

<b>SUBJECT:</b>	<b>Homelessness &amp; Prevention - Future of Private Leasing Scheme</b>
<b>MEETING:</b>	<b>Adult Select Committee</b>
<b>DATE:</b>	<b>23<sup>rd</sup> January 2018</b>
<b>DIVISION/WARDS AFFECTED:</b>	<b>All</b>

## 1.0 PURPOSE

- 1.1 This is a follow up to the report received by the Committee on 12<sup>th</sup> September 2017 and advises that the Council's contract with Melin Homes to manage the Private Leasing Scheme (PLS) will end in June 2018. The report updates the Committee on the due diligence findings and considers the options for the future scheme management. The report also provides an update on Welsh Government temporary accommodation funding and its relevance to the PLS. **See Appendix 1.**

## 2. RECOMMENDATIONS

- 2.1 To consider how the PLS supports homelessness, the Council's homeless related duties, other responsibilities (eg Public Protection) and the associated budget implications.
- 2.2 To consider the available options for meeting its responsibilities for the on-going provision of the PLS as part of the Council's temporary accommodation portfolio, as per the requirement of the Housing (Wales) Act 2014.
- 2.3 To recommend to Cabinet that the PLS transfers back to the Council and the PLS is maintained, certainly in the short-term.
- 2.4 To recommend to Cabinet that other options are identified to continue to strengthen homeless prevention and/or facilitate new housing options that would help to provide an alternatives to the PLS. **See Appendix 2.**
- 2.6 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 and facilitating TUPE arrangements in respect of Melin staff x 1.6 wte.
- 2.7 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. Strengthening prevention activity is an on-going priority, including engaging with private landlords to enable access to private accommodation as a key option for the Council to discharge its homeless duties and minimise over reliance on social housing and the need to utilise bed & breakfast.
- 3.2 A PLS has operated for over ten years. It was initially established due to the lack of social housing and supports the Council to discharge its statutory duties and helps to minimise bed & breakfast use. The PLS was transferred to Melin Homes in 2009 under contract, which 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.
- Vulnerable households are often perceived, often incorrectly, as a risk to landlords
- Some households with complex needs are difficult to accommodate in any sector

#### 4. **OPTIONS APPRAISAL**

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

- **Option 1** – Transfer back to the Council and continue to operate alongside the Shared Housing, whilst seeking to retain, but re-negotiate with landlords. Option 1 is considered the most appropriate 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.

#### 5. **EVALUATION CRITERIA**

5.1 Additional evaluation over and above that listed above is detailed in **Appendix 1**. See also **Appendix 3**.

#### 6. **REASONS:**

6.1 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.

#### 7. **RESOURCE IMPLICATIONS:**

7.1 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 for following budget pressures:

- An over-spend of £98,000 is projected for 2017/18, a reduction from £127,000 as reported at Month 7. This pressure was expected and has previously been factored into the Council's Medium Term Financial Plan.
- The projection for 2018/19 is a £150,000 overspend and is a reduction from £228,870 previously reported to the Committee in the previous report. **See Appendix 4**

#### 8. **WELLBEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING):**

- 8.1 Should the Council need to reduce the level of private leasing or phase out the PLS, this negatively impacts on homeless applicants in Monmouthshire, which may include those with protected characteristics. **See Appendix 5.**
- 8.21 Homeless prevention and the private leasing scheme supports both safeguarding and corporate parenting.
9. **CONSULTEES:** Chief Officer Enterprise; Cabinet Member for Enterprise; Head of Planning, Housing & Place-Shaping; Assistant Head of Finance
10. **BACKGROUND PAPERS:** None
11. **AUTHOR:** Ian Bakewell, Housing & Communities Manager
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## Appendix 2

### **Overview of Key Actions to Strengthen Homeless Prevention & Develop Alternative Housing Options for Private Leasing**

The following actions will help to mitigate against budget pressures created by the loss of the temporary accommodation management fee and help to provide alternatives to using private leasing to meet statutory duties:

- Scope to re-designate shared housing to hostel status is being investigated to attract different treatment by housing benefit.
- 'Lodgings based' Supported housing models are being investigated. A presentation by Nightstop was provided to officers on 7<sup>th</sup> December 2017. Other models have been acquired for consideration in relation to the Supporting People programme.
- Discussions are on-going about scope to strengthen homeless prevention utilising the Supporting People programme, as expected by Welsh Government. Need and a number of options are currently being considered.
- Funding has been acquired from WG grant to temporarily offer 'Golden Hellos' for the Monmouthshire Lettings service.
- Again through securing another WG grant, the Council has appointed a Young Person Accommodation Officer from January 2018 to provide a dedicated resource in respect of young people hopefully increase prevention for young people. The proposal is that this post will be funded from Supporting People after April 18. This will also support Social Services and Childrens Services.
- Two part-time benefits staff have transferred from Social Care. This has enabled the Housing Options Function of Financial Inclusion to be strengthened.
- A small Homeless Prevention Reserve has been created to offer private landlords rent guarantees.
- The monitoring of the Housing Register is an on-going priority to ensure the Register works for the Council in respect of homelessness and prevention.
- Housing Options staff have met with Tai Calon Housing Association in Torfaen County Borough Council. Tai Calon from time to time, such as in locations close to Monmouthshire, may have vacancies that the Council may be able to utilise for homeless households.
- Discussions are on-going with a group of Monmouth Churches who are interested in providing a night-shelter for rough sleepers during the winter. Discussions about the churches supporting a possible lodgings based supported housing model are also being discussed.
- Development of a joint Regional Homeless Strategy with other Gwent Council's which it is anticipated. It is hoped that regional solutions will emerge.

## Appendix 3

### Evaluation Criteria – Cabinet, Individual Cabinet Member Decisions & Council

<b>Title of Report:</b>	<b>Homeless Prevention – Future of Private Leasing Scheme</b>
<b>Date decision was made:</b>	
<b>Report Author:</b>	<b>Ian Bakewell</b>

#### **What will happen as a result of this decision being approved by Cabinet or Council?**

The proposed outcome is that the Council agrees to maintain the private leasing scheme after it is transferred back to the Council from Melin Homes.

Maintaining the private leasing scheme is of relevance for a number of reasons:

- The scheme enables the Council to discharge it's homeless related duties under the Housing (Wales) Act 2014
- It provides good quality temporary accommodation
- It supports applicants to remain within or near their own communities, albeit that isn't always possible
- The loss of the scheme will mean that the current 58 households will need to be accommodated. In reality this will create added pressure for the social housing stock. Furthermore, the loss will mean there are 58 less units of temporary accommodation for homeless households.
- The loss of the scheme will make it harder to prevent homelessness and/or provide accommodation to applicants
- The loss of the scheme may create knock on costs, such as the use of bed & breakfast
- There is a focus on developing other initiatives to strengthen homeless prevention and create new housing options. This will take time. It's unlikely that any one solution will be sufficient to replace the private leasing scheme.

12 month appraisal

#### **What benchmarks and/or criteria will you use to determine whether the decision has been successfully implemented?**

The following benchmarks will be used to assess whether the decision has had a positive or negative effect:

- Requests/demand for homeless assistance
- Level of successful homeless prevention
- Client satisfaction and complaints
- Budget monitoring information
- Successful introduction of alternative options

12 month appraisal

#### **What is the estimate cost of implementing this decision or, if the decision is designed to save money, what is the proposed saving that the decision will achieve?**

No budget savings will be achieved by implementing this decision. Equally it's difficult to estimate the financial cost of phasing out the scheme. However, it is known that the current projected financial pressure is £150,000 for 2018/19. However, should these costs change it is more likely that the costs will fall rather than increase.

It is anticipated there would be social costs if the scheme was phased out in the short-term for homeless households in the knowledge that there is a lack of alternatives to private leasing to whom the Council has a duty to under Housing (Wales) Act 2014

It will be a priority though to investigate new initiatives to strengthen homeless prevention and to create new housing options to mitigate against this cost and seek to reduce this financial pressure.

12 month appraisal

Any other comments