

Part I

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Ward: All wards

WELWYN HATFIELD BOROUGH COUNCIL
CABINET HOUSING PANEL – 18 JULY 2022
REPORT OF THE CHIEF EXECUTIVE

HOMELESS PREVENTION GRANTS AND ACTIVITY - UPDATE

1 Executive Summary

- 1.1 The Housing Options team is responsible for the homelessness functions of the Council
- 1.2 The priority of the Housing Options team is to prevent and relieve homelessness.
- 1.3 The Government allocates annual ring-fenced grant funding which is to fund projects and resources to help prevent and relieve homelessness.
- 1.4 In addition to allocated funding the council has been successful in securing additional funds through several bids to Government funding schemes, which has increased the resources available for the prevention of homelessness and the ability to assist those who have become homeless.
- 1.5 The funding is used in a variety of ways to prevent homelessness by maintaining existing accommodation, securing new accommodation in cases where it is not possible to maintain existing accommodation, and to assist people who are in the position of having nowhere to stay.
- 1.6 This report serves to provide details of how this funding is used.

2 Recommendation(s)

- 2.1 Cabinet Housing Panel are asked to:
 - a) Note the information provided regarding the Homelessness Prevention Grant and expenditure of the Grant
 - b) Note the information provided regarding the successful funding bids for various Homelessness Schemes, and the use of that funding

3 Explanation

- 3.1 The Housing Options team is responsible for carrying out the statutory duties of the Council in relation to homelessness and housing advice.
- 3.2 The Housing Act 1996 (as amended) provides most of the statutory framework for Local Housing Authorities' (LHAs) duties and responsibilities relating to homelessness, and it is that within that framework of legislation that the Housing Options team operates.
- 3.3 LHAs are directed to prioritise the prevention of homelessness, as well as dealing with homelessness when prevention is not possible. That includes the provision of accommodation for those households that qualify for direct assistance. Those households that meet the necessary criteria are placed into temporary accommodation, whilst longer term accommodation is sought.
- 3.4 It is recognised that homelessness comes at a cost. Research conducted by the UK Government in 2012 stated that *'A number of research studies have attempted to calculate the total costs to government of homelessness. Estimates of the annual costs to government [of homelessness] range from £24,000 - £30,000 (gross) per person'*
- 3.5 In recognition of this cost, and the understanding that a better use of public money is to invest in prevention of homelessness, an allocated grant from the Department for Levelling Up, Housing and Communities (DLUHC) is provided to LHAs in order for them to fund projects and provide resources to enable the prevention of homelessness. This is paid annually.
- 3.6 This grant is not guaranteed, and LHAs usually receive notification of the following year's grant award approximately 4-5 months in advance (November/December). As a result, LHAs are required to carefully plan for the use of the grant and evaluate the risk of a reduction in funding before committing to longer term projects to prevent homelessness.
- 3.7 For the financial year 2021/22 the grant to Welwyn Hatfield Borough Council was £491,054.00. For the financial year 2022/23 the grant is £491,055.00. This is a significant uplift from previous years when the grant had been approximately £280,000 per annum.
- 3.8 In December 2021 an additional £102,963.00 was allocated by DLUHC to be used as a top up to this allocated grant, with the guidance that it be used to assist towards COVID-19 related rent or mortgage arrears.
- 3.9 An allocation of £60,000.00 from the core Council budget, which is ringfenced for use towards homelessness prevention, is used to fund the Homelessness Prevention Service at Citizens Advice Hatfield. This service has helped to prevent homelessness for 635 households in 21/22 and generated financial gains of over £1.2m, which is an increase in income of nearly £1900 per household.
- 3.10 A breakdown of how the government allocation has been used is provided in Appendix B.

- 3.11 As well as the allocated homelessness prevention grant from DLUHC, there are a number of schemes that LHAs are invited to bid for. These can range from being very specific schemes with narrow criteria, to schemes with a broad prospectus and wider range of possibilities.
- 3.12 There have been several successful bids to such schemes, which has allowed us to add additional resources to the council such as funding for the ReStart rough sleeper service, funding for several units of accommodation to assist the work with rough sleepers and funding for ex-offenders and those leaving prison. Further details of these successful funding bids is provided in Appendix C.
- 3.13 The use of the funding is restricted by Government, with the terms of the allocated grant including the stipulation that it is ringfenced for homelessness prevention. The funding that arises from successful bids must be used for the reasons set out in the bid.
- 3.14 LHAs will make decisions about how to best use the allocated grant and each LHA will prioritise different projects and strategies, dependent on many factors.
- 3.15 The following information serves to provide details of how the allocated Homelessness Prevention Grant is being used to prevent homelessness in Welwyn Hatfield.
- 3.16 There are 5 areas which this funding is used against:
- a. Homelessness Prevention fund
 - b. Tenancy Assistance
 - c. Rent Guarantee
 - d. Support projects
 - e. Staffing
- 3.17 a) Prevention fund – this is an amount of money that we set aside for the effective prevention of homelessness. This is usually done by payment of rent arrears, although other payments are made, and officers are encouraged to be imaginative in finding solutions that would prevent homelessness.
- 3.18 b) Tenancy Assistance – this is an amount of money that is set aside to help secure private tenancies for households and families. A payment of deposit and rent in advance are required for all private tenancies at the initial stage, and we make payment directly to the landlord. For most applicants on lower incomes, this is given as a grant and is not repayable. For those that are able to afford to make meaningful contributions which would not affect their ability to afford essential outgoings, a repayment plan is set up.
- 3.19 c) Rent Guarantee – this is an amount of money that is set aside for the payment of insurance premiums. We have entered into a working arrangement with a business that provides rent guarantee insurance, and this eliminates the risk of non-payment of rent to the landlord or agent. It also allows us to access more property than we otherwise would, as barriers to renting are usually the inability

of the potential tenant to provide a guarantor and their inability to satisfy criteria such as a minimum income requirement.

- 3.20 d) Support projects – some of the funding is used to pay for projects that either support those that are homeless or services that assist with our homelessness prevention work. Examples include the rough sleeper service ReStart, which is managed and operated by Resolve, the engagement of HertsMediation, which assists with preventing homelessness, usually where the cause is relationship breakdown in the family home, and our Housing First project which works to assist individuals who have a history of long term and entrenched rough sleeping and/or complex needs.
- 3.21 e) Staffing – some of the funding is used to cover salary costs for additional staffing resources. As a result of the changes that the Homelessness Reduction Act 2017 brought about, the Housing Options team underwent a restructure in order to deal with the new responsibilities more effectively. This restructure added posts and as pressure on the service has grown there have been additional changes since then to provide additional resilience.

Implications

4 Legal Implication(s)

The council has a statutory duty under the Housing Act 1996 (as amended by the Homelessness Act 2002 and Homeless Reduction Action 2017) to ensure that it is appropriately managing its homelessness duties.

5 Financial Implication(s)

The decisions relating to use of grant funding are based on how to successfully prevent and relieve homelessness for as many households as possible. Successful projects and measures will reduce further cost to the public purse and therefore these measures have a positive financial impact upon the community and wider society.

6 Risk Management Implications

- 6.1 Legal Risk: There are legal risks associated to actions which fall within the scope of the Housing Act 1996 and other homelessness legislation. These risks are regularly assessed, and all decisions related to these projects and measures are considered to be of extremely low risk to the Council, mainly due to the positive outcomes that the funding generates, and the fact that there are safeguards within the legislation (review processes and judicial review processes).
- 6.2 Financial Risk. There is a negligible risk to the Council from these projects and measures as they are funded by DLUHC. Any associated financial risks to the Council are assessed and considered to be extremely low, on the basis of the low likelihood of challenge and low severity of any successful challenge.
- 6.3 Health and Wellbeing. There is a low risk to health and wellbeing from implementation of these projects and measures, as they contribute positively to health and wellbeing to all associated parties. There would be associated health

and wellbeing risks in the absence of such measures, as there would be fewer positive outcomes, increased workload and reduced morale without these resources.

7 Security and Terrorism Implication(s)

7.1 None

8 Procurement Implication(s)

8.1 None

9 Climate Change Implication(s)

9.1 None

10 Human Resources Implication(s)

10.1 There are additional fixed term posts supported through grant funding, which help the team to deal with the very high local demand and helps to maintain a focus on homeless prevention.

11 Health and Wellbeing Implication(s)

11.1 Prevention of homelessness and providing suitable housing is key to maintaining positive health and wellbeing.

12 Equality and Diversity

14.1 The EqIA identified that there is the potential for positive impact, as this scheme specifically helps vulnerable people who are homeless or threatened with homelessness and these changes will increase the chances of positive outcomes.

Appendices

Appendix	Description
A	Structure chart showing the existing team structure
B	Breakdown of the use of funding for 21/22
C	Details of the successful funding bids

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