

**Meeting** Executive  
**Portfolio Area** Housing and Housing Development  
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## HOUSING FIRST BUSINESS PLAN

**Authors** Will Peters/Tracy Jackson  
**Lead Officer** Rob Gregory  
**Contact Officer** Will Peters

### 1 PURPOSE

- 1.1 This report is one of a series of reports that have been presented to the Executive on the progress of Housing First model, in order to consider costed service options moving forwards.

### 2 RECOMMENDATIONS

- 2.1 The Executive is asked to note:
- 2.2 The progress of the Stevenage Housing First approach to date in delivering sustainable outcomes for rough sleepers across the town.
- 2.3 The funding secured from the Department of Levelling Up Housing & Communities and Hertfordshire County Council in supporting the Housing First approach in Stevenage.
- 2.4 The Executive is asked to approve:

- 2.5 A revised Housing First Service Model based on 25-30 accommodation units through to March 2024, to help mitigate the risk of under occupancy and the associated costs that come with this.

### **3 BACKGROUND**

- 3.1 The Executive approved the Council's Homelessness & Rough Sleeper Strategy 2019-24 in 2019. This set out the Council's ambitions to reduce rough sleeping through the provision of suitable accommodation and wrap around support.
- 3.2 Housing First was an approach that had been developed in the USA and parts of Europe and further developed in the UK in places like Greater Manchester. The approach centres on providing immediate accommodation for those rough sleeping to then provide wrap around support to assist in moving on to secure permanent accommodation and other forms of support. Homeless Link had undertaken a range of initial evaluations of the approach nationally in 2019 and had identified the benefits in creating more sustainable outcomes for those rough sleeping. Such an approach was identified as an ambition in the Stevenage strategy.
- 3.3 In March 2020, the Covid-19 pandemic was announced and the initial lockdown occurred. The 'Everyone In' directive from central government was introduced. This required the council to provide all rough sleepers, regardless of priority need, with accommodation. Most were placed on an emergency, short-term basis into hotels initially to safeguard them. Once the 'Everyone In' directive came to an end, the Council continued its commitment to supporting rough sleepers who are not recognised as priority under homeless legislation and committed to using this as an opportunity to pilot a Housing First approach. This also meant that the Council was able to move-on 28 individuals who were accommodated in hotels during the pandemic straight into permanent secure tenancies within the private rented sector.
- 3.4 The ongoing housing and cost of living crisis in the UK means that there is a shortage of affordable homes and rising prices, putting additional pressures on public services. Early prevention work through Housing First projects has shown to reduce later demand on more costly services such as health, social care and homelessness services. An outline of the Council's homelessness duties and legislation is contained in the Legal Implications 5.11 to 5.17 of this report.
- 3.5 To meet the objectives of the Homelessness & Rough Sleeper Strategy officers from across Housing Development and Housing and Investment services have worked together to secure external funding to fund a number of Housing First units since 2020. There are currently 42 units available for Housing First.
- 3.6 Since April 2020 106 individuals have been assisted through the Council's Housing First Service. These were clients who were rough sleeping or at risk of rough sleeping in Stevenage. Since July 2020 42 rough sleeper and homeless clients have been moved on into secure private rented accommodation. A

further 21 Housing First clients have been moved on into other supported accommodation. As a positive consequence there has been a notable reduction in rough sleeping across the town.

- 3.7 The Council worked closely with Hertfordshire County Council (HCC), who have a duty around adults with complex needs, and commissioned support providers including Haven First, The No More Service and Emerging Futures to provide the initial wrap-around support for the Housing First scheme. The service is also supported by the Council's own rough sleeper team. HCC has recently introduced a new complex needs outreach support pilot scheme, providing Drug, Alcohol & Mental Health support to this vulnerable client group and is working closely with Housing First officers.

- 3.8 The main three pathways out of Housing First are:

1. move-on into the private rented sector
2. move on into social housing
3. move on into further supported accommodation.

Clients are supported by relevant staff to ensure they are provided with the appropriate move-on options. Whilst this is resource intensive it helps to provide more sustainable outcomes and prevents repeated homelessness.

- 3.9 Such models are becoming of particular interest to local partners. At a county level, Hertfordshire Growth Board is currently undertaking a county wide Temporary Accommodation project looking at the distribution of this tenure and the future need across the county. Stevenage Borough Council has expressed a willingness to share learning from the Housing First approach in Stevenage as part of this process.

- 3.10 The Council has also been successful in securing external funds to support Housing First in future years, including a contribution of £45,000 from HCC for 2022-23.

- 3.11 In addition, the Council has also bid successfully for significant funding from the Department of Levelling Up Housing & Communities (DLUHC). These are both fixed-term funding streams, intended for homelessness prevention programmes and activities such as Housing First and are:

- Rough Sleeper Accommodation Program which will provide £454,450 from 2022-24
- Rough Sleeping Initiative which will award the council £590,000 in total from 2022-25.

- 3.12 The Council has continued to provide management and support to add value to the Housing First approach. This included £214k as part of the one off financial settlement grant given by DHLUC in 2021/22 to support the Council's efforts to tackle homelessness during the pandemic.

- 3.13 Given the initial outcomes of the initiative and the securing of additional funding it is therefore timely to review the Housing First Scheme.

#### **4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS**

- 4.1 Housing First is provided under a power and is not a statutory duty of the Council, therefore clients housed in Housing First would have previously had no options for accommodation or dedicated support, other than being sign-posted and referred to other agencies, such as Haven First.
- 4.2 Whilst providing Housing First is a discretionary service area for the Council, it is in line with the Homelessness & Rough Sleeping strategy 2019-24 and has demonstrated that is a model that can reduce rough sleeping in the Borough.
- 4.3 Officers consider that demand for this service has fallen recently, due to the successes of the Housing First scheme to date, the stabilisation of the numbers of rough sleepers within Stevenage after the unpredictability of the pandemic and various other factors.
- 4.4 Due to the reduction in current need for the service there is the opportunity to remodel the Housing First scheme in order to ensure its future financial viability through reducing the risk of under-occupation and associated income losses impacting the General Fund and the Housing Revenue Account, as shown within the financial implications in section 5.1-5.11.
- 4.5 Maintaining between 25-30 units will ensure the Council achieves and sustains high occupancy rates with less void times, but still continues to meet the demand for the service. The remaining units not utilised for Housing First will be re-purposed to help offset the increasing need for Temporary Accommodation and reduce reliance on expensive hotel accommodation.
- 4.6 Additional support for this group of residents was initially contracted via three different agencies with different specialisms, in 3.7 above, recognising the impact that Covid-19 was having on the sector at the time and the different expertise needed to support this client group. These contracts will end in September 2022 and a more streamlined approach is to be undertaken this summer. This will be in-line with the proposed funding arrangements as set out in section 5.
- 4.7 Since the launch of the Housing First Scheme security arrangements have been in place to help manage the vulnerable client group. Security costs have been high and are not however permissible under the external funding arrangements. It is now proposed to move towards a pro-active CCTV service provided via Hertfordshire CCTV Partnership with a dedicated Out of Hours service, in line with other local homeless provision. This means cameras are monitored on a regular basis from the control room and regular reports sent. This service also has a direct line to the police who can access the camera feeds if required and act upon any intelligence.

- 4.8 To ensure active performance management, a number of Key Performance Indicators are being prepared for the service which will include;
- performance around void turnaround,
  - recovery of service charges and housing benefit,
  - outcomes and move-on data.
- 4.9 DLUHC also requires performance returns in relation to the funding received and the Council's regular reporting of rough sleeping.
- 4.10 Whilst the recommended numbers of units (para. 4.5 refers) are able to deal with current demand, the emerging cost of living crisis may generate a further increase in rough sleeping. This will have to be kept under review and the proposed approach will give the Council the ability to increase or decrease the available units to meet changes in demand, subject to affordability. Every effort will be made to continue to run this service to support some of Stevenage's most vulnerable residents, but this will need to be balanced in line with other demands on Council resources.
- 4.11 A Portfolio Holder Advisory Group held on 31 May 2022 supported the above recommendations and recognised the challenges around achieving a balance in providing accommodation to those the Council has a duty to assist as well as those accommodated under a power. The need to retain flexibility in provision to meet the demand created by the cost of living crisis was also supported. Members made recommendations for future data collection and a satisfaction survey for service users to inform future provision.

## **5 IMPLICATIONS**

### **5.1 Financial Implications**

- 5.2 The homelessness functions undertaken by the Council are defined as General Fund services. However, in order to maintain a flexible response to housing need, all dwelling properties are managed and maintained within the Council's Housing Revenue Account. This allows the Council to reassign properties between temporary and permanent tenancies and has helped reduce reliance on bed and breakfast accommodation. The HRA only has the expenditure and income from the running costs, rent and service charges related to the property. It does not incur any of the wider costs of the homelessness service, like the additional support services for this client group and it does not contain the cost of bed and breakfast accommodation.
- 5.3 The definition of "Agreed Purpose" within the Rough Sleeping Accommodation Programme funding contract enables us to utilise the properties for local need for the duration of the period. This allows for broader temporary accommodation use, if this more appropriately meets local need. Therefore the Housing First programme does not cover all the properties that have received RSAP funding to date.

- 5.4 The table below shows the current forecast for Housing First places in 2022/23. Costs are broken down between the HRA and scheme specific items and how this is funded by Housing Benefit and Tenant payments. This gives a net cost before grant funding and then a total net cost for the scheme, when grant has been applied. Finally, as this is a demand led service and client numbers can fluctuate, the costings are shown at a variety of occupancy rates from 100% to 80%.

<b>Housing First Scheme Costs 2022/23</b>	<b>Unit Cost pw £</b>	<b>Total 38 Units pa Full Occp. £</b>	<b>Total 36 Units pa 95% Occp. £</b>	<b>Total 34 Units pa 90% Occp. £</b>	<b>Total 30 Units pa 80% Occp. £</b>
Contribution to HRA Property & Management Costs	70.79	139,877	139,877	139,877	139,877
<b>Specific Scheme Costs</b>					
Enhanced Management	80.45	158,978	158,978	158,978	158,978
Housing Benefit Eligible Charges	32.69	64,600	64,600	64,600	64,600
Ineligible Charges	36.87	72,849	72,849	72,849	72,849
<b>Total Expenditure</b>	<b>220.80</b>	<b>436,304</b>	<b>436,304</b>	<b>436,304</b>	<b>436,304</b>
<b>Funded by</b>					
Housing Benefit - Recovery Rate 65%	(67.26)	(132,910)	(125,915)	(118,920)	(104,929)
Tenant Payments	(36.87)	(72,849)	(69,015)	(65,181)	(57,513)
<b>Total Income</b>	<b>(104.13)</b>	<b>(205,760)</b>	<b>(194,930)</b>	<b>(184,101)</b>	<b>(162,442)</b>
<b>Net Cost - before Government Grant</b>	<b>116.67</b>	<b>230,545</b>	<b>241,374</b>	<b>252,203</b>	<b>273,862</b>
Government Grant	(132.72)	(262,250)	(262,250)	(262,250)	(262,250)
<b>Net Cost - with Grant &amp; 100% of Tenant Payments</b>	<b>(16.05)</b>	<b>(31,705)</b>	<b>(20,876)</b>	<b>(10,047)</b>	<b>11,612</b>

- 5.5 It is projected that 38 units will be used for the programme this year, but that this will be managed down during the year to a closing figure of 27 places going forward. The RSAP capital funding has currently been applied to more properties than those included in this scheme, but as stated in 5.2 these are not all in the Housing First programme, with some being used for other homelessness needs.
- 5.6 The table shows that the net cost of the scheme before application of any grant is between £231K at full occupancy, to £273K at 80% occupancy. There is a maximum fund of £262K available to draw down in 2022/23 and applying this funding would cover the majority of the cost, even at the lowest occupancy forecast. However, to recover the maximum support grant the Council would have to demonstrate that there had been total expenditure of £620K and that it had met £358K of this by other means. Although, it may be possible to re-negotiate these terms, where a strong case is presented.
- 5.7 There is an element that the tenant must pay personally that is not covered by housing benefit. This mainly relates to utility costs and these are expected to increase substantially during the year. The table above shows the net cost with 100% of these recovered. However, modelling shows that at 50% recovery,

even applying all the grant funds available to this scheme, it will only break even at 80% occupancy rates. This is an area that will need to be monitored closely, as each specific case will present different challenges in cost recovery.

5.8 A dedicated Housing Benefit Recovery officer will continue to focus on increasing housing benefit income claimed to minimise the cost of the scheme and the Council's Rough Sleeper Co-ordinators will continue to support clients with money management to improve recovery of service charges. These service charges will be reviewed this financial year to ensure rates and recoveries are realistic and fair to this client group.

5.9 The main assumptions used in the table above are:

- That a 65% recovery of housing benefit is attained, as the client group will be supported through the process.
- That running costs for operational management are similar to current temporary accommodation.
- That there is a switch, as soon as possible, from security costs to a combination of an out of hours managed response and CCTV.
- That grant funding can be applied to the scheme to allow a breakeven position on the General Fund.

5.10 In summary, there are still significant financial risks attached to running this scheme. The main ones are the application of the grant, recovery of both benefit and non-benefit income and the impact on viability caused by lower occupation rates. This area will need to be monitored closely throughout the year to ensure that it remains on a breakeven basis and a detailed budget position presented for any continued operation into 2023/24. It will be necessary to review the future of the scheme based on the various fixed-term funding streams, as they currently only extend until the end of 2023/24. If this scheme were to become unviable in the future the properties would be returned to support temporary accommodation need in the Borough, with due regard to the terms of the grant funding used for these units.

#### **5.11 Legal Implications**

5.12 Where the Council has reason to believe that an applicant may be homeless, or threatened with homelessness, it has a duty to make such inquiries as are necessary in order to satisfy itself:

5.13 whether the applicant is eligible for assistance (this will depend on their immigration status); and

5.14 if so, whether the Council owes any duty (and if so, what duty) to the applicant under the Housing Act 1996 ("HA 1996")

5.15 Under Section 189A of the HA 1996 where the Council is satisfied that an applicant is both homeless (or threatened with homelessness) and eligible for assistance, it has a duty to carry out an assessment of their circumstances and then try to agree with them what steps they need to take to ensure they have and can retain suitable accommodation and what steps the Council needs to take under the HA 1996.

5.16 If an applicant is deemed to be homeless, eligible and in priority need then an “interim duty” is owed to accommodate the applicant under s188 HA 1996.

5.17 Further the Council owes the “full housing duty” under S193 HA 1996 to applicants who are in priority need and not intentionally homeless.

#### **5.18 Risk Implications**

5.19 The associated financial risks of the scheme have been outlined in 5.1-5.10 and will be monitored throughout the programme, with a focussed set of KPI's established in relation to this. Operational risks in relation to the accommodation provision and the management of the client group are being managed within the service. The additional expertise of specialist workers and pro-active CCTV arrangements help to mitigate operational risks in relation to the service.

#### **5.20 Policy Implications**

5.21 Housing First responds to the council's Homelessness and Rough Sleeping Strategy 2019-24 and builds on the Co-operative Council ethos, working closely with partners and those experiencing homelessness to deliver an effective service.

5.22 The service also responds to the councils emerging transformation agenda focussing on effective advice and guidance to prevent future demands to the council and other agencies.

#### **5.23 Climate Change Implications**

5.24 As part of the council's commitment to tackling climate change new housing provision is considered with regards to the environmental impact of that development. Schemes such as the Oaks Cross modular units include air source heat pumps and enhanced insulation to reduce the running cost for the scheme, therefore having a positive impact both in terms of cost but also in terms of energy efficiency. This will be an ongoing consideration as new sites are acquired and developed.

#### **5.25 Staffing and Accommodation Implications**

5.26 The staffing resource for Housing First is currently funded from several funding streams:

Post	Funding stream	Funding ends
1 Housing First Manager	Flexible Homeless Support Grant	Currently renewed yearly by DLUHC
4 Rough Sleeper Co-ordinators	Rough Sleeper Initiative Funding	2025 although number of workers reduces to 3 in year 2 & 3
3 Floating Support Workers	Rough Sleeper Accommodation Funding	Financial Year 2023/24
1 Temporary Accommodation Officer	Establishment - HRA recovery	N/A



5.27 A review of resources and the viable provision will need to be reviewed as funding streams end and other applications for funding are made.

#### **5.28 Equalities and Diversity Implications**

5.29 Rigorous consideration will ensure that proper appreciation of any potential impact of that decision on the Council's statutory obligations under the Public Sector Equality Duty. As a minimum this requires decision makers to read and carefully consider the content of any Equalities Impact Assessment (EqIA) produced by officers.

5.30 The Equality Act 2010 requires the Council when exercising its functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under the Equality Act 2010 are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief, sex and sexual orientation.

5.31 Officers consider that, given the specific needs of those who are, or are at risk of, street homelessness, the Housing First approach is likely to have a positive impact on protected characteristics; including gender, disability (including mental health), sexual orientation, and race. It also recognises the positive impact on socio-economic inequalities. This has been captured as part of an Equality Impact Assessment and referring to national evaluation of the Housing First approach.

#### **5.32 Service Delivery Implications**

5.33 This report recommends continuing the Housing First approach as a service provided by the council, with the support of external partners. As outlined in section 5.1-5.10 the service remains reliant on external funding and will therefore be reviewed at a time when this external funding ends.

## **BACKGROUND DOCUMENTS**

**1.1 All documents that have been used in compiling this report, that may be available to the public, i.e. they do not contain exempt information, should be listed here:**

BD1 [Homelessness & Rough Sleepers Strategy 2019-2024](#)

BD2 Executive Report July 2020

BD3 Executive Report December 2020

BD4 Executive Report March 2021