

REPORT FOR DECISION

DECISION MAKER:	CABINET
DATE:	25 NOVEMBER 2015
SUBJECT:	HOMELESS RESCUE FUND – AMENDED POLICY AND PROCEDURE
REPORT FROM:	CLLR RISHI SHORI CABINET MEMBER FOR HOUSING AND FINANCE
CONTACT OFFICER:	Karen Young, Head of Inclusion
TYPE OF DECISION:	CABINET (KEY DECISION)
FREEDOM OF INFORMATION/STATUS:	This paper is within the public domain
SUMMARY:	<p>This report seeks approval to amend the current grants-only policy for awards made from the Homeless Rescue Fund (HRF).</p> <p>The change, which does not alter eligibility or the type of support provided, will enable the Council to 'loan' money to qualifying households as well as continue to award grants depending on the applicant's financial prospects and ability to pay.</p>
OPTIONS & RECOMMENDED OPTION	<ol style="list-style-type: none"> 1. Approve the minor change to the way the Homeless Rescue Fund is operated. This is the preferred option as recovering money under certain circumstances (and recycling the receipts) will make the Fund more sustainable and enable more people to be helped in the longer term. 2. Retain the existing policy – which will result in the Fund running out of money sooner.
IMPLICATIONS:	
Corporate Aims/Policy Framework:	The proposals accord with the Policy Framework
Statement by the S151 Officer: Financial Implications and Risk Considerations:	This report seeks to double the existing fund (to £30,000) using funds from the Homelessness Prevention Grant.

	The report also seeks approval to operate the fund on a “loan” basis where appropriate; thereby allowing funds to be recycled.
Health and Safety	There are no health and safety issues arising directly from this policy change.
Statement by Director of Finance and E-Government:	Preventing individuals / households becoming homeless will help mitigate demands upon wider Council services.
Equality/Diversity implications:	The proposals are largely neutral although equality analysis recognises that the policy has positive aspects for the wider community in the prevention of homelessness and helping to maintain sustainable, stable communities.
Considered by Monitoring Officer:	Yes. JH The discretionary payments envisaged are enabled under the general power of competence (in the Localism Act 2011). Legal advice has been given on the policy and procedure.
Wards Affected:	All

TRACKING/PROCESS

DIRECTOR: EXECUTIVE DIRECTOR, COMMUNITIES AND WELL BEING

Chief Executive/ Management Board	Cabinet Member/Chair	Ward Members	Partners
Scrutiny Committee	Committee	Council	

1.0 BACKGROUND

- 1.1 The Council introduced a Homeless Rescue Fund (HRF) in October 2010 as a way of preventing homelessness. The fund provides eligible households with access to small amounts of money in order to resolve housing problems that would otherwise result in the household presenting to the Council as statutorily homeless.
- 1.2 The HRF has become a useful tool in preventing homelessness. For limited cost (no award can exceed £1000), households can gain or retain accommodation without going through the statutory homeless process which is more expensive to the Council.
- 1.3 The Fund predominantly helps households secure accommodation in the private rented sector although it has been used to resolve other housing issues:
 - Emergency work – which has been required for continued occupation of a property but financial assessment has shown the applicant could not afford
 - Emergency accommodation for rough sleepers
 - Family mediation/counselling services to address relationship breakdowns

- Starter home packs – when households have moved on from temporary accommodation with nothing and no other funding has been available

2.0 HOMELESS RESCUE FUND PROPOSALS

- 2.1 The policy agreed in 2010 only allows funding in the form of a grant. This report seeks to amend the policy by giving the Council power in certain circumstances to reclaim the amount back from the applicant over time. In these cases, the award would effectively be a loan rather than a grant.
- 2.2 The rationale for this is because some uses of the Fund (eg bonds, rent in advance) take the form of guarantees rather than grants; some applicants are in temporary hardship and could afford to repay the amount over a period of time; and, as the Fund is finite, continuing to award grants will result in the fund running out of money sooner.
- 2.3 Safeguards will exist to protect applicants. There has to be a reasonable prospect of the money being recovered. In addition, assessment of each applicant's circumstances and financial position will be required to determine their ability to pay.
- 2.4 The revised policy and procedure is attached to this report.
- 2.5 Preventing homelessness is at the heart of the Council's homeless strategy and supporting vulnerable people in their time of need is central to the Council's values. Moving away from a grant-only HRF supports these objectives as recycling money that can be recovered will extend the life of the fund and enable more homeless applicants to receive help.

3.0 FINANCIAL IMPACT AND RISKS

- 3.1 With 1 in 8 properties now in the private rented sector, it is anticipated that demand for bonds and rent in advance will increase the calls on the HRF. For this reason it is planned to double the fund by allocating an additional £15,000 from the current year's Preventing Homelessness monies. This will provide the necessary cash flow pending the introduction of repayments to replenish balances. This amount is considered sufficient given the limits on the scale and nature of interventions for the foreseeable future.
- 3.2 When the HRF was introduced in 2010 risks were managed by limiting individual awards to no more than £1000 per case and instigating a governance framework for all applications. This approach will continue together with rigorous assessments of each applicant's financial position to minimise the risk of financial abuse. Focusing on small scales cases also encourages maximum impact for the funding available.
- 3.3 The operation of the Fund will continue to be monitored to ensure a strong focus on homeless prevention and to secure value for money.

4.0 EQUALITY AND DIVERSITY

- 4.1 The Equality Analysis indicates there will be neutral impact across all diversity strands as administration of the fund will be determined on the basis of priority need as defined in the Homeless Act 2002. There is a positive impact on community cohesion as households are able to sustain settled accommodation, vulnerable people are less transient and family life (including employment,

schooling, etc) becomes less disrupted.

5.0 CONCLUSIONS AND RECOMMENDATIONS

- 5.1 Preventing homelessness is better for households and cheaper for the Council. The HRF is a useful tool in this respect as it enables households to overcome the small problems that lead to homelessness.
- 5.2 The proposed changes to policy allow the recovery of payments in certain circumstances. This is a positive move. Recycling money makes the HRF more sustainable and enables more households can be assisted – in keeping with the Council’s Vision, Purpose and Values of supporting vulnerable people.
- 5.3 It is recommended that the preferred option to amend the policy be approved.

List of Background Papers:-

Homeless Rescue Fund Policy & Procedure

Equality Analysis

Contact Details:-

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