

17 November 2020		ITEM: 12
Housing Overview and Scrutiny Committee		
Housing Service COVID-19 Financial Update		
Wards and communities affected: All	Key Decision: N/A	
Report of: Ryan Farmer – Housing Strategy and Quality Manager		
Accountable Assistant Director: Carol Hinvest – Assistant Director of Housing		
Accountable Director: Roger Harris – Corporate Director, Adults, Housing and Health		
This report is Public		

Executive Summary

This report provides an update regarding the impact of COVID-19 on the Housing Revenue Account and Housing General Fund services. This update looks at the financial position and activity of the Housing service in the first half of the 2020/21 financial year.

1. Recommendation(s)

- 1.1. Housing Overview and Scrutiny Committee are asked to note and comment on the contents of this update report.**

2. Introduction and Background

- 2.1. The Government's 'Stay at Home' guidance on 23 March 2020, introduced as a result of the COVID-10 pandemic, has had a significant impact on the delivery of services as well as on the lives of citizens who use the Council's Housing services.

The Housing service of Thurrock Council, much like the wider organisation, has worked to mitigate and manage the operational and financial challenges brought by COVID-19.

- 2.2. Temporary suspensions, alterations and reductions in service provision have resulted in some areas of increased expenditure or lower levels of income. This report provides further details and also outlines the efforts which have been made to address these challenges.

3. Housing General Fund

3.1. Homelessness

3.1.1 Whilst the first two periods of the 2020/21 financial year showed some stability in the number of people presenting themselves as homeless or at risk of homelessness, this trend is unlikely to continue throughout the remainder of the year.

3.1.2 One of the most common causes of homelessness in Thurrock is as a result of landlords imposing eviction measures in the private rental sector. A national moratorium on eviction proceedings which was implemented by the Government in March 2020 expired in September 2020.

There is concern that court proceedings recommencing will lead to an increase in the number of households presenting as homeless throughout winter. However, the Government has taken mitigating action by extending the eviction notice period which landlords must give to tenants to six months in all but the most serious cases, such as where anti-social behaviour or domestic abuse is a factor.

As the wider economic impacts of the pandemic are felt, this may further increase pressure on the service, and hence there is a forecast pressure in this area.

3.1.3 56 people in 53 households (consisting of 50 individuals and three couples) were identified as rough sleepers as part of the 'everyone in' initiative, and these have been housed in short-term emergency accommodation since the onset of the COVID-19 pandemic. The average cost for this level of short-term emergency accommodation is in the region of £70 per day.

The full-year effect of this is reflected in the level of anticipated spend in the corporate forecast at £0.818m. However, the service is reviewing this cohort of people to find alternative, longer-term housing solutions. There is a varying degree of need, vulnerability and suitable accommodation provision across the demographic, ranging from the ability to place people in HMOs through to supported accommodation placements.

3.1.4 There is an expectation that presentations to the homelessness service may increase later in the financial year as wider economic impacts of COVID-19 are felt, and eviction protections are removed for those who are renting. The forecast overspend on the net homelessness budget of £1.468m is £0.960m.

3.2. Private Sector Housing

3.2.1 The Private Sector Housing service has an income requirement to achieve circa 50% of its overall net costs built into the base budget. One of the key income streams is through the inspections of privately let accommodation. Social distancing measures have led to a restriction in the level of work permitted, which will have a direct detrimental effect on the overall budget position. A claim has been made for the loss of this income, presently £0.096m, against the Government's income compensation scheme.

3.3. Grants and Funding

3.3.1 There is a further expectation that an increase in the caseload of the homelessness service is likely to arise later in the year as the wider economic impacts of the pandemic are felt and protections against eviction change for tenants. A further £1.000m contingency has been factored into the Council's forecast outturn position, to be funded in the main, from the COVID-19 grant allocations.

3.3.2 The below set of tables indicates the amounts of funding which have been allocated and provided for the Housing General Fund Services.

Funding	Amount
Overall Council Allocation of COVID-19 Support Fund	£14,257,000
Allocation to Housing General Fund	£ 2,041,000

Income Loss Compensation Scheme	Amount
Private Sector Housing	£ 97,000

Central Grant Funding	Amount
Cold Weather Fund	£ TBC
Flexible Homelessness Support Grant	£ 512,504
Homelessness Reduction Grant	£ 195,794
Rough Sleeping Funding	£ 258,674
COVID-19 Response Funding	£ 6,000
Next Steps Accommodation Payment	£ 75,000

4. Housing Revenue Account

4.1. The COVID-19 pandemic has led to significant challenges for the Rents and Welfare Team in 2020/21. As almost all members of Housing staff continue to work from home, the interactions which would ordinarily have taken place

face-to-face through home visits have instead been undertaken by telephone or email.

Despite these initial challenges, the Rents and Welfare Team have surpassed the 92% profiled target for rent collection and have successfully collected 93.35% of rent which was due at the end of September 2020, as well as supporting a large number of tenants through financial inclusion work.

- 4.2. So far in 2020/21, there has been a 21% increase in tenants claiming Universal Credit, increasing from 2,317 tenants in March 2020 to 2,812 tenants at the end of September. Rent arrears for tenants claiming Universal Credit also increased by a margin of 52% alongside a 10.21% reduction in Housing Benefit income against the same period last year.
- 4.3. In order to achieve the above-profile level of rent collection whilst addressing the additional challenges of increased Universal Credit arrears, reduced Housing Benefit income and the possible financial pressures of COVID-19 being experienced by tenants, the Rents and Welfare team have proactively contacted those who would benefit from financial inclusion support and assistance.
- 4.4. The work of the Financial Inclusion Officers in the Rent and Welfare team has been impacted by the restrictions implemented through Government guidance and have only been able to support tenants over the telephone, rather than in community settings as would ordinarily be the case.

At the start of the financial year, the Financial Inclusion Officers undertook welfare calls to provide advice to new Universal Credit claimants, as well as tenants who were furloughed and experiencing financial hardship. They also contacted tenants who were in rent arrears to offer debt advice.

- 4.5. At the end of September 2020, Financial Inclusion Officers had supported a total of 668 tenants, representing an increase of 54% compared to the same period in the previous financial year last year. This work has generated an additional income of £174,967, an increase of 35% against the same period in 2019/20.

Financial Inclusion Officers look to maximise the income of tenants by advising and assisting with any claims for benefits which they may be eligible for. This includes elements such as Personal Independence Payments (PIP), Council Tax Support and Discretionary Housing Payments (DHP). Financial Inclusion Officers will also work alongside tenants to explore any other grants which they may be entitled to and can offer food vouchers and assist with clothing, furniture and white goods.

- 4.6. At present, there has been no additional Government funding to support the Housing Revenue Account.

5. Reasons for Recommendation

5.1. The COVID-19 pandemic has tested the resilience of the Housing service, and this report outlines the financial pressures faced and the action taken in response to maintain the provision of critical services in the most challenging of times. This document can be referred to in any upcoming exercises to identify and review the 'lessons learned'.

6. Impact on corporate policies, priorities, performance and community impact

6.1. There is no impact on corporate policies, priorities, performance or to wider communities as a result of this update paper.

7. Implications

7.1. Financial

Implications verified by: **Mike Jones**
Strategic Lead – Corporate Finance

COVID-19 has had a financial impact on service delivery across the Housing service. Where relevant, namely in relation to financial demands relating to homelessness and rough sleeping, additional costs are being recorded against the central government funding allocations.

In relation to rent loss, this will continue to be monitored as part of the Housing Revenue Account's forecast budget outturn position, and reported corporately.

A continued increase in the number of existing tenants claiming Universal Credit poses a significant financial risk to the stability of the Housing Revenue Account.

7.2. Legal

Implications verified by: **Tim Hallam**
Deputy Head of Law and Deputy Monitoring Officer

As an update report on action taken, there are no legal implications directly arising from this report.

7.3. Diversity and Equality

Implications verified by: **Roxanne Scanlon**
Community Engagement and Project Monitoring Officer

As an update report on action taken, there are no diversity and equality implications directly arising from this report.

7.4. **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

None

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

None

9. **Appendices to the report**

None

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