

To: City Executive Board
Council

Date: 14th October 2009 (CEB)
2nd November 2009 (Council)

Item No

Report of: Graham Stratford, Head of Service, Community Housing & Community Development

Title of Report: Recession Impact Funding and Repossession Prevention Funding

Summary and Recommendations

Purpose of report: To seek approval to vary the 2009/10 Council budget to allow for the draw-down of CLG funds and the incurring of this sum as expenditure to address Recessionary Impacts and Homelessness Prevention

Key decision? No

Executive lead member: Councillor Ed Turner

Report approved by:

Legal: Jeremy Thomas

Finance: Anna Hedges

Policy Framework: This report supports the Council's objectives relating to housing and social inclusion

Recommendation(s): Members are asked to consider this report and to make the following recommendations to full Council:

- (1) To approve a variation to the Council's 2009/10 budget through the addition of £30,000 income (from CLG grant) and an expenditure budget of £30,000, as a means of enhancing the current homeless prevention work undertaken by Housing Needs to mitigate the impact of the recession.
- (2) To further approve a variation to the Council's 2009/10 budget through the addition of £47,500 income (from CLG grant) and an expenditure budget of £47,500, in order to introduce a repossession and eviction prevention fund in Oxford City.
- (3) To authorise the Head of Service, Community Housing and Community Development, to administer the Repossession Prevention Fund subject to establishing and publishing an objective criteria for it's use.

Introduction

- 1 In March 2009, the CLG (department for Communities and Local Government) announced that it would be distributing extra funding to Local Authorities. The purpose of this funding was to enable authorities to deal with the impact of the recession by enhancing their existing homelessness prevention work. Oxford City Council was awarded £30,000.
- 2 In June 2009, the CLG announced that, in addition to the above, and the existing Mortgage Rescue Scheme (MRS), they would provide extra funding to Local Authorities to help them prevent repossessions and evictions. Oxford City Council was awarded £47,500. This money can be used more flexibly and has less stringent conditions than the conditions that apply to the existing MRS, which applies specific criteria such as the applicant being in priority need for accommodation; having a gross income of less than £60,000; and that the property value is below the 'cap' of £225,000.
- 3 This reports concerns the use of these additional funds to improve our homelessness prevention work in this difficult economic climate, and to take action to assist with addressing homeless issues as a result of the recession.

Background and Context

- 4 Although Oxford appears to be less affected by the economic downturn than some areas, an impact is clearly being felt. Various economic indicators support this. The report "Council response to the effect of the downturn on the City economy and a review of the Council's Economic Development Strategy" to the City Executive Board on 27th April 2009, gives further details. The lay-offs at BMW was a significant event, and had immediate impact for a large number of households, many in the City's most deprived areas. Job Seeker Allowance (JSA) claims in Oxford in March 2009 were double that of March 2008 (1,494 to 2,812 claims). In Oxfordshire, 2.3% of working age people were on JSA in March 2009 (from 0.9% in Mar 2008), and although this was lower than the average in England (4.0%), there remains a high number of claimants for every vacancy advertised in Job Centres (5 to 1).
- 5 The impact of this can be seen across a number of local services. For example, the Citizen's Advice Bureau (CAB) in Oxfordshire have reported a 43% increase in enquiries between 2007/08 and 2008/09. At the Oxford CAB, they have also experienced a significant increase in the number of enquiries, this includes 1,951 housing enquires (from 928) & 3,332 debt enquiries (from 2,814). The number of claims for Housing Benefit also increased by approximately 12% in this period.
- 6 The national trend of increasing home repossessions is matched in Oxford, although also following national trends, the number of households accepted as statutory homeless in Oxford in 2008/09 reduced significantly, and the numbers of households in temporary accommodation also continues to decline. However, a greater number of customers visiting the Housing Options Duty service are requiring active assistance, rather than advice, and the service has seen a recent rise in the number of households placed in emergency temporary accommodation. This situation is being closely monitored.

- 7 Despite the launch of the Government's Mortgage Rescue Scheme in Oxford, we have not yet had a suitable case that is eligible for the scheme. Very few homeowners at risk of repossession, are approaching us for assistance. We have seen an increase in customers approaching us for assistance when their landlord's property was being repossessed, and they were to be made homeless as a result. Most of these households can be assisted again in the private rented sector. Furthermore, the Government are planning to improve the right for tenants in this situation. We are also dealing with customers presenting as homeless, for example, having been excluded by parents, relatives or friends. There is anecdotal evidence to suggest that economic pressures on the household may have given rise to this situation in many cases.
- 8 Current homelessness prevention work relates to both tenants and home owners, although we have very few tools at our disposal to help home owners remain in their property. The Housing Options team have an existing Homeless Prevention Fund that is usually used to assist applicants to stay in their rented accommodation, or move to alternative accommodation in the private sector. The few home owners who present to Oxford City Council having already lost, or about to lose their homes, if ineligible for the MRS, may currently find themselves in temporary accommodation or the Private Sector.
- 9 In addition to the usual work undertaken by the Housing Options team, a number of (relatively low cost) actions have already been taken to address the impact in relation to Housing Needs. These are detailed below. The list is not exhaustive, and does not include many other measures taken by the Council. These are listed in the report to the City Executive Board referred to above.
- a) Mortgage Rescue Scheme launched, and agreement reached with the CAB & Agnes Smith Advice Centre to operate this with us. Catalyst Communities Housing Association are also a partner, as the local HomeBuy agent
 - b) New leaflet on dealing with 'Mortgage and Debt Advice' has been developed; the Council website has been updated with more information on dealing with debt, providing links to other web services, and giving clear information on the opening times of local Advice Centres; information on dealing with the economic downturn has also been included in 'Your Oxford' (for all Oxford residents) and in the 'Housing Needs Newsletter' (sent to all applicants on the Housing Register)
 - c) Briefing note on initiatives and options to help people as a result of the downturn have also been circulated to key staff, councillors and advice centres
 - d) The Enhanced Housing Options project is progressing to help develop a more 'holistic' service to customers, by helping to signpost people to other agencies and resources that could improve their access to education, training and employment opportunities
 - e) Progress continues to be made with the Old Fire Station project (with the opening of a Crisis Skylight centre planned for Spring 2011), and in developing meaningful activity work for clients in frontline homeless hostels
 - f) Additional funds have been allocated within the Housing Needs service to increase the money available for 'Homeless Prevention Fund' payments
 - g) The County Court has been contacted to ensure the current Court Desk service provision (funded by the LSC) is adequate to cover all initial possession hearings at present.

Proposed Change

- 10 It is proposed that the funds be used flexibly to be able to best respond to needs, however an indication as to how the funds are proposed to be allocated, is set out in Appendix 1 (Recession Impact Funding) and Appendix 2 (Repossession and Eviction Prevention Fund).
- 11 Appendix 1 sets out the indicative spend for the Recession Impact Funding. The four proposals listed would give improved capacity to the voluntary and statutory sectors to respond to increasing client debt, and the need for more money and housing advice. It also seeks to improve access to education, employment and training opportunities by further supporting the work of the Enhanced Housing Options project. The proposals also suggest a response to a small rise in the number of rough sleepers, with no recourse to public funds. Due to the deteriorating economic climate, a number of people from the A10 countries have lost their jobs. This is exacerbated by their "no recourse to public funds" status which does not allow them access to hostel accommodation, thus making them destitute. A deterioration in physical health, often compounded by alcohol abuse, compounds this situation and the need for detoxification and support to return home.
- 12 Appendix 2 sets out the indicative spend for the Repossession and Eviction Prevention Fund. The most significant proposal for this fund is the creation of a specific Repossession Prevention Fund. This is referred to separately in the next paragraph. The remaining proposals are to boost the current Discretionary Housing Payment (DHP) budget, this is administered by Housing Benefit, to help sustain more people in private rented accommodation, thus preventing homelessness; to support advice centres in their money and debt advice work; and to make provision for additional court desk provision, should this be required. Should it not be, then these funds may be used elsewhere to prevent homelessness.
- 13 The Repossession Prevention Fund will allow for earlier intervention to ensure that tenants and home-owners are able to remain in their property and therefore prevent homelessness. Each Options Officer has a specialist role, one of which is early intervention for Tenants in Social Housing who are threatened with Homelessness. The new funding will allow for us to expand this service beyond tenants, to make discretionary payments to applicants who occupy shared ownership properties and home-owners, who did not qualify for the original MRS. Persons will be eligible for a payment if an assessment of their circumstances shows that they would otherwise be at risk of homelessness within 3 months. The proposal of discretionary payments is preferred because the Council cannot loan money directly to achieve this objective without falling under various consumer protection and credit regulation legislation.
- 14 We are already in discussion with Advice Agencies in Oxford with regard to money/ debt advice and have attended Rose Hill and Donnington Advice Centre to assist with cases that did not qualify for MRS but still have a chance of staying in their home with the intervention of Housing Options and the alternatives that the new funding provides. Already this funding has enhanced the working

relationships between the voluntary sector and Oxford City Council without funds being spent. It is envisaged that the Housing Options service will expand (within its current resources) to provide more outreach work to the voluntary sector as we work in partnership to prevent homelessness and help home owners and tenants remain in their home.

Financial Implications

- 15 The funding will be cost neutral in terms of the overall Council budget. It is proposed that all expenditure is met from the respective £30,000 and £47,500 funding. There will be no impact on existing budget allocations.
- 16 This is a one off funding allocation so there will be no impact on Council budget for subsequent financial years, although should any of this grant be unspent at 31st March 2010, then provision must be made to carry forward this sum to ensure it is used for this purpose. Oxford City Council is expected to provide monitoring reports to demonstrate the positive impact of these funds in relation to Homeless Prevention.

Legal Implications

- 17 There are no significant legal implications relating to the proposals in this report.

Equalities Impact

- 18 The proposals will impact positively on vulnerable persons and people at risk of homelessness. This population is comprised of more marginalised persons, both socio-economically and in other respects. There is expected to be a higher concentration of BME group representation in this client group, than in the base population.

Climate Change/ Environmental Impact

- 19 There is not considered to be any impact on climate change or environmental impact as a result of this report.

Level of Risk

- 20 The risks involved in implementing these proposals match those identified for the service as a whole in the Service Plan. The proposals for expenditure are effectively the extension of 'business as usual' relating to the Council's homelessness prevention functions, and do not incur any additional risk. The expenditure helps to mitigate risks associated with an increase in homelessness, and the need for more temporary accommodation, as a result of the economic downturn.

Recommendations

21 Members are asked to consider this report and make the following recommendations to full Council:

(1) To approve the variation to the Council's 2009/10 budget, through the addition of £30,000 income (from CLG grant) and an expenditure budget of £30,000, as a means of enhancing the current homeless prevention work undertaken by Housing Needs to mitigate the impact of the recession.

(2) To further approve the variation to the Council's 2009/10 budget, through the addition of £47,500 income (from CLG grant) and an expenditure budget of £47,500, in order to introduce a repossession and eviction prevention fund in Oxford City.

(3) To authorise the Head of Service, Community Housing and Community Development, to administer the Repossession Prevention Fund subject to establishing and publishing an objective criteria for it's use.

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Background papers:

Local Authority Repossessions Prevention Fund – CLG guidance

Appendices:

Appendix 1 - Recession Impact Funding

Appendix 2 - Repossession and Eviction Prevention Fund

Appendix 1 - Recession Impact Funding (£30,000)

| Ref | Initiative & delivery | Approx Cost | Timescale | Outcomes | Notes |
|-----|---|-------------|---------------|--|---|
| a | Provide an additional resource to support debt, welfare and housing advice work in the advice centres through additional training | £10,000 | by April 2010 | Improved effectiveness of advice provision across the City For advice centres to secure the Housing Advice Quality Mark | This resource could help assist the advice centres in the efficient and effective delivery of advice. It may also help advice centres to ensure consistency of service, and ensure consistency between advice centres. One outcome would be to help the main advice centres secure a Quality Mark award for Housing Advice services (which would open up access to free second-tier advice to them from Shelter) |
| b | Provide improved training to Housing Needs staff and others in welfare, money and debt advice | £3,000 | by Dec 2009 | Housing Advice staff and some RSL staff better able to assist and signpost customers | This would support the EHO project aims and would enable staff to give better quality help and assistance to customers. It might allow staff to give more pro-active money advice assistance – such as arranging drop-in briefing sessions for the public |
| c | Provide a budget for the Enhanced Housing Options (EHO) project | £10,000 | by April 2010 | Ensuring the comprehensive delivery of the EHO programme and removal of barriers to training, etc | There is a very limited budget available to support the work of this project, and a budget would allow for grants to be made to other organisations to support increased outreach work, or to fund any gaps in citywide service provision that are identified as part of the project, this will help remove barriers to increasing education, employment & training opportunities |
| d | Fund a pilot scheme to deal with rough sleeping A10 nationals with no recourse to public funds | £7,000 | by April 2010 | A reduction in the rough sleeper count and improved reconnection work | This would involve early interventions and reconnection work, and where necessary the arrangement and funding of intensive detoxification arrangements, as part of a support plan around the reconnection of a limited number of clients |

Appendix 2 - Repossession and Eviction Prevention Fund (£47,500)

| Ref | Initiative & delivery | Approx Costs | Timescale | Outcomes | Notes |
|-----|---|--------------|-----------------|--|--|
| i | Establish a Repossession Prevention Fund to be administered by the Options team | £20,000 | by end Nov 2009 | A reduction in homeless acceptances and improved homelessness prevention | This would support the current Homeless Prevention Fund by making one-off payments to sustain people in their own homes (for example, making a mortgage or rent payment to prevent repossession). Objective criteria for this fund will be established and set out in a published document. |
| ii | Increase the budget for Discretionary Housing Payments (DHP) | £10,000 | by end Nov 2009 | Increased DHP payments to support homelessness prevention | This might allow Housing Benefit to make additional payments to help sustain households in the PRS longer than might otherwise be possible |
| iii | Provide more funds to advice centres to respond to the increased demand for Money Advice and Debt Counselling | £10,000 | by April 2010 | Improved capacity in advice centres to deal with increased demand for services | The advice centres are reporting a significantly more cases as a result of the economic downturn, and we should explore whether one-off funding might lead to a direct increase in resourcing for this work |
| iv | Reserve funds for additional Court Desk hours (if required) | £7,500 | to be confirmed | To ensure the provision of a Court Desk at all initial County Court repossession case listings | This is currently not required. The LSC fund the current Court Desk (provided by Turpin Miller solicitors) but if the Court receives too many cases, it may need to list these on additional days. In this case, the LSC contract would need supplementing to give full coverage. The Court presently has no intention to list on extra days, but this may be required if possession hearings rise significantly. As such it would be prudent to allow a small amount in reserve to fund this possible eventuality |