

WELWYN HATFIELD BOROUGH COUNCIL
CABINET HOUSING PANEL 11 MARCH 2019
REPORT OF THE CORPORATE DIRECTOR (HOUSING AND COMMUNITIES)

ACCESSING THE PRIVATE RENTED SECTOR TO ALLEVIATE HOMELESSNESS

1 Executive Summary

- 1.1 In response to the increasing demand for temporary accommodation (TA) and the future redevelopment of the council's existing TA provision at Howlands House, WGC, the options for homeless families have been reviewed.
- 1.2 As a result, it has been agreed to both expand the council's TA portfolio and pursue options that could help alleviate demand for TA. This includes ways to expand access to the private rented sector (PRS).
- 1.3 Since 2017/18 the government has provided a ring fenced grant, called the flexible homeless support grant. This grant has been confirmed for three years (final year being 2019/20), the allocation of funding is based on a formula which reflects relative homeless pressures and is for the purpose of tackling homelessness
- 1.4 The grant has been used to support initiatives to prevent and alleviate homelessness, including the Housing First project, the Night shelter, specialist housing advice and the council's 'Spend to Save' fund. A portion of the grant is available to fund improved access to private sector housing options to alleviate homelessness; of the private sector options considered, some schemes have been ruled out due to high cost and financial or other risks to the council
- 1.5 The preferred approach is to establish a two year fixed term Private Sector Navigator post and to provide a budget which can be used to help access private sector lettings; the aim of this post holder will be to build relationships with private landlords and seek to remove barriers and improve the council's chances of accessing the private rented sector for households who are homeless or threatened with homelessness.
- 1.6 This is considered to be the most effective solution for a successful collaboration with the private rented sector, achieving the best value for money for the funds set aside from the ring fenced grant. The full costs of this initiative will be met from the ring fenced grant.

2 Recommendation

- 2.1 Members to note the content of this report.

3 Explanation

- 3.1 Welwyn Hatfield Borough Council is a statutory housing provider and as such is obliged to ensure that sufficient accommodation is and will be available for people in the borough who are or may become homeless.
- 3.2 The council has a good track record of delivering high quality housing advice and homeless prevention; current initiatives include specialist money advice provided by Citizen Advice; the Housing First initiative, which provides outreach and supported housing for people sleeping rough and other vulnerable clients; a 'spend to save' budget, which is used to fund innovative solutions at the front line which will prevent or relieve homelessness and a rent deposit guarantee scheme, which helps customers access the private rented sector.
- 3.3 During 2016/17 there was a gradual rise in demand for temporary accommodation, as the move to permanent accommodation slowed down. Additionally a development opportunity arose to upgrade and increase capacity at our main homeless hostel (Howlands House), which is being progressed.
- 3.4 During 2018 the slowly increasing growth in demand for temporary accommodation seen in 2016/17 became somewhat more significant. The council was unable to meet demand within its own temporary accommodation stock, and to meet its statutory housing obligations had to resort to expensive nightly paid hotels.
- 3.5 Historically the Council has managed homelessness demand for interim accommodation through its own in-house stock of TA - Howlands House (63 units of shared accommodation) and Hazelgrove House (21 units mix of bedsits/one bed and two bed units) with occasional use of hotels for customers who cannot be placed in the council's managed temporary accommodation.
- 3.6 Even without the pressure of the redevelopment, Howlands House and Hazelgrove House were continuously full throughout the spring/summer of 2018, resulting in 22 households in hotels at its peak, many out of borough.
- 3.7 A TA project group was formed to look at all possible options for alleviating demand and increasing TA, as well as investigating further the potential for development of some of the schemes, particularly the private sector options.
- 3.8 A small consultation exercise was completed with landlords and agents with membership to our Landlord Accreditation Scheme. This was to determine what the barriers were to them working with us and our customers and whether there was anything that would encourage joint working.
- 3.9 Consideration and exploratory work were carried out on the following options:
 - a) Setting up a Private Sector Leasing scheme via a housing association. Where we would pay a housing association to procure and manage privately owned properties for us to use as TA or direct lets.
 - b) Using a small number of general needs housing stock vacancies for short-term non-secure tenancies for TA.

- c) Purchase of a purpose built new development of flats (Inspira House) to be used as TA whilst redevelopment of Howlands House takes place.
- d) Fixed term use of the decanted sheltered block, Minster House, for TA until it's ready for demolition in the redevelopment.
- e) Looking at ways to increase the number of private sector rented properties available to customers, as an alternative to temporary accommodation.

3.10 After careful consideration and completion of all exploratory work, the following was agreed:

- a) The in-house projects - Minster House, non-secure tenancies and Inspira House - to be progressed.
- b) After consultation with two separate housing associations who run schemes locally, we concluded that Private Sector Leasing (PSL) was an expensive and high risk scheme for the council in its current format. The cost of implementing a housing association led PSL scheme is much higher than anticipated, due to changes in housing benefit subsidy, higher market rents and risk mitigation for the management. A one year standard let is no-longer cost effective against the current hotel rates in this area (Full cost breakdown is set out in Appendix A).
- c) Creation of a fixed-term Private Sector Navigator post. This idea evolved as an outcome from the landlord consultation. Having a supporting officer at the council that could build links with private landlords, advise and mediate between tenant and landlord if necessary, provide additional support to tenants where needed – to alleviate any risk of non-payment of rent or other tenancy breach - indicated an increase in the chances of some landlords working alongside us.

3.11 The Private Sector Navigator role is something the Government is keen to see introduced, in their desire for councils to remove barriers and improve their chances of accessing the private rented sector to meet local housing need. Successful outcomes are currently being achieved through similar dedicated posts in some of our neighbouring boroughs.

3.12 The government has made some separate funding available to specifically fund this type of initiative; we have bid for funding through this route, but have yet to hear if we have been successful.

3.13 We would like to proceed with the initiative, using the flexible homeless support grant; should we be successful in our bid for government funding – this will be used in its place and we will divert the flexible homeless grant to support other initiatives.

Implications

4 Legal Implication(s)

- 4.1 Welwyn Hatfield Borough Council has statutory responsibilities under the Homeless Reduction Act 2017 to provide suitable housing pathways for prescribed groups and to prevent and relieve homelessness for anyone threatened with homelessness within 56 days.
- 4.2 *The Homelessness (Suitability of Accommodation) (England) Order 2003* (SI 2003/3326) which came into force on 1 April 2004. The Order provides that homeless families with children or where a member of the household is pregnant should not be placed in B&B except in an emergency and even then for a maximum of six weeks

5 Financial Implication(s)

- 5.1 There may be financial implications for the council if it does not increase its temporary accommodation portfolio and include use of the private rented sector. More expensive accommodation options will have to be procured to meet homelessness demand, including nightly paid hotels.
- 5.2 The cost of having a Private Sector Navigator for two years, with a budget available to help remove barriers in order that accommodation can be accessed is estimated to be approximately £59K per annum – therefore a total cost of £118K for a two year project.
- 5.3 The ring fenced homeless support grant allocations for the years 2017/18 to 2019/20 are £710K in total. There is currently £143K unallocated. The initiative set out in this report can therefore be fully funded from this grant.

6 Risk Management Implications

- 6.1 The risks related to this proposal are:
- 6.2 **Reputational risk** – not meeting the Governments expectation for council's to use the private rented sector to meet its statutory housing obligations and not providing customers with a full range of suitable options. **Likelihood** high – **impact** low.
- 6.3 **Financial risk** – increased cost of homelessness to the council, through failure to expand accommodation portfolio **Likelihood** low – **impact** high
- 6.4 **Legal Risk** – failure to meet statutory housing duty if insufficient accommodation made available **Likelihood** low - **impact** high

7 Security and Terrorism Implication(s)

- 7.1 There are no implications arising from this report.

8 Procurement Implication(s)

- 8.1 There are no procurement implications arising from this report.

9 Climate Change Implication(s)

- 9.1 There are no climate change implications arising from this report

10 Human Resources Implication(s)

10.1 The proposal is to employ a new post on a fixed term of two years. The role profile will need to be finalised and the job evaluated. Salary costs are estimated at this time.

11 Health and Wellbeing Implication(s)

11.1 There is a recognised correlation between having secure, decent quality affordable housing and improved health and wellbeing. The more good quality affordable housing we can acquire and sustain the better the health and wellbeing of people in our community.

12 Communication and Engagement Implication(s)

12.1 If the recommendations in the report are approved, there will be the need for a communication plan to re-market the rent deposit scheme and engage with landlords

13 Link to Corporate Priorities

13.1 The subject of this report is linked to the Council's Corporate Priority Our Housing, and specifically to the achievement of 'to plan for current and future housing need'

14 Equality and Diversity

14.1 An EqIA was not completed because this report does not propose changes to existing service-related policies or the development of new service-related policies at this stage.

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Appendices to be listed

Update on Housing Association Private Sector Leased Scheme