

Report No.

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE

Date: 24 May 2017

Decision Type: Non-Urgent Executive Non-Key

Title: HOMELESS CONTINGENCY DRAWDOWN FOR EARLY INTERVENTION AND VISITING RESOURCES

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Chief Officer: Director: Housing (ECHS)

Ward: (All Wards);

1. Reason for report

- 1.1 This report provides an update on the current homeless pressures and sets out the business case to approve drawdown from the contingency budget. This will be used to both pilot an early intervention model in preparation for the Homeless Reduction Act and to establish a dedicated visiting fraud prevention service to avoid unnecessary financial costs regarding non-occupation of temporary accommodation. These measures are part of the overall strategy to tackle the growing level of homelessness and reduce the associated costs of temporary accommodation provision.
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2. RECOMMENDATION(S)

2.1 The Executive and Resources PDS Committee is asked to note and comment on this report prior to the Council's Executive being asked to:

1. Approve the release of up to £230K set aside in the central contingency for homelessness and welfare reform to pilot the early intervention initiative set out in the body of this report as part of the range of activities being undertaken to prepare for the requirements of the Homeless Reduction Act and to address the current cost pressures in relation to temporary accommodation provision.
2. Approve the release of £80K set aside in the central contingency for homelessness and welfare reform to pilot the visiting fraud prevention initiative set out in the body of this report as part of the range of activities being undertaken to address the current cost pressures in relation to temporary accommodation provision.

Impact on Vulnerable Adults and Children

1. Summary of impact: The initiatives set out in this report seek to ensure the provision of support to vulnerable adults and young people to prevent homelessness wherever possible or to assist in securing alternative accommodation suitable for their needs.
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Corporate Policy

1. Policy status: existing policy:
 2. BBB priority: supporting independence: further details
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Financial

1. Cost of proposal: £310K - £80K for visiting fraud prevention on a self-funding basis and £230K for early intervention to prevent homelessness and avoid placement into temporary accommodation.
 2. Ongoing costs: non-recurring cost - the proposal is for a time-limited one-year pilot.
 3. Budget head/performance centre: operational housing
 4. Total current budget for this head: £5,732,250
 5. Source of funding: EC&HS approved 2017/18 revenue budget. Contingency budget set aside for homelessness and welfare reform pressures.
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Personnel

1. Number of staff (current and additional): 5
 2. If from existing staff resources, number of staff hours:
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Legal

1. Legal requirement: statutory requirement - the statutory duty regarding housing advice will be extended within the Homeless Reduction Act.
 2. Call-in: applicable
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Procurement

1. Summary of procurement implications: N/A
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): more than 5,500 households approach the council for assistance each year facing housing difficulties which threaten to render them homeless. There are currently 1,439 households in temporary accommodation, of which 845 are in costly forms of nightly paid accommodation. Early impact analysis of the extended duties contained within the Homeless Reduction Act suggest a potential caseload increase in the region of 40%.
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Ward councillor views

1. Have ward councillors been asked for comments? Not Applicable
2. Summary of ward councillors' comments: N/A

3. COMMENTARY

Background

- 3.1 The level of homelessness is increasing, due, in particular, to the unaffordability of accommodation. This is set to increase further as the remaining welfare reforms are rolled out and in light of the increased duties that will be placed on local authorities in the Homeless Reduction Act which has now been granted Royal Assent and is likely to come into full force in early 2018.
- 3.2 Previous reports have set out the increasing cost pressures relating to the provision of temporary accommodation, with an estimated additional overall cost pressure of £4.9m by 2019/20.
- 3.3 At the end of March 2017 there were 1,439 households in temporary accommodation. Of these, 827 placements are in private rented sector accommodation secured on a nightly rate basis. This form of accommodation has more limited occupancy checks provided by landlords and often presents the highest risk in terms of rent arrears, abandonments or sub-letting. As the greatest proportion of this form of temporary accommodation is outside the borough this presents increased risks due to more limited contact. Again, with households now remaining in temporary accommodation for longer periods, there is a greater risk that their circumstances will change, giving rise to the increased potential for non-occupation and fraud.
- 3.4 As universal credit is rolled out, the housing element of benefits will no longer be paid via housing benefit. This presents increased risks of rent arrears requiring a more intensive response to ensure that managed payments are made directly from the DWP to the local authority.
- 3.5 No one solution is likely to resolve the current pressures being faced and a three-strand approach has been adopted to seek to create a sufficient affordable supply of accommodation and reduce the number of households reaching homeless crisis:
1. Prevention at the heart of everything we do
 2. Increasing supply of TA, preventing fraud, ensuring best use of available units, and promoting move-on
 3. Longer-term supply options to take some pressure off the system by providing extra move-on options to prevent homelessness and through-flow from TA
- 3.6 The above elements must work hand-in-hand to ensure demand is effectively managed and statutory needs are met. The key starting point must be to maximise the effectiveness of all homeless prevention initiatives to reduce the level of homeless acceptances and placements into temporary accommodation.
- 3.7 The housing division has achieved significant success in delivering housing advice and homelessness prevention. During 2016/17 the housing division directly prevented homelessness for 1,919 households who would have otherwise have been placed into temporary accommodation. The current average net costs per temporary accommodation placement, per year is £7,203. Thus the net cost of temporary accommodation provision had homelessness not been prevented for these households would have been in the region of £13.8m. This reports seeks approval to pilot additional work to extend the level of homelessness prevention and to establish increased visiting of households in temporary accommodation to assist in move-on solutions, thus significantly reducing the potential for fraud

Early intervention pilot:

- 3.8 The current legislation focuses homeless prevention work at the point of homelessness crisis. Whilst the housing division has achieved significant results in homeless prevention, for many this window of time is too short to find a solution. Research and analysis on the causes of homelessness suggests that there is more that can be done to reduce the numbers facing homeless crisis in the first instance. This will also essentially become a requirement when the Homeless Reduction Act comes into force in early 2018.
- 3.9 The pilot therefore seeks to not only explore how to most effectively target early intervention services, but it will also enable the council to prepare to meet its new statutory duties. The early intervention pilot comprises of the following elements:
- 3.10 **Predict to prevent:** The council and its partners hold an increasing wealth of information about the residents of Bromley, with many households approaching a number of council departments and agencies prior to being at risk of homelessness.
- 3.11 The council is already commissioning a new housing ICT system including the implementation of a fully-integrated self-help module to enable service users to receive comprehensive advice and sign-posting at an early stage.
- 3.12 The use of targeted analytics and predictive models utilising multi-agency data alongside exploring customer journeys in more detail would assist not only in identifying potential fraud but also those households at greatest risk of becoming homeless. This would inform not only where to target interventions but also how to engage and deploy services for the greatest impact. This type of enhanced system can also help to build sound evidence and correlations between service intervention and outcomes.
- 3.13 The proposed pilot would undertake profiling of 50 customer journeys to look at how services could have intervened earlier/differently to have prevented homelessness
- 3.14 Alongside this work options to procure a data analytics system would be explored including any opportunity to secure this on a regional or joint-borough basis. The proposed system would pull in multi-agency data including housing, social care, education and health to secure a more strategic approach to target those most at risk for preventative delivery.
- 3.15 **Redesign prevention offer:** A more holistic approach needs to be adopted to prevent homelessness and its triggers. Far too often issues are dealt with in isolation with interventions carried out in an ad-hoc or piecemeal fashion. The approach to early intervention seeks to adopt a whole household, end-to-end approach which coordinates interventions across departments/agencies to address the issues leading to homelessness, thus stabilising the household, building financial resilience alongside the most appropriate prevention package to ensure ongoing sustainability. This form of collaborative approach not only offers a more sustainable package but will also avoid duplication and reduce the overall cost to the council of multiple approaches for assistance.
- 3.16 The new model would seek to co-ordinate interventions and tap into services across agencies/departments to mitigate, prevent and secure sustainable solutions to enable a household to become as independent as possible in the longer term.
- 3.17 The key actions proposed are:
- Establishment of a multi-agency homeless strategy sub-group to determine a strategic and integrated approach to more effectively tackle homeless and to better identify those most at risk to target interventions.

- To develop protocols across agencies/departments to integrate prevention into wider work streams ensuring agencies are trained for effective sign posting and coordinate intervention.
- Pilot intensive working with 240 households prior to crisis point to see what works best including an enhanced range of housing interventions and court surgeries.

3.18 A one-year pilot would offer the opportunity to prepare for the Homeless Reduction Act and to pilot new intervention techniques. The pilot would be subject to detailed scrutiny to analyse all inputs, the effectiveness of interventions and impact on homelessness acceptances, temporary accommodation use, and associated costs. The learning from this pilot can then be used to inform future service delivery options. Analysis would also be undertaken of the potential wider benefits and savings in relation to health and social care.

Cost of proposal and costs avoidance:

3.19 The table below sets out the cost of the proposal together with the anticipated savings against the current net cost of temporary accommodation based on the number of cases where successful interventions can be implemented:

	No./of cases	Average NPA net cost weekly £	Cost Avoidance £
Homelessness prevented by at least 1 year	120	138.00	861,120
Homelessness prevented by at least 6 months	25	138.00	89,700
Homelessness prevented by at least 3 months	30	138.00	53,820
			1,004,640
Funding			
Casework intervention			£130,000
Prevention funding (maximum)			£100,000
			£230,000
Net savings			774,640
Contribution to data analytics			30,000
Revised net savings			744,640

- The prevention scheme funding would be drawn down on a case by case basis up to the value of the prevention package which secures that homelessness has been prevented.
- Early analytics contribution is estimated and will form part of a wider scheme if pursued. The sum would be drawdown if an appropriate system is identified and approved in line with financial and procurement regulations and subject to full analysis of actual costings

3.19 Appendix 1 summarises the key monitoring area and targets to increase prevention and assess the impact of early intervention.

3.20 Approval is therefore sought to draw down up to £230K from the current homelessness contingency to proactively reduce the rate of increase in temporary accommodation costs on a one year pilot basis.

2. Visiting and fraud prevention:

3.21 In November 2016, as part of our partnership arrangement with Greenwich Fraud Team an exercise was undertaken to check a sample of 55 placements identified as 'high risk' to determine those which might not be living at the address.

- 3.22 Out of the 55 clients it was found that 4 clients (7% of the checks undertaken) were not living at the address. These placements were subsequently ended and successful prosecutions undertaken.
- 3.23 The cost of non-occupation:** Assuming that there are no rent arrears then the overall average net cost to the council of each placement is approximately £7,203. However as this is an average across all nightly let placements in many cases the net costs is far higher.
- 3.24 In addition many such cases have higher levels of rent arrears. There are also the associated costs around the management of placements. As such, Cipfa calculates the overall average cost of placing a family in temporary accommodation is £18K per year.
- 3.25 The recent audit report on temporary accommodation therefore included the priority one recommendation that *“Housing should recruit visiting officers to carry out placements to ensure occupancy of places being paid for.”*
- 3.26 The current staffing resources do not allow the required level of work to be carried out to effectively manage the identified risk. A risk analysis has been undertaken against placements and the controls already in place which has identified the need for approximately 278 visits per year. In the main these visits will encompass out-of-borough placements. This level of visits represents visiting 100% of higher risk suppliers’ properties, 50% of medium risk, and 25% of low risk.
- 3.27 Each of two officers would carry out 140 visits a year and subsequent work arising from visits this work would be solely focused on the following:
- Working with suppliers on adherence to the contract
 - Acting on non-occupation (in partnership with Greenwich where appropriate), arrears and eviction work
 - Advice and options to customers with particular focus on those who are not engaging with us to assist in the through flow from temporary accommodation.
- 3.28 A one-year pilot is proposed to assess the impact of this initiatives and options for future delivery.

Cost of proposal and cost avoidance:

- 3.29 The cost of this proposal to resource the work including the infrastructure for mobile working due to the location of accommodation is £80K per year. This proposal is designed to be self-financing through the savings achieved in identifying non-occupation.
- 3.30 Taking account of the sample checks undertaken in partnership with Greenwich and previous work on occupation checks it would be realistic to anticipate a minimum rate of non-occupation in 5% of nightly paid accommodation (42 units against the current total). **Based solely on the current average net costs of a nightly paid placement this would equate to an annual cost avoidance of £303,000**, well in excess of the cost of the resources required. The overall figure would however be likely to be considerably higher when including the impact regarding rent arrears and so forth.
- 3.31 Approval is therefore sought to draw down up to £80K from the current homelessness contingency to proactively prevent fraud, reduce rent arrears, and increase move-on from costly forms of nightly paid accommodation on a one-year pilot basis.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 4.1 There is no direct impact on vulnerable adults and children arising from the contents of this report. Current policy holds safeguarding as a core element within the homeless assessment process and ensures the specific needs of vulnerable adults and children are considered within the suitability assessment of all accommodation provided in discharge of the homelessness duty as referred to in sections 5 and 7 of this report.

5. POLICY IMPLICATIONS

- 5.1 The housing objectives are set out in the relevant business plans. These objectives are compliant with the statutory framework within which the council's housing function must operate and incorporate both national targets and local policies identified from the best practice guidance, audits and stakeholder consultation.
- 5.2 The council has an approved homelessness prevention strategy and temporary accommodation placement policies to ensure compliance with the statutory framework for the provision of housing advice, homeless and temporary accommodation provision. This meets the requirements of the law whilst seeking best value for money in all placements and prevention initiatives.

6. FINANCIAL IMPLICATIONS

- 6.1 The provision of temporary accommodation is a high-risk budget area. As previously reported currently predictions show cost rising as per the table below.

Calculation on Current Homelessness position

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	<u>£000</u>	<u>£000</u>	<u>£001</u>
Universal credit spike	673	1,246	1,246
Universal Credit subsidy loss	190	380	380
Additional posts	175	175	175
Furniture and Storage	125	125	125
Growth 2017/18	750	1,000	1,000
Growth 2018/19		750	1,000
Growth 2019/20			750
Increase in rents (on all)	200	204	208
Legal costs	90	90	90
	<u>2,203</u>	<u>3,970</u>	<u>4,974</u>

6.2 The overall financial impact of this report is as follows:-

	Early Intervention Pilot £'000	Visiting & Fraud Prevention £'000	Total £'000
Funding required	260	80	340
Potential saving/cost avoidance	-1,004	-303	-1,307
Total	-744	-223	-967

6.3 Any savings arising from this will offset the need for the drawdown of additional resources from the contingency.

7. PERSONNEL IMPLICATIONS

7.1 The pilot would require the additional staffing on a one-year basis as set out in the body of this report. The housing division would work closely with colleagues in HR to seek to recruit experienced housing officers on a temporary basis to enable the pilot to be introduced with minimal lead-in times.

8. LEGAL IMPLICATIONS

8.1 All local authorities as a statutory duty under part VII (as amended by the Homeless Act 2002) to provide housing advice and preventative services, the assessment of homelessness duties, and to secure suitable temporary accommodation for priority homeless households.

8.2 The Homeless Reduction Act places an increased number of duties upon local authorities, particularly in relation to the level of advice and support given to prevent homelessness. The new act extends the provision to all households, includes far greater prescription in terms of the nature of advice and support, and also rolls back the point at which intervention must be provided.

8.3 Whilst in the longer term these measures seek to increase the success of homeless prevention initiatives, it will nonetheless increase the number of duties faced by local authorities and the volume of casework which must be undertaken.

9. PROCUREMENT IMPLICATIONS

9.1 There are no direct procurement implications arising from this report.

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	Gateway report Temporary Accommodation CS16007 LBB Bromley Homelessness Strategy 2012-17 LB Temporary Accommodation placement & Procurement Strategy 2016 Contingency drawdown report.