



To: Executive Councillor for Housing: Councillor Kevin Price  
Report by: Alan Carter  
Relevant scrutiny committee: Housing Scrutiny Committee 13/1/2016  
Wards affected: All

## **SOCIAL LETTINGS AGENCY UPDATE**

### **Not a Key Decision**

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#### **1. Executive summary**

The Council has been piloting a social lettings (*Town Hall Lettings*) agency for two years. This report builds on the report presented to Housing Scrutiny Committee in March 2015 and aims to inform Members of the proposed direction of travel for *Town Hall Lettings* beyond April 2016. This report details the outcomes delivered by the social lettings agency to date, covers the proposed role for THL in managing the intermediate market and outlines the business plan moving forward.

#### **2. Recommendations**

The Executive Councillor is recommended to note:

- 1) The proposed role for *Town Hall Lettings* in managing the 'intermediate market' properties as set out in this paper and appendix 1
- 2) The 5 year business plan for *Town Hall Lettings* as detailed in appendix 1

#### **3. Background**

3.1 *Town Hall Lettings* (THL) was established in January 2014 and forms part of the Council's wider single homelessness service (SHS). The introduction of the SHS was founded on government funding for single homelessness prevention, launched in 2012. The funding enabled the Council to work with other local authority partners to deliver a service for the sub-region. The remaining funding is insufficient to sustain THL

and the SHS beyond 1<sup>st</sup> April 2016 but a combination of partner funding from South Cambridgeshire District Council and a successful bid to via the Sharing Prosperity Fund has allowed the Council to extend the pilot throughout 2016-17.

3.2 THL makes a strong contribution to helping the Council achieve its stated aims, as embodied in the Annual Statement for 2015-16, *Building a Fairer Cambridge Together*. In particular, it covers the following key areas outlined in the statement:

- investment in new intermediate homes at affordable sub-market rents for those with low priority for social rent homes;
- improving conditions for private sector tenants;
- exploring the feasibility of a social letting agency;
- tackling the problem of empty homes in the City; and
- supporting vulnerable people to sustain independent lifestyles in their own homes and local communities.

3.3 Accommodation outcomes delivered by the single homelessness service have been delivered in a variety of ways since its inception in October 2014. These are shared houses secured at a guaranteed monthly rate from private landlords, rent deposit guarantee arrangements, supported lodgings, properties secured directly from Registered Providers, placements in an 'adult foyer' in Cambridge (focusing on education, training and employment) and other private rented sector placements.

3.4 Appendix 1 to this report is a version of a project brief and appraisal paper that went to the Programme Board and Senior Leadership Team (SLT) last year. It represents a summary of the objectives, outcomes and business model for THL and the SHS. The outcomes detailed in that paper can be updated as at 30<sup>th</sup> November and are as follows:

- The service has engaged with 543 single homeless people (of which 363 were from Cambridge)
- The service has directly placed 201 people into permanent accommodation (of which 147 were from Cambridge)
- It has assisted 59 people to find their own accommodation (of which 35 were from Cambridge)
- It has established long term management agreements with landlords for 9 properties (providing 29 bed spaces at its peak)

- 3.5 The report to committee in March 2015 noted that the weakest part of the THL operation had been rent collection levels which, at the time, stood at 46%. However, collection rates have significantly improved so that these now stand at 89% for this financial year to the end of October.
- 3.6 THL will be expanding its operations in two key areas in the forthcoming year. Firstly, it will be managing a new supply of accommodation targeted at the intermediate market and, secondly, managing properties realised through the Council's empty homes strategy.
- 3.7 The Council has set up a housing company to improve housing supply and primarily serve the needs of people in Cambridge on middle incomes by supplying intermediate housing at around 80% of market rent. The establishment of a housing company and proposals to purchase 24 properties (since reduced to 23) from the developer, Keepmoat, at Water Lane and Aylesborough Close, using resources from the General Fund, were approved at Strategy and Resources Committee in July 2015. THL has been identified as the preferred option for managing this accommodation due to its experience of managing private rented sector tenancies.
- 3.8 The report at appendix 1 outlines the financial operating model for this scheme including management fees paid by the Housing Company to THL and the tenant fees and tenancy deposit arrangements. The management fees are £750 per property and the set-up fees to tenants are £150 for a sole tenancy and £200 for a joint tenancy. Tenants will also be required to provide a tenancy deposit equating to one and a half months' rent.
- 3.9 Where the Council is able to identify empty properties and bring them back into use, an option for securing their usage into the longer term is for the Council to engage THL as a managing agent and offset any costs the Council has incurred for bringing the property back into use against the income paid to the owner. The Council's empty homes policy sits within the Council's overall Housing Strategy.
- 3.10 Under the Housing Act 2004, the Council can make Management Orders in respect of both empty properties and Houses in Multiple Occupation. They are used to ensure the health, safety and welfare of persons occupying and neighbouring the property. While an order is in place, the Council effectively take on all duties, powers, obligations and liabilities of the landlord and THL would provide an effective solution to undertaking this duty. During the operation of the Order

the rents are received directly to the Council and the Order is a local land charge.

#### **4. Implications**

##### **(a) Financial Implications**

The financial implications of the proposed expansion of THL are contained at appendix 1. The scheme will require subsidy, as outlined in the appendix, but is projected to make a small surplus in year one, due to additional sources of funding, and break even from year 7 onwards. The projected business plan is just for information: there are no funding considerations for the committee at this stage.

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

Expansion of the service would require the addition of a part time post detailed as Letting Agency Coordinator in appendix 1. This would be a fixed term position until the funding position beyond 2016-17 is determined.

##### **(c) Equality and Poverty Implications**

The project represents an expansion of existing services supporting those in housing need, so an equalities impact assessment has not been deemed to be necessary at this point.

##### **(d) Environmental Implications**

The environmental impact assessment has identified a minor environmental gain from the project and no adverse environmental effects.

##### **(e) Procurement**

There are no procurement implications.

##### **(f) Consultation and communication**

Legal services, environmental health, business transformation and finance have been consulted internally. Additional legal advice has been sought and received from an external source.

##### **(g) Community Safety**

There are no community safety implications.

## **5. Background papers**

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

None

## **6. Appendices**

Appendix 1 – *Town Hall Lettings* – Project Brief and Appraisal.

## **7. Inspection of papers**

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

Author's Name:	David Greening
Author's Phone Number:	01223 - 457997
Author's Email:	david.greening@cambridge.gov.uk