

SUBJECT:	<i>HOUSING COMMUNITY ORGANISATIONS FUND 2016-17</i>
REPORT OF:	<i>Councillor Graham Harris</i>
RESPONSIBLE OFFICER	<i>Head of Healthy Communities</i>
REPORT AUTHOR	<i>Michael Veryard – Housing Manager</i>
WARD/S AFFECTED	<i>All</i>

1. Purpose of Report

To make recommendations to Members on the allocation of funding from the Council's Housing Community Organisations Fund budget for 2016-17.

RECOMMENDATION

That the Council issues the following grants in 2016-17:

- (a) a grant of £25,000 to Chiltern Citizens Advice Bureau to support the continuation of the Specialist Debt and Money Advice Service and**
 - (b) a grant of £40,000 to Connection Floating Support to support the continuation of the Housing Interaction Trust service;**
- and that these grant allocations be funded by utilising:**
- (i) a contribution of £55,000 from the Housing Community Organisations Fund budget for 2016/17 and**
 - (ii) a contribution of £10,000 from the Community Grants Fund**

2. Executive Summary

Chiltern CAB (Specialist Debt and Money Advice) and Housing Interaction Trust (Housing advice and support for young people) deliver specialist services that directly contribute towards the Council meeting its statutory homelessness duties under Part 7 of the Housing Act 1996. In November 2015, Housing Interaction Trust merged with Connection Floating Support and continues to deliver a distinct service with ring-fenced funding within the Connection organisation.

Both services have been supported by annual funding contributions from the Council in recent years and both are seeking funding in 2016/17 to secure the continuation of their work. Chiltern CAB is requesting £25,000 and Connection Floating Support (Housing Interaction Trust service) is requesting £40,000.

3. Reasons for Recommendations

The recommendation is the preferred option because it will secure the continuation of specialist advice and support services with a proven track record of delivering homelessness prevention.

4. Content of Report

4.1 The Council's housing revenue budget for 2016/17 includes a sum of £55,000 that is earmarked to support housing community organisation projects that will help the Council to meet its strategic objectives. In recent years, this budget has been used to fund third party services that support the Council in the delivery of its statutory homelessness responsibilities and, specifically, the prevention of homelessness. The proposed allocations for 2016/17 relate to the work of Chiltern Citizens Advice Bureau (Specialist Debt and Money Advice service) and Connection Floating Support (Housing Interaction Trust project).

Chiltern CAB (Citizens Advice Bureau) – Specialist Debt and Money Advice Service

4.2 In 2009 the Council supported Chiltern CAB to establish a specialist Debt and Money Advice Service (utilising funding from the Council's successful bid to the DCLG's Housing Options Trailblazer programme). Since that time, the service has been delivered by the CAB's Money Advice Department and has played a key role in supporting the Council's homelessness prevention work through:

- directly supporting clients to tackle rent and mortgage arrears (e.g. setting up payment plans, negotiating with mortgage lenders and landlords etc.),
- supporting clients with multiple debts on items such as credit cards and personal loans to prioritise and manage their payments (which in turn ensures that these clients prioritise and meet their housing costs rather making other lower priority payments instead), and
- resolving debt issues through actions such as repayment plans, debt write offs and Debt Relief Orders (which provide protection for clients from enforcement action by creditors).

4.3 The Council has been providing funding support to CAB core services on an ongoing basis. Most recently, on Tuesday 20th October 2015, Cabinet resolved to provide an annual grant of £125,000 to CAB for the three year period from 2016/17 to 2018/19 inclusive. However, while this core advice service includes general debt advice given at the initial point of contact to the client, it does not include the specialist Money Advice Department and the detailed case work that it undertakes on homelessness prevention. In 2013 (following on from the cessation of the DCLG Trailblazer funding), the Council separately agreed to allocate funding of £25,000 per annum to secure the continuation of the Money Advice Department for a three year period from 2013/14 to 2015/16. Chiltern CAB has provided detailed case reporting on homelessness preventions secured by the Service during this period which can be summarised as follows:

Year	Homelessness Preventions Secured by Chiltern CAB Debt and Money Advice Service
2013/14	37
2014/15	39
2015/16	40* (Estimate for year based on number recorded for period April to Sept 2015 (20) and previous trends)

4.4 All of these successful homelessness preventions were households who would have been subject to the Council's statutory duties (including the provision of temporary accommodation) if they had instead become homeless and presented to the Council for housing assistance. The direct impact of the service on the Council's work can be seen by considering the costs associated with providing temporary accommodation in bed and breakfast. During the first 6 months of 2015/16 the average gross cost of a bed and breakfast placement to the Council was £1,800 per household. Consequently, the estimated number of 40 homelessness preventions secured by the service in 2015/16 would equate to a notional temporary accommodation cost of at least £72,000 to the Council (if the clients concerned had become homeless instead and sought Council assistance). This is probably an underestimate of the notional cost bearing in mind the pressures on temporary accommodation that already exist in 2015/16. A further increase in placements would probably have resulted in households remaining in bed and breakfast for longer due to the limited amount of accommodation available to move them on to.

4.5 The nature and complexity of these cases mean that intensive work is required by the CAB caseworker in order to secure a successful outcome. For example, an analysis of successful homelessness preventions recorded by the service during the quarter July to September 2015 found that case workers had an average of 12 face to face contacts with each client in addition to the direct contact and negotiations with third parties such as mortgage lenders, landlords and creditors. Some clients with particularly complex and multiple debts required 20 to 30 contacts with the case worker. It should also be noted that the CAB Money and Debt Advice Service works with a wider client base than those highlighted in paragraph 4.4. Where possible, when debt issues are identified at an early stage, the service pro-actively works with clients to prevent them getting to crisis point and to avoid rent and mortgage arrears that could give rise to homelessness at a later date.

4.6 The Council's current funding contribution of £25,000 per annum finishes on 31st March 2016. As shown in the table in Paragraph 4.3 the demand for the service and the level of successful homelessness preventions remains high. An assessment of wider trends and policy developments clearly indicates that the Council will face a continuing demand for specialist debt advice to support homelessness prevention in the coming years. These trends and development includes:

- **Universal Credit**

The roll-out of Universal Credit will continue from 2016 onwards bringing together a range of benefits (including housing benefits) into a single monthly payment. Universal Credit is paid directly to the claimant and is paid in arrears. Both of these elements increase the risk of some claimants falling into rent arrears without proper support (a review of pilot schemes to date published at the end of 2015 identified that 90% of social housing tenants had rent arrears linked to delays in the first Universal Credit payments)

- **Benefit Cap**

The reduction in the Benefits Cap from £26,000 to £20,000 from April 2016 will result in some larger families facing increased challenges in managing household budgets and meeting rent payments (especially because Housing Benefit is the first benefit to be withdrawn when the Cap limit is reached)

- **Registered Providers Rent Policies**

Registered housing providers (e.g. Paradigm) are facing significant changes to their funding position following Government policy announcements in 2015/16 (including the requirement for an annual 1% rent reduction). This could result in some providers taking a harder line on tenants with rent arrears and moving more speedily to possession proceedings if arrangements are not made to resolve the arrears.

- **Other welfare reforms**

Wider welfare reforms will continue to have an impact on some household budgets by reducing the overall household income and making it harder for some people to meet essential costs and bills.

- **Interest rate rises**

There continue to be indications that interest rates will rise in 2016 with a consequent increase in mortgage repayments for some home owners. Where home owners are already stretching their household budgets to meet repayments, this increase may create problems in being able to continue to meet mortgage repayments alongside other essential costs.

4.7 In view of the above, it is important that the Council ensures that an effective Debt and Money advice service remains available to local residents to support homelessness prevention within the district.

Connection Floating Support (Housing Interaction Trust Service)

4.8 In previous years, the Council has annually considered a request from HIT (Housing Interaction Trust) for a funding contribution to support the delivery of housing advice, support and homelessness prevention services for young people in Chiltern. In 2014/15, the Cabinet agreed a contribution of £40,000 which was an increase on the annual funding of £30,000 that had been agreed in previous years. This increase of £10,000 was agreed in order to support HIT to maintain its core advice and support services in response to rising demands and increases in client numbers (HIT increasingly had to subsidise these core services from other funding sources and its own reserves). In May 2015, the Cabinet again agreed to a grant payment of £40,000 to support the delivery of HIT's core services in 2015/16 in view of the continuing high demand for the Trust's services and direct impact on the Council's statutory homelessness duty. As part of the Service Level Agreement, HIT provides the Council with monthly and quarterly reports of its activities.

4.9 During 2015, HIT merged with Connection Floating Support a charitable body delivering housing related support in order to help people maintain independence and avoid homelessness (including Bucks Floating Support and the Rough Sleeper Outreach Project). The rationale for a merger was based on three main reasons:

- To provide a more sustainable future for the delivery of the HIT housing support projects by reducing overheads.
- To better position the HIT projects within a larger voluntary organisation better able to compete for resources through the tender process undertaken by Bucks County Council when delivering services to young people.

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- HIT's knowledge and expertise in delivering housing-related support projects for young people will provide Connection Floating Support with a broader portfolio of services and will support the development of skills within the overall organisation for working with this client group.
- 4.10 The HIT service now operates as a distinct project within the Connection Floating Support organisation and with a ring fenced budget and cost centre. This ensures the £40,000 agreed by the Council for 2015/16 continues to deliver the services set down in the SLA between the Council and HIT.
- 4.11 Connection Floating Support has submitted a statement to the Council providing details of the merger and highlighting the issues facing the delivery of the HIT services now and in the future (see Appendix 1). Connection Floating Support is requesting that the Council considers making a grant payment of £40,000 in 2016/17 to support the continued delivery of the HIT services in Chiltern district during that year.
- 4.12 HIT's services have continued to directly impact on the Council's statutory homelessness responsibilities. The clients that are supported by HIT will often fall in the "priority need" categories designated by the Housing Act 1996 (and associated guidance). This means that the Council would have a statutory duty to provide advice, assistance and temporary accommodation for these clients if they instead applied to the Council for assistance. To date in 2015/16 (April to November 2015), the HIT service has maintained an average client base of 310 clients at any one time. This includes 50 new clients who were not previously involved with the service. Based on the numbers in the year to date, we can estimate that HIT will receive a total of 75 new clients during 2015/16 as a whole. As noted in paragraph 4.4 above, during the first 6 months of 2015/16 the average gross cost of a bed and breakfast placement to the Council was £1,800 per household. Consequently, the estimated number of 75 new clients supported by HIT during 2015/16 would equate to a notional temporary accommodation cost of at least £111,600 to the Council (if the clients concerned had become homeless instead and sought Council assistance). Even if only 50% of these new clients approached the Council instead this would still equate to a notional temporary accommodation cost of £55,800.
- 4.13 National trends continue to show an upturn in demand for housing support and homelessness services across the country. With regard to young people specifically, a number of the welfare reforms in the next two to three years will have direct impact on this client group, including the withdrawal of housing benefit from 18-21 year olds (from April 2017) and the imposition of Local Housing Allowance rates on Registered Provider landlords (for new tenants from April 2016 with implementation from April 2018). The impact of the latter could be significant as young people being housed by registered providers will only be eligible for housing benefit at a shared room rate. This will make registered provider rent levels unaffordable for some young people and will mean that this will no longer be a viable housing option for them. This will increase the importance of having effective targeted advice and support services available that can prevent homelessness amongst young people and ensure that they receive impartial and realistic advice on their housing options.
- 4.14 When Cabinet agreed annual grant funding to HIT in 2012/13 it also resolved that it agreed in principle to a representative of the Council being appointed to the Board of

HIT. HIT agreed to an appointment being made and Councillor Mark Cunnane was subsequently nominated as the Council's representative. Councillor Carl Jackson is now the Council's nominated representative to HIT. Following the merger, the Chief Executive of Connection Floating Support is taking forward arrangements for the Council's representation in relation to the Trust's work in the merged organisation.

5. Consultation

Not applicable

6. Options

6.1 Option 1 – Payment of Grants as requested

The Council could provide grants to Chiltern CAB and Connection Floating Support (HIT Service) in 2016/17 as requested as follows:

Organisation	Payment
Chiltern CAB (Specialist Debt and Money Advice)	£25,000
Connection Floating Support (Housing Interaction Trust)	£40,000
Total	£65,000

The sum of £55,000 can be met from the Housing Community Organisations Fund budget for 2016/17. This will leave a balance of £10,000 which can be met from the Council's Community Grant's budget. CDC Cabinet 20 October 2015 agreed to earmark £10400 for future projects from Chiltern CAB. Support to the Specialist Money advice proposal would address this proposal.

6.2 Option 2 – Payment of grant sum lower than the requested level

The Council could offer to make a payment to one or both of the agencies which is lower than the requested level of funding requested. The implications of this would be:

- i. **Chiltern CAB (Specialist Debt and Money Advice)**
Chiltern CAB has not sought an increase on the Council's previous annual contribution of £25,000 to support the delivery of the Specialist Debt and Money Advice service. However, this is the minimum sum required to secure the continuation of the service. If the Council chose only to make a lower sum available then it is likely that Chiltern CAB would have to discontinue the specialist service. The impact of this is summarised in Option 3 below.
- ii. **Connection Floating Support (Housing Interaction Trust)**
The HIT service could potentially deliver a reduced service for a lower grant of £30,000. However, it would not be able to continue to meet the current demand for services and would have to operate reduced opening hours and

a waiting list for clients. In turn, this is likely to result in potential HIT clients instead contacting the Council because they cannot access advice and support from HIT. This would have the knock-on effect of increasing pressure on the Council's homelessness service and on its temporary accommodation.

A payment of below £30,000 would mean that the HIT service could not continue to deliver a comprehensive and proactive advice and support service in Chiltern beyond the short term. The service could cease to operate within a short period of time.

6.3 Option 3 - No Grant payment

If the Council chose to make no payment, then both Chiltern CAB's Specialist Debt and Money Advice service and the HIT service would cease to operate in 2016/17. There would be no comparable local or national services that could take on the client work that is currently undertaken by these agencies. Therefore, the likelihood is that these clients would instead contact the Council for advice and assistance with the potential impact on officer time and budgets (e.g. temporary accommodation costs) that has been highlighted elsewhere in this report.

With specific regard to Chiltern CAB, it should be noted that although the Government's MAS (Money Advice Service) and website provides access to free and impartial money advice, it cannot provide the level of support required for complex cases with multiple debts. In these cases, the MAS website directs people to contact their local CAB and debt advice services for one-to-one assistance.

7. Corporate Implications

7.1 Financial

The proposed costs can be met from existing Council revenue budgets as set down in Paragraph 6.1 above.

7.2 Legal

The Council has a statutory duty under Part 7 of the Housing Act 1996 to secure that advice and information about homelessness and the prevention of homelessness is available free of charge to any person in their district. It also has specific duties to support people who directly approach the Council for assistance because they are homeless or threatened with homelessness. The Council must fulfil these duties through the services that it both delivers directly and through supporting other agencies. If it fails to do so then it is open to challenge that it is not fulfilling its statutory duties under Part 7 of the Housing Act 1996.

8. Links to Council Policy Objectives

Delivering Cost Effective Customer Focussed Services

Working towards safe and healthier local communities

9. Next Step

The Council will enter into appropriate Service Level Agreements with Chiltern CAB (Monet and Debt Advice) and Connection Floating Support (Housing Interaction Trust Services) to secure the delivery of services in 2016/17 in return for the agreed grant funding.

Background Papers:	It is a legal requirement that we make available any background papers relied on to prepare the report and should be listed at the end of the report (copies of Part 1 background papers for executive decisions must be provided to Democratic Services)
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