring fenced grant funding provided by government for the purposes of preventing and relieving homelessness, and this funding covers a range of costs, including a number of posts within the service.
- 1.3 Ring fenced central government homelessness grants are held in the Homelessness Reserve and drawn down to meet identified pressures and to ensure the Council meets its statutory duties.
- 1.4 In recent years, the Housing & Environmental Health Service has brought forward annual reports to ensure the service can be delivered at capacity the following year, through the targeted spend of the Homelessness Reserve. Over time, it is apparent that this may not be the best way to enable forward planning or to create a sense of security for staff who are funded through the grants.
- 1.5 Furthermore, in light of grants being provided by government in year, that are ring fenced for particular pressures associated with preventing and relieving homelessness, it is necessary to review the delegated authority available to the Housing & Environmental Health Service to respond in an appropriate way to ensure the Council can make best use of any and all available funding to tackle homelessness.

2 Background

- 2.1 The Council receives ring fenced central government funding for the purposes of preventing and relieving homelessness. This funding supports, in part, the Housing & Environmental Health Service, including funding 7.5 FTEs within the service. For 2021/22 the Council's allocation was £371,626.
- 2.2 Periodically, the Council also receives additional ring fenced allocations from government to support particular identifiable homelessness pressures. These are not always anticipated and a recent trend from the DLUHC seems to be for funding to be provided with an expectation that spend will happen 'in year'. This has been coupled with the suggestion that underspent grant may affect future allocations by way of possible deductions. This is the case in the recent allocation of £77K to TVBC under the recently announced 'support for vulnerable renters' funding.
- 2.3 The Annex sets out the forecast funding position insofar as it relates to the Homelessness Prevention Grant.
- 2.4 The Support for Vulnerable Renters Fund augments the existing Homelessness Prevention Grant allocation for TVBC with a further £77,922. This additional funding is to be targeted at vulnerable households in rent arrears to reduce the risk of them being evicted and becoming homeless. This is a one-off payment to support low income households. For TVBC, it is proposed that the funding is used to clear arrears in appropriate cases and to support the Council's work with the Private Rented Sector. This may include utilising some of the funding to cover recruitment/staffing costs.

- 2.5 The Council holds an earmarked reserve which enables the Housing Service to plan ahead for approximately one year beyond our immediate annual grant determinations. The 'opening balance' in 2021/22, is the result of historic prudence.
- 2.6 In recent years, the Head of Housing & Environmental Health has worked with the Housing & Environmental Health Portfolio Holder to bring forward annual reports to put in place the use of the grant funding to support the Housing Options Service for the coming year. These are complex reports by nature of the funding arrangements under which the service operates and the various initiatives and staff in place to deliver aspects of our work to prevent and relieve homelessness. The approach to annual permissions to spend, generate a considerable level of work primarily associated with staffing the service for the forthcoming financial year.
- 2.7 Furthermore, for staff on temporary contracts, there is uncertainty pending Cabinet approval, and where staff may leave in year, there is a conundrum for the service in terms of how best to go about managing staffing resources and recruiting to very short contracts.
- 2.8 This report therefore seeks support for the Housing & Environmental Health service to manage service delivery using the ring fenced funding on an annual basis, without being required to bring forward reports and recommendations to Cabinet. This is so that the service can plan ahead, including in the context of managing staffing resources in year in the event that, for example, a member of staff on a short term contract leaves our employment.
- 2.9 This report builds on previous annual reports to Cabinet, since the introduction of the Homelessness Reduction Act 2017, and seeks to reduce the complexity of decision making arrangements associated with the Homelessness Reserve.
- 2.10 In a future scenario whereby government grant for homelessness is significantly reduced or brought to an end, further reports will be brought to members concerning the future of local homelessness services at that time, with a view to establishing what appropriate level of investment TVBC may need to consider in light of its priorities moving forward and in the interests of ensuring the Council continues to meet relevant legal requirements.

3 Corporate Objectives and Priorities

- 3.1 Preventing and relieving homelessness is a high priority for Test Valley Borough Council.
- 3.2 Effective housing services contribute to achieving our Corporate Plan priorities to support town centres, communities, people and the local environment, by actively contributing to reduced instances of homelessness, supporting vulnerable people and actively contributing to the prevention of homelessness in the borough. The Council's Housing Service also supports local landlords with advice and support, and through its tenant finder and tenant support services.

- 3.3 The Council's Housing Strategy 2020 to 2025 identified four key themes. This includes preventing and relieving all forms of homelessness. This priority area is further supported by a separate Preventing Homelessness & Rough Sleeping Strategy 2020 to 2023.
- 3.4 Housing and homelessness remain at the top of the national policy agenda, and with a renewed focus in light of the Covid-19 pandemic, our housing services remain a vital element in our strategic approach to supporting our communities. The government funding this report relates to, are subject to ring fences for the specific purpose of preventing and relieving homelessness.

4 Consultations/Communications

- 4.1 The Council consulted widely on a new Housing Strategy and a new Preventing Homelessness & Rough Sleeping Strategy during 2019, and through this, built on the outcomes of the Corporate Plan consultation during 2018. The results of these wide ranging consultation exercises fed directly into the Council's new housing strategies and the recommendations in this report are aligned to key priorities that were developed in partnership and through consultation that included residents and service users.
- 4.2 Operational staff have been engaged in discussion and they have been consulted regarding potential implications of the recommendations in this report.
- 4.3 The Head of Housing & Environmental Health has liaised with colleagues across the county to discuss the future of homelessness services and in light of the implications of the Covid-19 pandemic. The ongoing investment in services that prevent and relieve homelessness remains a priority across the county, and indeed nationally, along with efforts to ensure health, housing, social care and other key elements of the wider system are better linked in order to respond to the needs of people experiencing homelessness.
- 4.4 Throughout the course of our work on homelessness, elected members have been consulted and involved in steering the direction of travel.
- 4.5 Senior managers, including Heads of Service across the Council, have been consulted regarding the contents of this report.

5 Options

- 5.1 The Council must continue to meet demand, and effectively prevent and relieve homelessness. It must also continue to meet the extensive homelessness duties set out in the Housing Act 1996 (as amended, including by the Homelessness Reduction Act which received Royal Assent in 2017 before it came into force during 2018).
- 5.2 In the context of this report, there are 3 main options identifiable:

Option 1:

- 5.3 The Housing & Environmental Health Service continue to bring forward annual reports to Cabinet setting out the proposed use of ring fenced homelessness grant annually, to enable the service to plan for the forthcoming year.
- 5.4 The Housing & Environmental Health Service also bring forward reports to Cabinet seeking approval of spend against any in year 'windfall' ring fenced homelessness grants that may, from time to time, be allocated to the Council to meet particular identified national priorities in the context of preventing and relieving homelessness and which may be subject to time limited spending requirements.

Option 2:

- 5.5 The Housing & Environmental Health Service is enabled to plan ahead for its own staffing resources and in the context of initiatives to prevent and relieve homelessness in the context of the Homelessness Reserve, where they are in keeping with grant requirements.
- 5.6 The Housing & Environmental Health Service bring forward reports to Cabinet seeking approval of spend against any in year 'windfall' ring fenced homelessness grants that may, from time to time, be allocated to the Council to meet particular identified national priorities in the context of preventing and relieving homelessness and which may be subject to time limited spending requirements.

Option 3:

- 5.7 Cabinet approves the recommendations in this report to enable the Housing & Environmental Health Service to plan ahead for its own staffing resources and in the context of initiatives to prevent and relieve homelessness where they are in keeping with grant requirements. This would include any in year grant allocations that may, from time to time, be allocated to the Council to meet particular identified national priorities in the context of preventing and relieving homelessness and which may be subject to time limited spending requirements.

6 Option Appraisal

Option 1:

- 6.1 Option 1 reflects the current approach to managing the homelessness reserve. This option is not recommended. The housing service is under pressure and under high demand, and the current approach generates considerable administrative work as part of the forward planning process for the service in the context of staff and initiatives. It also generates an additional level of uncertainty for staff employed on temporary contracts funded through the reserve.

- 6.2 Option 1 would also create the ongoing issue that when someone on a temporary grant funded post leaves the Council during a financial year, the service may be required to undertake an executive approval process to recruit to anything other than a contract that lasts the remainder of that particular year.
- 6.3 Option 1 would also require the Housing & Environmental Health Service to bring forward reports to seek approval to spend in year allocation of ring fenced grants provided for the purpose of preventing and relieving homelessness. This would build delay into the implementation of initiatives in keeping with grant restrictions, and potentially delay spend of time bound allocations of funds from central government for this purpose.

Option 2:

- 6.4 Option 2 would enable the service to plan ahead and provide greater reassurance for staff employed on temporary contracts, which is positive, however, it would require the Housing & Environmental Health Service to bring forward reports to seek approval to spend in year allocation of ring fenced grants provided for the purpose of preventing and relieving homelessness. This would build delay into the implementation of initiatives in keeping with grant restrictions, and potentially delay spend of time bound allocations of funds from central government for this purpose. Option 2 is not recommended.

Option 3:

- 6.5 Option 3 is recommended. It will allow the service to plan ahead and further, respond to windfall grants that may be allocated in year and which are ring fenced for the purpose of preventing and relieving homelessness. Option 3 would ensure that relevant Portfolio Holders are consulted along with the Head of Finance & Revenues, but would not require reports to Cabinet for approval.
- 6.6 Option 3 would have the practical effect of enabling ring fenced grants for homelessness - comprising the Homelessness Reserve - to be considered as part of the Housing & Environmental Health Service's base budget.
- 6.7 In the event there was a significant change in the way government seeks to fund homelessness services, for example, the ending or reduction of the Homelessness Prevention Grant, the Housing & Environmental Health Service would bring further reports forward to review the future of the funding arrangements associated with the Council's Housing Options Service in light of the Council's competing priorities at that time.

7 Risk Management

- 7.1 An evaluation of the risks associated with the matters in this report has previously been reported to Members in Item 7 of the Cabinet meeting of 13 March 2019. The proposals contained in this report also carry the risk that in the event that Government funding was withdrawn or did not materialise, either in part or in full, then the Council would be responsible for making arrangements or provision for those permanent posts otherwise funded by the central government funding.
- 7.2 This report, and the associated recommendations, have been produced in the interests of ensuring our services remain accessible and responsive, to the needs of vulnerable members of our communities, and in the interests of supporting the Housing & Environmental Health Service to manage key risks associated with meeting housing demand in Test Valley.

8 Resource Implications

- 8.1 The Council was initially awarded FHSG funding as part of a 3-year determination. That determination expired in 2020/21 and moved to a 1 year determination. For 2021/22, the government has provided a further 1 year determination, but in so doing, amalgamated FHSG and Homelessness Reduction Grant, into a new Preventing Homelessness Grant.
- 8.2 In December 2021, the government announced a further allocation of Homelessness Prevention Grant (£371,626) for 2022/23. This grant determination included a suggestion that the allocation of Homelessness Prevention Grant would be subject to review nationally during 2022 with potential for a new allocation formula to be developed and implemented from 2022/23 onwards.
- 8.3 Whilst it is not anticipated the government will cease this grant, particularly with a national strategy to end rough sleeping and preventing and relieving homelessness remaining a high national priority, there is no certainty that it will be an ongoing funding stream, nor that Test Valley will continue to receive the current level of funding.
- 8.4 Any grant that is allocated to the Council but not spent in the year may be subject to clawback by the government and may negatively affect the level of future allocations. It is therefore essential that the Council has effective mechanisms for deploying the grant funding it receives.
- 8.5 The Annex to this report sets out more detail with regard to the Council's Homelessness Reserve.
- 8.6 Notwithstanding a new Homelessness Prevention Grant allocation for 2022/23, the opening balance of the reserve for 2022/23 is anticipated to be £514,445. This is sufficient to deliver services within the same financial envelope as that required during 2021/22. Taking into account all presently anticipated calls on the Homelessness Reserve in light of this report together with the funding allocation for 2022/23, it is anticipated the reserve balance will be £490,778 as at 31 March 2023, which will be sufficient to ensure continuity of the existing level of service provision for at least one further year.

9 Legal Implications

- 9.1 The Council has statutory duties to assist those who are homeless or threatened with homelessness and must comply with the Housing Act 1996 including the amendments introduced by the Homelessness Reduction Act 2017. The recommended option will support legal compliance.

10 Equality Issues

- 10.1 An Equalities Impact Assessment (EQIA) has been completed with regard to the recommendations of this report and issues arising.
- 10.2 Given the rural nature of Test Valley, delivering housing services to vulnerable people in our communities presents additional challenges and the EQIA has identified a potential for discrimination or adverse impact around accessibility. The EQIA notes that the new ways of working and customer expectations arising from the Covid-19 pandemic have meant that the service has developed new ways of working with customers and it is anticipated that these will have contributed to making the service more accessible in the longer term.
- 10.3 The recommendations in this report will ensure that all opportunities to promote equality will be taken and the Housing Service retains capacity to support our most vulnerable households.

11 Other Issues

- 11.1 Community Safety – the recommendations in this report will contribute positively to community safety.
- 11.2 Environmental Health Issues - the recommendations in this report will contribute positively to environmental health through reduced levels of homelessness and rough sleeping, supporting people to live in decent homes and reducing street activity associated with homelessness and vulnerability.
- 11.3 Sustainability and Addressing a Changing Climate – it is not anticipated that the recommendations in this report will have a significant impact, however, the continuation of present capacity will facilitate more officers supporting people and identifying poor housing standards including issues associated with fuel poverty and seeking solutions to improve energy efficiency in residential homes.
- 11.4 Property Issues – no issues anticipated.
- 11.5 Wards/Communities Affected – no issues anticipated. The housing service is a generic service operating borough-wide.

12 Conclusion and reasons for recommendation

- 12.1 The Council is subject to a complex range of legal duties associated with allocations and homelessness, and experiences a high demand for front line housing services locally.

- 12.2 The Council has, historically, invested in its front line services through the Housing & Environmental Health base budget but also through the targeted use of ring fenced central government grants to support not only its own services but those of partners operating under a common strategic umbrella.
- 12.3 The recommendations contained in this report are predicated on available ring fenced funding and are brought forward in light of the Council's key priorities and will contribute to delivering high quality services for the most vulnerable people in our communities.
- 12.4 This report is intended to facilitate legal compliance and maintain the current level of service delivery through a costed approach to meeting the needs of people who are homeless or threatened with homelessness.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	1	File Ref:	N/A
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Report to:	Cabinet	Date:	12 January 2022