

Cabinet



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Restructure proposal for the Housing Options and Homelessness Team	
Report No:	CAB/SE/17/025	
Report to and date:	Cabinet	31 May 2017
Portfolio holder:	Councillor Sara Mildmay-White Portfolio Holder for Housing Tel: 01359 270580 Email: sara.mildmay-white@stedsbc.gov.uk	
Lead officer:	Davina Howes Assistant Director (Families and Communities) Tel: 01284 757070 Email: davina.howes@westsuffolk.gov.uk	
Purpose of report:	To consider and approve the additional staffing resources required to meet the requirements of the new Homelessness Reduction Act and the impact of other welfare reforms, funded from the Flexible Homelessness Reduction Grant.	
Recommendations:	It is <u>RECOMMENDED</u> that Cabinet: (1) notes the additional statutory duties which will be in place as a result of the Homelessness Reduction Act; (2) agrees that the service be restructured and that an additional 6.8 FTE staff are required to meet the new statutory duties, as set out in Section 2.2 of Report No: CAB/SE/17/025; and (3) agrees that the funding of the additional posts be secured from the Flexible Homelessness Reduction Grant, as out in Section 3.	

<p>Key Decision:</p> <p><i>(Check the appropriate box and delete all those that do not apply.)</i></p>	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input checked="" type="checkbox"/></p> <p>No, it is not a Key Decision - <input type="checkbox"/></p> <p>(a) A key decision means an executive decision which, pending any further guidance from the Secretary of State, is likely to:</p> <p>(i) be significant in terms of its effects on communities living or working in an area in the Borough/District; or</p> <p>(ii) result in any new expenditure, income or savings of more than £50,000 in relation to the Council's revenue budget or capital programme;</p> <p>(b) A decision taker may only make a key decision in accordance with the requirements of the Executive procedure rules set out in Part 4 of this [the] Constitution.</p>
<p><i>The decisions made as a result of this report will usually be published within 48 hours and cannot be actioned until five clear working days of the publication of the decision have elapsed. This item is included on the Decisions Plan.</i></p>	
<p>Consultation:</p>	<p>Consultation has been carried out with Leadership Team and Portfolio Holder for Housing. Best practice advice has been sought and lessons learnt from the experience of similar legislation enacted in Wales in 2014.</p>
<p>Alternative option(s):</p>	<p>The West Suffolk councils could choose not to increase its staffing and/or retain its current structure. However, it is felt that the status quo is not fit for purpose in terms of the new demands imposed by the Homelessness Reduction Act and other welfare reforms.</p>
<p>Implications:</p>	
<p><i>Are there any financial implications? If yes, please give details</i></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>The cost of the additional staff across West Suffolk in 2017/18 is £230,354 (allocated as £80,624 for Forest Heath District Council and £149,730 for St Edmundsbury). The government has made funding available for homelessness prevention in the form of a Flexible Homelessness Reduction Grant. For West Suffolk councils the total funding for 2017/18 is £228,970. Further information is contained in Section 3 of this report.</p>

<p>Are there any staffing implications? If yes, please give details</p>		<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> Existing staff will be given the opportunity to express a preference for new roles within the team as a result of the new proposed structure. If approved, these additional resources would result in 6.8 FTE staff being added to the establishment. 	
<p>Are there any ICT implications? If yes, please give details</p>		<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> Additional cost of IT and phone equipment. 	
<p>Are there any legal and/or policy implications? If yes, please give details</p>		<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> The Homelessness Reduction Act will bring in a substantial number of new statutory duties. 	
<p>Are there any equality implications? If yes, please give details</p>		<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <ul style="list-style-type: none"> No implications arising directly from this restructure. However, staff will need to be aware of the new housing statutory duties and how they complement the councils' statutory equality duties. Refresher equality training for staff will be required. 	
<p>Risk/opportunity assessment:</p>		<p><i>(potential hazards or opportunities affecting corporate, service or project objectives)</i></p>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
Insufficient number of staff to meet existing and increasing demand	High	Ensure that the councils recruit candidates with the right skills set and abilities.	Medium
Staff are unfamiliar with the new requirements of the Act which could lead to increase in reviews and legal challenges	High	Implement a comprehensive training programme for all existing and new staff prior to the statutory duties coming into force.	Medium
<p>Ward(s) affected:</p>		<p>All Wards</p>	
<p>Background papers: <i>(all background papers are to be published on the website and a link included)</i></p>		<p>None</p>	
<p>Documents attached:</p>		<p>Appendix A: Existing Staff Structure Appendix B: Proposed New Structure</p>	

1. Key issues and reasons for recommendations

1.1 Introduction

1.1.1 This report outlines the proposed restructure of the Housing Options and Homelessness Team, including the requirement for additional posts to meet new statutory requirements.

1.1.2 This restructure has been prompted by a number of factors, including:

- i. a number of **staff changes** and the urgent requirement to fill vacant posts;
- ii. the need to have a robust service which can respond to forthcoming significant legislative changes, particularly the **Homelessness Reduction Act**;
- iii. recognition that changes to **Universal Credit** (UC) will have a real impact on tenants and landlords across West Suffolk;
- iv. reduction in the number of **Housing Related Support** funded beds, anticipated changes to housing support funding from 2018 and continual changes to the **welfare system**;
- v. a review of the councils' **landlord liaison** activities; and
- vi. feedback from the **Housing Peer Review**.

1.1.3 Whilst we have data to understand the existing level of demand faced by the service, it is difficult to predict with accuracy what the impact of the new Homelessness Reduction Act might be. Figures have been predicted by the government based on the experience in Wales where similar legislation is already in place. Similarly, when assessing the implications of the extension of UC (to St Edmundsbury in October 2017, and Forest Heath in November 2018) we can only consider the impact that this has had elsewhere in the country. At this point we can only state that the service will be facing increasing demands as a result of these two significant changes but are unable to predict, with accuracy, what this increase might be.

1.1.4 It should be noted that this restructure forms part of a wider improvement action plan for the team. Ensuring that we have sufficient staffing resources to manage demand is only one part of what is needed. The team's improvement action plan details improvement in a number of key issues to ensure that the team is as efficient and effective as possible and focusses its work on prevention, including: (i) policies and processes; (ii) linkages and interaction with customer services, including channel shift; (iii) increasing lobbying and communication; and (iv) improved partnership working.

1.1.5 The driver for this improvement plan, and the restructure, is to ensure that the service provides robust advice and prevention and supports people at an early stage before they find themselves in difficulties. This approach complements the Councils' Families and Communities Strategy.

1.2 Factors influencing a restructure

1.2.1 Before detailing the proposed new structure for the team, it is important to expand in more detail the factors outlined in paragraph 1.1.2 above.

1.2.2 *i. Staff changes and ability to recruit and retain*

The service has faced significant changes in the past few years. In 2016, staff turnover in the housing team (wider team, not just housing options) was 18.92%. This compares with 8.74% for the rest of the organisation.

1.2.3 In addition to high staff turnover rate, during 2016 there were four maternity absences in Housing Options. As a result, temporary cover arrangements were put in place, which included moving less experienced staff within the team and backfilling using secondments, as well as bringing in short term temporary agency cover (which in itself created a number of HR and management issues).

1.2.4 It has proven difficult at times to recruit to posts given that a level of experience and knowledge is required particularly when making statutory decisions. There is little in the way of more junior roles within the team, thereby we are not able to develop from within. At the same time, senior staff have limited capacity and are unable to provide the level of training and support which would be expected.

1.2.5 Given the above, there is a need to avoid, insofar as possible, temporary arrangements which lead to further instability and disruption.

1.2.6 *ii. Homelessness Reduction Act*

The Homelessness Reduction Act has gained Royal Assent and is likely to come into force some time between January and April 2018. This Act will confer a number of new duties on councils. Whilst the government has promised an additional £61million over two years to help councils start to intervene earlier, it is not clear how much will be awarded to West Suffolk councils.

1.2.7 The Homelessness Reduction Act will require the councils to: (i) start assessing someone at risk of being made homeless 56 days before losing their home (currently 28 days); (ii) offer every applicant a personalised housing plan; (iii) offer a full Advice and Options assessment; and (iv) identify all applicants at risk of homelessness and attempt to engage those applicants – thereby becoming a proactive rather than reactive service and (v) offer all applicants temporary accommodation at the point of expiry of notice. There is an expectation that councils will have a private sector offer and the ability to step in and assist financially, whether that be to reduce arrears or help with costs of new accommodation. A new duty to co-operate gives partner agencies a duty to assist in advising and co-operating with councils whilst we try to prevent homelessness. We must ensure robust partnerships in place and those relationships are managed.

1.2.8 The impact of the Act and the implications for West Suffolk are still being assessed. Lessons are being learnt from the experience in Wales where similar legislation was introduced in 2014 and this has been considered when developing this restructure proposal. Professional housing organisations are suggesting that councils need to increase staffing capacity specifically in the following areas: (i) advice and prevention; (ii) landlord liaison; (iii) debt and money management; (vi) undertaking reviews which, as a result of the new

Act, can be requested at all stages, not just the final decision; and (v) finding accommodation.

- 1.2.9 Nationally the number of people being defined as homeless has increased since 2010. In 2015/16, some 115,000 households applied to their council for homelessness assistance, 11% more than in 2010/11. Of those, 58,000 were accepted as homeless and in "priority need", 6% up on the year before. The table below show the homelessness figures for both Forest Heath and St Edmundsbury, showing an increase of 9.5%. At this stage, the government is anticipating that, as a result of the new duties in the Act, there will be a 30% to 40% increase in caseload and rights to review are likely to increase by 50%. It is not expected that councils will see a decrease in homeless acceptances until year three.

Homelessness acceptances

Authority	2015	2016
St Edmundsbury	214	203
Forest Heath	114	143
	328	346

- 1.2.10 The rise in homelessness has been attributed to the long-term failure to ensure a sufficient supply of affordable housing. Other significant factors include the increase in homelessness arising from the termination of assured shorthold tenancies in the private rented sector, and Housing Benefit restrictions introduced since 2010 which have made it difficult for claimants to secure housing at rents which Housing Benefit will cover (see below for more information regarding the impact of welfare reform).

- 1.2.11 The national figures in the past year have shown that the number of homelessness acceptances has increased by 10% with rough sleeping increasing by 30%. In terms of rough sleeping in West Suffolk we have seen an increase in reported rough sleepers from 11 in 2015 to 21 in 2016. We continue to receive new rough sleeper alerts via StreetLink with ten so far received as at March 2017.

- 1.2.12 *iii. Impact of Universal Credit*

UC will be rolled out to all new claimants from October 2017 in St Edmundsbury and from November 2018 in Forest Heath (it is currently only in place for single non-householders so the impact has been minimal thus far). Experience from elsewhere in the country shows that households in receipt of UC are much more likely to be in arrears and also have, on average, larger levels of arrears than tenants in general. This is due to the fact that there is a six week wait for payments and claimants receive one payment directly and have to pay all bills (including rent) from this payment.

- 1.2.13 National studies have shown that in total a very high proportion (86% in September 2016) of those receiving UC are in arrears, compared to less than one third (39%) of tenants not receiving UC. Average arrears have increased to £615 for tenants on UC, almost double the average of £321 in March 2016.

The most common reasons for arrears were the six-week wait for the first UC payment, including the seven day waiting period, and DWP failing to promptly notify landlords of tenant claiming UC. More locally Lowestoft has a full service in operation and a number of concerns have been identified and the same pattern has emerged relating to increased arrears.

1.2.14 UC is therefore going to impact on the housing service in a number of ways including: (i) more support required to be given to tenants to manage their rent; (ii) more time needing to be given to private and social landlords to ensure that they retain UC tenants, or continue to accept them in the first place; (iii) more time negotiating with landlords when a tenant is in arrears; and (iv) time will need to be allocated to chasing the council debt/payments, i.e temporary accommodation funding currently paid to the council from housing benefit will need to be sourced from the tenant directly or arrangements made with DWP to request payment directly, which will be difficult to manage particularly for short term placements.

1.2.15 *iii. Housing related support and welfare reform*

Suffolk County Council has recently completed a re-tender process for its Housing Related Support (HRS) provision. This money is used to fund accommodation-based services for single homeless adults to work collaboratively across Suffolk to provide accommodation and housing support to enable vulnerable people aged 18 and above to gain or regain the necessary skills to enable them to live independently and participate in their community. West Suffolk has experienced a reduction of adult HRS funded beds and young people's beds (with the definition of young people being reduced from 24 years old to 21). Whilst the providers of young people's beds are confident that they will not be evicting, the level of service they will be offering will be reduced. This reduction will result in less provision and options available, along with a reduced provider choice.

1.2.16 In addition to the introduction of UC, there continues to be changes to the welfare system which impact on residents and are likely to increase the demand on the Housing Team, including, but not restricted to:

- There is a four-year freeze to Local Housing Allowance rates for four years from 2016-17 to 2019-20.
- Child Tax Credit (CTC) changed from April 2017, with support provided through CTC will be limited to two children. Any subsequent children born after April 2017 will not be eligible for further support. The 'family element' of £545 per year will be abolished. Families with one or more children born before April 2017 will continue to get the family element but new claims after this date will not.
- From April 2017, the government removed the automatic entitlement to housing support for 18-21 year olds. The principle being that young people in the benefit system should face the same choices as other young people who go out to work but cannot afford to leave the parental home. The number of young people affected will be small in the short-term but will increase with UC roll out.

1.2.17 *iv. Review of the councils' landlord liaison activities*

This restructure proposal takes into account the fact that capacity is required within the team to support and liaise with private landlords as there is insufficient social housing in which to discharge our statutory duties. The councils currently have a temporary post within its team whose role is to manage the Lettings Partnership. The contract for this post will end in September. It is vital that the councils have a supply of private sector landlords who are willing to have tenants in receipt of benefits. This will become all the more critical with the introduction of UC direct payments to tenants. Experience elsewhere in the country shows there is an increasing reluctance amongst private landlords to take UC customers given that they no longer receive direct payment (unless a direct payment agreement is arranged). Future grant funding from the government will, in part, depend on our ability to discharge our duties into the private rented sector. It is therefore vital that we have a strong landlord liaison function.

1.2.18 *Feedback from Housing Peer Review*

This restructure proposal takes into account the key findings from the Housing Peer Review which was carried out in November 2016. The review was carried out by the National Practitioner Support Service (NPSS) which supports local authorities to deliver improved early intervention and prevention focused housing options services. Whilst overall the review was positive about the service provided, there are a number of areas for improvement which are needed, including:

- a. A review of the Homelessness Strategy to reflect the need for additional provisions for Rough Sleepers.
- b. Review Housing Options service structure to meet emerging challenges, including greater emphasis on prevention / relief as per Homelessness Reduction Act.
- c. Ensure that there is sufficient staff supervision and support arrangements are in place. Include regular case file checking for quality assurance.
- d. Develop and implement a consistent service offer and process to all applicants which includes confirming advice given in writing.
- e. Look to offer additional Homeless prevention options including: floating support, mediation, access to the private rented sector, social housing options and access to supported accommodation through an identified pathways approach.
- f. Officers need sufficient time to prepare for interviews and follow up to prepare personalised Housing Plans (new statutory requirement), this includes having sufficient time to provide follow up paperwork and recording information on case files.
- g. Ability to carry out home visits to assess applications.

2. Overview of existing and proposed structures

- 2.1 Appendix A illustrates the existing structure and Appendix B illustrates the proposed new structure and a summary is shown in the table below. The purpose of the structure is to ensure that more capacity is available to focus on prevention with the creation of an Advice and Prevention Team. A solutions team will be created to ensure the councils' have effective liaison with landlords and can also provide welfare/budgeting support to customers to ensure they retain tenancies.
- 2.2 There is not anticipated to be any cost of change associated with this restructure. It is estimated that the total additional staffing costs to deliver this structure is **£230,354 including all employer costs** subject to final job evaluation of the posts. It is proposed staffing costs are funded on the basis of the 35% Forest Heath District Council and 65% St Edmundsbury Borough Council.

Summary table

Existing resources	Proposed resources
1 FTE – Service Manager Band H	1 FTE – Service Manager Band H
2 FTE - Team Leaders Band F (1 FTE vacant)	3.0 FTE – Team Leaders Band F (1.0 FTE – Choice Based Lettings) (1.0 FTE – Solutions) (1.0 FTE – Advice and Prevention)
7.42 FTE – Housing Options/Homelessness Officers Band E	11.62 FTE – Band E officers (2.2 FTE – Assessors) (7.42 FTE – Advice and Prevention) (1 FTE – Welfare) (1 FTE - Landlord Liaison)
1 FTE – Lettings Co-ordinator Band E (funded until September 2017)	Retain until September only. Landlord liaison duties to be passed to newly created Landlord Liaison Post (included above)
1 FTE – Accommodation Officer Band D	1 FTE – Accommodation Officer Band D 1 FTE – CBL assistant Band D 0.60 FTE - Income Recovery Officer – Band D
	1 FTE – Rough Sleeper Worker Band E (paid for by DCLG for two years, but included here for completeness)
0.68 FTE – Business Admin Band C	0.68 FTE – Business Admin Officer Band C
Total posts: 13.1 FTE	Total posts: 19.90 However 1.0 is funded through the DCLG Rough Sleeper Grant until 2019
	Total Increase: 6.80 FTE £230,354*

*Based rates on the new salary rates that come in to effect on 1 April 2017 which include a 1% cost of living increase.

3. Funding the new structure

- 3.1 On 16 March 2017, the Department of Communities and Local Government (DCLG) announced a new Flexible Homelessness Support Grant. This grant replaces the Department for Work and Pensions (DWP) Temporary Accommodation Management Fee from 1 April 2017. Under the existing system, funding could only be used when a household is already homeless, rather than being used to prevent this happening in the first place. Funding for this was paid directly to landlords and with the only funding being allocated to St Edmundsbury of £9,000.
- 3.2 The new Flexible Homelessness Support Grant is paid directly to the councils. The grant is ringfenced for an initial two year period and during that time may only be used to prevent or deal with homelessness. The government has made it clear that it expects councils to use this grant to fund a wider range of homelessness services, for example employing homelessness prevention officers to work with people who are at risk of losing their homes. The funding formula is linked to the number of prevention and relief cases achieved by securing a private rented sector tenancy. Hence it is important that we retain a landlord liaison function (see more details in the section below) to secure future government funding.
- 3.3 Funding allocations have been announced for the next two years with funding for 2019/20 announced later this year. Funding has been awarded to Forest Heath and St Edmundsbury as follows:

	2017/18	2018/19
Forest Heath	£98,502	£111,538
St Edmundsbury	£130,468	£147,734

- 3.4 It is therefore suggested that this grant is used to fund the restructure with the detail as follows:

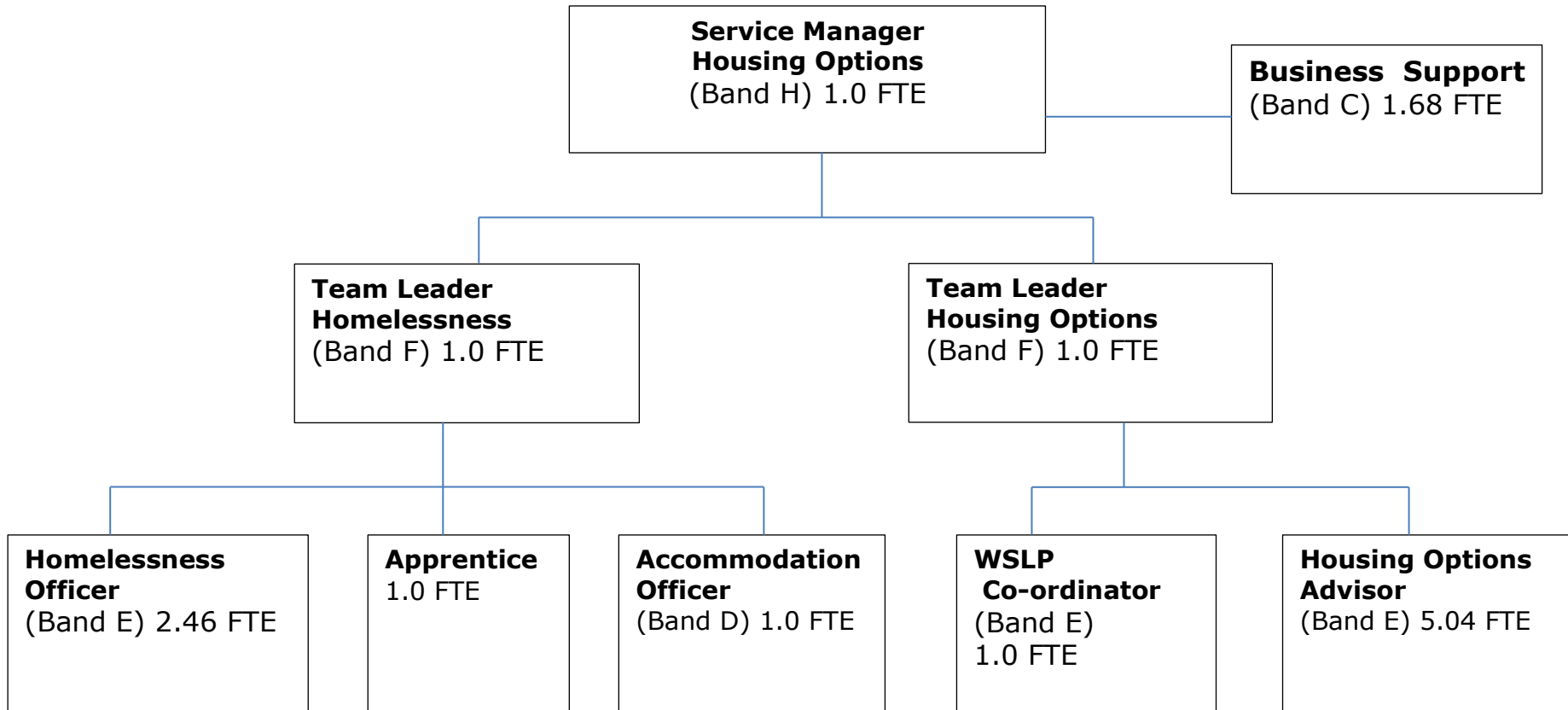
	2017/18	2018/19	2019/20	2020/21
SEBC				
Additional salary cost due to restructure	149,730	151,227	152,740	154,267
Funded from:				
- Flexible Homelessness Support Grant	(130,468)	(147,735)	(147,735)	-
- Universal Credit funding from DWP	(19,262)	(3,492)	(5,005)	(154,267)
	-	-	-	-
	2017/18	2018/19	2019/20	2020/21
FHDC				
Additional salary cost due to restructure	80,624	81,430	82,245	83,067
Funded from:				
- Flexible Homelessness Support Grant	(80,624)	(81,430)	(82,245)	(77,279)
- Universal Credit funding from DWP	-	-	-	(5,788)
	-	-	-	-

- 3.5 It should be noted that in addition to the new grant mentioned above, each council receives £49,000 per year to fund homelessness prevention. This money is used in full at both authorities.
- 3.6 Announcements have already been made that the government will be making available an additional £61 million to help introduce the Homeless Reduction Act. However, it is not likely that West Suffolk will be a significant beneficiary of this funding. Nor do we know how long this funding will be provided.

4. Service outcomes and improvements

- 4.1 It is hoped that the proposed new staffing structure as outlined in this report, will provide the following:
- i. more resource to help deal with the demands expected over the next 12-18 months, these include new statutory duties as a result of the Homelessness Reduction Act, a reduction in housing costs available to 18-21 year olds, Universal Credit full rollout, tax credit caps, reduction in HRS funding along with changes to the funding option to HRS accommodation, changes to the temporary accommodation subsidy;
 - ii. bespoke and targeted specialist services in house, specifically landlord liaison and welfare support; and
 - iii. capacity to deliver the improvements identified by the Gold Standard Peer Review (target in the West Suffolk Housing Strategy) with a view to successfully completing the local challenges.

Appendix A: Existing Staff Structure



Appendix B: Proposed new structure

