

# **CYNGOR SIR POWYS COUNTY COUNCIL**

## **Portfolio Holder Decision Report By County Councillor Graham Brown Portfolio Holder for Commissioning and Procurement**

**July 2015**

**REPORT AUTHOR: Simon Inkson, Head of Housing**

**SUBJECT: Housing Revenue Account funding for the Phoenix  
Peace of Mind Project**

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**REPORT FOR: Decision**

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### **1. Summary**

- 1.1. The Housing Revenue Account (HRA) has in previous years provided funding for the Peace of Mind project, run by Phoenix. The decision made to fund Phoenix has previously been an Officer decision and this report seeks approval from the Portfolio Holder for the continuation of funding.

### **2. Background and Proposal**

#### **Phoenix Peace of Mind Project**

- 2.1 The Peace of Mind (POM) project was originally set up by Phoenix furniture, a social enterprise operating in Newtown and Llandrindod Wells. Their core business is to recycle good quality used furniture and offer it for re-sale at very low prices to people living on benefits or low income. They have been providing this service in Powys for around ten years, and currently are financially stable through their showroom sales, and with additional funding received by Powys County Council Waste Management in the form of credit tokens for dealing with Bulky Collections, which are then used for recycle rather than Landfill.
- 2.2 The service provided by Phoenix was in recent years extended to provide start up packs of furniture, free of charge to people in need. This was run on a pilot basis for 12 months in Radnorshire and Montgomeryshire, funded by Regeneration and Supporting People Programme Grant. Research undertaken by the Supporting People Team showed that:
- 31% of the sample cases had been known to us, and have been through the homelessness/housing system before. This group have already been through temporary accommodation and either moved to accommodation of their own which has failed and led to eviction
  - 68% of the sample cases stated that if they had not received support through Peace of Mind would have resulted in them going in to debt. This would have

been through the use of pay day loans, catalogues, doorstep lenders and even friends. On borrowing this money, their intention is to repay it, but if having fallen on hard times would have used their rent money to pay creditors even though they would have gone in to arrears with their landlord. Going in to debt with the landlord seemed a better option than dealing with a creditor. If the landlord was Powys County Council, the people felt that “the council can afford it”.

- 26% of the sample cases stated that they would have tried to access funds through homelessness or social care to buy items needed if there was no support from Peace of Mind
- 11% of the sample cases stated that it would take them up to 3 months to purchase essential furniture items while in receipt of benefits. The remaining 89% stated that it would take over three months and anything up to two years to purchase essential items with their current level of income and no additional funding.
- 37% of the sample cases state that they are fleeing an abusive relationship. This group have left their belongings at their previous home due to suddenly leaving, and are unable to return to collect them due to risk.

- 2.3 The Peace of Mind project supported 350 individual households in 2014-15, of which 280 (80%) were HRA tenants. The Peace of Mind project brings with it a number of benefits to the HRA. First, it ensures that tenants have a basic level of furniture and household equipment, without which the number of tenancy terminations are likely to increase, increasing rent loss whilst properties are empty and repair costs. Second, the provision of such equipment free of charge, reduces pressure on tenants to go into debt purchasing furniture and household equipment. This will increase the likelihood that such tenants will have the ability to pay their rent, reducing rent arrears.
- 2.4 In 2014-15 the HRA provided £40,000 funding for the Phoenix Peace of Mind project, to sustain the project and provision has been made in the HRA for a £40,000 contribution to be made in 2015-16.
- 2.5 We would want the Peace of Mind project to be funded on a sustainable basis beyond the current financial year and will be seeking housing associations whose tenants make use of the service to share the funding of the project, in future financial years.

### **3 One Powys Plan**

- 3.1 This is a continuation of the existing approach, but ensuring that it has political agreement, which will help us to deliver Stronger Safer and Economically Viable Communities by ensuring that tenants in need have access to furniture packs and household equipment free of charge.

### **4 Options Considered/Available**

- 4.1 The local authority has two options to decide upon. Either we decide to discontinue the existing approach which brings with it a risk of increasing tenancy terminations and with it void rent loss and repair costs and potentially increasing rent arrears as tenants on limited incomes borrow money to purchase such equipment, or we continue to provide support for Phoenix Peace of Mind project.

## **5 Preferred Choice and Reasons**

- 5.1 It is recommended that the Council continues to provide financial support for the Phoenix Peace of Mind project

## **6 Sustainability and Environmental Issues/Equalities/Crime and Disorder/Welsh Language/Other Policies etc**

- 6.1 Support for the Phoenix Peace of Mind project will ensure that furniture is recycled reducing the amount of waste being placed in landfill sites.
- 6.2 Support for the Phoenix Peace of Mind project will ensure that households who have limited means will be able to furnish accommodation allocated to them, potentially reducing the likelihood of those households becoming indebted, purchasing furniture and household goods.

## **7 Children and Young People's Impact Statement – Safeguarding and Wellbeing**

- 7.1 Support for the Phoenix Peace of Mind project will ensure that households who have limited means will be able to furnish accommodation allocated to them, potentially reducing the likelihood of those households becoming indebted, purchasing furniture and household goods.

## **8 Local Member(s)**

- 8.1 This matter has equal effect across the Council.

## **9 Other Front Line Services**

- 9.1 This matter will not have an effect on other frontline Services.

## **10 Support (Legal, Finance, HR, ICT, BPU)**

- 10.1 Finance – “the Finance Business Partner can confirm that the Housing Revenue Account (HRA) has in the past supported the Phoenix Peace of Mind project and that £40k has been included in the Business Plan for 2015/16.”
- 10.2 Legal - “the Professional Lead-Legal supports the recommendation and the reasons for same and will lend legal support when required.”

## **11 Local Service Board/Partnerships/Stakeholders etc**

- 11.1 This is a specific housing matter

## **12     Communications**

- 12.1     The Housing Service will advise the Tenant Liaison Forum of its intention to continue to fund the Phoenix Peace of Mind project and will advertise the availability of the service to all new tenants and on the Council's website.

## **14     Statutory Officers**

- 14.1     The Strategic Director Resources (Section 151 Officer) indicates the need to ensure we continue to challenge whether we get value for money and notes the comments made by finance.
- 14.2     The Solicitor to the Council (Monitoring Officer) has commented as follows: "I note the legal comment and have nothing to add to the report."

## **15     Members' Interests**

- 15.1     The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If the Portfolio Holder has an interest he should declare it, complete the relevant notification form and refer the matter to the cabinet for decision.

<b>Recommendation:</b>	<b>Reason for Recommendation:</b>
<b>That Powys County Council Housing Revenue Account continues to support the Phoenix Peace of Mind project, by providing it with £40,000 funding in 2015-16.</b>	<b>Support for the project ensures that all new tenants are able to move into accommodation with a basic pack of furniture and household goods, which reduces the risk of tenancy termination and the potential of rent arrears growth.</b>

Relevant Policy (ies):			
Within Policy:	Y	Within Budget:	Y

<b>Relevant Local Member(s):</b>	<b>All members</b>
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<b>Person(s) To Implement Decision:</b>	<b>Simon Inkson, Head of Housing</b>
<b>Date By When Decision To Be Implemented:</b>	<b>9<sup>th</sup> July 2015</b>

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