

## Central Bedfordshire Council

EXECUTIVE

1 August 2017

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### **Lets Rent - Homelessness Prevention Offer**

Report of: Cllr Carole Hegley, Executive Member for Social Care and Housing, ([carole.hegley@centralbedfordshire.gov.uk](mailto:carole.hegley@centralbedfordshire.gov.uk))

Responsible Director(s): Julie Ogle, Director of Social Care, Health and Housing  
([Julie.ogle@centralbedfordshire.gov.uk](mailto:Julie.ogle@centralbedfordshire.gov.uk))

**This report relates to a decision that is Key**

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#### **Purpose of this report**

1. To present the draft Let's Rent Homelessness Prevention Offer to Executive for approval. The Offer is a key policy to help the Council prevent homelessness.

#### **RECOMMENDATIONS**

**The Executive is asked to:**

1. **approve the draft Let's Rent Homelessness Prevention Offer policy to prevent homelessness.**

#### **Overview and Scrutiny Comments/Recommendations**

2. Social Care Health and Overview Committee welcomes the further steps to be taken to prevent homelessness through its Let's Rent Offer

#### **Issues**

3. Let's Rent was approved by Executive in 2010. Whilst the principles of the original scheme (offer) continue, the context has changed significantly and the offer has had to be developed to achieve solutions that prevent homelessness. Legislation specifically empowers housing authorities to provide financial assistance to landlords to secure accommodation for people who are homeless or at risk of homelessness.

4. The Housing Act 1996 (amended by the Localism Act 2011) enables local authorities to discharge their duty towards homeless households in priority need by using privately rented housing irrespective of whether the household is in agreement. In most cases, however, the Council will always look for a solution that fully meets the needs of the homeless household with their agreement.
5. Performance in 2014/15 and 2015/16 was good with 99 private lets enabled in 2014/15 and 109 in 2015/16. This compares with only 14 in 2013/14. During 2016/17, however, the strength of the private rental market has prevented the same outcomes for households at risk of homelessness. For similar resources, 60 households have been assisted into a private tenancy.
6. The draft policy is developed within the context of the Homelessness Reduction Act 2017. The Act introduces many more duties on local housing authorities, including a duty to prevent homelessness. In addition, many new duties are applicable to a greater cohort of people than the Council currently has duties towards.
7. Prior to 2016/17, the main incentive taken up by landlords was rent deposit and rent in advance. However, with landlords becoming increasingly reluctant to take low income tenants, greater incentives are offered to secure a tenancy, mainly in the form of “up front” top up payments, which give the greatest security to landlords.
8. Officers have been successful in getting Let’s Rent applicants to agree to repayment plans where they are assessed as being able to afford to repay assistance. To the end of March 2017, £0.031M repayment has been established, although much of this will be paid over subsequent years in affordable amounts. The draft policy is clear that repayment is subject to an affordability assessment.
9. The draft policy sets out a menu of assistance to incentivise private landlords to provide accommodation to Let’s Rent applicants. This includes non-financial assistance such as pre and in-tenancy support and advice. The policy also sets out other types of assistance to facilitate sustainable tenancies, such as local welfare provision and discretionary housing payment.
10. Officers negotiate with landlords on a case by case basis, having regards to what the landlord desires but also the need for the property concerned. For example, for a large family in costly private temporary accommodation (TA), Officers would consider a larger package of assistance for a property that meets that family’s needs but also reduces TA costs. Officers consider overall value for money and cost avoidance. Each offer of assistance is developed into a business case for management sign off.

11. As the draft policy is specifically aimed at preventing homelessness, consultation was a focused engagement with private landlords, letting agents, customers, and agencies that support and assist homeless households, many of whom would be Let's Rent applicants.

### **Options for consideration**

12. The draft policy (Offer) is very much a reflection of what the Council has to consider and offer to private landlords in order to secure tenancies in the private rented sector for households at risk of homelessness. The draft policy does, however, provide clarity as to the Council's position and approach.
13. The incentives and support included in the Let's Rent Offer have been trialled over the last two years to gain a better understanding of what encourages landlords to work with the Council and provide homes for households at risk of homelessness.
14. Focused engagement was undertaken in March 2017, and the responses from an engagement event and website consultation survey were broadly supportive of the proposals. Stakeholders felt that the scheme should be publicised when approved and recognised that some customers would need greater level of support than others.

### **Reason/s for decision**

15. Whilst homelessness prevention is not currently a duty, it is in Government directives. Prevention is recognised as a cost effective measure to reduce homelessness and will become a duty in the 2017 Act. Funding is provided for prevention activity and outcomes are reported to the Government. A refreshed Let's Rent Offer will provide clarity on how the Council can meet the new prevention duties.
16. In 2016/17, the Council had budgeted £0.138M for homelessness prevention, which was fully utilised by the end February 2017. Income of £0.031M has been achieved to help offset an over spend in expenditure. Due to the financial pressures arising from temporary accommodation use, the Council approved an increase of £0.055M for homelessness prevention in 2017/18. Refreshing the policy in line with increased resources provides greater clarity and certainty of the Council's approach.
17. The Council are part of a successful sub regional funding bid to prevent rough sleeping. Part of the bid includes funding to facilitate lets in the private sector for rough sleepers. This element of the bid is not "divided up" between partners but will add to the Council's own funding for some customers who might have come directly to the Let's Rent service.

Consequently, the refreshed policy is timely in terms of the external funding that the Council might have access to.

18. With the enactment of the Homelessness Reduction Act 2017 in April 2018, the Government initially announced an implementation funding allocation of £48M for English authorities. With the introduction of new duties and likely funding, it is again beneficial for the Council to have a refreshed and clear policy on how it intends to use available funding to help meet new homelessness prevention duties.

### **Council Priorities**

19. The Let's Rent Homelessness Prevention Offer primarily supports the Council's priority of protecting the vulnerable and improving well being. The Council has certain duties towards vulnerable households facing homelessness but any household facing homelessness will have a negative impact on their well being.
20. Preventing homelessness is also cost effective so Let's Rent contributes to the priority of the Council being more efficient and responsive Council.

### **Public Health Implications**

21. Homelessness is known to have a detrimental affect on both physical and mental health. Preventing homelessness and the associated negative health impacts is beneficial not just to those at risk of homelessness but also beneficial to health and support services, reducing costs of those services that might otherwise have been needed.

### **Legal Implications**

22. There is a duty on local housing authorities to secure accommodation of unintentionally homeless people in priority need. The duty is set out in the Housing Act 1996. It can, however, be cost effective (and may be beneficial to such households) where accommodation is provided through a suitable private sector offer of accommodation.
23. Several pieces of legislation allow housing authorities to provide financial assistance to private individuals with the aim of securing accommodation for people who are homeless or at risk of homelessness. The same legislation also allows local authorities to discharge their duty towards homeless households by using privately rented accommodation.

24. The Homelessness Code of Guidance for Local Authorities (2006) is a Code local authorities must have regard to when discharging the duty to the private rented sector. Under this, local authorities also have a duty to ensure that advice and information about the prevention of homelessness is available free of charge to any person in their area.
25. Provision of a free advisory service has also been further enshrined in the new Homelessness Reduction Act 2017. This Act also introduces a new duty to assess every eligible applicant's case and agree a plan. The new Act also amends various other duties local authorities owe to people who are or who are threatened by homelessness. The Let's Rent scheme will be a key tool in helping the Council meet those duties.
26. The Let's Rent Offer is a policy document that sets out possible ways for the local authority to provide financial assistance or other services to social tenants (or their landlords) to enable such tenants to access accommodation in the private rental sector. The intention is to overcome the barriers (actual or perceived) social tenants may face in a highly competitive rental market as well as reduce the demands on Council resources, particularly where properties are full to capacity with a long waiting list.
27. It is important that each business case is carefully considered as it will involve use of council tax payer's money in supporting and sustaining what will become essentially a private tenancy agreement. The more money that is spent, the greater the business case would have to be to justify the use of tax payer's money in this way.
28. Also as the spend increases, so does the risk to the Council, the main risk being the Council is unable to secure the recovery of monies if these are to be repaid. Unlike other ways the Council can secure accommodation, the only protection the Council can have in the options detailed in the Offer is the security of a contract (as opposed to buying property which gives the security of owning it outright as an asset or lending against a property in return for the security of a charge on the property). Any tenancy agreement will only be between the landlord and the tenant and the Council will not be able to enforce any tenancy clauses.
29. These risks can be reduced in a number of ways. The amount of assistance given will be reasonable and proportionate to help the tenant secure the accommodation. Decision makers will consider relevant factors and treat each application fairly. Factors taken account of are recorded together with the decision and the reasons for that decision.
30. In respect of financial risks, affordability assessments will be needed and liaison between the parties will inform whether they are willing and able to engage and meet obligations the Council may impose. Any conditions or obligations in any contractual agreement that sets out the offer of assistance must be achievable, clear and unambiguous.

The agreement must also be well managed and monitored so that, if any issues or disputes arise e.g. the tenant defaulting on the rent, these are addressed swiftly so that the issue is addressed so there is no risk or any risk that does arise is kept to a minimum.

31. It will also be important for such agreements to protect the Council if it is offering any guarantees such as a top up to Housing Benefit while the tenant waits for their Housing Benefit to begin. The more robust the contractual clauses and the better the contractual management, the more secure the Council's position will be, particularly for any repayments if appropriate, and this will minimise the risks to the Council should problems arise.

### **Financial and Risk Implications**

32. The Council had budgeted £0.138M for homelessness prevention in 2016/17, which was fully utilised by end February 2017. Income of £0.031M has been achieved to help offset the over spend in expenditure, and deliver an outturn in line with the budget. Due to the financial pressures arising from temporary accommodation use, the Council approved an increase of £0.055M for homelessness prevention in 2017/18. Once an estimated income budget of £0.027M is taken into account this leaves a net budget of £0.166M. Refreshing the policy in line with increased resources provides greater clarity and certainty of the Council's approach.
33. As with any scheme, there is risk of overspend, particularly with pressures in the system. The risk is minimised through monthly budget monitoring with Finance Officers, which views income as well as expenditure. In addition, Let's Rent packages of assistance are approved through management sign off to ensure that excessive high packages of assistance are prevented or minimised.
34. Without the ability to provide financial assistance to facilitate private lets, there is a high risk of even greater use of costly temporary accommodation. The services and support provided with the scheme helps minimise the "revolving door" of failed tenancies.

### **Equalities Implications**

35. Central Bedfordshire Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

36. An equalities impact assessment (EIA) was completed as part of the 2015 Homelessness strategy development process, and it is available as a background document. The key finding of the Homelessness strategy (EIA) was that the strategy will ensure that more residents are prevented from becoming homeless and those that do become homeless will receive more person-centred support to relieve their homelessness and retain their independence. The Let's Rent Offer supports this principle of preventing homelessness.
37. There are no additional implications arising from this report. The prevention of homelessness will be beneficial to all households but particularly those more vulnerable households, often at a point of crisis in their lives.

### **Conclusion and next Steps**

38. The draft Let's Rent – Homelessness Prevention Offer captures the learning and experience of the last three years to bring together a package of assistance and support to help the Council prevent homelessness, which itself will become a statutory duty by April 2018. The strong local private rental market has prompted Officers to consider new forms of assistance, in particular those that provide a greater level of security and re-assurance to landlords who are increasingly reluctant to rent to households on low incomes.
39. Members of Social Care Health and Housing Overview and Scrutiny committee were supportive of the policy, which is now being recommended for approval by Executive.

### **Appendices**

**Appendix A:** Let's Rent Offer

### **Background Papers**

The following background papers, not previously available to the public, were taken into account and are available on the Council's website:

**None**

Report author(s):

Nick Costin, Head of Service, Housing Services  
[nick.costin@centralbedfordshire.gov.uk](mailto:nick.costin@centralbedfordshire.gov.uk)