

 Brent	<p style="text-align: center;">Cabinet 16 January 2017</p> <p style="text-align: center;">Report from the Strategic Director of Community Wellbeing</p>
<p style="text-align: right;">Wards affected: ALL</p>	
<p>New Homelessness Prevention and Relief Programme for Single People</p>	

1.0 Summary

- 1.1 Following the Council's Housing and Vulnerable People Outcomes Based Review and the successful application for £900k from the Department of Communities and Local Government (DCLG) Homelessness Prevention Trailblazer fund for the period April 2017 to March 2019, this report requests Cabinet approval to commit up to £900k match funding to fund local voluntary sector organisations to deliver homelessness prevention and relief outcomes for single people who are homeless or at risk of homelessness in Brent. The final amount to be spent will depend on the number of successful outcomes which are achieved.

2.0 Recommendation(s)

That Cabinet:

- 2.1 Note that the Council has successfully applied for £900k from the Department of Communities and Local Government Homelessness Prevention Trailblazer fund for the period April 2017 to March 2019
- 2.2 Agree to delegate authority to the Strategic Director, Community Wellbeing, in consultation with the Lead Member for Housing and Welfare Reform, to approve criteria for grant funding, to approve criteria for the evaluation of bids and to approve the allocation of grant on acceptable terms for evidenced homeless prevention and relief, and accommodation sustainment outcomes, for single people.
- 2.3 To approve expenditure from council resources of up to £900k between January 2017 and March 2020 to contribute to the achievement of the

outcomes referred to in 2.2 above by the voluntary sector under the grant agreement(s), and for necessary set up costs.

3.0 Detail

Background

- 3.1 The Council's Outcome Based Review (OBR) on Housing and Vulnerable People has identified an important gap in provision for single people who do not meet the Priority Need threshold in the homelessness legislation and who do not qualify for the limited amount of supported housing or floating support the council's commissions.
- 3.2 Data from the OBR and the Council's new singles desk, suggests that around 1750 people per year with at least some level of vulnerability approach or are referred to the council in a housing crisis and attend a face to face interview but do not receive a meaningful level of support.
- 3.3 In addition, there is significant unmet need from low risk offenders leaving prison which officers are discussing with the London Community Rehabilitation Company (CRC) and a need to accommodate mental health patients leaving Park Royal, a substantial number of whom are currently discharged into expensive and unsuitable B&B type accommodation, where they spend an average of over 2 years.
- 3.4 The council also anticipates a potential surge in single homelessness following the reduction in the Overall Benefit Cap in January 2017, which is estimated to affect around 800 single people in the borough, leaving them with an average of over £40p.w. less money to pay for expenses including their rent.
- 3.5 Furthermore the Homelessness Reduction Bill currently passing through Parliament will place a statutory duty on the Council to take "reasonable steps" to prevent homelessness for **all** people at risk of homelessness within 56 days, regardless of support needs. The date of implementation is unknown, but could be as early as October 2017.
- 3.6 In addition, the devolution of the Temporary Accommodation Management Fee (TAMF) to a block grant to local authorities from April 2017, and worth an estimated £5m per year to the council, is likely from 2020 to be allocated largely on the basis of the Council's homelessness prevention and relief data, rather than on the amount of our Temporary Accommodation.

Homelessness Prevention Trailblazer Funding

- 3.7 DCLG launched a fund in October 2016 offering £20m to local authorities in England to support an expected 15 to 20 "Homelessness Prevention Trailblazers" for the period January 2017 to March 2019.

- 3.8 The Council submitted a bid for £1m of this funding and has been informed the application has been successful, with an award of £900k.
- 3.9 The bid stated that, subject to Cabinet approval, the Council would match fund DCLG's £1m with Council funding of an amount depending on the success of the programme in achieving outcomes over and above those funded by DCLG, but up to a maximum £1m if all targeted outcomes were achieved. As DCLG have awarded £900k, the maximum match funding required from the Council is reduced to £900k, accordingly.

Brent's Trailblazer Proposal

- 3.10 Following discussions with DCLG and the main local homelessness voluntary sector organisations (St Mungo's, Crisis Brent and Ashford Place) Brent's Trailblazer proposal is to work in partnership with the local voluntary sector to prevent and relieve homelessness for an estimated 1480 single households over 2017/18 and 2018/19, on a payment for outcomes basis.
- 3.11 If this is achieved, it would triple the number of homelessness preventions or relief for single people currently achieved by the Council.
- 3.12 A payment for outcomes approach will allow the participating organisations maximum flexibility to innovate and build their capacity to deliver such a service and ensure value for money for the Council by only paying for success.
- 3.13 The outcomes the council plan to pay for will be:
- Evidenced prevention or relief of homelessness
 - Evidenced sustainment of accommodation for 6 months
 - Evidenced sustainment of accommodation for 12 months
- 3.14 The potential risk to the voluntary sector entailed by this (i.e. of not achieving enough outcomes payments to cover their service delivery costs) can, if the voluntary sector so desire, be transferred to social investors.
- 3.15 Crisis, St Mungos and Ashford Place have all expressed their support for the proposal and wrote support letters for the bid to DCLG.
- 3.16 Whilst Crisis, St Mungos and Ashford Place are the organisations with the most capacity in Brent to deliver the desired outcomes, there is a wish to involve other organisations representing the borough's diverse communities to ensure that the service is designed and provided equally to individuals from all communities in Brent who are at risk of homelessness.
- 3.17 The council let a contract to Brent Citizens Advice Bureau commencing on 1st April 2016 for the provision of the Brent Advice Matters partnership. One of the principal requirements of this contract was the development and management of a network of advice agencies to provide local advice services within the community – the Brent Community Advice Network. Members of

the Brent Community Advice Network and other VCS organisations delivering services to homeless people in Brent will be informed about the opportunity to apply for grant funding for this work.

- 3.18 It is intended to hold an engagement event with a range of voluntary sector organisations towards the end of January prior to publishing a bidding prospectus in February. A requirement for bidders will be to show how they will address homelessness for the diverse range of communities in Brent including those who currently face barriers to accessing services, as well as demonstrating that they have the ability to deliver at the necessary scale to achieve the Council's objectives. Consortium bids will be encouraged.
- 3.19 Referral criteria will be set and monitored by the council, but officers anticipate some direct referrals to the voluntary sector (e.g. at the Harlesden Community Hub), and wish to set up a number of new referral pathways e.g. from local prisons, mental health services, and substance abuse services for their low risk clients. The council may also be able to take referrals from GPs, FE colleges and Job Centre Plus of their clients affected by homelessness.
- 3.20 This package will transform the service to single homeless people in the borough, and potentially set a template which could be copied elsewhere in the country. The voluntary sector will add significant value through their access to employment and skills support, financial inclusion services, and services around mental health, substance abuse etc.
- 3.21 It is anticipated, based on discussions so far, that the average price for homelessness prevention/relief and 1 year tenancy sustainment would be of the order of £1,500, which, on that basis, would be a maximum cost to the Council of £750 per individual because of DCLG's contribution.

Benefits of the proposal

- 3.22 Under the Homelessness Reduction Bill, as currently drafted, when enacted, the Council will have a statutory obligation to take "reasonable steps" to prevent or relieve homelessness for anyone at risk of homelessness within 56 days. The programme proposed in this report will be an excellent way to do this for a key group of single people who have a level of vulnerability insufficient to receive significant help from the Council's current service.
- 3.23 New Burdens funding that is expected to be associated with the Homelessness Reduction Act will be intended for exactly this kind of activity and has the potential to support the programme's continuation beyond 2019.
- 3.24 Homelessness is a priority issue for the Council and is of keen concern to elected members and to local residents. The OBR shows that the Council's current offer on single homelessness is inadequate to cope with the need in the borough.
- 3.25 The programme has the potential to save the Council money over the medium term by prevention of future rough-sleeping, by prevention of future

homelessness acceptances, and by reduction in the future need for supported housing and adult social care.

- 3.26 By targeting groups including those leaving prison without accommodation, and by taking mental health referrals, the programme will reduce offending, and improve both mental and physical health among the borough's citizens. For example, Ministry of Justice research shows that 79% of prisoners who reported being homeless before custody were reconvicted in the first year after release, compared with 47% of those who did not report being homeless before custody. According to NACRO, as many as a third of prisoners lose their housing on imprisonment. The Social Exclusion Unit found that 35% of prisoners do not have access to accommodation on release.
- 3.27 Implementing this proposal will increase the probability of safeguarding or even increasing future Temporary Accommodation Management Fee, which is planned to be devolved as a block grant to local authorities from April 2017, and is worth an estimated £5m per year to Brent Council. After the initial three year settlement it is likely that this funding will be largely based on the number of homelessness preventions achieved, rather than the amount of Temporary Accommodation a council uses. Without increasing homelessness prevention activity, this funding is at risk in the future.

Timescale

- 3.28 The proposed timescale for implementation is set out in Table 1.

Table 1.

Milestone	Date
Voluntary Sector Engagement Event	January 2017
Grant Application Prospectus issued	February 2017
Closing Date for Bids	End March 2017
Grant Award	April 2017
Operational period begins	from May 2017
Operational period ends	May 2019
Final outcomes payments	May 2020

4.0 Financial Implications

- 4.1 The total proposed fund for this programme is currently capped at £1.8m, with £900k being funded by DCLG and £900k funded by the council.
- 4.2 The DCLG expenditure is profiled as £0.6m in 2017/18 and £0.3m in 2018/19. The council's match funding would be utilised from 2018/19 onwards and could potentially range across a number of financial years.
- 4.2 The 2015/16 Spending Review and Autumn Statement announced that funding of the Temporary Accommodation management fee will be devolved to local authorities from 2017/18, giving them more freedom and flexibility in how they use this funding. Current levels of funding will be maintained and, in addition, councils will together receive £10m year more nationally. The DCLG

will set out the precise detail of how the new funding will be distributed in 2016/17.

- 4.3 It is estimated that the devolved Temporary Accommodation Management Fee grant will amount to £5m annually in Brent. This is based on the devolution of the £40 per week management fee for an estimated 2500 eligible Temporary accommodation properties per annum.
- 4.4 It is assumed that £900k of the Temporary Accommodation Management Fee funding could be released to fund the council's £900k contribution to the programme. This is based on the savings of £40 per week per property for at least 480 Homelessness Preventions or Homelessness Reliefs. These interventions would only be marginally achieved through this programme, which is targeted at single homelessness, with the majority assumed to be achieved via the council's Temporary Accommodation Reform Plan.
- 4.5 Discussions with the voluntary sector so far indicate that the total price the council would need to pay for preventing or relieving homelessness and sustaining accommodation for 12 months would be between £1.2k and £1.8k per case. Where homelessness is not prevented or relieved, the council would not pay, and where accommodation is not sustained, the council would pay less.
- 4.3 It is proposed to cap the maximum amount spent at £1.8m, and any outcomes achieved beyond that would incur no further cost to the council. The final price per outcome is subject to negotiation, but an initial assumption is that a maximum 1330 households have their homelessness prevented or relieved and accommodation is successfully sustained for 6 months in 80% of cases and for 12 months in 70% of cases, and that the total price of each fully successful outcome is £1.5k.
- 4.9 The Council will seek to safeguard voluntary sector providers from taking an undue financial risk beyond that which they are comfortable with, by involving ethically driven social investors in the financing of the upfront service delivery costs of the programme as needed.
- 4.10 All costs associated to the setup and monitoring of the outcomes will be charged to the £1.8m programme fund.

5.0 Legal Implications

- 5.1 Local authorities are required to provide information and advice to their local residents where necessary, under a range of statutory provisions to include the Health & Social Care Act 2012, Housing Act 1977, Housing Act 1996 and Homelessness Act 2002. The information and advice provided must be proportionate to the needs of those for whom it is being provided. Further, the Homelessness Reduction Bill, as currently drafted, proposes that the Council will have a statutory obligation to take "reasonable steps" to prevent or relieve homelessness for anyone at risk of homelessness within 56 days.

- 5.2 The council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 5.3 Recommendation 2.2 seeks delegation of authority to the Strategic Director, Community Well Being, in consultation with the Lead Member for Housing and Welfare Reform to approve criteria for grant funding, to approve criteria for the evaluation of bids and to approve the allocation of grant on acceptable terms. The council is obligated under the Treaty for the Functioning of the European Union to deal with all providers seeking funding in a fair open and transparent way. Therefore, the council should allow fair access to the funding by all potential providers. This means that the Council should advertise the availability of the funds to include the criteria for grant funding and criteria for the evaluation of bids and assess providers' bids in the same way. The general power of competence in Section 1 of the Localism Act 2011 may be utilised to grant fund such advice providers where there is a good reason to do so.
- 5.4 Proposed grant agreements will include provision for delivery of the project in line with DCLG requirements, including timescales having regard to the implications of failure to comply as set by DCLG. The intention is to grant fund on the basis of payment for outcomes, an approach approved by the DCLG, and therefore robust monitoring requirements will need to be in place.
- 5.5 In order to ensure that the grant does not qualify as procurement activity the council must ensure that there is no pecuniary interest taken in the grant by the advice provider beyond the general receipt of the funds. Therefore, the council must ensure that it is agreeing to cover the provider's actual costs, including the costs of raising outcomes-based finance to fund service delivery costs incurred in advance of outcomes payments being made.
- 5.6 It is clear that each advice provider who receives a grant may gain an advantage in the market place generally, for example in respect of bidding for funding and work opportunities that could subsequently arise and this raises state aid issues. However, in the circumstances detailed in the body of the report it is not considered such a grant would constitute unlawful state aid. It is not considered that there would be any cross-border interest as it is unlikely that the advantage gained by an advice provider would assist it to bid for services and work in another member state. Furthermore, the council is undertaking this route to "remedy a failure in the market place" in that it is making these grants to provide advice services to vulnerable groups that are not otherwise available. Again grant aid that might otherwise be unlawful is allowable in this context.

6.0 Equality Implications

- 6.1 This proposal will provide homelessness prevention and relief to a much larger number of single people, including ex-offenders and those with mental and physical health problems who do not meet the Council's current vulnerability threshold for intensive services.

- 6.2 Voluntary sector providers will be explicitly tasked to work with all sections of the community in Brent, including those who face barriers in accessing council services. Overall, it is expected that the proposal will have a positive impact across all protected groups, although it should be stressed that some groups are over-represented within the cohort of non-priority homeless people, while others are under-represented. Some protected groups are more likely to fall into a priority need category, for example on grounds of age, pregnancy and maternity or disability and this proposal is targeted specifically at those who have some level of vulnerability but do not meet housing or social care thresholds that would require the council to provide accommodation.
- 6.3 Within the target group, the following characteristics are worth noting. Men are more likely than women to fall within this group and there is evidence that certain BAME groups are over-represented. Mental health and alcohol and drug problems are also more common among this group. There is limited data on religion and sexual orientation. Among other benefits, the proposal will, through more focused work with this group, provide an opportunity for better data collection and improved understanding of its characteristics.
- 6.4 An initial equalities assessment is shown at **Annex 1**.

7.0 Staffing/Accommodation Implications

- 7.1 The staffing requirements for delivering this scheme, which will be small when it is up and running, are linked to the development of the Singles Pathway Team and are being considered as part of that review.

Background Papers

Annex 1. Equalities Assessment

Background Paper: The Council's Homelessness Prevention Trailblazer Bid to DCLG

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