

# DRAFT SAVINGS PROPOSAL

London Borough of Tower Hamlets  
Medium Term Financial Strategy 2021-24

<b>Proposal Title:</b>	<b>Transformational review of the Homelessness service</b>
------------------------	--

<b>Reference:</b>	SAV / PLA 009 / 21-22	<b>Savings Type:</b>	Service transformation
<b>Directorate:</b>	Place	<b>Savings Service Area:</b>	Housing (General Fund)
<b>Directorate Service:</b>	Housing options	<b>Strategic Priority Outcome:</b>	6. People live in good quality and affordable homes and neighbourhoods
<b>Lead Officer and Post:</b>	Karen Swift, Divisional Director, Housing & Regeneration	<b>Lead Member and Portfolio:</b>	Cllr Sirajul Islam, Statutory Deputy Mayor and Cabinet Member for Housing

<b>Financial Impact:</b>	Current Budget 2020-21	Savings/Income 2021-22	Savings/Income 2022-23	Savings/Income 2023-24	Total Savings/Income
Budget (£000)	34,537	-	(250)	(1,750)	(2,000)

<b>Staffing Impact (if applicable):</b>	Current 2020-21	FTE Reductions 2021-22	FTE Reductions 2022-23	FTE Reductions 2023-24	Total FTE Reductions
Employees (FTE) or state N/A	N/A	-	-	-	-

## Proposal Summary:

The Homelessness Reduction Act (HRA) 2018 places a statutory duty on the Council to prevent homelessness (the Prevention Duty) and to give relief to those already homeless (the Relief Duty). The council has more to do in order to increase its performance in preventing homelessness not only for the benefit of those affected by to reduce the use of expensive temporary accommodation. Since April 2018 the number of people requiring temporary accommodation has increased 28%(14% for families). While the council has invested in property acquisitions and a buy-back programme, this is a short-term mitigation and is unsustainable as a long-term solution

- Future central government funding (Flexible Homelessness Support Grant) is uncertain and the fact the council can only claim back Housing Benefit through the subsidy scheme at 90% of 2011 LHA rates, means the amount received in subsidy is lower than that paid in benefits. Taking the subsidy position into account, the homelessness service is overspending its budgets by c£2m. It would be overspending more if the budget was not being topped up by income from rents from buybacks and MHCLG grant.

It is proposed to transform the council's homelessness services to encourage earlier intervention coupled with greater use of the private rented sector to find alternative homes for singles and families where it will help them to avoid being made homeless. Alongside this the service will increase income collection rates and reduce the use of costly temporary accommodation.

It is anticipated that a savings target in the vicinity of £2m with temporary invest to save costs (project team) in proportion to savings delivered would be realistic over the three-year period.

Increased prevention will not occur without investment in staffing capacity and preventative tools. This proposal would require significant 'invest to save' funding to enable the transformation necessary to reduce the structural overspend. Not transforming the service will be a lost opportunity to embed a preventative service approach to homelessness in line with our statutory HRA responsibilities as well as to realise the resulting savings from a reduction in TA.

Ongoing poor prevention outcomes could affect the Council's future central government funding for homelessness since this is predicated on good prevention outcomes. In our meetings with MHCLG, our prevention rates are repeatedly pointed out.

## Risk and Mitigations:

Funding is available for the investment required to develop and implement the T.A. reduction strategy

The Council is able to secure the required amounts of PRS within the market

There is a political will to enable the Housing Options service to make necessary policy changes to increase homeless prevention and decrease the use of temporary accommodation.

## Resources and Implementation:

A time limited project is required to deliver service transformation over three years, requiring additional investment in fixed term staff. Funding needs to be secured for this team, with the flexible homelessness support grant reserve balance being proposed.

The Housing Options service will need to work closely with procurement and also Capital Letters to secure the requisite levels of accommodation and are dependent on resources being made available

T.A. numbers do not continue to increase exponentially as this would reduce the saving available

--

### SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	Yes	
<b>Changes to a Service</b>		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	No	
<b>Changes to Staffing</b>		
Does the change involve a reduction in staff?	No	
Does the change involve a redesign of the roles of staff?	No	

Summary:	
To be completed at the end of completing the Screening Tool.	
Based on the Screening Tool, will a full EA will be required?	<b>No</b>

Additional Information and Comments: