

SUBJECT:	Homelessness & Prevention - Future of Private Leasing Scheme
MEETING:	Adult Select Committee
DATE:	12th September 2017
DIVISION/WARDS AFFECTED:	All

1.0 PURPOSE

1.1 This report advises that the Council's contract with Melin Homes to manage the Private Leasing Scheme (PLS) is due to end in June 2018. The purpose of the report is to make the Committee aware of the findings of a due diligence exercise and to consider the options for the future management of the scheme. The report also provides an update on Welsh Government temporary accommodation funding and its relevance to the PLS.

2. RECOMMENDATIONS

- 2.1 To consider how the PLS supports households accessing it, the Council's duties in relation to homelessness, other responsibilities (eg Public Protection) and to consider the budget implications for the Council.
- 2.2 The Council explores the available options for meeting its responsibilities for the on-going provision of temporary accommodation, as per the Housing (Wales) Act 2014 and for the Committee to receive a further report as soon as possible.
- 2.3 Continue to work with Melin Homes and prepare for the ending of the private leased contract in June 2018, including seeking to reduce or eliminate costs wherever possible.
- 2.4 To continue implementing the process of due diligence include giving particular regard to rent arrears and property condition.

3. KEY ISSUES

- 3.1 Under the Housing (Wales) Act 2014, the Council has a duty to both respond to homelessness and to prevent homelessness. The Act also provides the power to discharge the associated duties into the private rented sector. In recent years it has been a priority to strengthen prevention activity, including engaging with private landlords to enable access to the private accommodation as an alternative to over relying on social housing and the need to utilise bed & breakfast.
- 3.2 The Council has operated a PLS for over ten years. It was initially established due to the lack of social housing. The scheme supports the Council to discharge its statutory duties and helps to minimise bed & breakfast use. The PLS was transferred to Melin Homes in 2009 having tendered for the contract. This ends in June 2018. A decision now needs to be made about the future of the PLS and the Council is actively preparing for the end of the contract and undertaking a process of due diligence. **See Appendix 1.** Melin no longer wish to manage the scheme, in part, due to Welfare Reform changes. Of relevance is the Department of Work & Pensions decision from April 2017 to remove the ability to claim a £60 pw per property temporary accommodation management fee subsidy, through housing benefit. Welsh Government have replaced with additional Rate Support Grant.
- 3.4 Although the Council continually seeks to access private rented opportunities, the ability to deliver the required number of properties is limited for a number of reasons including:

- Homeless applicants typically are low income households and in receipt of benefit. Lettings agencies and landlords are often reluctant to accept households on benefit.
- Many households cannot afford to meet local rents and upfront private sector costs. The Council only has a limited ability to support in this respect.
- Vulnerable households are often perceived, often incorrectly, as a risk to landlords
- Some households with complex needs are difficult to accommodate in any sector

3.5 The following options, which are fully evaluated in **Appendix 1**, are available:

- **Option 1** – Transfer back to the Council and continue to operate whilst seeking to retain but re-negotiate with landlords. The PLS would operate alongside the Shared Housing Scheme. Option 1 is considered the most appropriate option in order to most effectively meet statutory duties. It also supports the development of Monmouthshire Lettings.
- **Option 2** – Transfer back to the Council and phase out the scheme. This would impact negatively on preventing homelessness due to the lack of social housing and other housing options. It would also be detrimental to applicants and other costs would be incurred, such as bed & breakfast and Prevention related expenditure.
- **Option 3** - Identify a new provider, although it is believed there will be little interest due to the unique nature of the service. Equally, it is considered that the Housing Options Team is best placed to manage the PLS directly due to the need for maximum flexibility, particularly in relation to supporting vulnerable households.

4. **REASONS:**

4.1 The Council has a legal duty to prevent and respond to homelessness under the Housing (Wales) Act 2014 and the power to discharge this duty into the private rented sector.

5. **RESOURCE IMPLICATIONS:**

5.1 A decision by the Department of Works and Pensions to remove the temporary accommodation management subsidy from April 2017 (value approximately £383,230) and the 'replacement' funding by Welsh Government of additional Rate Support Grant (£148,000) has created a budget pressure of £228,870 for 2018/19. **See Appendix 2**

6. **SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:**

6.1 Should the Council need to reduce the level of private leasing or phase out the PLS, this will impact negative impacts on homeless applicants in Monmouthshire. **See Appendix 3.**

7. **SAFEGUARDING & CORPORATE PARENTING IMPLICATIONS:**

7.1 Homeless prevention supports both safeguarding and corporate parenting

8. **CONSULTEES:** Chief Officer Enterprise; Cabinet Member for Enterprise; Housing Management Team; Head of Planning, Housing & Place-Shaping; Assistant Head of Finance

9. **BACKGROUND PAPERS:** None

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