



To: Executive Councillor for Housing: Councillor Kevin Price
Report by: David Greening
Relevant scrutiny Housing 10/3/2015
committee: Scrutiny Committee
Wards affected: Abbey Arbury Castle Cherry Hinton Coleridge
East Chesterton King's Hedges Market Newnham
Petersfield Queen Edith's Romsey Trumpington
West Chesterton

REVIEW OF SOCIAL LETTINGS AGENCY PILOT

Key Decision

1. Executive summary

In June 2013 a report was taken to Community Services Scrutiny Committee where Members approved the establishment of a sub-regional single homelessness service. The new service was to be delivered using funds awarded by the Department for Communities and Local Government (DCLG) to a cluster of local authorities in the Cambridge sub-region; this included Peterborough and all of the district authorities in Cambridgeshire plus Forest Heath and St Edmundsbury in West Suffolk. Cambridge City was appointed by DCLG to lead this partnership, which decided from the outset that a social lettings agency should be piloted and would form part of the wider single homelessness service. It was agreed that Cambridge City would also lead this pilot and that the social lettings agency would confine itself to securing properties within Cambridgeshire only, as Peterborough and the Suffolk authorities were already running successful private rented sector schemes.

The partnership committed to review the pilot after one year from the point at which the first property was secured by the social lettings agency, which was established with a brand name of Town Hall Lettings (THL) and obtained its first property in March 2014. Therefore, with THL one year old, it is important to clearly set out, to stakeholders and Members, the key outcomes, learning points and value-for-money comparators emerging from the project. The recommendations from this report are critical because government funding will have been exhausted by March 2016 and it is clear that the Council and other partner authorities who wish to continue to be involved, will need to commit resources to the scheme if it is to continue beyond this point.

This report will serve as an executive summary of a more comprehensive review which can be found at appendix 1.

2. Recommendations

The Executive Councillor is recommended:

- 1) To continue with the THL until April 2016, applying lessons learned to date and with a particular focus on reducing rent arrears and collecting rent.
- 2) To bring an updated review report to the Housing Scrutiny Committee in September with options for the future of THL after April 2016 including any ongoing financial implications
- 3) To align THL with any existing and new Council initiatives, serving a wider range of customers, such as family housing, and explore additional procurement options.

3. Background

3.1 It is important to note from the outset that THL, as outlined in the executive summary above, has been established in response to a DCLG funding round as part of a wider service to tackle single homelessness and this is where it has almost exclusively been focused in its first year of operation.

3.2 Secondly, the project is a sub-regional one. The cluster group of authorities involved in the wider single homelessness service was one prescribed by DCLG. Members will notice from the statistics in the *Town Hall Lettings Review* report at appendix 2 that the housing outcomes have been significant only for Cambridge City and Huntingdonshire. However, there have been some wider benefits from working together on single homelessness matters and partnerships between local authorities have been established to tackle specific problems. Cambridge City and Fenland have formed a partnership to address homelessness and rough sleeping amongst Eastern European migrants, the County Council is working with Peterborough City Council to meet the needs of chronically excluded adults and a small cluster of local authorities, including Cambridge City are working on the delivery of a supported lodgings scheme.

3.3 Thirdly, the main driver for the original DCLG funding round was borne out of an acknowledgement that not addressing hidden homelessness amongst single people early enough meant that some, often with low or no

support needs, went on to sleep rough or unnecessarily soak up resource in the supported housing system. Indeed, the Community Services Scrutiny Committee report introducing the single homelessness service in June 2013 cited an analysis, conducted in July 2012, which concluded that around 43% of those occupying supported housing in the City had no significant support needs when they entered the accommodation. This is a customer group to which local authorities have no statutory homeless duty and may have only received advice and assistance in the past. Since the inception of the single homelessness service in October 2013 99 individuals have been placed in accommodation.

3.4 The ease or otherwise with which local authorities can facilitate access to the private rented sector to those on low incomes and/or reliant on benefits naturally varies across the sub-region, but the overall picture, given welfare reforms and the credit squeeze and its impact on access to home ownership options, is a challenging one.

3.5 The *THL Review* report is structured in three parts; part one explains why Town Hall Lettings was set up; how the local housing environment shaped the form and operation of the service; and the aims and objectives the service was set to achieve. Part two looks at Town Hall Lettings' record of achievement and its financial performance over the past year and sets this in a context of other models and approaches. Part Three draws some conclusions and makes recommendations for the future of the service.

3.6 Why was the social lettings agency established?

To summarise the detail in the report the reasons and expected outcomes from the establishment of THL were as follows:

1. To tackle rough sleeping
2. To further assist the Council to use the private rented sector to alleviate and prevent homelessness for those households to whom the Council might owe a statutory duty and to support partner district authorities to do this in the longer term
3. To provide an antidote to the Cambridge affordability problem for those wholly or partially reliant on housing benefit
4. To provide a competitive and value-for-money service for landlords as well as tenants
5. Improve levels of support offered to those new to the private rented sector to improve tenancy sustainment outcomes and continue to prevent homelessness
6. To make a contribution to raising standards of the accommodation itself and the management of it

3.7 Following its launch in January 2014 THL settled on a business model whereby the agency would attract landlords into the scheme by offering a guaranteed monthly payment and a full management service. The Council has augmented this with its existing Access (rent deposit and guarantee scheme), which involves neither a guaranteed monthly payment nor management service but works for landlords who wish to retain the management function.

3.7 THL outcomes at the end of year 1

1. The new social lettings agency was set a target to procure 10 properties in year 1. It has delivered 9 flats and houses comprising of 25 bed spaces and has housed 29 people in total
2. All properties procured have met a high safety standard
3. The introduction of THL has also boosted the Council's overall delivery of private rented sector housing outcomes for Cambridge City homeless households to the highest level since the Access Scheme began in 2003. In the first three quarters of 2014-15 this already stands at 52 compared with 41 in the whole of 2013-14 and 31 in 2012-13.
4. The introduction of THL has had a positive impact on the availability of supported housing for rough sleepers by housing individuals who are likely to have been housed there. Rough sleeping in the city continues to fall from 391 individuals found sleeping rough in 2012 to 244 in 2014.
5. Benchmarking with other social lettings agencies is not straightforward; markets, resources, products offered, customer profiles and housing density often differ and ensure that no two schemes are directly comparable. However, the *THL Review* does look at this issue and has selected five other schemes considered worthy of comparison. THL offers the third best value-for-money scheme of those analysed.
6. Rent collection levels have not been good. THL has invested much of its time ensuring procuring new properties and ensuring that they are of the requisite standard and this has meant that some housing management functions have not been given sufficient priority. The report notes that current rent collection rates of 46% need to improve significantly moving forward
7. To date THL has only been able to source accommodation for singles but not for families

3.8 Recommendations

There are 4 key recommendations arising from the THL Review. These are as follows:

1. That THL should continue until at least April 2016 and absorb the lessons learnt from the pilot so far, applying necessary changes to working practices.
2. Should THL continue after March 2016, staffing and funding and office arrangement should be put on a firmer footing.
3. THL should align itself with existing and new Council initiatives and funding streams in an effort to procure family housing.
4. THL should explore additional and wide-ranging procurement options.

4. Implications

(a) Financial Implications

These are contained in the report at appendix 1

(b) Staffing Implications (if not covered in Consultations Section)

These are also contained in the report at appendix 1

(c) Equality and Poverty Implications

The social lettings agency is delivering additional housing options to economically disadvantaged households. Given the number of people housed to date it is too early to make conclusions about that equality impact of the scheme.

(d) Environmental Implications

As part of this section, assign a climate change rating to your recommendation(s) or proposals. You should rate the impact as either:

+L – property standards required for the scheme mean that properties acquired are unlikely to have lower than a D Energy Performance Certificate rating

(e) Procurement

None

(f) **Consultation and communication**

THL was introduced following consultation with sub-regional partners and single homeless service providers in Cambridge City.

(g) **Community Safety**

None

5. Background papers

These background papers were used in the preparation of this report:

None

6. Appendices

Appendix 1 – Town Hall Lettings Review

Appendix 2 – Single Homelessness Service Statistical Report to 2nd February 2015

Appendix 3 – The Cambridge Sub-regional Single Homelessness Service – First Year Review

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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