



Appendix 1

Town Hall Lettings:



First Year Review

Cambridge City Council

February 2015

Town Hall Lettings – First Year Review

1.0 Introduction – About this report

- 1.1 In a report to Community Services Scrutiny Committee dated 25 June 2013, Committee approved a proposal for the establishment of a sub-regional¹ ‘single homelessness service’, with Cambridge City Council taking the lead role in its development.
- 1.2 The same report also sought approval to pilot for one year a ‘local lettings agency’ (LLA), subsequently to be called ‘Town Hall Lettings’. A commitment was made to bring a report to Committee following the first full year of the Agency’s activity. This is that report.
- 1.3 The report is in three parts. Part One provides a brief overview explaining 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. This section includes a plan showing how we intend to deal with the major problem of non-payment of rent. Part Three draws some conclusions and makes recommendations for the future of the service.

Part One: Background

2.0 Town Hall Lettings and the Single Homelessness Service

- 2.1 The primary purpose of Town Hall Lettings (THL) has been to support the single homelessness service (SHS). It is therefore important to understand what the SHS is, and the relationship between the SHS and THL.
- 2.2 The SHS was the Cambridge sub-region’s response to the Government report *Vision to End Rough Sleeping: No Second Night Out* (July 2011). A copy of this report can be found [here](#). As the lead authority, the City was made the custodian of the £323,000 awarded by the Department of Communities and Local Government (DCLG) to support the project.
- 2.3 The SHS was inaugurated on 28 October 2013. As of 2 February 2015, the service had assessed 243 individuals of which 211 were considered suitable for the service. The great bulk of these (193) were Cambridge City Council referrals. A copy of a

¹ The Cambridge sub-region is made up of the following local authority districts:

Cambridge City Council
Peterborough City Council
South Cambridgeshire District Council
Huntingdonshire District Council
Fenland District Council
St Edmundsbury District Council
Forest Heath District Council
East Cambridgeshire District Council

report into the first year of the SHS is appended to this report [here](#) as Appendix 3. A copy of the most up-to-date service statistics can be found [here](#) as Appendix 2.

- 2.4 A further brief for THL *for Cambridge only* was that it should attempt to source affordable PRS accommodation which would enable the Council to accommodate homeless Cambridge families in the PRS. This would support the 2013 change to the City Council's allocation policy permitting this.

3.0 The Cambridge affordability problem

- 3.1 The proportion of households renting privately in Cambridge has always been higher than the national average and, indeed, is one of the highest in the country. By the 2011 census it had reached 24 percent of all households - fractionally higher than the proportion of Cambridge households in socially rented accommodation – and it is now likely that above a quarter of Cambridge households rent from a private landlord.
- 3.2 Housing benefit, a benefit which is available to both working and non-working households, is intended to make rental accommodation more affordable to people on low incomes. The maximum rate of housing benefit a household may receive is determined by the local housing allowance (LHA). The LHA is based on market rents across a geographical area known as a 'broad rental market area' or BRMA. Current LHA rates for Cambridge and a map of the Cambridge BRMA can be found [here](#).
- 3.3 Looking at the Cambridge BRMA, it can be seen that it encompasses locations in the south and west where rents are roughly comparable to those charged in Cambridge, and also areas to the east and north of the City – Newmarket; Soham; Littleport; Haverhill – where rents are significantly lower than in Cambridge. The inclusion of these lower-rent locations has the effect of lowering the Cambridge LHA.
- 3.4 In addition to this, the LHA is set at the '30th percentile' of rents in the BRMA, that is, the point in a sample of rents agreed in the open market where 30 percent of the sample falls below that point (i.e. can be met by the LHA) and 70 percent lies above that point (i.e. cannot be met by the LHA). Until 2010 the LHA was more-generously based on the 50th percentile of agreed rents.
- 3.5 High rents in Cambridge relative to the LHA have priced many households dependent on housing benefit out of the Cambridge market. As Table 1 (below) shows, the LHA tends to fall far short of average private sector rents in Cambridge across all accommodation types. The table also shows that the trend in rentals in Cambridge is very strongly upward over the last 22 months. The LHA, by contrast, has risen only modestly.

| Table 1. Accommodation (Bedrooms) | Average Monthly Market Rent (£) October 2014 (January 2013 ²) | LHA per month (£) October 2014 (January 2013) | Shortfall per month (£) October 2014 (January 2013) |
|---|--|---|---|
| Room in shared house | 533 (440) | 345.45 (325) | 187.55 (115) |
| 1 bed self-contained | 1147 ³ (773) | 540.80 (520) | 606.20 (253) |
| 2 bed | 1217 (924) | 603.85 (585) | 613.15 (339) |
| 3 bed | 1316 (1200) | 722.71 (679.99) | 593.29 (520.01) |
| 4 bed | 2725 (1500) | 936.00 (895.01) | 1789 (604.99) |

4.0 Shaping the Town Hall Lettings model

4.1 Town Hall Lettings was formally set up in January 2014 with the following objectives:

- to support the SHS by setting up shared houses;
- to attempt to procure accommodation as close to Cambridge city as possible (for Cambridge clients including families) but to source throughout the sub-region as the rent-versus-benefit equation permits.

4.2 The following operational guidelines were set to promote a sound financial and managerial approach:

- properties should only be procured if they meet the required safety and other standards;
- properties should be procured only if the market rent is equal to, or less than, the local housing allowance⁴ multiplied by the number of tenants in the accommodation;
- Town Hall Lettings and the property owner should sign a management agreement lasting 12 months;
- an agreed monthly payment at or below the market rent is guaranteed to the landlord throughout the period of the management agreement;
- tenants will be offered an assured shorthold tenancy and will be made fully aware of their rights and responsibilities;

² Source: LLA Options and Feasibility Study. Inside Housing Solutions January 2013

³ A number of very high value properties came on to the market at the same time which may have skewed this average figure.

⁴ An early decision taken during the development of THL was that rent should be affordable by someone on housing benefit and that the scheme would not rely on temporary accommodation subsidy which was thought likely imminently abolished.

- the SHS will determine the suitability of prospective tenants. Landlords will not be involved in the tenancy selection process but the assured shorthold tenancy agreement will necessarily be between landlord and tenant;
- tenants will be settled into their accommodation by the rapid response officers, who may provide further support, as necessary, for up to three months;
- Town Hall Lettings will warrant a sum against damage of up to a month's guaranteed payment in each 12 month rental period.

5.0 Financing Town Hall Lettings

- 5.1 The two main components of expenditure on THL are staff (including associated non-wage revenue costs such as IT and telephony, office accommodation and transport) and funding the landlord guaranteed payment element.
- 5.2 Cambridge City Council agreed that it would release its landlord liaison officer to act as manager of THL. This officer would combine this role with his management of the City's rent-in-advance / rent deposit scheme and other duties in a nominal 75 / 25 split in favour of THL.
- 5.3 Direct staff costs to support the SHS would be funded from the DCLG grant, with the host authority meeting the non-wage costs.
- 5.4 It is not easy to apportion costs between the SHS and THL, particularly in relation to the rapid response service. Column four of Table 2 (below) is our best estimate.

| Table 2. Role | Cost (£) pa (@ 2013-14 rates) | Source of funding | Estimated percentage of time spent on THL work |
|---|----------------------------------|--|--|
| Landlord liaison officer | 36,466 | Cambridge City Council | 75 |
| Coordinator | 35,000 | DCLG grant | 50 |
| Rapid response officers (x2) | 80,000 | DCLG grant | 20 ⁵ |
| Total SHS and THL (rounded): | 151,500 | Estimated total THL Year 1 (rounded): | 60,850 |

- 5.5 Cambridge City Council agreed to meet the guaranteed payment to landlords from the rent deposit and loan fund (Access Scheme).
- 5.6 This fund would cover three things: first, the period during which the landlord's guaranteed payment has been paid out to a landlord but the rent has not been collected from the tenant; second, it would cover void periods when no rent is collected; third, it would cover rent not collected from the tenant and which would

⁵ This should be considered a generous percentage given the proportion of THL clients the RRS supports relative to non-THL SHS clients. (Please see Appendix 1).

need to be written off. A nominal £90,000 was earmarked to support the guaranteed payment to landlords. A full examination of THL's first year running costs can be found in the next section.

Part Two: Town Hall Lettings Year First Year Outcomes

1.0 Properties procured and tenants referred

1.1 THL was given a brief to procure 10 properties in its first full year of operation. It presently has nine properties under management, including two in Cambridge City and a third in a high-value village south of Cambridge. The following Table 3 summarises the current procurement position.

| Table 3. Property location | Local authority | Number beds | Guaranteed sum to landlord (£ per month) | Expected THL rental income (£ per month) |
|-------------------------------|----------------------|-------------|--|--|
| Ramsey PE26 1 | Huntingdonshire | 1 | 365 | 395 |
| Cambridge CB1 3 | Cambridge | 3 | 1115 | 1155 |
| Huntingdon PE29 1 | Huntingdonshire | 5 | 1355 | 1500 |
| Fenstanton PE28 9 | South Cambridgeshire | 2 | 630 | 690 |
| Chittering CB6 3 | South Cambridgeshire | 2 | 625 | 690 |
| Ramsey PE26 1 | Huntingdonshire | 1 | 365 | 395 |
| Cambridge CB1 3 | Cambridge | 4 | 1417 | 1500 |
| Huntingdon PE29 1 | Huntingdonshire | 2 | 500 | 555 |
| Harston CB22 7 | South Cambridgeshire | 5 | 1763 | 1925 |
| TOTALS | | 25 | 8135 | 8805 |

1.2 A slow start in gaining landlord interest meant that THL was under pressure to take on any acceptable offer, even if the property was less than ideal in terms of type and location. Four of these were existing houses in multiple occupation (HMOs) each of which was found to be in need of extensive work to bring them up to the statutory standard. The cost of this has been shared between THL and the landlord, the landlord being provided with a grant or a loan, or a mix of the two, depending what could be achieved in negotiations. Where a grant has been made this has been added to the calculation of THL's running costs. Loans are excluded on the grounds that these are returned to THL's balance sheet.

1.3 At the time of writing, all 25 THL bed spaces are occupied. 30 different individuals have been THL tenants since the Agency's inception. Of the five people who have moved out of a THL tenancy, four have moved into other permanent accommodation.

1.4 The pattern of referrals to THL properties tends to reflect the overall pattern of referrals to the SHS and is as follows:

| Table 4. Referring authority | Numbers referred |
|---------------------------------|------------------|
| Cambridge City | 19 |
| Huntingdonshire | 10 |
| Fenland | Nil |
| South Cambridgeshire | Nil |
| East Cambridgeshire | 1 |

2.0 Rent collection and tenancy management

2.1 A major problem for THL has been rent collection. The following Table 5 summarises the position to the end of December 2014. Please note that the guaranteed sum is paid to the landlord in advance while the tenant pays in arrears. The final column allows for this, assuming the tenant pays the full rent in the lag month.

| Table 5. Property | Guaranteed sum paid to landlord (£ rounded) | Received from tenant (£ rounded) | Anticipated income (£ month rounded) | % collection rate | Assumed % collection rate (allowing for 1 month lag) |
|----------------------|---|----------------------------------|--------------------------------------|-------------------|--|
| Ramsey PE26 1 | 3357 | 1596 | 395 | 48 | 59 |
| Cambridge CB1 3 | 7218 | 5235 | 1155 | 73 | 89 |
| Huntingdon PE29 1 | 8170 | 1050 | 1500 | 13 | 31 |
| Fenstanton PE28 9 | 3185 | 2615 | 690 | 82 | 104 |
| Chittering CB6 3 | 1890 | 1290 | 690 | 68 | 105 |
| Ramsey PE26 1 | 994 | 0 | 395 | 0 | 40 |
| Cambridge CB1 3 | 3187 | 1451 | 1500 | 46 | 93 |
| Huntingdon PE29 1 | 500 | 0 | 555 | 0 | 111 |
| Total | 28501 | 13237 | 6880 | 46 | 71 |

2.2 Looking at the picture more closely, of 24 individual tenants who had been placed in THL properties by the end of December, 11 had made no payment of rent, reducing to eight when the payment lag referred to above is taken into account.

2.3 In terms of the performance of individual properties, the five-bedroom property in Huntingdon has been by far the worst-paying property. Taking this property out of consideration, the collection rate of 46 percent increases to 56 percent. Not unrelated, this property has also been the worst performer in terms of tenancy management with considerable investment in management time having to be made to settle disputes between tenants or to deal with breaches of the tenancy other than non-payment of rent. At the time of writing, THL is taking possession action against a tenant who has persistently refused to pay any rent. THL has now agreed with the landlord to return the property to him early, as soon as vacant possession is obtained.

2.4 The rent collection issue is serious and cannot be allowed to continue. Measures have been put in place to ensure a turnaround in performance in this area, and these are detailed at 2.5. However, the scale of the tenancy management challenge set for THL relative to the commercial sector does need to be noted, as follows:

- Each member of a TA shared house will recently have been homeless (or threatened with homelessness), due usually to some life crisis like relationship breakdown or the loss of a job.
- As a result, although nominally of 'low need', THL tenants will tend to be more vulnerable, dependant, emotionally volatile and less-committed to making a home of their new accommodation than is the case in the more usual type of 'voluntary' shared households. THL tenants are also far more likely not to be working than is usual in shared households: in the commercial sector being able to pay the rent from earnings is normally a prerequisite for being offered a tenancy.
- Lags involved in the benefit system will inevitably lead to lags in the payment of rent, while fluctuating earnings – several tenants have been employed on zero-hour contracts – will increase the temptation to spend benefit payments on immediate consumption rather than paying rent.
- This higher tendency to be unemployed means that tenants are more likely to be at home, more likely to consume utilities (a common source of resentment for household members out working) and more likely to contest shared space. This further erodes commitment to the accommodation, further weakening willingness to pay rent.

2.5 THL has put in place the following measures to bring about an improvement in rent collection:

- **More cautious future procurement.** Looking at Tables 3 and 5, it can be seen that rent collection rates decline in relation to how large a property is and how far away it is from the centre of management (Cambridge). Future procurement of shared accommodation will favour 2-bedroom properties. Properties with above three bedrooms will not be procured outside of a distance from Cambridge where a speedy management response is possible (nominally 15 miles).
- **More active management.** During the procurement phase the concentration of management effort was on finding properties, agreeing a competitive rate with the landlord, furnishing the property and, most time consuming, ensuring that accommodation met all statutory and most desirable standards for shared tenure. With the most intensive procurement effort over, we are now concentrating on rent collection. Tenants will be contacted immediately a rent payment is missed. THL will issue notice seeking possession whenever a tenant is more than two months' in arrears (the earliest we can act in law during the fixed term).
- **Bad debts.** We are actively pursuing former tenant arrears. When all accounts are settled the outturn default rate should be much lower than shown in the current account.

- **Direct payment from benefits.** We will enter into direct payment agreements with HB whenever possible.
- **Working more closely with the referring authority.** There is a marked difference in rent payment performance between tenants referred from different authorities. As of 30 December 2014, of 10 tenants referred by Huntingdonshire eight had paid no rent. Of 13 Cambridge referrals three had paid no rent. The reason for this is not understood and may be coincidental. However, we are working more closely with the referring authority in each case of default.

2.6 In addition to the above, we are exploring:

- **Automatic payment.** We will explore the possibility of automatic rental payment systems such as direct debit and 'jam jar' accounts with a credit union.
- **Collection systems.** We will explore whether it might be advantageous to pass rent collection over to an established Council service such as City Homes or the temporary accommodation service.

3.0 THL comparative cost analysis

3.1 We now come on to looking at whether THL is a value for money service. For several reasons this is a difficult calculation to make. First, THL is a service in evolution. Much staff time in this first year, and the associated cost, has gone into setting up the service; in establishing processes; in negotiating property; in ensuring it meets the required standard (a huge and unexpected call on the landlord liaison officer's time); and in selecting tenants. Moreover, we do not know what effect the measures described above will have on the rent collection rate, or whether better-chosen property, better-matched tenants and our fast-developing management experience might show present the difficulty only to have been teething problems.

This leads on to a second difficulty when considering value for money. No THL tenancy has yet run for 12 months and some have been tenanted only for a matter of months or weeks. This makes it impossible to calculate THL's cost over a year without making a large number of assumptions.

A third difficulty in assessing the value of the service is that there are few meaningful comparators.

A fourth consideration is the so-called 'opportunity cost', that is, the cost that would arise if the service was not provided. In this case this would include the cost of alternative provision of accommodation (for example, in a hostel); the expense of treating the declining physical and mental health inevitably suffered by people who are long-term homeless or inadequately housed, and the cost of other support

services. No attempt has been made here to calculate the opportunity cost but it is important to be conscious of it.

- 3.2 The following table summarises the nominal cost of operating THL over a full year, drawing upon actual costs (staff costs, grants and publicity) and projected cost of rent not collected. It goes on to express that cost on a per property and a per tenant / per annum basis.

| Table 7. | Cost (£) |
|--|--------------|
| Item | |
| Staff ⁶ | 60,850 |
| Bad debts (uncollected rent) ⁷ | 25,000 |
| Grants to landlords | 7,000 |
| Publicity | 2,200 |
| Total | 95,050 |
| Nominal cost per property (/ 9) | 10,561 |
| Nominal cost per tenant per annum ⁸ (/ 29) | 3,277 |

- 3.3 Table 8 compares THL's performance with that of five other schemes. The comparisons should be seen as indicative only, taking no account of variations in market (for example, whether the local LHA rate is more or less favourable than in Cambridgeshire); variations in local wage rates; and any variations between the schemes (for example, whether properties are sourced and managed by the agency and whether there remains a dependence on temporary accommodation subsidy).
- 3.4 Looking at Table 8, it can be seen that the two outliers are King Street, at the bottom end of the cost per tenancy spectrum, and Home Turf Lettings at the top end. With regard to King Street, this is a service which, rather than procuring and managing property, scans for locally-advertised PRS vacancies and then seeks to persuade the landlord to take a referred client. This low-cost and seemingly highly successful activity is one which THL might reasonably pursue in the future. More will be said about this in Part Three of this report.
- 3.5 With regard to Town Hall Lettings, by this measure its performance can be said to be respectable, especially since so much of its first year of operation was taken up procuring the properties to put tenants in. Judged over the nine months since THL acquired its first property THL's indicative cost per tenant falls to under £1500, fractionally more expensive than Richmond, the second cheapest performer.

⁶ See Part One 5.4

⁷ Calculated on the basis of a 75% collection rate of rent in a year, rounded up.

⁸ Includes those moving to other property but excludes those who may have returned to homelessness.

| Table 8. Scheme | Guaranteed rent / sum to landlord | Full management service | Assistance with HB | Staff | Total number tenancies / months of operation | Average no tenancies per month of operation | Indicative cost (£) per tenant ⁹ |
|-----------------------------|-----------------------------------|-------------------------|--------------------|-------|--|---|---|
| THL | Yes | Yes | Yes | 1.65 | 29 / 12 | 2.4 | 1993 |
| King Street (Cambridge) | No | No | Yes | 1 | 167 / 30 | 5.6 | 518 |
| Ethical Lettings (Richmond) | Yes | Yes | Yes | 2 | 50 / 36 | 4.1 | 1414 |
| Waltham Forest (London) | Yes | Yes | Yes | 5 | 150 / 27 | 5.5 | 2636 |
| Home Turf Lettings (Bath) | Yes | Yes | Yes | 1.5 | 17 / 32 | 0.5 | 8700 |
| LET (Norwich) | Yes | Yes | Yes | 5 | 350 / 108 | 3.2 | 4531 |

4. THL and the 'intermediate' market

- 4.1 As has been noted, THL was set up to source property for single homeless people and for homeless Cambridge families. However, a sub-brief for THL was that it would keep alert to other possibilities within the private rented sector which might advance our general housing goals as a council.
- 4.2 One such possibility is that THL might take on the management of properties to be let to an 'intermediate' group of Cambridge private tenants, defined as households whose income is too high to qualify for housing benefit but who nevertheless struggle to afford the cost of renting in Cambridge. There are clear signs (though at present only indicative evidence¹⁰) that such a group exists and is coming under severe pressure as rents and the entry costs into the private sector outstrip local earnings.
- 4.3 There are several ways that the Council might assist the intermediate group, of which the most realistic would involve THL competing directly in the market as a not-for-profit, but otherwise commercial, lettings agency.
- 4.4 One approach would see THL reducing costs for renters by charging fewer and lower fees than are levied by fully commercial agencies. These fees can be enormous. In research carried out in October 2004, of 10 agencies surveyed the lowest administration

⁹ This indicative figure is derived by dividing the number of tenancies procured per month of operation (column 7) by a nominal monthly staff cost of £2900 per person (£35000 a year) multiplied by the number of staff employed.

¹⁰ One such indicator is the Council's Access Scheme which loans to tenants the rent in advance and / or the deposit necessary to enter the sector. In recent years the number of families making a loan application (i.e. where they can meet the rental cost but not the entry cost) has fallen precipitously. This year the scheme has made a loan to one family only.

fee charged for setting up a tenancy was £200. The highest fee charged was £597 and the mean was £325. (It should be remembered that these fees are charged on top of the rent in advance and the deposit, meaning that the entry costs into a modest two-bedroom flat renting for, say, £1000 a month might be £2,500.

- 4.5 A further possibility might be for THL to charge landlords a competitive management fee for fully-commercial higher-end properties, using the income generated to cross-subsidise intermediate-level accommodation.
- 4.6 The difficulty with each of these approaches is that the resource the Authority would need to put into gearing up THL to expand into the commercial market would be considerable relative to the modest gain for intermediate tenants. In our October 2014 study it was estimated that costs would exceed £160,000 in Year One and £150,000 in Year Two, the bulk of this cost comprising of the salaries of three members of staff necessary to make a proper job of the venture.
- 4.7 On an assumed 10 percent fee, to meet these estimated costs from fee income THL would need to acquire a property portfolio of 180 by Year Two. There would be some risk to funds in that the investment in THL's expansion would need to be made on the assumption, but by no means the certainty, that it could procure this number of properties.
- 4.8 But while the financial gain to intermediate tenants may be relatively small, there would be other advantages to a commercial agency, not least that THL might offer tenancies to otherwise sound households which fail the rather strict referencing carried out by commercial agencies. Aligned to rent deposit / rent in advance loans through the access scheme, a quasi-commercial THL might make a significant impact in terms of tenants housed and, by implication, on the number of people approaching the Council for housing.
- 4.9 Further detailed discussion of the longer-term direction of THL is beyond the scope of this first year review but please see Recommendation 4 in the next section of this report.

Part Three: Lessons learned, conclusions and recommendations

1.0 Summary

1.1 In its first year, Town Hall Lettings has:

- developed a set of operational procedures, forms and agreements;
- launched a professional and successful marketing exercise;
- sourced nine properties, two of which are in Cambridge while a third is in the expensive Cambridge southern fringe;
- ensured that all properties sourced meet a high quality safety standard;
- accommodated 29 people (including four moving on from their THL tenancy once their lives had been stabilised);

- become a local provider of single person accommodation on a par with, say, The Springs in Cambridge (a 24 bed unit for low-needs clients); and
- made a significant contribution to the undoubted success of the single homelessness service in the face of a tightening PRS market. The success of the SHS, in turn, is likely to have had a big part to play in the reduction of rough sleeper numbers from 391 in 2012 to 305 in 2013 and to 244 in 2014

1.2 But THL has also experienced difficulties, namely:

- the early sourcing (through lack of choice) of accommodation always thought likely to be difficult to manage (i.e. the Huntingdon 5-bed property);
- the partly-related failure to collect all rent due;
- that clients initially assessed as having low-needs have subsequently revealed challenging behaviour;
- an early failure to understand the myriad practical demands arising from the need to prepare a tenancy from scratch, placing heavy demands on the time of the managing officer; and
- a disappointing, but not unexpected, failure to source suitable accommodation for Cambridge families.

2.0 Lessons learned in the pilot year

2.1 As was anticipated, THL’s pilot year has been an intensive learning exercise. The following table summarises the major findings and sets out the changes in approach the findings suggest.

| Finding | Proposed future approach |
|--|--|
| Larger shared properties (4 or more beds) are proportionally much more difficult to manage than smaller properties | <p>Any future procurement should preferentially be of smaller properties, especially two bedroom units exempt from HMO rules. Any larger properties sourced should be close to the location of THL management (Cambridge) as an aid to more intensive management.</p> <p>Consideration should be given to letting larger properties on licences rather than assured shorthold tenancies.</p> <p>Larger properties should be tenanted by the lowest risk tenants.</p> |

| Finding | Proposed future approach |
|---|--|
| It is not presently possible to demonstrate how THL adds value. | In Year Two THL will develop a set of performance indicators to include measures of tenancy sustainment, employment or volunteering activity by tenants and move-on into other housing options. |
| Low-risk tenants are not necessarily no-risk tenants. | <p>A more-robust approach, including early legal action, should be taken in cases of non-payment of rent and anti-social behaviour.</p> <p>The rapid response service will work more intensively with clients to ensure that the responsibilities of a tenancy are better understood.</p> <p>Second tier assessment (i.e. by the rapid response service) should be strengthened.</p> |
| The broad range of THL management duties and occasional need for intensive management activity places significant demands on staff. | See Recommendation 2 (below) |
| THL cannot procure suitable accommodation for Cambridge homeless families in the present market. | See Recommendation 3 |
| It may be fruitful to explore additional PRS procurement options. | See Recommendation 4 |

3. Recommendations

Recommendation 1: THL should continue until April 2016.

THL has been a project which has achieved some good results for single homeless people in its first year, but THL now requires a period during which tenancy management and the exploration of other PRS opportunities (see Recommendation 4 below) are prioritised over

procurement. In particular, the problem of rent arrears needs to be addressed according to the plan of action outlined at 2.5 (page 8).

Funding is in place to maintain current staffing arrangements. Sanction from Members is required in order to continue funding the guaranteed sum to landlords.

A further review of THL should be brought back to Housing Scrutiny Committee in the September / October cycle. This should focus on:

- whether the project should continue;
- if it should continue, whether it should do so as a sub-regional project, a Cambridge only project, or a partnership project with partners yet to be determined;
- whether the project should continue in its present form (i.e. in-house);
- if it should continue, how THL should be funded and staffed; and
- how the project may be wound down if the decision is to bring it to an end.

Recommendation 2: Should THL continue after March 2016, staffing and funding and office arrangement should be put on a firmer footing.

These will be matters to determine as the operational picture becomes clearer in the course of the coming year.

Recommendation 3: THL should align itself with existing and new Council initiatives and funding streams in an effort to procure family housing.

As has been shown, in ordinary market circumstances it is unlikely that THL will be able to procure affordable PRS family accommodation suitable to prevent or alleviate homelessness or for the discharge of the Council's homelessness duty. Accordingly, if such housing is to be procured it will be in special circumstances. THL has begun to explore with our environmental health (EH) partners the prospect of gaining accommodation by bringing empty homes back into occupation. This approach would potentially permit recovered properties to be let at sub-market rents in return for grants made to owners for the necessary building renovation work. This should be the primary source of additional acquisition over and above the 10 properties THL was set to procure in its first year.

THL should also seek to work with environmental health officers with a view to taking on the management of PRS properties made the subject of property management orders.

The Council may also consider investing in residential properties in the intermediate market by using Housing Revenue Account (HRA) funds. If this does happen THL can consider supporting this venture.

Recommendation 4: THL should explore additional and wide-ranging procurement options.

Recommendation 3 has identified one source of additional properties. A second source may be the 'tenant finder' approach presently successfully applied by King Street Housing Society. THL should explore this option, either alone or perhaps seeking to partner King Street. This task might reasonably be carried out by rapid response officers as the time spent supporting THL tenants is inevitably scaled back as tenants settle in to their accommodation and the three-month RRS support window comes to an end.

THL should continue to collect evidence to help inform whether it is feasible to develop the social lettings agency to procure for the intermediate market.

Appendix 2

SHS statistics 2nd February 2015

| | | |
|---|-------------|------------|
| Total number of referrals received at 2nd February | 250 | |
| Awaiting assessment completion interview with Rapid Response Service | 7 | |
| Assessment complete | 243 | |
| Suitability | | |
| Assessed as suitable (by HA and Rapid Responder) | 211 | |
| Assessed as unsuitable (either by HA or Rapid Responder) | 32 | |
| Referral source | | |
| Referrals from Cambridge City | 193 | |
| Referrals from South Cambridgeshire DC | 5 | |
| Referrals from Huntingdonshire DC | 50 | |
| Referrals from East Cambridgeshire DC | 2 | |
| Referrals from Fenland DC | 0 | |
| Referrals from St Edmundsbury and Forest Heath (W Suffolk) | 0 | |
| Referrals from Peterborough | 0 | |
| | | |
| Numbers who have used interim accommodation to date | 5 | |
| | | |
| Numbers into longer term housing – Adult Foyer (The Springs) | 47 | |
| 28 of these have since left the Springs, of which: <ul style="list-style-type: none"> - 10 positive move-on (through Cambridge City Council); - 4 positive move-on (through RECHG); - 4 successfully moved on independently; - 8 evictions; - 2 abandoned accommodation. | | |
| Numbers into longer term housing – RP accommodation* | 23 | |
| Numbers into PRS accommodation – through CCC rent deposit guarantee scheme (RDGS)** | 10 | |
| Numbers into longer term housing – PRS accommodation through THL*** | 29 | |
| | RDGS | THL |
| PRS placements in Cambridge City | 5 | 7 |
| PRS placements in SCDC | 1 | 6 |
| PRS placements in HDC | 2 | 16 |
| PRS placements in ECDC | 0 | |

| | | |
|---|----------|--|
| PRS placements in Fenland | 0 | |
| PRS placements in Peterborough | 0 | |
| PRS placements in West Suffolk | 0 | |
| PRS placements out-of-area (Kings Lynn) | 2 | |
| Numbers into longer term housing – lodgings scheme**** | 7 | |
| Lodgings scheme placements in Cambridge City | 5 | |
| Lodgings scheme placements in SCDC | 0 | |
| Lodgings scheme placements in HDC | 2 | |
| Lodgings scheme placements in ECDC | 0 | |
| Lodgings scheme placements in Fenland | 0 | |
| Lodgings scheme placements in Peterborough | 0 | |
| Lodgings scheme placements in West Suffolk | 0 | |
| Numbers in other PRS accommodation (assisted by SHS to move into PRS accommodation independently of THL / Access Scheme) | 2 | |

* Four of these are move-ons; not additional clients

** Five of these are move-ons; not additional clients

*** Nine of these are move-ons; not additional clients

***** One of these is a move-on; not an additional client

In summary, we have made 118 permanent placements in respect of 99 clients.

NOTES: The figures above account for 138 of the referrals into the service. (99 placed in permanent accommodation, 32 unsuitable referrals, 7 awaiting Rapid Response Team assessment). Of the remaining 112:

- 29 found accommodation independently – we assisted with Rapid Response Team support but not financially;
- 19 are being assisted by other support services (e.g. SCDC / Kings Street PRS access scheme);
- 1 has a pending offer of accommodation and are waiting to move in;
- 6 are currently working with the Rapid Response Team to find accommodation;
- 57 clients withdrew, of which:
 - o 44 failed to engage with the Rapid Response Team;
 - o 7 refused one or more offers of suitable accommodation;
 - o 3 moved out of area;
 - o 3 closed for other reasons.

The Cambridge Sub-Regional Single Homelessness Service First-year review

Andy King

Single Homelessness Service Co-ordinator

Cambridge City Council



Background

The Cambridge Sub-regional Single Homelessness Service (SHS) was established in October 2013 as a result of funding from the Department of Communities and Local Government. The SHS has formed out of a partnership between Cambridge City Council, Huntingdonshire District Council, South Cambridgeshire District Council, Peterborough City Council, Forest Heath District Council, St Edmundsbury Borough Council, Fenland District Council, East Cambridgeshire District Council and Cambridgeshire County Council.

“Before I sought help from the Single Homelessness Service, my opinion of the Council was that it didn’t care.”

- Sammy, SHS customer

Target Group

The SHS aims to provide sustainable accommodation for people:

- who are homeless and either (a) rough sleeping or (b) at risk of rough sleeping; AND
- are not in “priority need” under the Housing Act 1996; AND
- have low (or no) support needs; AND
- for whom the provision of accommodation is key to solving their problem.

In other words: if this group were to be re-housed, they would be able to maintain a tenancy after a brief initial period of support.

By targeting this group, the SHS aims to contribute towards the following wider objectives:

- a reduction in the number of local people rough-sleeping;
- a reduction in the number of low-needs customers occupying hostel accommodation;
- a reduction in the number of people developing more ingrained support needs as a result of homelessness and/or rough sleeping.

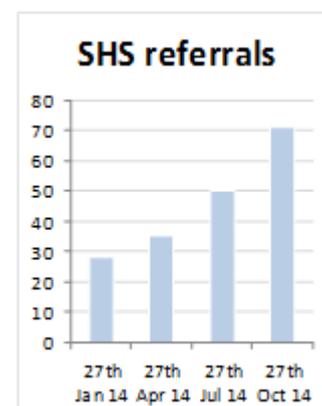
The SHS operates in partnership with Town Hall Lettings, a social lettings management service led by Cambridge City Council.

This report summarises the work carried out by the SHS in its first year.

Referrals

In its first year, the SHS received 184 referrals to the service. Referrals have increased significantly over the course of the year: 71 referrals were received in the last three months compared with 28 in the first three months. This is due to:

- Advisers being better-trained and more confident making SHS referrals;
- An increase in provision of accommodation for SHS customers;



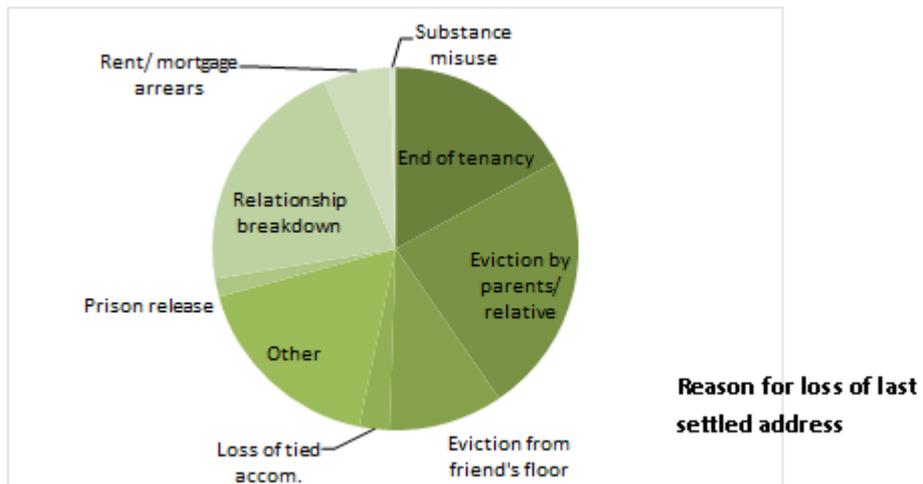
- Advisers recommending the service to other advisers.

78% of referrals were made by Cambridge City Council advisers; 16% were made by Huntingdonshire District Council (HDC). The service has formed a strong relationship with HDC officers: two of the landlords signed up to Town Hall Lettings were made aware of the service through the council's Private Sector Housing Officer.

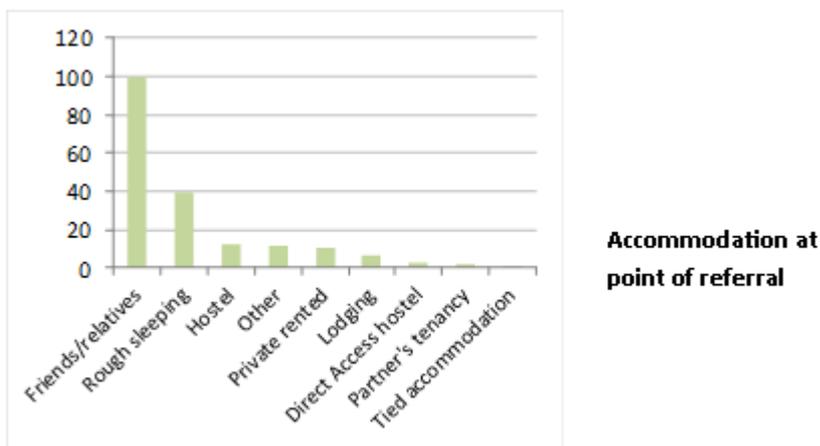
In addition, seven referrals were made from Riverside ECHG, a local housing provider and a key partner. The referrals were made in relation to residents of The Springs who wish to enhance their move-on options. The service has also provided training to Jimmy's Cambridge to facilitate direct referrals.

Demographically, 78% of referrals were from men; 61% of customers were under 35; just over a third of the total referrals were from under 25s.

Key reasons for applying to the service included eviction by parents/relative (23%), relationship breakdown (21%) and end of tenancy (17%).



At the time of referral, over half (54%) of customers were staying with friends and relatives. 39 customers (21%) were rough sleeping.



"I lost my accommodation when my landlady died and the trustees of the will served notice on me.

I spent three years sofa surfing – a week here, a fortnight there, until eventually my options disappeared.

I was so stressed during this time. I have a history of depression and agoraphobia and I could feel myself sinking lower as my housing situation became less secure."

- Shaun, SHS customer

"Before I contacted the Council, I spent two years living in a garage of a friend's house. The garage had no heating or light. It was so cold – I can still feel the cold to this day. My health deteriorated – my heart condition worsened, my back pain increased, my eyesight was damaged from the low light, my ear canal was damaged from the effect of the wind and I developed problems with balance and dizziness."

- Amir, SHS customer

Referral quality

The quality of referrals to the service is a key factor in ensuring that the service is successful. Of the referrals made to the service, 86% were classed as being suitable. Two of the unsuitable referrals were due to customers having no local connection; the remainder were due to customers having an unsuitably high level of support needs.

Some of the reasons for unsuitable referrals include:

- Housing advisers taking a “speculative” approach to making referrals (to maximise the customer’s possible options);
- Limited time available for advisers to interview customers;
- Customers withholding information relating to their support needs.

The role of the Rapid Response team has proved to be crucial in the assessment process. Rapid Responders carry out an in-depth interview with SHS customers, picking up on information identified in the initial assessment and redirecting customers who are unlikely to be able to sustain accommodation.

The process incorporates a check with the police that the information provided by the customer is accurate. This check acts as an effective deterrent against customers making false statements.

The SHS process was built after lengthy consultation with housing advisers. The process is detailed enough to ensure that assessments are accurate, but is streamlined enough to ensure that advisers can complete referrals alongside their statutory duties. The gradual increase in referral numbers (in Cambridge and Huntingdonshire) demonstrates that advisers are able to help provide this service to eligible customers.

Interim Accommodation

For a period of time, the SHS offered interim accommodation via Jimmy’s, Cambridge for customers who had a clear offer of permanent accommodation. Five customers used the interim accommodation during this period.

At present, interim accommodation is still available in such circumstances; however, in the majority of cases, the service is not able to make an immediate offer of accommodation.

In its second year, the service aims to improve access to interim accommodation to reduce the risk of SHS customers sleeping rough. In the meantime, the service has reduced instances of rough sleeping: customers have found it easier to stay with friends or relatives for short periods of time, in the knowledge that they are being supported into accommodation.

The SHS has had a very positive take-off. Since the service started, I have been able to refer over 25 single people, of which most have been re-housed.

The response from the Rapid Responders has been very quick. They assist with rehousing, but also assist with the applicants with personal issues including confidence building and looking for employment. One of the applicants referred has actually gone back to school and is doing his A levels.

Most SHS customers have been very grateful for the service. I highly recommend the SHS.

- Joan, Housing Adviser

The time I spent at Jimmy’s was the start of my “rebuilding” process. I had a roof over my head; support staff helped motivate me to get voluntary work at a charity shop. A few weeks later in The Springs, I got a part-time job; I’m now in full time work. I’ve been rebuilding my life in small steps.

- Shaun, SHS customer

Rapid Response Team support

It is vital that tenancies get off to a good start. Therefore, SHS customers are assisted by a Rapid Response support worker from the point at which they are referred into the service.

Rapid Responders build on the work started by the housing adviser and identify specific goals that will help a tenancy succeed. They offer practical help, such as assisting with the connection of utilities, opening bank or Credit Union accounts, managing existing debts and connecting with health and employment services.

Most SHS customers receive Rapid Response support within three working days of the referral being made, with 91% receiving support within seven working days.

As stated above, Rapid Responders identify inappropriate referrals by interviewing customers in depth. They talk through customers' options in detail, ensuring that customers are placed in accommodation that suits their needs. Their work at this stage reduces the amount of time spent by housing advisers.

Rapid Responders provide practical, tailored help to customers to help them into accommodation. Customers are often stressed and confused by their circumstances; Rapid Responders are able to navigate customers through tasks and systems that may be new to them (such as claiming benefits, accessing voluntary work and obtaining grants for furniture).

The assistance provided is especially valuable when placing SHS customers into Town Hall Lettings properties. Rapid Responders ensure that tenants get off to a positive start and are clearly informed of their rights and responsibilities.

Customer feedback has indicated that the support Rapid Responders provide is prompt, professional and has been invaluable to customers looking to find accommodation.

Placements

In its first year of operation, the SHS made 83 placements in respect of 72 customers. (Note: some customers have been placed twice - for instance, we have placed some customers in The Springs and then subsequently helped them move into Town Hall Lettings accommodation). 59 of the 83 placements (71%) were made in the second half of the year.

The SHS operates in a highly competitive housing market. Research by Town Hall Lettings indicates that there are currently no properties available in Cambridge City at the maximum Local Housing Allowance (LHA) rate or below. It is likely that the gap between LHA and average rent is going to widen: average rents for shared rooms in Cambridge increased by 10% in the last year, whereas LHA increased by just 4%. Demand for privately-rented

The support I've received from my support worker Gail and from The Springs has been excellent. I've been given a second chance and I'm trying to make the most of every opportunity I have.

I've just passed a forklift truck driving course as well as obtaining a health and safety certificate. I'm applying for jobs every day and have had a couple of interviews.

- Sammy, SHS customer

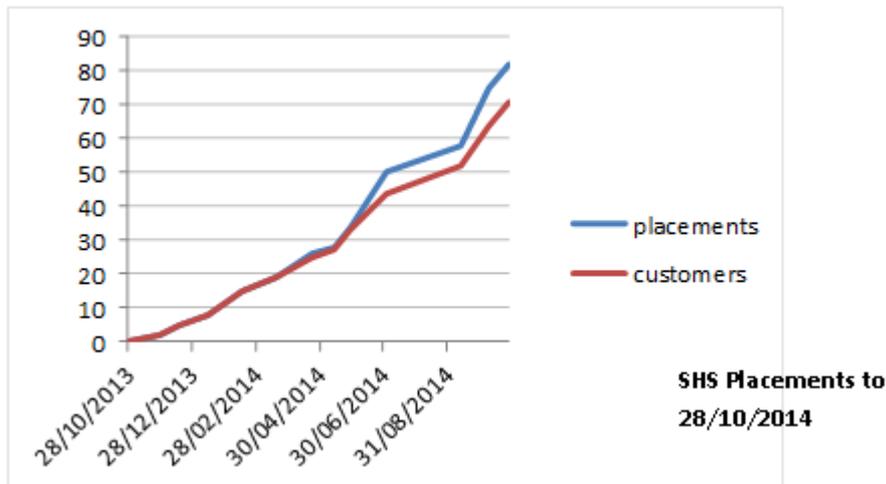
"When I lost my accommodation, I tried to find a place through lettings agents. But because I was out of work, I was at the bottom of the pile."

- Shaun, SHS customer

accommodation (across the market) far exceeds supply; therefore single homeless customers, especially those claiming benefits, struggle to find their way back into accommodation.

The demand on social housing is also high. At the time of writing, 2,405 single people on the Homelink database in Cambridge City alone were classed as Band C - the same banding as most SHS clients.

Therefore, the SHS has acted flexibly and resourcefully in order to acquire accommodation for its customers.



Strategy

The service has developed a wide range of strategies to acquire bed-spaces for SHS customers. The main sources of accommodation are as follows:

The Springs, Cambridge

The service's first accommodation was acquired as a result of developing a strong working relationship with housing provider Riverside ECHG. The Springs provides housing for 24 customers between the ages of 18-65, who have low support needs and are committed to engagement in at least 14 hours' meaningful activity (such as employment, voluntary work or job-seeking) per week.

The service quickly developed a streamlined process for referring SHS customers to The Springs, with Rapid Responders playing a crucial role in helping customers apply to the accommodation. The relationship between the SHS and The Springs has proven to be mutually beneficial: in return for good quality accommodation, The Springs has received a steady supply of good quality referrals from the SHS. The Springs' emphasis on ETE (Education, Training and Employment) has resulted in many SHS customers obtaining paid employment during their stay.

The SHS has also helped residents of The Springs move on into more permanent accommodation through the Rapid Response Service and Town Hall Lettings.

"Before I became homeless, I lived in a shared house whilst claiming benefits. But then the landlord realised he could get more money from students so he served notice on us all, even though we were paying on time."

- Amir, SHS customer

SHS is our primary referral provider and an essential access point for the Springs. The majority of our residents' lives are influenced by that of SHS and their staff.

It is a truly unique service and one that benefits the communities of Cambridgeshire vastly. Together with SHS and our multi-agency partners, we are able to help residents into education, training or employment, enabling them to lead independent, empowered lives.

- Charly Murray, Support Worker, The Springs

Town Hall Lettings

The SHS has been developed in tandem with Town Hall Lettings (THL), a social lettings management service led by Cambridge City Council. The SHS made 19 placements into THL property in its first year, with 18 of these placements having been made in the last four months of the service.

THL's properties are situated across Cambridge, South Cambridgeshire and Huntingdonshire, and range from a self-contained one-bedroom bungalow to a large five-bedroom shared house.

THL placements are ideal for SHS customers because of the following:

- **Cost:** All THL properties are priced at or below Local Housing Allowance rates and are therefore affordable for customers in receipt of means-tested benefits. THL does not charge an application fee or request a deposit, although tenants are required to sign a deposit guarantee equivalent to one month's rent.
- **Access:** THL pays a guaranteed rent to landlords, thus taking away the risk (to landlords) of arrears. As a result, benefits claimants are able to move into accommodation in areas of the region where landlords are almost entirely unwilling to work with them (such as Cambridge City).
- **Security of tenure:** THL tenants will be able to remain in accommodation for an indefinite period of time, as long as (a) they adhere to the terms of their tenancy and (b) THL continues to manage the property. THL tenancies are therefore more secure than lodgings or licenses.
- **Move-on:** In practice, several THL tenants have found alternative accommodation: a 5-bed THL property in Huntingdon has served as an effective springboard for tenants seeking self-contained accommodation.
- **Quality of accommodation and service:** THL works with landlords (and in partnership with local authorities' environmental health officers) to ensure that all accommodation is safe and suitable for tenants. THL works with the Rapid Response team to support tenants and deal with issues promptly and effectively.

Lodgings

The SHS has carried out some work in partnership with local authorities and with Hope Cambridge (a voluntary organisation that seeks to support local homeless people) to acquire placements for SHS customers in lodgings. As a result of this work, four SHS customers have been placed in lodgings in the last year.

The SHS has promoted lodgings through:

- Presentations and meetings with housing associations (who may have tenants with spare bedrooms);
- Meetings with members of Hope Cambridge;
- Information on council / Homelink websites;
- Posters and leaflets in local businesses and community venues;
- Articles in local authority magazines.

Whilst the SHS is pleased to have obtained placements for some customers, we have identified a number of barriers to making placements work:

- The inconvenience of having a lodger in a property;
- The perception of homeless people as being part of a homogenous group - and as a result, concerns from potential hosts about the suitability of potential lodgers;
- The impact of income from lodgers on hosts' means-tested benefits;
- The suitability of accommodation and the length of time taken for potential hosts to make improvements.

The SHS is part of a Sharing Solutions group co-ordinated by Crisis, which shares successes and challenges faced by other organisations seeking to rehouse people through lodgings. A bid has also been submitted to the Department for Communities and Local Government to develop a supported lodgings model across Cambridgeshire, providing additional training and support for both lodgers and hosts.

Existing Access Scheme

The SHS has obtained seven placements through Cambridge City Council's existing Access Scheme, which provides a loan to cover the cost of a tenant's deposit and first month's rent in advance. The relationship between the two schemes is reciprocal: the SHS provides good quality, pre-vetted applicants, in return for the financial assistance required to facilitate a placement.

The existing Access Scheme is particularly suitable for customers in paid employment, but is open to all SHS customers.

Hard-to-let properties

The SHS has worked in partnership with housing providers to identify spaces in hard-to-let properties. We have contacted providers on several occasions by email and phone to introduce our service and enquire about hard-to-let properties that could be occupied by several sharers.

As expected, the response has been limited: most providers have a greater demand for property than supply. However, we have established successful partnerships with the following providers:

- **Hundred Houses Society:** two self-contained flats, both situated above a day nursery and therefore suitable for people who work during the day.
- **Riverside ECHG:** places in shared accommodation in Cambridge City.
- **Luminus:** no referrals as yet, but a working agreement to consider referrals to self-contained and shared accommodation in Wisbech.

In total, 13 placements have been made by the SHS into registered provider accommodation.

My housing adviser helped me obtain a bed space at Jimmy's and from there I obtained a room at The Springs. My support worker helped me with bidding and after a few months I was offered my own place. I just couldn't believe it – I just cried.

Things are looking up for me. I'm applying for a passport, which will enable me to see my family, who I haven't seen in nearly 20 years. I'm looking to get work – I'm a trained welder and gas engineer.

- Amir, SHS customer

Outcomes

The primary aim of the SHS is to alleviate homelessness and rough sleeping by obtaining sustainable placements for customers. Of the 83 placements:

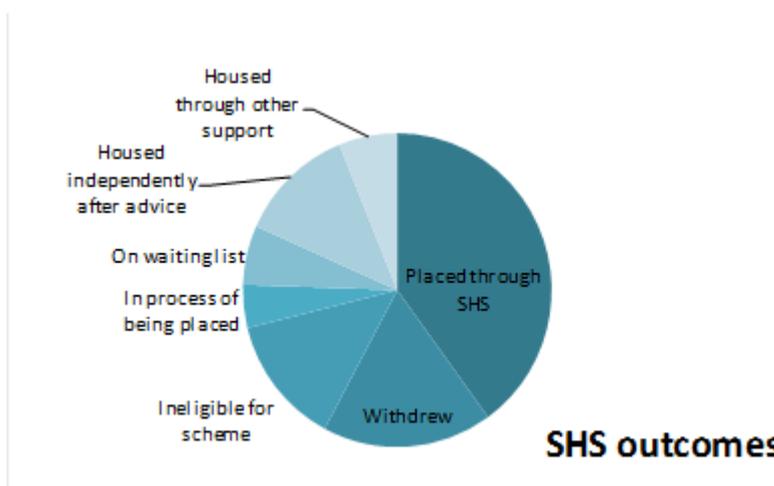
- 57 are still currently being sustained;
- 14 have resulted in a positive move-on (11 as a result of SHS assistance);
- 8 have resulted in eviction;
- 4 have resulted in abandonment of tenancy / licence.

In addition to the 72 customers placed in accommodation and the 24 customers found to be ineligible for the scheme:

- 22 customers found accommodation independently after receiving advice and assistance from the SHS;
- 11 customers were placed in accommodation as a result of assistance from other support services (such as the private sector access scheme operated by South Cambridgeshire District Council and King Street Housing Society);
- Eight customers have pending offers of accommodation and are waiting to move in (for instance, four customers are waiting to move into a new THL property in Cambridge);
- 11 customers are on a waiting list for accommodation;
- 32 customers withdrew, of which 23 failed to engage with the service (failed to answer phone calls, missed appointments and so on), seven customers refused offers of accommodation and are making their own arrangements to find accommodation, and two customers moved out of the area.

I still want to keep working my way up and get my own place eventually. The service I've received – from the Council, from my support worker Liam, from The Springs – has been wonderful. It fills a really important gap.

- Shaun, SHS customer



Summary and future objectives

The SHS has significantly improved the provision of accommodation for single homeless people in the Cambridge sub-region. This statement is supported by statistics and by feedback from customers, advisers and housing providers. The service provides:

- An additional tool for housing advisers (supported by a clear, streamlined assessment process and accessible IT systems);
- Tailored, effective support for customers from assessment to placement;
- A clear suite of accommodation options for customers.

As a result of the service, 72 local people have had their homelessness prevented or relieved, in addition to the numbers of customers who found accommodation independently after advice or referral.

However, there continues to be a high demand on the service and a limited number of bed-spaces available for SHS customers. Therefore, there is still work to do to reduce both the instances and consequences of rough sleeping.

In the next year, the service aims to:

- Develop further the lodgings model piloted by Hope Cambridge, with better support for lodgers and clearer guidance and training for “hosts” (we have submitted a bid to the Department of Communities and Local Government to expand this work);
- Improve access to interim accommodation to align the service more closely to the original No Second Night Out aims;
- Increase the number of referrals from local authorities who have not used the Service;
- Work with THL to ensure that customers are placed and supported in good-quality accommodation;
- Work more closely with other local authorities’ private sector schemes, so that customers across the sub-region were able to access a wider range of accommodation options;
- Work closely with Cambridgeshire County Council’s Chronically Excluded Adults project, who have submitted a DCLG bid to extend their work into Fenland and Peterborough.