



DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	ENVIRONMENT, HEALTH AND HOUSING COMMITTEE	17 MARCH 2020	6
ADMINISTRATION OF AFFORDABLE HOUSING DELIVERY IN FYLDE			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

In September 2019 an Officer decision was made to withdraw funding from the Rent Bond Guarantee scheme operated by Face to Face YMCA on behalf of Fylde Council, giving three month's notice, as required under the Homeless Partnership Agreement, for the funding to cease and the scheme to no longer be operational from December 2019.

The introduction of the Homeless Reduction Act (HRA) in 2018, Welfare Reform Act 2012 and the roll out of Universal Credit in December 2018 has directly impacted on the ability of Face to Face YMCA to be able to continue to deliver the paperless Rent Bond Guarantees with private landlords on behalf of Fylde Council. At the time of the introduction of the HRA, the rate of rent bonds established by the service fell from 29 in 2017/18, to 8 rent bonds in 2018/19 and this decline continued throughout 2019/20. By December 2019, 12 Rent Bonds had been reported as being delivered by Face 2 Face YMCA, but the majority of these were into YMCA owned stock and not with private landlords working with the scheme.

Fylde Council are keen to re-establish the Rent Bond Guarantee Scheme and to operate it as an in-house service, along with other work required to improve affordable housing provision within the social and private rented sectors.

It is requested Committee consider the redirecting of funding from Community Grants, previously used to support Face 2 Face YMCA Rent Bond Guarantee, into the Housing Service to create a permanent part time Affordable Housing Post focussed on improving the administration, monitoring and management of affordable housing delivery in Fylde. This will include liaison with the private rented sector to provide affordable accommodation for clients who would not be able to access social rented accommodation.

RECOMMENDATIONS

Committee are requested to:

1. Note the contents of the report and the impact of the Homeless Reduction Act 2018 and Welfare Reform Act 2012 has had on the operation of the Rent Bond Scheme by Face to Face YMCA.
2. Recommend to Finance and Democracy Committee approval to a fully-funded increase to the Housing Services budget in the sum of £30,000, to be met from an equivalent reduction in the Community Grants budget. The additional Housing Services budget would provide for the employment of an Affordable Housing Officer post to develop affordable housing opportunities within both the social and private rented sectors.

SUMMARY OF PREVIOUS DECISIONS

Environment, Health and Housing Committee, November 2017

The committee RESOLVED to:

1. Note the new provisions within the Homelessness Reduction Act 2018 and, in particular the extended range of statutory homelessness duties the Council is obliged to perform under the new Act;
2. Note the new initiatives Fylde Council are intending to introduce with the additional financial support that has been made available by Government to support Local Housing Authorities in implementing the Homelessness Reduction Act 2018; and
3. Recommend to Council approval of a fully-funded revenue budget increase for the total sum of £122,900. £98,862 funded by DCLG Flexible Homeless Grant and £26,038 funded by DCLG New Burdens Funding.

Environment, Health and Housing Committee, September 2019

With no further questions, it was RESOLVED to;

1. Note the contents of the report;
2. Approve the attached Homelessness and Rough Sleeping Strategy draft for consultation with partner organisation, with a final report to come back to the Committee for final approval in November 2019.

Environment, Health and Housing Committee, January 2020

Following a brief debate, it was RESOLVED to;

1. Note the contents of the report and outcomes of the consultation with partner agencies to inform the draft Homelessness and Rough Sleeping Strategy 2019-2024 and that the report was now to run for 5 years from 2020-2025;
2. Approve Fylde Council's Homelessness and Rough Sleeping Strategy 2020-2025 to direct the work of the Housing and Homelessness Service at Fylde;
3. Recommend to the Finance and Democracy Committee a fully-funded revenue budget increase in the total sum of £70,921 (£7,500 in 2019/20, £18,571 in 2020/21, £22,425 in 2021/22 and £22,425 in 2022/23) funded by £53,766 Flexible Homeless Grant and £17,155 by DCLG New Burdens Grant; and
4. Recommend to the Finance and Democracy Committee a further fully-funded revenue budget increase in the total sum of £2,000 in 2020/21 funded by the DCLG Rapid Rehousing Personal Budgeting Support Grant.

CORPORATE PRIORITIES

Spending your money in the most efficient way to achieve excellent services (Value for Money)	✓
Delivering the services that customers expect of an excellent council (Clean and Green)	✓
Working with all partners (Vibrant Economy)	
To make sure Fylde continues to be one of the most desirable places to live (A Great Place to Live)	
Promoting Fylde as a great destination to visit (A Great Place to Visit)	

Report

Administration of affordable housing delivery in Fylde

1. Background
2. Impact of the Homeless Reduction Act 2018 on the Rent Bond Scheme administered by Face to Face YMCA
3. Impact of the Welfare Reform Act 2012 and the roll out of Universal Credit on the Rent Bond Scheme administered by Face to Face YMCA
4. Proposal to redirect Community Grant Funding used to fund the Rent Bond Guarantee Scheme
5. Employment of an Affordable Housing Officer
6. Conclusions

Background

1. In September 2019 an Officer decision was made to withdraw funding from the Rent Bond Guarantee scheme operated by Face to Face YMCA on behalf of Fylde Council, giving three month's notice, as required under the Homeless Partnership Agreement, for the funding to cease and the scheme to no longer be operational from December 2019.
2. Face to Face have been working closely with Fylde Council to deliver homelessness services for a number of years. Since 2009, funding has been provided to Face to Face YMCA to run a Rent Bond Guarantee Scheme funded by Community Grant funds held by Fylde Council. The funding was used to employ a Rent Bond Guarantee Officer to liaise with private landlords to accommodate tenants using a paper Rent Bond Guarantee, as opposed to a financial bond. Funding provided annually from 2009/10 was £28,700 and this was increased from 2016/17 to £29,516.
3. The Rent Bond Guarantee scheme was an essential service that assisted clients into the private rented sector by acting as a liaison between private landlords and prospective clients in sourcing and maintaining a tenancy. On average the service could be guaranteed to deliver around 25 to 30 tenancies within the private rented sector, using a paperless rent bond to assist Fylde Council to support households unable to access social rented accommodation into private sector accommodation.
4. The introduction of the Homeless Reduction Act (HRA) in 2018, Welfare Reform Act 2012 and the roll out of Universal Credit in December 2018 has directly impacted on the ability of Face to Face YMCA to be able to continue to deliver the paperless Rent Bond Guarantees with private landlords.
5. The Fylde Council Homelessness and Rough Sleeping Strategy 2020-2025 action plan has a commitment to consider the future of Face to Face YMCA rent bond scheme in light of the changes to local authority housing services as a result of the Homeless Reduction Act (HRA) 2019. The action plan notes that the number of clients sourcing accommodation through the Rent Bond Scheme has fallen since the introduction of the HRA 2018. The new prevention and relief duties placed on local authorities has resulted in clients being supported directly by the local authority into the private rented sector.

Impact of the Homeless Reduction Act 2018 on the Rent Bond Scheme administered by Face to Face YMCA

6. At the time of the introduction of the Homeless Reduction Act In 2018, the rate of rent bonds established by the service fell from 29 in 2017/18 to 8 rent bonds in 2018/19 and this decline continued throughout 2019/20. By December 2019, 12 Rent Bonds had been reported as being delivered by Face 2 Face YMCA but the majority of these were into YMCA owned stock and not with private landlords working with the scheme.
7. Work was undertaken from March 2019 jointly with Face 2 Face and the Housing Service to attempt to reinvigorate the scheme, which included regular meetings on progress and housing staff at Fylde visiting Face to Face offices and advising on how the service could be improved to increase the number of Rent Bonds and liaison with private landlords.
8. The introduction of the Homeless Reduction Act saw a dramatic increase in the number of clients directly accessing advice and assistance into accommodation under prevention and relief duties, direct to the Local Authority Housing Service. The Act placed new statutory responsibilities for local authorities to support everyone to prevent homelessness (Prevention Duty) and/or obtain alternative accommodation (Relief Duty) regardless of 'priority need' as defined by the existing legislation – Housing Act 1996 part 7 as amended by the Homelessness Act 2002.
9. Within Fylde homeless presentations increased by 155% from 89 in 2017/18, to 227 in 2018/19. However, the number of households to whom a statutory main duty has increased only slightly from 27 in 2018 from 89 presentations, to 30 in 2019 with 227 presentations.
10. Overall the local authority housing service saw a 170% increase in requests for housing assistance from 326 in 2017/18 to 802 in 2018/19. This has resulted in an overall increase in homeless presentations to the authority to whom either a prevention, relief duty or main housing duty is owed.
11. Under prevention and relief duties introduced under the Homeless Reduction Act, clients who previously would have engaged with Face to Face YMCA to be supported into private sector accommodation, are approaching and receiving support from the local authority.

Impact of the Welfare Reform Act 2012 and the roll out of Universal Credit on the Rent Bond Scheme administered by Face to Face YMCA

12. The Welfare Reform Act 2012 introduced a new Universal Credit (UC) which replaces most existing benefits. The transition from Live Service to Full Service was rolled out in the Fylde Coast on the 5th December 2018. From this date, all new claimants for means tested working age benefits administered by DWP need to claim UC.
13. In UC full service, 18-21 year olds will have no automatic entitlement to the housing element of UC. In addition, those who are 22-24 are only entitled to the shared accommodation rate of the Local Housing Allowance (LHA) in the private sector. The Act also introduced a benefit cap on the total amount of benefits a household is entitled to, spare room subsidy that reduces benefit entitlement to social housing tenants under occupying their home, disability benefit changes and the replacement of council tax benefit with local council tax support.
14. The housing element is paid direct to claimants as part of their monthly universal credit payment and it is their responsibility direct to the landlords. Previously if claimants were on housing benefit, landlords and tenants could ask for the rent to be paid direct to the landlord.
15. As part of the review meetings Face to face YMCA had highlighted, this as an issue in their ability to recruit landlords to the scheme due to the paper bond not covering rental arrears, whereas the landlords are able to receive rental arrears from cash bonds held in a deposit protection scheme.
16. The Housing Service at Fylde has been able in recent years under funding accessed from the Trailblazer and Rapid Rehousing initiatives, to establish a tenancy support service for clients who have accessed private rented accommodation and as a result, private landlords are preferring to work directly with the local authority.

Proposal to redirect Community Grant Funding used to fund the Rent Bond Guarantee Scheme

17. Fylde Council are keen to re-establish the Rent Bond Guarantee Scheme and to operate it as an in-house service, along with other work required to improve affordable housing provision within the social and private rented sectors.
18. It is requested Committee consider the redirecting of funding from Community Grants that was previously used to support Face 2 Face YMCA Rent Bond Guarantee into the Housing Service to create a permanent part time Affordable Housing Post focussed on improving the administration, monitoring and management of affordable housing delivery in Fylde. This will include liaison with the private rented sector to provide an affordable option for clients who cannot access affordable housing provided by Registered Providers by re-establishing the Rent Bond Guarantee Scheme.
19. The growth in affordable housing delivery across Fylde, as detailed in a report presented to this same Committee, has created a need to manage the administration of affordable housing delivery in Fylde going forward, to;
 - Monitor the market values and eligibility of occupants accessing low cost home ownership options,
 - Administer the resale of discounted market units to ensure applications for discounted market sale are accurately assessed and the discount is secured on the units with restrictive covenants for future resales
 - Monitor delivery of affordable housing in line with S106 agreements and the corresponding Affordable Housing Statements
 - Ensure tenures delivered are meeting the current and future needs of households on low to middle income in Fylde using available data sources
 - Collate statistical evidence from available sources to inform affordable housing delivery and tenures required to meet current and future housing need
 - Assist registered providers and developers in promoting intermediate tenures and ensure affordable rented units are meeting identified housing needs
 - Promote community led/self-build opportunities across Fylde

- Work with the private rented sector to provide an affordable option for clients who cannot access affordable housing provided by Registered Providers by re-establishing the Rent Bond Guarantee Scheme.
- Have the ability when required, specifically for rural housing schemes, to undertake 100% housing need surveys to inform tenure mix.

20. The scheme would run alongside other initiatives the Housing Service have already established to support clients into accommodation as detailed in the Rough Sleeping and Homelessness Strategy 2020 to 2025¹ and Tenancy Support Policy.

- a. Pre-tenancy training to single people who are seeking accommodation or are at risk of losing their existing accommodation provided by Human Kind in a class room setting or via an e-learning course,
- b. Tenancy Ready Training Course specifically for young people 16-25 run by the YMCA on behalf of Fylde Council. The course is accessible via computer or portable device. The focus is on preventing homelessness, however if a young person does find themselves in that situation it enables customers to consider their housing options and suitability and affordability of accommodation.
- c. Tenancy support service for vulnerable tenants across all client groups who are at high risk of tenancy failure to maximise their independence and minimise the risk of tenancy breakdown within both the social and rented sectors and the homeless,
- d. Rapid Rehousing Officer that undertakes a navigator role with rough sleepers or clients at risk of becoming rough sleeper to source and access health and substance misuse services and support to source or maintain tenancies,
- e. Personal Budgeting Support for all clients accessing accommodation and Debt Advice Service for clients where debt issues are directly affecting a customer's ability to access secure and affordable accommodation. The service provides a bespoke budgeting advice service and specialist debt advice service provided by Blackpool Council at Fylde Council offices.
- f. Regulation of housing standards in the private rented sector by monitoring and enforcement of housing standards under Housing Health and Safety Rating Regulations 2005². The local authority has a role in overseeing HMO properties.

Employment of an Affordable Housing Officer

21. The Affordable Housing Officer role will be to develop affordable housing opportunities within both the social (Registered Social Landlord accommodation) and private sectors (Private Landlords and Letting Agencies) within Fylde.
22. Many clients that present to Fylde Housing Service are unable to access affordable housing provided by Registered Providers in the borough, due to a history of failed tenancies and unable to produce a reference from their previous landlord. Within Fylde, the majority of these clients will be looking to access HMO accommodation.
23. The re-establishment of the rent bond scheme and support as detailed in paragraph 14, will enable the housing service to work closely with the private rented sector to enable clients to access and maintain accommodation, in order to maintain tenancies in the private rented sector and in the future look to source affordable housing provided by Registered Providers in Fylde.
24. The role will focus on:
 - a. Monitor delivery of affordable housing in line with S106 agreements and the corresponding Affordable Housing Statements

¹ <https://new.fylde.gov.uk/resident/housing/homelessness-our-legal-duties/>

² <http://www.legislation.gov.uk/ukxi/2005/3208/contents/made>

- b. Monitor the market values and eligibility of occupants accessing low cost home ownership options,
- c. Administer the resale of discounted market units to ensure applications for discounted market sale are accurately assessed and the discount is secured on the units with restrictive covenants for future resales
- d. Manage and administer the paperless rent bond scheme and work with the private rented sector landlords to support the scheme
- e. Develop community led and self-build opportunities across the borough
- f. Ensure tenures delivered are meeting the current and future needs of households on low to middle income in Fylde using available data sources

Conclusion

25. Committee are requested to note the contents of the report and the impact of the Homeless Reduction Act 1018 and Welfare Reform Act 2012 has had on the operation of the Rent Bond Scheme by Face to Face YMCA. To note, Fylde Council are keen to re-establish the Rent Bond Guarantee Scheme and to operate it as an in-house service, along with other work required to improve affordable housing provision within the social and private rented sectors.
26. Committee are requested to recommend to Finance and Democracy Committee, approval of a fully funded budget increase to the Housing Service, in the sum of £30,000 to be met from redirecting funding provided to Face to Face YMCA, from the Community Grants budget, for the employment of an Affordable Housing Officer post to develop affordable housing opportunities within both the social and private rented sectors.

IMPLICATIONS	
Finance	This report requests a recommendation to the Finance and Democracy Committee for a fully-funded budget increase in the Housing Service budget in the sum of £30,000 to be met from an equivalent reduction in the Community Grants budget.
Legal	None arising directly from this report
Community Safety	None arising directly from this report
Human Rights and Equalities	None arising directly from this report
Sustainability and Environmental Impact	None arising directly from this report
Health & Safety and Risk Management	None arising directly from this report

LEAD AUTHOR	CONTACT DETAILS	DATE
Kirstine Riding	Kirstine.riding@fylde.gov.uk	02/02/2020

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Fylde Council Homelessness and Rough Sleeping Strategy 2020-2025 Fylde Council Tenancy Support Policy	January 2020	https://new.fylde.gov.uk/resident/housing/homelessness-our-legal-duties/