

Business Change Mandate (Including Budget Mandates) Proposal Number: B10
Title: Extension of Shared Lodging Scheme

All information requested must be completed on the proposed mandate to enable the Cabinet to decide whether to proceed with the proposal.

Mandate Completed by	Ian Bakewell, Housing & Communities Manager
Date	27 th August 2015 / updated 9 th December 2015

How much savings will it generate and over what period?
Proposal will generate £40,000 additional income and make £10,000 revenue savings in 2016/17
Directorate & Service Area responsible
Enterprise – Housing & Community Services
Mandate lead(s)
Karen Durrant, Private Sector Housing Manager

Final mandate approved by Cabinet	Date:
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1. Vision and Outcomes of the Mandate

Give a business context for the mandate. This must pick up on the vision and what the new / improved / reduced service will look like in the future including the anticipated experience of users. It must also consider any impact on the Council's key priorities and strategic outcomes. Similarly does it impact on service performance within the immediate service area or any impact on other services provided by the authority / any other providers. In doing so, the mandate must be tested against the equality impact assessment and sustainable development impact assessment and must consider impact in relation to the new Future Generations Bill.

What is the issue that the proposal is seeking to address?

The Housing (Wales) Act 2014 has created a statutory duty from 27th April 2015 for the Council to prevent homelessness, which effectively extended the statutory homeless duty, which remains in place. The new duty to prevent homelessness applies to all households. As has historically been the case, there continues to be an on-going shortage of accommodation that can be used to discharge the respective duties, which has previously been the reason for the need to use B & B, albeit this need has been significantly reduced.

Although the Housing (Wales) Act 2014 now allows the Council to discharge the said duties using private rented housing, which is a helpful provision for the Council, the Act also, together with the Code of Guidance and the Homeless (Suitability of Accommodation) (Wales) Order 2015 has increased the requirements of the Council and the need to fulfil on the suitability of accommodation for applicants eg relevance of proximity to schools, employment, health facilities, affordability, support infrastructure etc. The availability of private rented housing in Monmouthshire (as is the case with social housing) continues to be limited. At the time of writing there is a significant need for family accommodation in Monmouthshire and currently there are 8 family households waiting for accommodation available, five of which are needed in Chepstow. Providing single persons accommodation is also a challenge.

It is therefore, a priority of Housing & Communities to strengthen links with the private rented sector. Work on this has already started through the establishment of a joint Private Sector Housing Team with Torfaen County Borough Council. A key component of the link with the private sector is the Shared Housing Scheme, which has been operational since 2013. A wider intention is to establish a landlord 'offer' that will effectively package the benefits a landlord can secure through working with the Private Sector Housing Team. The option for a landlord to offer a property for use by the Council for Shared Housing will form part of the offer.

This mandate proposal, therefore, is to continue developing and expanding the existing House-share scheme.

It is also proposed to widen the direct provision of the Housing Solutions Team by applying the Shared Housing learning and experience together with the additional capacity and resilience of the Private Sector Housing Team, to develop a Private Leasing proposal for consideration. The availability of Private Leasing for Monmouthshire through the Council will not only add to the range of options currently available for private landlords but will also add to the wider attractiveness and marketability of the landlords offer. It is vital that private landlords do not regard accommodating vulnerable households as a risk and are reassured and have confidence in working with the Council

The different service strands provided by the Private Sector Housing Team provides building blocks for potentially establishing a Lettings Agency in the medium term, where a charge could be levied. This would need to be agreed by Torfaen County Borough Council under the current arrangements.

What evidence have you got that this needs to be addressed?

In addition to the new statutory duty, there are a number of factors that inform the said proposal:

- The overall on-going demand for assistance from the Housing Solutions (formerly Housing Options) Service continues to grow
- Level of homeless application determinations and acceptance of full duty
- Level of successful homeless prevention and proportion discharged into private rented sector
- No. of applicants on the Housing Register

How will this proposal address this issue

The proposal facilitates the Council to have a stock of accommodation that is directly under the control and management of the Council. The control enables the Council to have management responsibility, reducing risk and inconvenience to private landlords. The proposal will effectively expand the availability of affordable accommodation, particularly for single person households.

What will it look like when you have implemented the proposal

It is proposed to expand the current portfolio of Shared Housing units to 58 by the end of March 2017 and assuming there is agreement for the Council to start private leasing, a target of 5 private leasing units is proposed.

The intention (subject to Torfaen County Borough Council's agreement) is to have a formal written landlord offer that can be marketed and promoted. Shared Housing and Private Leasing would form part of the landlords offer.

Expected positive impacts

- Increased abilities to discharge the respective duties relating to the Housing (Wales) Act 2014 and complying with the increased restrictions in terms of suitability.
- Shared Housing has provided an additional housing option for Monmouthshire particularly for single people – accommodation that otherwise wouldn't have been provided
- The increase in stock will also facilitate the current participation in the Afghan Translator Re-Location programme
- Acquiring private leased units provides more control to the Private Sector Housing Team in the context of re-housing vulnerable households who are regarded to be of a higher risk and won't be rehoused by other landlords.

- It supports minimising the use of B & B (although won't necessarily eliminate it)
- It will generate income for the Council
- It will strengthen the Council's 'offer' to private landlords
- Some landlords have indicated they would prefer to work with the Council rather than other organisations

Expected negative impacts

- As the scheme grows there is an increased need for management support to deal with sign-ups, inspections, repairs, nuisance, rent arrears etc. The structure of the Private Sector Housing Team support this and any additional management needs can be funded from the scheme income
- Due to the vulnerability of the Council's client group, properties can be susceptible to breaches of occupation by residents. This can create financial risks to the Council eg rechargeable damage. This will be managed through a risk based approach to matching applicants with suitable properties.

2. Savings proposed

Show how the budget mandate will make savings against the current service budget. This must cover each year implicated. This section must also cover any other efficiency that will arise from the mandate.

What savings and efficiencies are expected to be achieved?								
Service area	Current Budget £	Proposed Cash Savings £	Proposed non cash efficiencies – non £	Target year				Total Savings proposed
				16/17	17/18	18/19	19/20	
Private Sector Housing Team – Shared Housing & Private Leasing		£40,000 income		40,000		-	-	40,000
Housing Solutions		£10,000 savings		10,000				10,000

3. Options

Prior to the mandate being written, an options appraisal will have taken place. Summarise here the outcome of the Options considered and detail the rationale on why they were disregarded. (see options appraisal guide for further information)

Options	Reason why Option was not progressed	Decision Maker
Requesting RSL partners to support the increased availability of housing stock.	This <u>is</u> being progressed and all partners have agreed to support this. Some accommodation is already being provide on this basis and discussions are actually in progress about certain addresses.	Karen Durrant
Developing a lodging model	This is an option that Housing & Communities are keen to pursue (perhaps with Children’s Services and Supporting People) and there is a need, but due to other commitments and priorities it is considered resourcing the development of this model will be difficult.	Karen Durrant
Expanding the role of the existing private leasing model beyond being used temporary accommodation for homeless people	Properties are increasingly being used for homeless prevention, and the Council has received agreement to expand the current portfolio. However, requests to use properties for Shared Housing hasn’t been progressed	Karen Durrant

4. Consultation

It isn’t considered that there is a need to consult on the principal of the on-going expansion of the Shared Housing Scheme because the service is now well established and prior scrutiny and consents have previously been undertaken/acquired through Adult Select and

Cabinet. It is proposed though that for new properties identified for using as shared housing, prior to securing units, the local elected member will be informed of intentions.

It is proposed that internal consultation will be undertaken with Finance and through the Enterprise management structure in respect of Private Leasing with a view to acquiring Cabinet approval.

Have you undertaken any initial consultation on the idea(s)?		
Name	Organisation/ department	Date
Torfaen CBC	Housing Services	26.08.15

Has the specific budget mandate been consulted on?		
Function	Date	Details of any changes made?
Department Management Team		
Other Service Contributing to / impacted		
Senior leadership team		
Select Committee	Economy & Development 4 th Nov 2015	
Public or other stakeholders	8 th October – 30 th November 2015	
Cabinet (sign off to proceed)	Meeting Scheduled 6 th Jan 2016	

Will any further consultation be needed?		
Name	Organisation/ department	Date

5. Actions to deliver the mandate

Describe the key activities that will be undertaken to deliver the mandates and the action holders. This includes any actions contributed to by other services. Give the timescales to complete the work. This must also factor in any business activities that will need to be done differently or cease in order to achieve the mandate.

Action	Officer/ Service responsible	Timescale
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Direct advertising of MCC need for rooms and properties eg press releases, website, landlord hub etc	Lindsay Stewart	
Prepare private leasing project proposal including cost modelling	Karen Durrant	December 2015
Liaise with RSL partners to provide properties	Lindsay Stewart	Jan 2016
Publish landlord offer	Karen Durrant	Jan 2016

6. Additional resource/ business needs

Describe any additional finance, resource and capability needed in order to carry out the proposed mandate successfully. For example new funding, expertise e.g. marketing and knowledge etc..

Any additional investment required	Where will the investment come from	Any other resource/ business need (non-financial)
There may be a need for additional management resource	The management support will come from the existing Private Sector Housing Team and if necessary, the scheme income would need to be used to fund an additional post	None

7. Measuring performance on the mandate

How do you intend to measure the impact of the mandate? This could include: speed of service; quality of service; customer satisfaction; unit cost; overall cost. For advice on developing performance measures you can contact Policy and Performance Team, for advice on unit costs speak with your directorate accountant.

Focus- Budget / Process / Staff / Customer	Indicator	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Target 2016/17	Target 2017/18	Target 2018/19	Target 2019/20
Customer	Customer satisfaction with accommodation provided								

Process	% of potentially homeless prevented for at least six months (This was a statutory PI but was withdrawn for 15/16)								
Process	No. of completed homeless prevention enquiries successfully completed through assistance into the private rented sector								
Process	No. of shared housing units								
Process	No. of private leased units								
Process	Level of income								
Process	No. of B & B placements								
Process	No. of homeless applications determined								

8. Key Risks and Issues

Are there any potential barriers and risks that will need to be managed in delivering the mandate, including any negative impacts identified in section 1 that need to be accounted for. Also, set out the steps that will be taken to mitigate these. The risks should be scored in accordance with the [council's policy](#).

Barrier or Risk	Strategic/Operational	Reason why identified (evidence)	Risk Assessment			Mitigating Actions	Post mitigation risk level
			Likelihood	Impact	Overall Level		
Opposition from neighbours	Operational	There is often a perception that clients assisted by the Housing Solutions Service are high risk. On occasions, individuals will breach their accommodation agreement	Medium	Medium	Medium	Applicants will be risk assessed with regards to suitability of placements	
Housing Benefit regulations could change		The existing regulations facilitate the payment of a management charge. This potentially could be reduced	Medium	High	Medium	Break clauses in agreements enable the Council to end leases Cost modelling has been undertaken assuming lower management charges. The scheme is still viable but would result in lower income.	

Demand could fall	Strategic & Operational		Low	High	Medium	Break clauses in agreements enable the Council to end leases	
Landlords may not be interested in participating in the scheme	Strategic & Operational		High	High	High	It is a priority for Housing & Communities and the Private Sector Housing Team to develop relationships with landlords. This is being undertaken through a range of methods: <ul style="list-style-type: none"> • Telephone duty system • Landlords Hub (landlord network) • Named contacts • Wider support mechanisms eg housing support • Scheme will form part of wider landlord offer • 	
Voids not filled quickly resulting in lost income			Low	High	Medium	Regular and on-going monitoring of voids	
High maintenance costs due to damage or cleaning	Operational	Past experience is that some clients will cause damage and not keep their room clean	Medium	Medium	Medium	Regular inspections Scope to recharge Agreements will be enforced, which ultimately could result in occupants being evicted.	

9. Assumptions

Describe any assumptions made that underpin the justification for the option.

Assumption	Reason why assumption is being made (evidence)	Decision Maker
That demand for housing advice and provision will continue	Historical demand statistics relating to homelessness and potential homelessness	Karen Durrant
That housing benefit regulations will not be changed in relation to management subsidies	No feedback has been received from DWP about possible changes	Karen Durrant

10. Monitoring the budget mandate

The budget mandates must be monitored through directorate budget monitoring. This will lead into corporate budget monitoring. In addition the action plan, performance measures and the risk assessment must be transferred into the service plans for the business area in order to monitor and challenge the delivery of the budget mandate, including the savings being achieved and the level of impact.

11. Evaluation

It is important to evaluate the impact of the mandate once it has been fully delivered to know whether it has successfully achieved what it set out to do and to ensure that findings can be used to inform future work.

Planned Evaluation Date	Who will complete the evaluation?
March 2017	Ian Bakewell, Housing & Communities Manager