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15<sup>th</sup> September 2020

## **Decision Session: Executive Member for Housing and Public Protection**

Report of the Corporate Director of Health, Housing and Adult Social Care

### **Targeted financial support for people living in Council homes**

#### **Summary**

1. This paper outlines the Councils approach to financial hardship for people who live in council homes during the COVID-19 pandemic and recovery period and sets out a proposal for creation of a targeted hardship fund.

#### **Recommendation**

2. The Executive Member is asked to
  - Note the support currently available to people who live in council homes from the Housing Service.
  - Agree to the implementation of a Housing Hardship Fund as set out in Annex A subject to approval from MHCLG

Reason: To ensure that further targeted support for people who live in council homes can be offered during the Covid recovery period whilst also ensuring appropriate financial controls are in place.

#### **Background**

3. At the start of the pandemic in late March 2020 the Council acted quickly to implement a range of generic measures to support the people of York. Details of the full range available can be found at <https://www.york.gov.uk/coronavirus>. Housing Services offered a range of support for people living in council homes including;
  - adhering to legislation around tenancy agreements and legal action
  - suspension of letters and notices forming part of the legal enforcement process for rent arrears

- contacting all people living in council homes to conduct a welfare check connecting people with help networks, volunteers and financial management advice
  - Refunding the first 13 weeks of the annual rent increase for 2020 / 2021 to anyone who did not have this covered by increases in welfare benefit.
4. These measures applied to all living in our homes regardless of individual circumstances. In the next stage of recovery a more targeted approach will be more appropriate. This approach is being proposed across council services. It is proposed that this take the form of a Housing Hardship fund to be targeted at those people living in council homes unable to cover rent and arrears payments as assessed on an individual basis.
  5. The fund will link in to other existing help for individuals and families to ensure help with rent and other needs are addressed. The existing help includes York Financial Assistance Scheme and Council Tax Support, Discretionary Housing Payments and access to food vouchers.

## **Analysis**

6. The proposed fund of £80k will be set up from within the Housing Revenue Account. This is similar to the amount refunded to offset the rent increase during the first 13 weeks of the financial year demonstrating the Council's continued commitment to supporting people through the crisis. The fund will be available until the end of the 2020/21 financial year.
7. The proposals recognise that many of our residents including those living in council homes will continue to have the ability to cover their outgoings including rent but there will be many who will struggle financially. Along with a sympathetic and supportive approach to rent and arrears collecting the hardship fund will enable substantial (up to £500 in most cases) help to individuals and families that most need it.
8. The cumulative impact of reduced public spending and welfare reform including the roll out of Universal Credit has seen an increase in rent arrears in York over the last few years. The impact of the CV19 pandemic has exacerbated this with arrears rising at £20k per week. As lockdown restrictions are lifted it is expected that many will return to work and obtain financial stability. There has been an increase in Universal Credit claims and delays of up to 8 weeks in processing these. Deductions and third party payments from UC were also suspended while the focus has been on processing new claims.
9. Details of the scheme proposed are attached at annex A and include the provision of a one off support to tenants experiencing financial hardship paid directly to rent accounts. This help will be offered in tandem with wider support

and assistance. It will be used to help tenants retain their tenancies long term, develop realistic payment plans and avoid the negative impacts of long term debt. If agreed, work will be undertaken to integrate the application for this scheme in to the single application form for YFAS and related support.

## **Implications**

10. **Finance** - The Housing Revenue Account underspent by £539k in 2019/20, which has been carried forward to 2020/21 to support the financial pressures of the pandemic. As such funding of £80k is available to support the hardship funding initiative. Should further funds be required, this will be the subject of a further report and financial assessment.
11. **Human Resources (HR)** there are no HR implications
12. **Equalities** – Community Impact Assessment done and Annex B
13. **Legal** – The authority may require consent from the Secretary of State to provide financial assistance by way of the Housing Hardship Fund. There is no express legislative provision relating to the funding of discretionary housing payments or similar from the Housing Revenue Account, however, the Ministry of Housing, Communities and Local Government will, on application, issue directions to put the matter beyond doubt for individual authorities.
14. Any funding remains subject to the Department for Work and Pensions rules and limitations.
15. Under the provisions of the Local Government and Housing Act 1989, the authority must ensure that the Housing Revenue Account does not result in a debit balance.
16. **Crime and Disorder** there are no crime and disorder implications
17. **Information Technology (IT)** – No IT implications – payments will be made to accounts through manual adjustments.
18. **Property** there are no property implications
19. **Other** there are no other implications

## **Risk Management**

20. The risks to the Council's financial situation needs to be considered and reviewed alongside the risks to the ongoing financial sustainability of our housing stock and people living in it. By ensuring that support is available to

individuals and families and managed appropriately the council continues to ensure that the costs of this scheme are balanced against the detrimental effects of long term debt for people living in its homes and the potential cost of financial instability and homelessness.

<b>Author responsible for the report:</b> Denis Southall Head of Housing	<b>Chief Officer responsible for the report:</b> Sharon Houlden Corporate Director, Health, Housing and Adult Services			
	<b>Report Approved</b>	<input checked="" type="checkbox"/>	<b>Date</b>	7 <sup>th</sup> September 2020
<b>Wards Affected:</b> <i>List wards or tick box to indicate all</i>			<b>All</b>	X
<b>For further information please contact the author of the report</b>				

### Annexes

Annex A – Housing Hardship Fund

Annex B – Community Impact Assessment