

**REVENUE FUNDING OF CONEYGEAR COURT
(Report by the Head of Housing Services)**

1. PURPOSE OF REPORT

- 1.1 To request approval to increase the revenue funding to Granta Housing Association for Coneygear Court.

2. INTRODUCTION AND BACKGROUND INFORMATION

- 2.1 Coneygear Court is owned and managed by Granta Housing Association. It provides 21 units of temporary accommodation for homeless households which the Council is able to nominate to whilst investigating what duties are owed under the homelessness legislation, and whilst we are attempting to assist with more permanent housing.
- 2.2 The Council has a statutory duty to provide temporary accommodation for certain homeless households. First stage emergency temporary accommodation tends to be bed and breakfast or Coneygear Court. Given the level of homelessness within the district and the difficulties helping households move into more permanent housing, Coneygear Court is fully occupied. Bed and breakfast, therefore, remains a common source of emergency temporary accommodation. Throughout 2004/05 there was an average of 18 households in bed and breakfast at any one time. This accommodation is sometimes provided outside the district, causing difficulties with families continuing to access schools, employment and support networks.
- 2.3 Bed and breakfast is seen as the most inappropriate type of temporary accommodation and the government has set a legal limit of families with children remaining in bed and breakfast for a maximum of six weeks. The Council's performance in this area is measured through a Best Value Performance Indicator. Although the Council currently achieves this six week target there is a concern that this may worsen in the future if we do not continue to address the levels of homelessness and provide alternatives to bed and breakfast.
- 2.4 The Council wishes to support a Granta Housing Association bid for capital funding from the Housing Corporation to extend Coneygear Court. If successful this will provide a further six self contained two bedroom flats.

3. IMPLICATIONS

- 3.1 Granta Housing Association have advised that the current level of staffing at Coneygear Court would be unable to cope with the additional support issues of a further six families. They would therefore increase the staffing level and request an increase in the level of revenue funding the Council provides for the scheme. Granta have estimated that this would result in an increase of £30,000 per annum in the revenue funding requested from the Council.

- 3.2 This possible increase in costs must be considered against the cost of the continued use of bed and breakfast. The Council is able to reclaim bed and breakfast costs from homeless applicants through their earned income or Housing Benefit entitlement. However, as the majority of applicants are reliant on Housing Benefit to a greater or lesser extent the real cost to the Council is through expenditure that cannot be reclaimed through the Housing Benefit subsidy regulations.
- 3.3 The amount of Housing Benefit subsidy that the Council can claim from central government for a family in bed and breakfast is capped, whereas the amount claimable for families in Coneygear Court is not as they are restricted to affordable rent levels. The variations in the Housing Benefit subsidy regulations mean that the Council would save between £2,700 and £7,800 per year for each family that is placed in one of the new flats at Coneygear Court, compared to a placement in bed and breakfast. The level of savings depends upon the level of Housing Benefit entitlement of the individual. The potential savings by having an additional six extra flats at Coneygear Court would be between £16,200 and £46,800 per year depending on the level of Housing Benefit entitlement of the households placed there.
- 3.4 In 2004/05 85% of households that were placed in bed and breakfast were entitled to full Housing Benefit. The remaining 15% were required to make some contribution from their earned income. On this ratio the potential savings of the Coneygear Court option will be closer to the top end of the range quoted above.
- 3.5 The Council also has a bad debt provision of £52,500 for the current year that could be reduced in time if bed and breakfast usage reduces. As there would be fewer households in bed and breakfast as a result of the new flats it is likely that the same level of bad debt provision may not be required in the future and is a further potential saving that could be made.

4. CONCLUSIONS

- 4.1 Granta Housing Association has the opportunity to bid for capital funding through the Housing Corporation to extend Coneygear Court. Increasing the number of units at Coneygear Court would reduce the Council's reliance on bed and breakfast as a form of temporary accommodation. This has two benefits:
- (a) Helping the Council achieve the target of not having families in bed and breakfast for more than the six week legal limit and reducing the reliance on the least satisfactory form of temporary accommodation, sometimes provided outside of the district.
 - (b) Reducing the overall cost to the Council of placing families in temporary accommodation.

5. RECOMMENDATION

- 5.1 The Cabinet is recommended to:
- (a) support the bid of Granta Housing Associations for capital funding from the Housing Corporation to provide an additional six units at Coneygear Court; and

- (b) approve the necessary budget transfer from the Housing Benefit budget to the homelessness budget for the increased revenue funding of Coneygear Court, but note that fluctuations in demand for Housing Benefit may, despite these proposals, still result in unavoidable overspendings.

BACKGROUND INFORMATION

Housing Corporation bidding guidance

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