

SUBJECT:	<i>Cost of Homelessness</i>	
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WARD/S AFFECTED	<i>All</i>	

1. Purpose of Report

- 1.1 To note the cost of homelessness.

RECOMMENDATIONS

1. To note the report.

2. Reason for Recommendations

- 2.1 The Overview and Scrutiny Homelessness Management Task and Finish Group made the following recommendation:

Members asked for the real costs of homelessness to be presented to the Healthy Communities PAG giving clear information on the whole picture, including hidden costs, staff costs and the costs of accommodation to the Council above the flat rate charge.

3. Statutory Background

- 3.1 Part 7 of the Housing Act 1996 places a statutory duty on SBDC to secure temporary accommodation for homeless persons who apply for housing assistance. The duty can arise at various stages of the application process and is dependent on factors such as whether or not the applicant is deemed to be in priority need (non-priority need households will not normally be subject to the duty). In many cases, the duty is mandatory and SBDC has to comply with the requirement to secure accommodation.
- 3.2 SBDC does not have any designated temporary accommodation to meet its Part 7 duties. It utilises:
- Bed and Breakfast / nightly booked accommodation.
 - L&Q properties let on a temporary basis (approximately 15 units at any one time).
 - Other opportunities that become available (e.g. Utilising vacant Police Houses at Gerrards Cross and vacant L&Q owned student accommodation in Wycombe).

4. Cost of Joint Homelessness / Housing Options Team

4.1 The Council operates a joint Homelessness / Housing Options team with Chiltern District Council (CDC). This team comprises the following staff.

- Housing Manager – c50% of time
- 1 FTE Senior Housing Options Officer
- 7.23 FTE Housing Options Advisors
- 0.5 FTE Housing Customer Support Officer.

4.2 The budgeted cost of the housing options team in 2017/18 is £356,250. This is shared between CDC and SBDC.

4.3 The following costs are also incurred:

- £40,150 Cost of locator housing system Shared CDC / SBDC.
- £20,000 Rough sleeper outreach project Shared CDC / SBDC.
- £13,123 CAB specialist debt advice service SBDC only cost.

4.4 To offset some of the costs, in 2017/18 Central Government has given SBDC:

- A Flexible Homelessness Support Grant of £113,007. This grant is ring-fenced and can only be used to prevent or deal with homelessness.
- A Grant of £25,831 – Extra burdens funding arising from the Homelessness Reduction Act.

4.5 In seeking to control the demand for emergency accommodation the Council has taken a preventative approach and offers advice, assistance and support to prevent homelessness. It achieves this via officers directly intervening in cases at risk of eviction to help retain existing tenancies. However if a homeless application is made the Council has a duty to investigate and provide emergency accommodation were necessary.

4.6 To assist in reducing the demand for accommodation the Council supports the provision of specialist debt advice via the Citizens Advice Service, as well as the general CAB advice services assisting people to manage their problems. These services assist households manage and prioritise their debts and access benefits, with day to day liaison over individual cases. Being co-located at the South Bucks offices supports improved communication in relation to benefit and debt cases and assists in delivering joint training opportunities.

4.7 CDC and SBDC were part of a successful countywide bid for DCLG Homelessness Trailblazer funding (£625k), to establish the Resilience Service, operated by Connection Support a not for profit organisation commissioned to deliver support services by the district partnership and the county council. This service focusses on homelessness prevention and early intervention, providing one-to-one support to clients and linking to partner agencies (e.g. Health, Probation, Early Help Panel, Job Centres etc).

5. Support from other Departments

- 5.1 The Legal Team provide advice to the Housing Options Team on homelessness appeals which go to the County Court. If the appellant is unsuccessful we seek to recover our legal costs. Since April 2017 the legal team have spent approximately 100 hours in total on two SBDC homelessness cases, one heard at County Court and one of which has been lodged at the Court of Appeal.
- 5.2 The Finance team are responsible for chasing any outstanding homeless debt once the person has moved on from the B&B / nightly booked accommodation. It is estimated that this takes up approximately 0.5FTE of a Finance Assistants time. In addition if the debt ends up being passed to a Debt Collector they will charge 15% of any money collected.
Note: The Housing team pursue the debt whilst the client is being housed, as they are already in regular contact with the client, and have more influence to encourage payment.
- 5.3 There are also regular meeting between Finance, Benefits and Housing to review all cases, particularly to ensure housing benefit is being claimed when appropriate, and client contributions are being made.

6. Cost of Accommodation

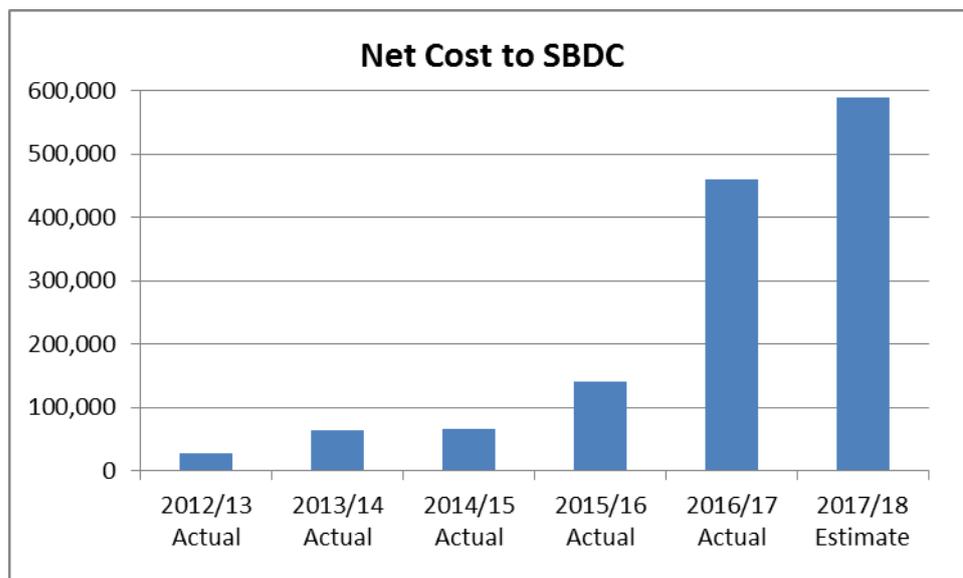
- 6.1 In addition to the cost of the Joint Homelessness / Housing Options team, the Council also incurs costs associated with housing homeless clients. These costs are not shared with CDC.
- 6.2 When a homeless client is placed in B&B / nightly booked temporary accommodation:
- SBDC pays the cost of the temporary accommodation (this varies between £30 and £100 a night depending on the size / nature of the accommodation), and
 - SBDC is entitled to charge the client a 'reasonable amount' under Section 206(2) of the Housing Act 1996. Note: When considering what a 'reasonable amount' is affordability issues need to be considered; indeed there have been legal cases where a nil rent has been deemed appropriate due to affordability issues.
- 6.3 The homeless client will then cover these charges by claiming Housing Benefit / Universal Credit if appropriate and making personal contributions.
Note: Normally in these cases the Housing Benefit is paid direct to SBDC (as opposed to the client). However it is the client's Housing Benefit and it is **their** responsibility to claim this.
- 6.4 The cost per night per family is summarised in the following table.

	£
Rent paid to B&B owner by SBDC per night	60
Less Housing Benefit entitlement *	-20
Less required contribution from person	-5
Net Cost to SBDC	35

* This is the maximum HB that central Government reimburses SBDC for.

- 6.5 Furthermore if a client fails to claim housing benefit and / or fails to make the required financial contribution then the cost to SBDC will increase accordingly.

6.6 The total annual net accommodation cost to SBDC for all homeless clients placed in B&B / nightly let accommodation is shown in the graph below.



6.7 The reason the cost has risen is due to a variety of factors including:

- The rent paid by SBDC to B&B owners has increased due to inflation and lack of supply.
- More clients are having to be placed in more expensive nightly let accommodation (rather than B&B) to minimise the number of families who stay in B&B over 6 weeks.
- The number of Homelessness applications has increased.
- The length of stay in B&B / temporary accommodation has increased due to a lack of move on accommodation.

7. Corporate Implications

7.1 The total direct cost of homelessness to SBDC in 17/18 is approximately £650,000.

	£
Joint Homelessness / Housing Options team	200
Net cost of accommodation	590
Less the Government Grant income	-140
Total	650

This excludes that time spend by support departments.

7.2 The cost of homeless accommodation has increased significantly over recent years, and action is being taken to reduce reliance on B&B / nightly let accommodation in the future.

8. Links to Council Policy Objectives

8.1 Part 7 of the Housing Act 1996 places a statutory duty on SBDC to secure temporary accommodation for homeless persons who apply for housing assistance.

Background Papers:	Overview and Scrutiny Homelessness Management Task and Finish Group papers
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