

# Online consultation Homelessness Prevention Grant 2023/2024

## Introduction

This consultation is seeking input from local authorities and other interested stakeholders on five key proposals in relation to the Homelessness Prevention Grant:

- Updating the allocations formula so that it reflects current homelessness pressures
- Introducing transitional arrangements for changes to funding allocations
- Determining the timing of the announcements of 2023-24 and 2024-25 allocations, including a possible two-year funding allocation
- Adding a grant condition to require local authorities to submit additional spend declaration information under the categories of 'prevention and relief' and 'TA' and 'main duty/other' spend
- Introducing tranche payments and requiring accurate H-CLIC statistics (Homelessness Case Level Information Collection - data returns submitted by local authorities to DLUHC) to be submitted to receive the second tranche of funding

## Section 1 – amendments to the funding formula

- 1. Do you agree with our proposal to combine the HRG and HRA uplift elements of the formula, using HRA uplift formula for £110m of the grant?**
  - Yes
  - No
  - Indifferent
  - Not sure
- 2. Do you agree with our proposal to apply an overall Area Cost Adjustment to the £110m element of the formula?**
  - Yes
  - No
  - Indifferent
  - Not sure
- 3. Of the options presented to replace TAMF in the formula, which is your first preference?**
  - Option 1
  - Option 2
  - Not sure

- Indifferent
- Neither

Please explain why.

Both of these options penalise local authorities outside London with low numbers, and neither option captures numbers arising outside statutory homelessness duties/temporary accommodation e.g. children's housing management decants.

**4. Are there other indicators of TA pressures you recommend we consider?**

**Please explain why.**

We would recommend that the extent to which other local authorities are placing people into other council areas (e.g. Wokingham Borough) is considered – as these placements from other LAs will result in additional pressures on the LA in that region, as it is this LA which will have to sustain the tenancy. This is something which Wokingham Borough is having considerable experience of.

Additional note on Question 1 above: Question left unanswered as the new proposed formula would result in more funding for WBC, which is greatly needed and so would be our preference of the two. However, the new formula still does not take into account the complexity of cases coming through (e.g. Domestic Abuse related), or the length of time that they take to resolve, and we therefore think that it needs further review.

Additional note on Question 2 above: "No" due to the fact that the proposal (to apply an overall Area Cost Adjustment to the £110m element of the formula) disadvantages local authorities which lie outside London and which would receive less funding as a result.

**5. Of our proposed options in relation to missing data, which is your first preference?**

- Option 1
- Option 2
- Not sure
- Indifferent
- Neither

Please explain why.

This does not affect Wokingham Borough.

**6. Do the other data sources used in the FHS element represent an accurate reflection of homelessness pressures?**

- Yes
- No
- Partially

- Not sure

Please explain why.

The usage of H-CLIC data will not accurately reflect homelessness pressures in some regions, because it doesn't reflect early prevention work that is being done for households who are not yet owed the prevention duty, such as tenancy sustainment interventions, financial support to make accommodation affordable whilst seeking employment etc. Therefore, authorities are not being rewarded for this early prevention work and there is no incentive for other authorities to do the same, as they receive funding which these LAs doing early prevention work will not. Therefore, usage of H-CLIC data would only be an accurate reflection of homelessness pressures if it included early intervention cases and then monitored the outcome of these cases.

**7. Do you have any alternative suggestions for data sources that could be used as indicators of homelessness pressures in the formula?**

Alternative suggestions for data sources:

- Data which showcases the projected increase in demand (the demand in Wokingham Borough is predicted to almost double by 2026)
- Early intervention data – this can't currently be reported on as there is no capacity to do so as a statutory action, so money would be needed to address this effectively. Wokingham Borough has more places in temporary accommodation than a lot of authorities, and presentations placed there need to be reflected in the data as well as the private rental sector data, in order to give the full picture
- Data from prevention interventions across the borough (e.g. from schools)
- Data sources/sets should be extrapolated from Covid levels of demand (rather than pre-pandemic data), because the level of demand seen during the pandemic has been sustained thereafter. The increase in rough sleepers and domestic abuse during the pandemic now reflects a new normal which continues post-pandemic
- Usage of data sources should take into account peaks and troughs in demand and how local authorities can cope in light of this

Other comments:

Capacity needed for a coordinator across Berkshire, in order that there can be regional linked up working, which is currently not possible.

## Section 2 – Transitional arrangements for 2023/2024 and 2024/2025

**8. Do you want to see transitional arrangements introduced for 23/24 financial year?**

- Yes
- No
- Indifferent
- Not sure

**9. Do you want to see transitional arrangements introduced for 24/25 financial year?**

- Yes
- No
- Indifferent
- Not sure

**10. What percentage cap would you prefer to see?**

- 5% in 23/24 and 10% in 24/25 as proposed
- 2% each year
- 5% each year
- 10% each year
- 20% each year
- None
- Indifferent
- Other
- Not sure

**11. Please explain the reasons for your answers to the questions in this chapter, and provide any other thoughts or comments on this proposal.**

## Section 3 - Announcement of 2023-24 and 2024-25 allocations

**12. Do you agree that funding allocations for 2023-24 and 2024-25 should be announced this year, providing the earliest funding certainty possible?**

- Yes
- No
- Indifferent
- Not sure

Please explain why.

Knowledge of funding arrangements for future years much earlier on would help to plan service delivery, identify gaps in funding and would be useful for finance colleagues also in relation to things like requests for future growth bid etc.

## Section 4 – additional spend declaration: assigning spend to categories

**13. To what extent do you feel confident that local authorities would be able to provide a yearly spend declaration of HPG categorised under ‘prevention and relief’, ‘TA’ and ‘main duty/other’?**

- Very confident
- Quite confident
- Neutral
- Slightly doubtful
- Very doubtful
- Not sure

**14. Please use this space to provide reasons for your answer and any further thoughts or comments on this proposal. For example, this could include: whether you think the above definition of ‘prevention and relief’ spend is workable, whether there are other spend categories which could constitute ‘prevention and relief’ that we have not listed above, your views on the local authority’s ability to provide this information, your views on any additional impact this extra reporting requirement may have.**

It would be very difficult for Wokingham BC to categorise a spend declaration in the way detailed in Q13, as it would be very resource intensive and would involve a significant process right from budgeting to placement invoicing. There is also no consideration of early intervention in the categories outlined in Q13, which is something which WBC believes should be recorded if such categorisation were to be put in place.

**15. Would it be possible for local authorities to provide a more granular breakdown of spend than those proposed – for example, reporting the amount spent on staffing/incentive payments for a new tenancy/clearing rent arrears?**

- Yes
- No
- Maybe
- Not sure

Please explain why.

We have access to this budget line data already and payments are categorised accordingly.

## Section 5 – introducing tranche payments with comments

**16. What is your view on our proposal to introduce tranche payments for the Homelessness Prevention Grant in order to incentivise better H-CLIC data reporting?**

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree
- Not sure

**17. If we were to introduce tranche payments, what percentage of the funding would you recommend be released in tranche 2 (later in the financial year)?**

- 50%
- 25%
- 10%
- 5%
- None
- Other
- Indifferent
- Not sure

**18. What is your view on the proposed conditions – publishable H-CLIC returns with full TA data - in order to receive tranche 2 of the grant?**

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree
- Not sure

**19. Please explain the reasons for your answers to the questions in this chapter, and provide any other thoughts or comments on this proposal.**

We would agree with the conditions outlined in Q18, as this would ensure financial transparency, allow flexibility in making prevention payments and enable resource planning.

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