

**EXECUTIVE MEMBER:** Councillor Clements  
**LEAD OFFICER:** Fergus Mc Morrow  
**REPORT AUTHOR:** Alan Davis

**Summary and Recommendation:**

**This report details a Spend to Save Strategy which the Communities and Local Government Department recommends that every Housing Options Service should adopt.**

The Panel are asked to note its contents and agree to its adoption.

**1. INTRODUCTION**

- 1.1 The council has a statutory duty under the Housing Act 1996, as amended by the Homelessness Act 2002, to re-house certain categories of homeless households, and it also has a duty to work towards preventing homelessness wherever possible.
- 1.2 A key driver of this approach is to explore options which will enable a planned and timely move and help to sustain independent living.

**2. POLICY**

- 2.1 The Spend to Save policy will enable Housing Options staff to consider a wider range of options for prevention, by being able to access a homeless prevention budget to make one off payments, designed to assist those threatened with homelessness to remain in their existing accommodation. This policy will apply not only to people statutorily threatened with homelessness and in priority need as defined in the Homeless Act 2002, but also to help people who generally are threatened with losing their current home or who without our help will have problems in finding a new home.
- 2.2 The maximum payment under the scheme will normally be £1250, although a sum just above this threshold will be considered by the Strategic Housing Services Manager and the Housing Needs Strategy Manager.

Applications for payment up to £650 can be considered by the Housing Needs Strategy Manager and two Housing Options Advisers forming a panel, with any above that amount being passed to the Strategic Housing Services Manager to be approved.

- 2.3 Payments under the scheme can be made to assist homeless or potentially homeless households to either stay in their current accommodation or to help them find new accommodation.
- 2.4 All proposals for the use of the scheme will be approved as described in paragraph 3.2 above and all other possible preventative measures will have been explored before use of the budget is agreed
- 2.5 Some examples of the possible use of the Spend to Save scheme are:
  - a. Payment of rent in advance and deposits. Together with our existing Bond Guarantee scheme operated through our partner DIGS, rent in advance would have an important role in preventing homelessness by enabling people on a low income to access private rented housing. This would be likely to be of particular benefit when there are delays with the administration of housing benefit.  
The initial application for rent in advance should still be to the DWP for a loan or to Housing Benefits and via the Discretionary Housing Panel where applicable. However where this is not forthcoming, a payment may be appropriate from the Spend to Save budget.  
  
These payments will usually be considered as loans and will be repayable in agreed instalments with the monies being recycled for other loans.
  - b. One off payment to clear a static rent arrear. This would be used when a relatively small amount of arrears is leading to the threat of eviction, or is preventing a household being considered for a new tenancy. The tenant would be in arrears through no fault of their own, as for example if their Housing Benefit had been unexpectedly reduced or stopped, or a member of the household, who formerly provided financial support had left. Tenants would have to show that they are now meeting the cost of the current rent, but have been unable to clear a former static arrear, and that their landlord will not accept payment by instalments.
  - c. Rent top up. There may be occasions when the rent is increased but the amount of housing benefit is not re-assessed immediately. A limited time of providing a top up payment may enable the household to readjust their finances. This would only be when a

Discretionary Housing Payment has not been granted or is not applicable.

- d. Payment of court costs in a possession case, with the agreement of the tenant, to prolong their stay in their current home and to avoid the use of temporary accommodation.
  - e. Paying for specialist money advice through a service level agreement with the Citizens Advice Bureau.
  - f. Paying for mediation between families where breakdown could lead to a young person or other family member being made homeless otherwise, or between a private landlord and tenant where an eviction could be avoided.
  - g. Miscellaneous other one off payments which members of the Housing Options Team could use to prevent homelessness or find someone new housing.
- 2.6.1 This is not an exhaustive list but gives an indication of the type of payments that could be made under the scheme. Flexibility for Housing Advice staff to see an opportunity for prevention and to be able to act upon it is necessary within the Scheme.

### **3. RECHARGING**

- 3.1 Spend to Save payments will be made as either a grant or a loan dependent on the reason and circumstances

#### **Loans**

- 3.2 Payments in the following circumstances will be treated as a loan and will be repayable to the Council:
- a. Payment of rent in advance, deposits or bonds if the bond is defaulted.
  - b. Payment to clear static rent arrears
- 3.3 Applicant(s) may be provided with a loan to cover necessary costs whilst awaiting the outcome of an application for funding from an external agency e.g. a DWP community care grant or budgeting loan or a grant from a charitable organisation. Once the funding has been agreed the Housing Options Advisor will liaise with the agency to obtain repayment directly to the local authority. If this is not possible an arrangement must

be made with the applicant for them to reimburse the Council on receipt of the funding.

- 3.4 In all other cases repayment of a loan will usually be in instalments, at a weekly or monthly amount the applicant can afford. This will be determined from the income and expenditure completed as part of the housing options process.
- 3.5 An agreement form is to be signed by the client in all cases accepting the repayment terms.

### **Grants**

- 3.6 Payments in the following circumstances will be in the form of a non repayable grant.
  - a. Payment of court costs
  - b. Rent top up payments
  - c. Mortgage top ups

Payments of these will be reviewed after three months and are for a maximum of six months.

These are just examples and there may be other occasions as well as these.

## **4. PROCEDURES**

- 4.1 An initial assessment of the applicant's circumstances must be made in all cases. This would broadly follow the format of a formal homeless application although a homeless application itself will not always be necessary or appropriate.
- 4.2 If after exploring all other preventative measures the Advisor believes that a payment under this scheme could prevent homelessness, they must present the case, with supporting documents and an authorisation form, as specified in 3.2 above.
- 4.3 The authorisation form signed by the Housing Needs Strategy Manager, the relevant paperwork and a copy of the signed agreement, where applicable, must be passed on for an invoice to be raised initially (see the procedure for this), and a repayment schedule agreed with the customer will be put in place.
- 4.4 The maximum payment will normally be £1250. However this scheme may also be used together with the Bond Guarantee scheme if appropriate.

- 4.5 Payments will only be made for applicants who have insufficient funds, including savings, and are unable to secure the funds required from an alternative source.**
- 4.6 Payment will be direct to the landlord where appropriate. In circumstances of arrears cases no payments should be made to the client.
- 4.7 The Housing Options Team member will monitor all expenditure and repayments and will follow the appropriate debt recovery procedures if a client defaults on an agreement at any stage.

**5. FINANCIAL AND HUMAN RESOURCES IMPLICATIONS (INCLUDING SOURCES OF FINANCE)**

The average cost of accepting someone as statutorily homeless has been priced by the CLG as £2,000 before any other costs have been taken in to account. The total amount spent on temporary accommodation and bed and breakfast accommodation in 2008/9 was £75871.92, so obviously any money spent in preventing homelessness will prove to be value for money.

Any money for this policy will come from the Homelessness Grant and the Preventing Repossessions budgets which have a total of £74,550 in them to spend on a variety of prevention projects.

The Housing Options team can already demonstrate a marked fall in homeless cases accepted in a three year period from 137 to 54 and with greater flexibility to invest in preventing homelessness, then we will continue to save the Authority money in real terms.

**6. IMPACT ON CORPORATE PLAN AND RECOMMENDATION**

This report is in accordance with the Council's action plan following the Audit Commission's inspection report of April 2008.

It is recommended that the Strategic Housing Panel formally approve this policy.

**CHECKLIST FOR DEALING WITH KEY ISSUES**

Please confirm against the issue if the key issues below have been addressed. This can be by either a short narrative or quoting the paragraph number in the report in which it has been covered.

Impact on Crime and Disorder	None
Impact on Sustainability	Will promote sustainable neighbourhoods
Impact on Rural Proofing	The scheme would be extended to rural communities
Health and safety Implications	None
Impact on Equality and Diversity Issues	Advertising of the scheme will be accessible to disadvantaged and minority groups
Children and Young Person's Implications	None
Human Rights Act Implications	None
Monitoring Officer comments	None
s.151 Officer comments	None

Is this a key decision?      No