



Derby City Council

**URGENT LEADER OF THE COUNCIL  
CABINET MEMBER MEETING  
20 November 2018**

# ITEM 5

Report of the Strategic Director of Communities  
and Place

## **MHCLG Private Rented Sector Access Fund 2018 grant application**

### **SUMMARY**

- 1.1 Government published a Rough Sleeping Strategy (RSS) in August 2018, setting out their commitment to halve rough sleeping by 2022 and end it entirely by 2027. The RSS contains a range of targeted measures that will ensure some of the most vulnerable people in our society will receive the support they need.
- 1.2 On 16th October 2018 the Government announced the launch of the Private Rented Sector Access Fund. A £20 million fund is available to enable better access and sustainment of tenancies for those who are, or at risk of becoming homeless and those who are rough sleeping. The funding is available for this financial year 2018/19 and for 2019/20.
- 1.3 This new private rented sector (PRS) access scheme will be in addition to existing provision but will build on good practice learnt from our pilot PRS scheme. This scheme will mobilise 250 new PRS tenancies for households who are or at risk of becoming homeless over 15 months. In addition, a comprehensive feasibility study of setting up a Social Lettings Agency in Derby will be completed.
- 1.4 Regional government advisors on Rough Sleeping have shown interest in the Rough Sleeping strategy being developed in Derby and have encouraged Derby to bid. Derby was recently successful in June 2018, in obtaining £303,500 of grant funding through the MHCLG Rough Sleeping Initiative bidding round for 2018/19 and this subsequent bid would further strengthen and consolidate our strategic intent into operational delivery.

### **RECOMMENDATIONS**

- 2.1 To approve submission of a Private Rented Access Scheme bid to the Ministry of Housing, Communities and Local Government (MHCLG), for revenue funding up to a maximum of £608,000.

## 2.2 If the Council is successful in the bidding process:

- To delegate approval to the Strategic Director of Communities and Place and the relevant Cabinet Member, following consultation with the Strategic Director of Finance, to accept the Private Rented Sector Access grant subject to acceptable grant conditions.
- To approve the transfer of any Private Rented Sector Access grant received, from Derby City Council to Derby Homes on terms to be set out and agreed in a service level agreement
- To authorise the Strategic Director of Communities and Place to agree the terms of the service level agreement to give effect, amongst other issues, to the transfer to, and award of grants to qualifying third parties by, Derby Homes

### REASONS FOR RECOMMENDATION

- 3.1 By submitting a bid for revenue funding to respond to high levels of homelessness in the City, this would, if successful, reduce the levels of homelessness and ease the pressure on temporary accommodation.
- 3.2 The funds will provide an invaluable resource to tackle homelessness in the city, ensuring the supply of PRS accommodation is accessible and affordable for households who are or at risk of becoming homeless. Additionally, it will offer peace of mind to PRS landlords so they feel confident that any risk is mitigated.
- 3.3 In line with the Council's finance procedures rules, Cabinet approval is required prior to submitting a bid for external funding and for accepting a bid for external funding.

### SUPPORTING INFORMATION

- 4.1 In May 2018 the PRS team consulted extensively with local Landlords and Estate Agency's and 30 Landlords and 20 Estate Agents have confirmed that they are ready to work with Derby Homes.
- 4.2 Our PRS consultation involved speaking to 75 PRS landlords and Estate Agents to find out their needs and the barriers they faced when granting tenancies to tenants referred from our Housing Options Centre. Below is the feedback from the PRS:
- 54% surveyed highlighted problems with Housing Benefit and concerns over the Universal Credit roll-out.
  - 23% surveyed reported that they had experienced tenant damage/repairs.
- 23% surveyed confirmed that there was a lack of support for tenants to manage their tenancies and home
- 4.3 By listening to our PRS landlords and tenants we have designed a thorough package of services to meet all needs and reinvigorate the PRS in Derby. Including pre tenancy, tenancy management, support and maintenance.

- 4.4 The proposed scheme will increase officers in the PRS team and the Tenancy Sustainment Team. Key team Managers are in place to start the recruitment process and to scale up these teams. Derby Homes has the flexibility to scale up to meet maintenance demand by utilising our operatives, sub-contractors and agency staff. Through Derby Homes in-house ASB team, mediation services will be offered to tenants.
- 4.5 We intend to include a part time DWP worker into this scheme to assist our tenants with Housing Benefit and Universal Credit. This will be additional peace of mind for tenants and landlords. The DWP Partnership Manager who covers Derby City has confirmed that the DWP would be able to get involved in this scheme and allocate staff time.
- 4.6 A Social Lettings Agency feasibility study will be procured and commissioned. This will identify good practice, look at model options and will make recommendations. A Social Lettings Agency will create greater access and opportunity in the PRS, increase housing standards and stabilise expenditure on homelessness.
- 4.7 The REST project has been established as part of MHCLGs RSI programme with the aim of reducing rough sleeping across the city by half. The statutory rough sleeper return for 2017 was 37 and the target is to reduce this to 21. This project engages rough sleepers on the streets, supporting them to overcome barriers and to access accommodation. The REST project will fit alongside our proposed scheme to enable individuals to be able to access the PRS with support from our tenancy sustainment team. Increasingly the PRS do not want tenants from the REST project due to their poor tenancy history. Our proposed project will overcome that barrier by offering support through the tenancy sustainment team.
- 4.8 A Steering Group has been set up to co-ordinate and monitor (quarterly reports) the project. An exit strategy will be developed early in the project, identifying key successes to sustain the project post March 2020. Representatives include DCC Housing strategy, Derby Homes (PRS Manager, Housing Options Manager, Maintenance Manager, Tenancy Sustainment Manager, and Communications Manager) Landlords and DWP Partnership Manager.

## **OTHER OPTIONS CONSIDERED**

- 5.1 This model has been designed in consultation with key stakeholders. We did consider the option of delivering a Social Lettings Agency across Derby City. It was agreed that this option would not be achievable in the timescale as key elements need to be duly considered by Derby City Council. A feasibility study into setting up a Social Lettings Agency would be achievable and meaningful for this scheme so we have included this element.

**This report has been approved by the following officers:**

<b>Legal officer</b> <b>Financial officer</b> <b>Human Resources officer</b> <b>Estates/Property officer</b> <b>Service Director(s)</b> <b>Other(s)</b>	Olu Idowu, Head of Legal Services Amanda Fletcher, Head of Finance – Communities and Place
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<b>For more information contact:</b>  <b>Background papers:</b> <b>List of appendices:</b>	Clare Mehrbani – Head of Operations, Derby Homes – 01332 888596 <a href="mailto:Clare.mehrbani@derbyhomes.org">Clare.mehrbani@derbyhomes.org</a>  None Appendix 1 – Implications Appendix 2 – Estimation of annual saving from full implementation of PRS Access Fund Appendix 3 – Annex A: Template for Submitting your Bid
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<b>IMPLICATIONS</b>
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**Financial and Value for Money**

- 1.1 We anticipate the bid to be up to £608,000 and the current proposals for grant support are below. The 2018/19 grant is eligible for spends incurred between January 2019 and March 2020.

Description of cost	Total Spend (£)	2018/19 (£)	2019/20 (£)
4 PRS Staff (£31k per staff member)	124,000		124,000
1 senior PRS officer	36,000		36,000
3 new tenancy sustainment staff (£31k per staff member)	93,000		93,000
0.5 surveyor	20,000		20,000
DWP seconded part time worker	20,000	2,000	18,000
Marketing strategy and implementation	20,000	5,000	15,000
SLA Feasibility study	40,000		40,000
Mediation enhancing (asb etc)	5,000		5,000
Landlords incentives (£1000.00 per property)	250,000		250,000
<b>TOTAL</b>	<b>608,000</b>	<b>7,000</b>	<b>601,000</b>

- 1.2 The intention is to passport any grant award over to Derby Homes, who will be responsible under an expanded Homelessness SLA to deliver the scheme in line with the grant conditions. Therefore, it is Derby Homes who are bearing all the financial risk of incurring costs in excess of the grant award or subsequently verified in the claim.

**Legal**

- 2.1 None arising from this report

## **Personnel**

3.1 None arising from this report

## **IT**

4.1 None arising from this report

## **Equalities Impact**

5.1 Meets the needs of vulnerable persons

## **Health and Safety**

6.1 None arising from this report

## **Environmental Sustainability**

7.1 None arising from this report

## **Property and Asset Management**

8.1 None arising from this report

## **Risk Management**

9.1 None arising from this report

## **Corporate objectives and priorities for change**

10.1 A strong community