

**Meeting** Executive

**Portfolio Area** Housing, Health & Older People / Resources

**Date** 10 March 2021



## HOUSING FIRST APPROACH - STEVENAGE BOROUGH COUNCIL

### KEY DECISION

**AUTHOR:** HANNAH MORRIS

**CONTRIBUTORS:**

WILL PETERS X2939 , KEITH REYNOLDSON X2403

**LEAD/CONTACT OFFICERS:** JAINE CRESSER X2028

### 1 PURPOSE

- 1.1 The Housing First Approach has been outlined in reports to Executive in July 2020 and in December 2020, as a response to impact of the Covid-19 Pandemic on rough sleepers in the Borough.
- 1.2 These reports outlined the increased demand for services and the evolving resource challenges facing the Council's Homelessness Services following the "Everyone In" and "protect" directives.
- 1.3 This report updates Members on the Housing First approach (in response to those directives) to accommodate rough sleepers.
- 1.4 This report further updates Members on the options for implementing the Housing First approach for the financial year 2021/2022, for the purposes of

assessing its viability, beyond the current “protect directive” for the medium to long term.

- 1.5 This report has several appendices to give an overview of the pressures on the Homelessness services which detail the fixed term funding that has been allocated to the Council to meet homelessness demands in this financial year and for 2021/2022

## **2 RECOMMENDATIONS**

- 2.1 That Executive note:
  - 2.1.1 the support provided to homeless households during the Covid-19 restrictions, March – July 2020, November to December 2020 & the most recent national restrictions from January 2021;
  - 2.1.2 the additional bid submission to the Government “Rough Sleeper Initiative 4” of £341,381.49 to mitigate the cost of the Housing First model relating to the period 2021/2022;
  - 2.1.3 that Officers will continue to seek funding from Hertfordshire County Council and Ministry of Housing Communities and Local Government to support the unfunded cost of the prevent directive;
  - 2.1.4 the on-going work to implement a Housing First model that mitigates the cost to the General Fund.
- 2.2 That the Executive approve:
  - 2.2.1 the allocation of the Government funding of £500,831 as set out in Appendix 2 and Appendix 3 to support the homeless functions during 2020/21 and 2021/22;
  - 2.2.2 the Housing First Approach for rough sleepers, for up to the next 12 months as set out in Appendix 4;
  - 2.2.3 the use of up to £248,381.49, from the 2021/22 Covid finance settlement funding to fund the net cost to the General Fund (subject to the level of grant funding received as set out in paragraph 5.1.12) for 12 months.

## **3 BACKGROUND: CONTEXT OF THE HOMELESSNESS LANDSCAPE DURING COVID-19**

- 3.1 The Housing First papers have been brought before Executive in response to the demands and challenges we face for our requirement to accommodate single homeless cases, which includes those who have been sleeping rough who prior to the Everyone In and Protect directives would not have been likely to have been owed a duty to accommodate.
- 3.2 The directives issued during the COVID-19 pandemic to Local Authorities has introduced the requirement to accommodate all applicants regardless of their priority need and therefore ensure that steps are taken to ensure “Everyone In”.

- 3.3 It is important to note that even prior to COVID-19 the Executive approved the Council's Homelessness and Rough Sleeper Strategy 2019-2024 (H&RSS 2019-2024) which confirms our commitment to introduce a Housing First Approach. The strategy sets out the Council's vision to "work co-operatively to prevent and reduce homelessness and end the need for anyone to sleep rough in Stevenage".
- 3.4 The Council recognised that delivering the priorities detailed in the H&RSS would be challenging and that the partnership approach (as identified in the H&RSS) would be necessary to protect the most vulnerable in Stevenage's communities, given their deep rooted and sometimes multi-dimensional housing, support and clinical needs.

#### **4 REASONS FOR RECOMMENDATIONS:**

##### The Housing First Approach

- 4.1 The Housing First Approach is a model that provides housing with a wrap-around support package from the outset to street homeless vulnerable clients.
- 4.2 Crucially, however, the approach ensures that accommodation is provided without any other precondition – recognising housing as a basic need around which other services can be provided to address the multi-dimensional needs associated with homelessness. Officers consider that the Council will have the best possible opportunity of ensuring that the street homeless will secure and maintain long term settled housing using this approach.
- 4.3 Providing accommodation with a Housing First Approach has proven to be, on both nationally and internationally, a successful approach to addressing homelessness and rough sleeping.
- 4.4 Housing First is an approach to providing accommodation but not, in and of itself, a statutory requirement.

##### Homelessness in Stevenage

- 4.5 The homelessness situation in Stevenage reflects the national picture; despite the co-ordinated and co-operative efforts by the Council and partners (including the Stevenage Health & Wellbeing Partnership, the Police, the Haven and other voluntary and community sector organisations) in helping residents to stay in their homes, more and more households are finding themselves homeless, or at risk of becoming homeless.
- 4.6 An update on demands of the homeless services, the steps that have been taken to address those demands and a forward plan for the Council's Housing First Approach is set out in Appendix 1.
- 4.7 The reports to Executive in July and December 2020 set out the global scale and national impact of Covid-19. The impact of the pandemic on rough sleepers is particularly acute, as this client group tend to have significant presenting mental and physical health needs and require support with substance misuse.
- 4.8 The Council are required to provide temporary accommodation for eligible applicants under sections 188 and 193 of the Housing Act 1985. In addition,

the Council is currently required to accommodate rough sleepers in accordance with the “Everyone In” and “Protect” directives (which require the Council to exercise not only its statutory duty to accommodate but also extend the exercise of its statutory powers).

- 4.9 The Homelessness Code of Guidance was updated in July 2020 to clarify priority need in relation to rough sleeper cases and the risk of COVID-19. Officers have assessed cases in accordance with legislation and the updated guidance, having due consideration to the available supply and resources in providing accommodation.
- 4.10 There were 48 rough sleeper cases reported to the Executive in July 2020, by December 2020 this figure had reduced to 26. As at 24 February 2021 there are 38 cases; this clearly indicates that the number of cases reported at any given time is not static and that placement numbers have fluctuated.
- 4.11 During autumn 2020 the Council successfully applied for funding from the Ministry of Housing Communities and Local Government (MHCLG) Next Steps Accommodation Programme “NSAP” for short term revenue funding and long-term capital funding to support those who are (or are at risk of) street homelessness (as set out in para 4.32 of the December 2020 Executive report).
- 4.12 The revenue funding obtained has allowed the Council to fund support workers who focus on the drug and alcohol, mental health and offending behaviour support needs for the rough sleeper applicants. This funding is available until the end of the current financial year – March 2021.
- 4.13 The NSAP revenue funding can also be used for deposits and incentives, for those with low to medium support needs, who can be housed using the Housing First Approach within the private rented sector, with ongoing floating support.
- 4.14 The NSAP funding will also assist current and future single homeless cases. There are currently 2070 households on the waiting list and 974 of these cases (47%) are for single (1 bed-room) accommodation.

#### Moving forward with a Housing First Approach

- 4.15 The need for flexible accommodation, that helps to support an individual and allow professional practitioners to efficiently deliver services, plays a huge part in ensuring successful housing and personal outcomes for clients. Officers note that a Housing First Approach service would be most effective if provided through purpose-built hostel accommodation (similar to the service successfully operated by the Stevenage Haven). In the medium to long term the Council’s Housing teams will investigate whether the opportunity (in terms of land, multi-agency support and funding) exists to deliver such a service.
- 4.16 The Council’s existing HRSS sets out an ambition to justify and resource a Housing First Approach service, allowing the Council to offer stable accommodation to those who would otherwise struggle to gain access to it. Housing First sees accommodation as the first ‘stepping stone’ to recovery. The long-term sustainment of accommodation is then achieved through support and engagement. Housing First can be a powerful catalyst in

changing clients' lives and has been shown to substantially reduce rough sleeping in the long term. Trialled in over 75 schemes in the UK, it is a model that has huge success.

- 4.17 The success of these schemes will depend on the level of wrap around support provided to clients with highly complex needs and will require a level of commitment from a range of agencies in the planning, delivery and continued operation of such a scheme.
- 4.18 Investigations have been made into the commitment to a Housing First model by engaging with key partners including Hertfordshire County Council (HCC) and their commissioned support providers including Haven First.

#### Funding Housing First

- 4.19 The Council has been awarded £981,009.96 in funding for financial year 2020/2021 to provide short term interventions in accommodation and support as well as the prevention of homelessness. Funding of £1,899,291 has been obtained for the period 2021/2022 the detail of what is covered by this funding is set out at Appendix 2.
- 4.20 It is important to note that the fixed term funding which has been obtained funds several members of staff who provide the Council's statutory Homelessness function. The year to year nature of the funding regime means that the Council are only able to offer fixed-term employment contracts for these posts (give the reliance on bidding for these funds). This creates an unstable workforce and poses challenges on staff retention. As detailed within Appendix 3 there is 38% of the staff within Providing Homes reliant on fixed term funding.

#### Housing First Approach – the next 12 months

- 4.21 In order for the Council to be able to adopt the Housing First Approach in the medium to long term, Officers recommend that the Executive approve a 12-month pilot program to assess its financial viability.
- 4.22 The proposed business case (for the next 12 months) is set out in Appendix 4, which outlines costs of delivery and identified funding gaps for the next 12 months and identifies a potential cost to the General Fund of £65,710 if the identified scheme is at 80% occupancy (see paragraph 5.1.7 below).
- 4.23 The alternative to the Housing First Approach for the next 12 months would be to provide rough sleepers with nightly let (bed and breakfast) accommodation at an estimated cost of £604,200 (see paragraph 5.1.14 below).

#### Accommodation opportunities

- 4.24 There have been a range of development opportunities identified (through the close working between the Development and Providing Homes teams) which will provide the proposed temporary accommodation and Housing First units. Some of these opportunities have been funded through the 2020/21 NSAP capital grant and some have been funded through the Council's Open Market Acquisitions programme.

- 4.25 The only accommodation currently available for single homeless applicants (who are not owed a statutory housing duty) within Stevenage is through Haven First hostel on Ditchmore Lane. The Haven First hostel is able to accommodate 40 (38 singles and 1 couple). At the time of writing, and even though the Council is able to access this accommodation we still have 38 rough sleepers separately accommodated (in accordance with the pandemic directives) in bed and breakfast and 5 applicants known to be rough sleeping; all of which evidences the need for additional appropriate accommodation.
- 4.26 The Housing First provision will seek to provide 32 units/rooms to be managed by the Council; these units (as set out in Appendix 4) are owed by the Council and can be utilised to make best use of stock.
- 4.27 There is an additional site, based within the grounds of a potential Council Housing First site, where we will seek to provide up to 16 modular units which will be managed with the expertise commissioned from the Haven First project.
- 4.28 In total, therefore, the Council will seek to provide 40- 48 additional units for single homeless applicants who have been rough sleeping or are at imminent risk of rough sleeping. These units were set out in detail in the December 2020 report approved by Executive.
- 4.29 We will require planning permission for sites where any units to be occupied by more than 2 separate households. This will apply to the majority of the identified sites and until such time as planning permission is granted occupation for those sites will be limited to a maximum of 8. The Council will therefore be reliant on nightly let (bed and breakfast) accommodation for a longer period.

#### Engagement with Members

- 4.30 An all Member briefing took place on 23rd February 2021 to discuss the importance of responding to the homelessness pressures facing the service and to raise awareness.

## **5.0 IMPLICATIONS**

### **5.1 Financial Implications**

- 5.1.1 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 the reliance on bed and breakfast accommodation during the pandemic. The HRA only contains the running costs, rent and service charges related to the property. It does not incur any of the wider costs of the homelessness service and it does not contain the cost of bed and breakfast accommodation.

- 5.1.2 Before the pandemic the Government had been issuing targeted, annually awarded grants to tackle homelessness. The table below shows the current projections for the split between the HRA and the General Fund and how much reliance is being placed on annual grant funding to provide the Council's homelessness services.

Current Projection 2020/21	Staff FTEs	Units Provided	Expenditure £	Income £	Total £
HRA	10.5	112	916,959	(1,357,730)	(440,771)
General Fund	10.2	76	1,934,934	(440,145)	1,494,790
<b>Total</b>	<b>20.7</b>	<b>188</b>	<b>2,851,893</b>	<b>(1,797,875)</b>	<b>1,054,019</b>
<b>Grant Funding</b>					
NSAP Revenue Grant	1		332,240		332,240
Flexible Homeless Support Grant	11		627,580		627,580
Rough Sleeper Initiative Grant	4		181,500		181,500
Cold Weather Fund			20,000		20,000
Protect Plus Funding			20,000		20,000
DEFRA Grant via HCC			116,630		116,630
<b>Total</b>	<b>16</b>		<b>1,297,950</b>		<b>1,297,950</b>

- 5.1.3 The first line of the table summarises the cost centres within the HRA that include expenditure and income related to temporary accommodation. There are 10.5 full time equivalent staff (FTE) in this area, although some of their time is recharged to other functions. This line does include the rental stream from the 112 properties currently being used for temporary accommodation and shows a net positive contribution to the HRA of £440,771. This contribution meets the cost of general stock management, repairs and contributions to capital investment that are not separated between temporary and general dwelling stock in the accounts.
- 5.1.4 The second line of the table shows the costs held in the General Fund for homelessness services. There are currently 10.2 FTEs in this area and 76 spaces are being funded from the General Fund, although grant funds are being used to reduce the financial pressure. This currently shows a net cost of £1.5M and this includes a £312,000 additional COVID loss.
- 5.1.5 The final part of the table details the current use of grant funding in the year. Some of the grants listed do not match the figures in Appendix 2, as the appendix shows the annual award and the figures above include some carry forward grant from prior years. Overall, grant is supporting 16 posts within the Council and, at £1.3M, almost doubles current General Fund spending in this area.
- 5.1.6 The Council is due to receive a further £860,000 of revenue grant in 2021/22 and £1M in capital grant. However, many of these grants are annually awarded making service planning and recruitment difficult.
- 5.1.7 The implementation of the Housing First Scheme will create new expenditure and income streams in the General Fund and the HRA, the weekly breakdown of expected costs and charges and this has been summarised in the table below.

<b>Housing First Scheme Costs 2021/22</b>	<b>Unit Cost pw £</b>	<b>Total 32 Units pa Full Occp. £</b>	<b>Total 32 Units pa 95% Occp. £</b>	<b>Total 32 Units pa 90% Occp. £</b>	<b>Total 32 Units pa 80% Occp. £</b>
Rental Contribution to HRA Property Costs	66.08	109,960	104,460	98,960	87,970
<b>Specific Scheme Costs</b>					
Enhanced Management	84.13	139,990	139,990	139,990	139,990
HF Concierge/Security/ASB managment	234.27	389,820	389,820	389,820	389,820
Eligible Charges	16.48	27,420	27,420	27,420	27,420
Ineligible Charges	11.83	19,690	19,690	19,690	19,690
<b>Total Expenditure</b>	<b>412.79</b>	<b>686,880</b>	<b>681,380</b>	<b>675,880</b>	<b>664,890</b>
<b>Funded by</b>					
Housing Benefit	(251.69)	(418,810)	(397,870)	(376,930)	(335,050)
Tenant Payments	(11.83)	(19,690)	(18,700)	(17,720)	(15,750)
Grant	(149.27)	(248,380)	(248,380)	(248,380)	(248,380)
<b>Total Income</b>	<b>(412.79)</b>	<b>(686,880)</b>	<b>(664,950)</b>	<b>(643,030)</b>	<b>(599,180)</b>
<b>Net Cost</b>	<b>0.00</b>	<b>0</b>	<b>16,430</b>	<b>32,850</b>	<b>65,710</b>

- 5.1.8 The first line of the table shows the annual rental contribution from the scheme to the HRA. This covers the cost of general property management, repairs and capital investment in the stock. The next section deals with scheme specific costs, not relating to general property management and not covered by normal rents. Lastly, the table shows how these costs would be met.
- 5.1.9 The first column shows that the unit cost for the scheme is £412.79 per week. If the 32 units were fully occupied the scheme will require income of £687,000 pa to break even. However, it is unlikely that the units will be fully occupied so the model shows the impact of 95%, 90% and 80% occupancy. As this is a demand led service occupancy levels will be difficult to predict in the medium to long term, even if current demand is very strong. Also there will be some operational void periods between customers, as this is temporary accommodation with relatively high turnover.
- 5.1.10 The modelling shows that rent drops from £110,000 to £88,000 and that income to fund the scheme would fall from £687,000 to £599,000. Even at 80% occupancy it would be difficult to reduce costs in line with income, due to the specialist nature of the accommodation. At the lowest occupancy rate the model indicates a shortfall, budget pressure, of £66,000 that would fall on the General Fund, as well as the rental loss to the HRA.
- 5.1.11 There is also a small amount of service charge that is not eligible for benefit support and tenants would need to meet these costs directly. This may prove difficult to recover with the targeted client group.
- 5.1.12 As the scheme currently stands it will be necessary to secure grant funding of £248,000 pa and to agree benefit charges of £252 per week, per unit, in order to cover running costs. If the benefit recovery is lower and / or grant funding is not made available the Council would need to allocate significant General Fund resources in order to operate the Housing First Model. Officers will approach the Ministry of Housing, Communities and Local



Government, as well as Hertfordshire County Council, to secure the necessary grant funding. If grant funding is not forthcoming then Officers recommend the use of up to £248,381.49, from the 2021/22 Covid finance settlement funding - to fund the net cost to the General Fund.

- 5.1.13 However, whilst the Protect Directive is in place we have a requirement to accommodate those rough sleeping regardless of priority need and the alternative will be to continue placing into B&B accommodation at a high cost to the general fund. The table below shows projected costs for this, but these could vary significantly as commercial activity returns to normal and hotel spaces may not be readily available.

#### **Projected B&B Cost for 32 Rough Sleeper Places**

	£
<b>Costs</b>	
Accommodation	992,800
Food	175,200
Damage	20,000
Security	240,000
	<b>1,428,000</b>
<b>Funding</b>	
HCC Grant	175,200
Housing Benefit (60% Recovery)	648,600
	<b>823,800</b>

<b>Potential Pressure</b>	<b>604,200</b>
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- 5.1.14 The table shows that total costs are estimated at £1.4M and that only £824,000 is likely to be recovered. This would leave a net pressure to the general fund of £604,000, which is higher than the potential pressure generated by running the Housing First model shown at 5.1.7.

## **5.2 Legal Implications:**

- 5.2.1 The legal requirements in relation to the General Fund and the HRA are detailed within this report.
- 5.2.2 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:
- 5.2.2.1 whether the applicant is eligible for assistance (this will depend on their immigration status); and
- 5.2.2.2 if so, whether the Council owes any duty (and if so, what duty) to the applicant under the Housing Act 1996 ("HA 1996").
- 5.2.3 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.

- 5.2.4 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
- 5.2.5 Further the Council owes the “full housing duty” under S193 HA 1996 to applicants who are:
  - 5.2.5.1 eligible for assistance and
  - 5.2.5.2 homeless, and not intentionally homeless and
  - 5.2.5.3 in priority need.
- 5.2.6 Where the Council has a duty to house an individual under Section 193 of the Housing Act 1996 (as amended), then that cost is to the HRA.
- 5.2.7 It is possible to use section 9 of the Housing Act 1985 to provide housing accommodation, by building or acquiring properties and then letting those properties through the HRA.
- 5.2.8 If the powers under Part 2 of the Housing Act 1985 (section 9) were used for the provision of temporary accommodation, i.e. where a duty to house an individual had not been established, the role of the HRA would be limited to solely being a landlord function and all other costs and additional services would have to be funded from the General Fund and this accommodation is under Section 188 of the Housing Act 1996 (as amended).
- 5.2.9 The single rough sleepers that have been accommodated by the Council are unlikely to fall within any specific housing duty, such as under section 188 or 193 of the Housing Act 1996 and therefore are being supported through the Council’s general power of competence under Section 1 of the Localism Act 2011. These costs will have to be resourced through the General Fund.
- 5.2.10 The Homelessness Reduction Act 2017 introduced a number of new duties for Local Housing Authorities which are designed to try to prevent or deal with homelessness at an early stage meaning that applicants are open to the Housing Options team is over a much more substantial period of time – with a decision relating to the s193 HA 1996 not reached until the 56 day prevention and 56 day relief duties have expired.
- 5.2.11 The Housing Options service have caseloads for those who are homeless and threatened with homelessness including those who are seeking housing advice. The demand for the service has grown significantly since the introduction of the Homelessness Reduction Act and is detailed at point 2.3 in Appendix 1.

### **5.3 Equality Implications:**

- 5.3.1 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.
- 5.3.2 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.

- 5.3.3 Officers do not consider that the recommendations above will have an adverse impact on those with protected characteristics but this will be kept under review as proposals are developed.
- 5.3.4 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 within the client group of sex and disability.

## 6 BACKGROUND PAPERS

- 6.1 [Homelessness & Rough Sleepers Strategy 2019-2024](#) Stevenage Borough Council.
- 6.2 [COVID 19- Provision of Night Shelters](#)
- 6.3 [Housing First Executive Paper July 2020](#)
- 6.4 Housing First approach
- 6.5 [Housing First Executive Paper December 2020](#)
- 6.6 [Protect Directive](#);

## APPENDICES

- Appendix 1 - February Position Statement
- Appendix 2 - Homelessness Fixed Term Funding
- Appendix 3 - Posts funded from fixed term funding
- Appendix 4 - Business Case for 2021/2022