

To: City Executive Board
Date: 20 December 2017
Report of: Head of Housing Services
Title of Report: Impact of the Homelessness Reduction Act 2017

Summary and recommendations	
Purpose of report:	To set out the changes and new duties in the Homelessness Reduction Act 2017, and their possible impact. To set out areas for service change in response to this. To seek approval for the new Homelessness Prevention Trailblazer programme.
Key decision:	Yes
Executive Board Member:	Councillor Rowley, Portfolio for Housing
Corporate Priority:	Meeting Housing Needs
Policy Framework:	Homelessness Strategy 2013 to 2018.
Recommendations: That the City Executive Board resolves to:	
	<ol style="list-style-type: none"> 1. Note the changes and new duties imposed on the Council by the Homelessness Reduction Act 2017 and the potential impacts on service delivery and resourcing; 2. Endorse the proposed service changes highlighted in this report, and welcome the further strengthening of homelessness prevention measures; 3. Note the additional 'new burdens' funding and that the 18/19 budget reports will include recommendations with respect to homelessness prevention funding from 18/19 onwards; and 4. Note the proposed arrangements for Oxfordshire Trailblazer Programme, led by Oxford City Council;

Appendices	
Appendix 1	Homelessness Reduction Act 2017 - Details and Impacts
Appendix 2	Trailblazer Programme Summary
Appendix 3	Risk Register
Appendix 4	Equality Impact Assessment

Introduction and Background

1. The Homelessness Reduction Act 2017 gives an increased focus to homelessness prevention, for all persons at risk of homelessness. It does this by introducing 13 clauses that amend many existing duties (part 7 of the Housing Act 1996), and bring in a substantial number of new duties. These create a substantially altered legal framework for local authority homelessness services, and others, to work within.
2. The Act has become law but will not be enacted until 2018. The date of enactment, based on public statements, would appear to be April 2018 to provide time for secondary legislation; a new Code of Guidance; and for local authorities and partner organisations to make the necessary preparations. The draft Code of Guidance was published on 16th October 2017 with an 8 week consultation period. The final Code of Guidance is due to be published in the Spring of 2018. The new regulations are anticipated to be laid before Parliament in the winter of 2017.
3. The Act will have a number of impacts on the volume and work nature of housing and homelessness services, with consequent resourcing implications. This report seeks to set out the main changes; their potential impacts on Oxford; and update the Board with regard to initial service planning and responses to these.

Homelessness Reduction Act – New Duties

4. The Act makes a number of changes to Councils' duties to prevent homelessness. Under the new Act, households are considered threatened with homelessness if they have been served with notice to end a shorthold tenancy for their current home that expires in 56 days or less and they have no other accommodation available. This doubles the "threatened with homelessness" period from 28 days. The Act also requires more prevention interventions, documentation and clear agreements with customers.
5. This is likely to require more operational changes than strategic ones for the City Council. In Wales, when this approach was deployed there, the number of homeless presentations to local authorities went up by 26%. In England the DCLG are only forecasting a 28% increase, although this is likely to be considerably more in housing hot-spot areas like London and the South East, including Oxford. Commentators estimate potential increases in such areas to range from 30% to 100% more presentations, most requiring an application. The Act also introduces a number of new review rights, with potentially more accommodation obligations. New relief duties are likely to result in longer stays in (interim) temporary accommodation than now.
6. Appendix 1 to this report provides more detail on these changes and sets out the key implications for the Council.

Homelessness Reduction Act – Potential Impacts

7. The following are indicative impacts that could reasonably be expected from the new Act, although many of the practical implications are not yet known.

Homeless Presentations

- A rise in the number of presentations (due to the longer 56 day period; greater expectations of more help, especially from non-priority clients; and the 'duty to

refer') – expected to be greater in areas where the housing market is not delivering affordable housing or access to accommodation at near to LHA rates, giving rise to more vulnerable households in housing need. Likely to be considerably in excess of the Welsh rise (26%) or England predictions (28%) in hotspots in South East areas and London. In 16/17, the Options Duty service saw around 1,400 clients at duty. A 30% increase would result in another 420 clients receiving advice and assistance.

Casework

- Longer and more sustained casework and engagement, with more clients, at prevention and relief stages (requiring more staff resourcing) – again likely to be greater in areas where housing options are more limited and customers may need to search for accommodation over longer periods, etc. A subsequent 30-50% increase in casework (time spent and more cases) is therefore not to be ruled out in Oxford.

Reviews

- More reviews (on various grounds) but especially so in 'hot-spot' areas like Oxford, where realistic housing options for many clients may be out of area (with 2 bed market rates in the PRS exceeding LHA rates by over £300 pcm now). Where the Council are having to place/ discharge out of district, suitability reviews are very common (in most instances) and often very involved, including further detailed considerations of travel costs and working hours/ work hours etc. that also create an additional resource burden on high-cost, high-volume authorities. Many London Councils are predicting a 100% review rate on all negative decisions given (including for non-engagement, etc.) and this situation may reasonably be expected to be the case in Oxford also.

Temporary Accommodation

- A rise in placements into temporary accommodation (TA) due to the above increases in volumes (also recognising that households may continue to approach later than we would like, giving less of a 'prevention window'. There is a risk that this could be the case with more vulnerable single clients than now, with the Council potentially needing to source such accommodation from a buoyant private rented market at above prevailing market rates in order to secure such accommodation.
- Potentially longer stays in TA (under interim duties) while relief options and review rights are fully exhausted (also adding to the pressure of requiring a greater stock of TA to avoid the use of B&B accommodation where possible), again compounded in 'hot-spot' areas where courts are reluctant to evict households from TA and so delay possession orders considerably (making a 28 day stay potentially last 6 months at times)
- Potentially longer stays in TA for homeless households found to be intentional (with associated issues as set out above).

Homelessness Prevention and Relief

The potential for greater spends in trying to actively relieve (and prevent) homelessness for more client groups (non-priority and intentional households), and more often (stemming from reaching more people), such as through rent deposit schemes, and a recognition of the local housing market and the high local costs in delivering this (or under-writing it, in the cases of bonds or rent guarantees, which are increasingly required).

Homelessness Reduction Act – Service Responses

8. An internal Council project team has been initiated to consider these impacts in more detail and carry out a service review of delivery. A number of changes are required to operational processes by these new and changed duties, including new leaflets and forms; new processes and procedures; changes to the ICT system and reporting; to identify training requirements for officers as well as that of partner organisations; and to further communicate these changes.
9. The service review is expected to include a possible restructure of parts of the service this autumn. This may involve the need to change some job roles, and also to boost the capacity of the Options team, and add additional capacity into the teams Reviews and Appeals work. Initial considerations of this; have suggested that to retain a case-ownership model, with officers being the identified case worker for an applicant throughout the process would have the best outcomes. Changes to the 'drop-in' duty approach may be required, including a more formalised interview-slot approach, to reflect the fact that initial assessments with clients are now likely to be more detailed and will take longer.

A further funding stream has been confirmed which will also support Council activity to prevent homelessness. This is called Flexible Homeless Support Grant and explained further in paragraph 9.

Flexible Homeless Support Grant

10. The Flexible Homeless Support Fund shifts funding into a grant ring-fenced for homelessness prevention, from the Housing Benefit Subsidy for households in Temporary Accommodation. This is a £402m national pot (over 2 years – 17/18 & 18/19, with £20m or so focused additionally on London. The principle is that no Council should see a reduction in funding in year one (17/18) as a result of the high use of TA. The funding distribution formula transitions to new calculation from then onward. The new distribution formula is favourable to Oxford City, as we have a high level of homelessness prevention already, and for a small city, relatively high numbers of homeless acceptances and households in TA. The Oxford City Council grant is:

17/18	18/19	19/20
£541k	£622k	To be announced in 17/18

11. Oxford City Council's 2017/18 allocation of £541k has been received and moved to an Earmarked Reserve to be used in future financial years in meeting the Homelessness Reduction Act obligations.
12. The Temporary Accommodation Management Fee - £60pw for Local Authorities outside London was abolished on 1st April 2017). This means the General Fund TA rental income streams will drop by an estimated £150k p.a. from April 2017. This reduction in income will have to be compensated from the flexible homelessness support funding.

HRA17 New Burdens Money

Government has announced £72.7m to local authorities to fund new burdens arising from the new duties nationally. Department for Communities and Local Government (DCLG) modelling estimates that there will be initial costs associated with the Act, namely from additional people presenting to authorities for assistance with homelessness. In time DCLG estimate that the measures will lead to an increase in homelessness prevention and thus a reduction in more costly acceptances to the main housing duty. The new burden assessment and distribution methodology note on the DCLG website explains the distribution formula. The local authority allocations cover from 2017 to 2020. The allocation of new burden money to Oxford City Council is:

17/18	18/19	19/20	Total
£74,103	67,878	71,752	£213,732

Operational Responses

13. Officers are considering proposals for service change. Any costs of these in 17/18 are expected to be able to be contained within current budget provision. Any changes to proposed expenditure for 18/19 onwards, will be further considered and set out in future budget reports to CEB as part of the MTFP refresh and budget process.
14. Initial considerations for change include the following:
 - Additional staff posts (Options, Prevention/ Outreach, and Reviews)
 - Growth in Rent Deposit and Guarantee funding
 - Possible further social investment in property schemes to improve access to suitable PRS accommodation at sustainable rent
 - Ensuring adequate homelessness prevention funding for 19/20 & 20/21 on as new burdens funding reduced/ ends

Officers anticipate that changes will be implemented so that the service is ready for the new duties in early 2018, with an anticipated start date in April 18.

Trailblazer Programme

15. The Council submitted a bid for funding under this national programme in November 2016, and received notification that we were successful in securing £790k of funding for two years (17/18 & 18/19) in late December. The bid was submitted on behalf of the Oxfordshire District Councils, with support from the OCCG; County Council; and other partners (Probation, Children's Trust Board and a wider provider network of voluntary and community agencies). The project seeks to prevent homelessness earlier (ideally before crisis points and the need for interventions from statutory services) using new and innovative approaches. Our focus will be particularly mental health, prisons and under 35 year olds, and in line with the new Homelessness Reduction Act, makes far less of a distinction between households that would be statutory homeless as opposed to non-statutory homeless. The programme places us in a good position to shift focus heavily into prevention-led models of delivery. Appendix 2 shows a summary of the programme. The three key work streams from it, are:

- Targeted Upstream Prevention: A new outreach service to identify households who may be at risk of homelessness, and intervene before any crisis point, when households may need to seek help from local authorities or other statutory agencies, including use of 'predictive triggers' data. (There is presently funding for approximately 3 FTE workers countywide, but Districts may choose to enhance this using some new burdens funding etc.)
- Resilience Services: Commissioned countywide to offer a range of different services to support longer term solutions to preventing homelessness, working with households to build their skills and improve resilience to changes that may otherwise result in them becoming homeless or threatened with homelessness or a navigation of these services if the current mapping exercise determines that there is sufficient services in place. (Approx. £100k pa available for any new commissioning)
- Homelessness Champions Network: Enhancing statutory and other agencies' knowledge of homelessness and effective homelessness prevention activities. This work will focus on more joined-up communication, case management and planning, particularly focussing on hospital (including mental health) and prison discharges (funding for one post with on-costs).

16. The Council held an initial key stakeholders event across various agencies at the end of January 2017, and has and also recruited three new posts (System Change Manager; Project Analyst and Support Officer; and Homeless Champions Coordinator). There has been a delay to the start of the project due to capacity issues over the summer but the team has been in place since late September and the following work streams are now underway:-

Governance Arrangements – steering group established with task and finish groups accountable to the steering group. The team is complying with various governance arrangements with DCLG and is an active member of a network of trailblazing authorities.

Appreciative Enquiry – the Trailblazer programme is based on an appreciative enquiry – an asset-based approach that seeks to build on established good practice that already exists. This requires the team to take time to listen to the experiences and voices of people with lived experience of homelessness, expert front-line officers (from across many disciplines) and professionals from across a range of services to inform and design new approaches.

Data and Evaluation – the programme has a strong data collection work stream and is currently establishing a hierarchy of evidence that will direct the focus of the programme. The programme will have an iterative approach with data continuing to be analysed throughout the duration of the programme that could change the direction of travel where appropriate. Analysis also some initial predictive modelling data which indicates some of the earliest triggers of homelessness such as school truancy and inter-generational worklessness.

Commissioning – as mentioned above, there are two work streams to be commissioned one to provide upstream prevention service and one to provide resilience or navigation services.

Champions Network – this is a key area of work for the programme in Oxford with new relationships being built across health and criminal justice in particular with a view of establishing a network of housing and homelessness champions across a range of statutory and non-statutory bodies, as well as establishing protocols of working around hospital and prison discharge. It is also hoped that this will inform thinking around the development of the duty to refer element of the HRA 17.

Financial Implications

17. Currently it is expected for the 2017/18 financial year at least that the additional processes and responsibilities will be accommodated within existing budgetary provision and additional Government funding. Clearly, changes to working practices will require a subsequent review of existing job descriptions and any subsequent cost increases will be reported to CEB at a later date, together how these would be funded.

Legal Issues

18. We can expect an increase in speculative appeals as a consequence of the new legislative procedures being implemented. These appeals are likely to be more costly in the event of successful challenges due to the longer casework material to be considered and the prospect of appeals from the County Court to the Court of Appeal. We will be unable to recover our costs in the event of the Council successfully defending appeals as the appellants will either have no means or be assisted by Legal Aid.

Level of Risk

19. A Risk Register is attached as Appendix 3.

Equalities Impact

20. An Equalities Impact Assessment is attached as Appendix 4.

Conclusion

21. There are many unknowns around the potential impact of this new Act and the most substantial changes to homelessness legislation in over twenty years. Oxford City Council is approaching these in a strong position, as set out in the Draft Housing and Homelessness Strategy 2018 to 2021 report. The service will remain vigilant and closely monitor changes experienced by the service and our operational responses, keeping service delivery and resourcing impacts under regular review. The Council's response will be further set out in the future Medium Term Financial Review (MTFR) review and budget reports.

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Background Papers: None