

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	12 June 2019
Subject:	Private Rented Housing Sector Accommodation Fund Pilot
Report of:	Head of Community Services
Corporate Lead:	Deputy Chief Executive
Lead Member:	Lead Member for Housing
Number of Appendices:	One

Executive Summary:

There is a significant disparity between the number of families and individuals in the borough seeking affordable rental accommodation and the number of properties available to them to rent.

Often when families present to the Council in need of accommodation the only solution is to place them on the housing waiting list and if they are in desperate circumstances they are often placed in bed and breakfast accommodation. This is expensive for the Council. There are currently over 2,200 people on the housing waiting list. In 2017/18 there were only 421 social housing lets within the borough.

Traditionally private sector landlords are reluctant to let to individuals and families on lower incomes. Officers have developed a scheme, in partnership with other Councils in the Homeseeker Plus Partnership, aimed at partially addressing this situation by encouraging and incentivising local private sector landlords to rent to families and individuals on lower incomes. This scheme will not be suitable for all potential tenants or all landlords, for example, it is highly unlikely that tenants with a chaotic lifestyle would be suitable for this scheme.

Officers from Community Services have led a regional funding bid aimed at incentivising landlords to accept tenants on lower incomes, prevent homelessness and reduce the burden of costly temporary accommodation. Another Council, likely the Forest of Dean will lead on the project delivery.

Working on behalf of the partnership, the team has been successful in the bid for funding to pilot the project. The funding totals £363k and is shared between the Gloucestershire Districts and Boroughs and West Oxfordshire District Council who are all part of the Homeseeker Plus Partnership.

The pilot project supports three key priorities within the Council's Housing Strategy.

These are:

Priority 1: Increasing the supply of housing.

Priority 2: Prevent homelessness.

Priority 3: Meet the housing needs of specific groups.

Recommendation:

1. To **NOTE** that the **Homeseeker Plus Partnership** has been awarded the sum of **£363,408** from the **Private Rented Sector Fund** to develop and implement a pilot scheme to increase access to private sector rented properties for people in need of affordable housing ('the pilot scheme');
2. To **APPROVE** the Council's involvement as a partner in the pilot scheme, as set out in the report;
3. To **DELEGATE AUTHORITY** to the **Head of Community Services**, in consultation with the **Head of Finance and Asset Management**, to enter into the **Partnership Agreement, Data Sharing Agreement and other related documentation associated with the pilot scheme on terms approved by the Borough Solicitor.**

Reasons for Recommendation:

To enable the housing services team to engage with local private sector landlords and tenants in order to alleviate pressures on the need for social housing and the use of temporary and emergency accommodation.

Resource Implications:

The pilot project is fully funded by the Ministry of Housing, Communities and Local Government (MHCLG) and includes some funding to employ additional staff. There are some current capacity issues in relation to the project until the posts of Homeseekerplus Private Sector Co-Ordinator and Tenancy Relations Officers are appointed. These will be addressed by each authority utilising their current housing staff to assist until the vacancies are filled.

Legal Implications:

The partner Councils will be required to enter into legal agreements to clarify their roles and responsibilities in respect to this programme. The lead authority will provide template documentation in respect of the arrangements between any Council and participating landlords in order to provide consistency across the partnership and there will also be a Data Sharing Agreement in place to comply with Data Protection legislation.

Any virement of funds must be transferred in accordance with the Council's Constitution.

Risk Management Implications:

There is a detailed risk assessment at section 4 of this report. Risk In general terms, will be mitigated by the consistent overview of the project by the Countywide Housing Operational Group, staff from HomeseekerPlus and this Council's own officer team.

The initiative will be reviewed in response to significant changes in supply or demand conditions. They will also be reviewed in line with any significant change in legislation, guidance issued by the MHCLG or significant case law.

Performance Management Follow-up:

An end of project report will be produced for the MHCLG, this and the results of the project will be brought back to this Committee for consideration.

Environmental Implications:

None arising directly from this report.

1.0 INTRODUCTION/BACKGROUND

- 1.1** The Private Rented Sector Access Fund, was launched on World Homeless Day (10 October 2018) by Communities Secretary, Rt Hon James Brokenshire MP. It was a one off bidding opportunity through competition with a bidding process close date of 21 November 2018.
- 1.2** The principal objective of the fund was to support innovative measures that provide additional support for single homeless people and/or reduce the numbers of households in temporary accommodation.
- 1.3** The fund is exclusively for applicants to whom local authorities owe a homeless duty, through developing access and sustainment to private rented sector tenancies with a minimum tenancy term of 12 months.
- 1.4** The fund also has a further aim to develop an evidence base of what effectively tackles homelessness and rough sleeping and will enable the introduction of new schemes or bolster and extend existing schemes.
- 1.5** To meet the assessment criteria the Council demonstrated:
- willingness to capture data and provide quarterly reports to the MHCLG to encourage innovation. value for money.
 - prevention or relief of single homeless and target number of people being helped.
 - that proposed scheme is additional to the existing provision offered.
 - how the scheme fits alongside other work that is being undertaken to access and sustain PRS tenancies. (*TBC internal scheme).
 - achievability.
 - target areas with high rates of homelessness (calculated by per 1000 households in the local authority) and favours joint proposals.
 - assessment for cross boundary working.
- 1.6** Tewkesbury Borough Council could not have succeeded in securing a solo bid as its levels of homelessness are comparatively low, it would not be possible to demonstrate cross boundary working, or introduce the innovation proposed below.
- 1.7** It is also very unlikely that other authorities in our partnership would have been successful with a sole bid for the same reason.
- 1.8** This fund, however, offered the partnership an opportunity to meaningfully improve its services to homeless residents and landlords.
- 1.9** There have been a raft of funding opportunities available to tackle homelessness over the winter of 2018 – and several authorities (including Gloucestershire County Council) had made successful bids for partnerships which include our authority.

1.10 In the spirit of partnership working, Tewkesbury Borough Council Housing Services Manager and Housing Solutions Officer wrote and submitted a bid on behalf of the partnership which consists of:

- Tewkesbury Borough Council.
- Cheltenham Borough Council.
- Cotswold District Council.
- Forest of Dean District Council.
- Gloucester City Council.
- Stroud District Council.
- Tewkesbury Borough Council.
- West Oxfordshire District Council.

1.11 In March 2019 MHCLG confirmed that the proposed pilot project in the bid met the criteria and complemented the existing partnership activities for homelessness and those which will be undertaken through the current new funding streams. They notified the bid had been successful and had been awarded £363,408 – for a 12 month pilot project.

1.12 The Housing Services Manager met with Homeseekerplus partners who agreed that they did wish to proceed with the project. They also met representatives from MHCLG to agree the proposal and objectives.

2.0 THE PILOT PROJECT

2.1 At present the partnership has an ad-hoc response to homeless households finding private sector properties (i.e. deposits, rent in advance, discretionary housing payments etc.). The partnership does not have a pro-active approach to promoting a landlord offer, or a structured assessment of suitability, nor is there a clear pathway to matching properties to residents.

2.2 To address this it is proposed to use part of the allocated funding to extend the Homeseekerplus database. Presently this is a social housing register operated and jointly funded by the Homeseekerplus partnership for the provision of social housing. The new initiative is to extend this by creating a new additional private sector register, which can be accessed by the households to whom authorities owe either a prevention, relief or full statutory homeless duty.

2.3 This private sector register of approved properties will complement and form part of the personalised housing plans associated with the duties. Households to whom the authorities have provided a personalised housing plan will then have access to a separate homeless housing register of HHSRS (Housing Health and Safety rating System – a methodology for ensuring that properties are fit for habitation and safe) approved rooms and properties at a suitable rent across the county.

2.4 The partnership will:

- facilitate a countywide landlords forum;
- provide a range of incentives to landlords to join a 'fit to rent scheme' or a scheme which includes an HHSRS inspection, as well as the facility to advertise properties free of charge on the Homeseekerplus system during the period of the funding;

- fund a fixed term post as the Homeseekerplus Private Sector Co-Ordinator who is HHSRS trained to check adverts, chase viewings, and assist the local authorities to ensure that landlords wishing to join the scheme in their area have the resources to quickly establish their eligibility and check rental levels;
- fund a second fixed term post as the Homeseekerplus Private Sector Tenancy Liaison Officer who will offer landlord training/support, tenant training/support, trouble busting within tenancies, and to work with the Co-ordinator to provide the quarterly monitoring returns associated with this funding bid;
- fund a menu of incentives such as tenancy support, landlord insurance, benefit gap coverage for 12 months etc. to encourage landlords to let their properties/rooms in shared houses on 12 month tenancies. These incentives can be used for 12 month tenancies only – and will be offered in addition to the existing private rented schemes available through the Flexible Homeless Support fund in partner districts. Including bridging the gap between the local housing allowance (LHA) and market rents where suitable; and
- facilitate choice for homeless households and reduce voids within private tenancies.

2.5 One of the issues facing Councils when finding private rented accommodation for homeless households is that the property size is often not suitable for the size of the household in temporary accommodation, or that suitable households cannot safely live in the area where the accommodation has been found.

2.6 This initiative will potentially allow any household threatened with housing crisis across the partnership to register interest in properties in neighbouring districts if they chose to live in that area. Flexibility of this type would be of particular benefit to those fleeing domestic abuse.

3.0 ADVANTAGES OF THE PROPOSALS

3.1 This is an opportunity for the local authorities to introduce a clear offer to landlords in the private rented sector to meet the needs of our residents facing homelessness.

3.2 The introduction of a new private rented arm to Homeseekerplus would provide the landlords with a clear and easy method of advertising their properties, and residents able to see properties available.

3.3 Once purchased and operational, this advertising platform will continue to be available to the partnership beyond the end of the project.

3.4 The scheme would also foster a more uniform approach to incentives for landlords considering letting to homeless households across the partnership. Incentives will include:

- paying the landlord a one off finder's fee.
- payment of Houses in Multiple Occupation (HMO) licensing fee.
- bridging the gap between LHA and local market rents.
- payment for EPC certificate.
- payment of safe safety or electrical safety certificates.
- payment for other incentives deemed to be appropriate and in line with the scheme.

- 3.5** It is also likely to support other services such as environmental health to have a better understanding of the standards within private rented stock, promote better housing standards and facilitate a clearer indication of the number of HMOs in the districts.
- 3.6** The scheme will also assist homeless households to establish which properties are suitable for their needs. At present homeless applicants often seek assistance on properties which are the wrong size for their household or are unsustainable because of high rents
- 3.7** Once the private sector module has been developed for the partnership, it would continue to be available following the end of the funding; and could potentially be rolled out to any household in housing need at minimal cost if the partnership considered this appropriate.
- 3.8** The private sector is likely to contain properties for households that Councils find difficult to rehouse because of their household makeup: rooms for rent, shared accommodation in HMOs and large properties for larger households.
- 3.9** The proposal is likely to enable the authorities to offer meaningful assistance to roofless households who are not 'vulnerable' in terms of the act – particularly those with low support needs – during homeless relief.
- 3.10** The proposal would provide a realistic move on pathway into the private rented sector from supported accommodation and reduce 'silting up' of valuable accommodation based support.
- 3.11** Properties available through this scheme would be suitable to discharge prevention, relief and full statutory homeless duties.
- 3.12** The scheme would give people across the partnership the opportunity to move across the authorities and fit with the right to move to take up work opportunities, the need to move because of violence, and to give/receive support.
- 3.13** Priority 1 – Increasing the supply of housing
This project, if successful, will assist Tewkesbury Borough Council to meet priority 1 as set out in the Housing Strategy.
- 3.14** Priority 2 – Homelessness and Homelessness Prevention
This project, if successful, will assist Tewkesbury Borough Council to meet priority 2 as set out in the Housing Strategy.
- 3.15** Priority 3 - Meet the housing needs of specific groups
If successful the project may assist in identifying both potential Houses of Multiple Occupation (HMO) and existing HMO's thus supporting and enabling Environmental Health services to implement the new regulations concerning HMOs. The contact with landlords to confirm status and potentially initiatives could be used to assist in the licencing of those which fall within current definition.

4.0 ASSOCIATED RISKS

4.1 The biggest risk associated with this project is one of reputation. For example if any of the Council partners places a tenant into a private tenancy with a benefit top up, then the tenancy may not be sustainable at the end of the 12 month tenancy period. It should be noted that the housing service currently place tenants in accommodation where the rent payable is up to £30 over the Local Housing Allowance rate as this is considered to be affordable and tenants generally manage this well.

4.2 It is proposed to manage this risk in a number of ways including ensuring that prospective tenants are assessed for suitability ahead of any accommodation offer. The landlord needs to be content with the tenant and has the final say on whether or not to offer a tenancy. The suitability criteria will include:

- Work history;
- Criminal history;
- Rental history;
- Likelihood to gain employment within 12 months;
- Medical or support needs; and
- Family situation.

Ultimately it is for the landlord to agree or not agree the tenancy.

4.3 Prospective tenants will be required to sign up to a scheme of support which will include budgeting support etc. as part of their personal housing plan. Support will be offered to both landlord and tenant throughout the initial 12 month tenancy period with the tenant being encouraged to look for employment or other ways to sustain the tenancy following the initial period. The scheme of support will be tailored to meet the needs of the individual tenant and will include input from other agencies, for example the DWP.

4.4 If at the end of the 12 month period, the tenant is still in financial difficulty then they may be eligible to apply for Discretionary Housing Payments which will continue to support them for up to a further 13 weeks or if they are a good tenant the landlord may be prepared to reduce the rent in order to keep a good tenant.

5.0 OTHER OPTIONS CONSIDERED

5.1 Bidding to MHCLG as a sole applicant – The authority would have been unlikely to be successful as a solo applicant due to criteria of the funding.

Not bidding – The authority could have chosen to not submit any bid but this would have left the authority relying purely on the funding from the flexible homelessness grant.

6.0 CONSULTATION

6.1 Verbal consultation was undertaken with prospective tenants about the sorts of assistance that they would like to help them into the private sector.

Verbal consultation was undertaken with a local lettings agency and a private landlord as to the sort of initiatives that would incentivise them to offer property to those who are benefit reliant or working on low income.

The deadline of the bidding process did not allow reasonable time to undertake a formal survey or consultation.

Consultation with county wide colleagues around best practice and the aim for a collective goal was undertaken at a number of meetings.

7.0 RELEVANT COUNCIL POLICIES/STRATEGIES

7.1 Tewkesbury Borough Council Housing Strategy 2017-21.

8.0 RELEVANT GOVERNMENT POLICIES

8.1 Laying the foundations: a housing strategy for England 2011.

9.0 RESOURCE IMPLICATIONS (Human/Property)

9.1 Half a post had been created within the housing team using allocated housing prevention funds to manage this project for TBC.

10.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

10.1 The project is a pilot and the results will inform MHCLG on future funding for homelessness.

11.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

11.1 None arising directly from this report.

12.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

12.1 None arising directly from this report.

Background Papers: Existing strategies and policies are available on the Council's website.

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Appendices: 1. Flow chart of the process including safeguards and case studies.