

To: City Executive Board
Date: 12 February 2019
Report of: Head of Housing and Property
Title of Report: Oxford Rent Guarantee Pilot Review

Summary and recommendations	
Purpose of report:	To review the Oxford Rent Guarantee pilot and recommend adopting this approach as the default model for placing households who are at risk of homelessness, into private rented accommodation
Key decision:	Yes
Executive Board Member:	Councillor Linda Smith, Deputy Leader (Statutory) Leisure and Housing Needs
Corporate Priority:	Meeting housing need & Efficient and effective Council
Policy Framework:	Housing and Homelessness Strategy 2018-22
Recommendation(s): That the City Executive Board resolves to:	
<ol style="list-style-type: none"> 1. Agree in principle for the Oxford Rent Guarantee to be adopted as “business as usual” by the Private Sector team from April 2019, as outlined in the report. This is subject to adequate budget provision being made on an ongoing basis from uncommitted Housing Needs reserves in future years 2. Delegate authority to the Head of Housing to make any administrative changes to the scheme in order to improve the customer offer and to operate the scheme effectively. 	

Appendices	
Appendix 1	Risk Register
Appendix 2	Oxford Rent Guarantee- Two year review
Appendix 3	Case study

Introduction and background

1. The Home Choice pilot (branded Oxford Rent Guarantee) was approved by the City Executive Board (CEB) on 15th September 2016 to run for two years. On 18th June 2018 the Board agreed to extend this project until April 2019. This report evaluates the pilot to enable the City Executive Board to decide whether to continue with the scheme, subject to adequate budget allocation being made in the 2019/20 budget.
2. Oxford Rent Guarantee (ORG) is an additional service to the existing private rental access scheme branded Home Choice, which started in 2003. This is a tenant find and support service to house families threatened with homelessness. Home Choice has helped over 1,940 households into the private rented sector (PRS). However the number of new lets was declining, especially as the PRS affordability gap widened – the gap between Government imposed local housing allowance caps and the market rent (in the city which is the least affordable in the UK).
3. ORG uses private rented tenancies to avoid homelessness, as well as discharging the Council's homelessness duty under the Homelessness Reduction Act 2017 by making private rented sector offers in the Oxford public transport commute area. This is a critical success factor in helping people meet their personal housing plans under the Act.
4. ORG aims to reduce the pressures on temporary accommodation by ensuring the continued provision of a supply of cost-effective alternative accommodation for people threatened with homelessness, or who are homeless, to access. Support is also provided to improve families' capability to a level where they can sustain a tenancy independently.
5. Rents charged to tenants are set at the local housing allowance rates plus up to an additional 10%. The Council pays landlords three months' rent in advance. The selling point for landlords accepting this deal at less than market rent is a safe and reliable service with guaranteed rental income and no fees.
6. The unique selling point of ORG compared with similar schemes elsewhere is that tenants are coached to gain financial independence and better resilience to prevent any future homelessness, and to move-on from the scheme. The approach is modelled on the support provided by the Welfare Reform Team, in the administration of Discretionary Housing Payment (DHP) applications.
7. The project evaluation report is shown in Appendix 2. The key highlights are that a steady supply of affordable homes in the city has been maintained as 73 families avoided homelessness and are beginning to strengthen their financial capability. The main lesson learnt was to ensure adequate officer cover if key staff were absent when scaling up. Another lesson is to track and target coaching capacity to achieve quicker customer behavioural changes.
8. Traditionally Home Choice officers support tenancies not tenants. Services have been put in place to benefit the landlord as much as the tenant and to ensure that a tenancy becomes self-sustaining in the long term. Under ORG the coach is focused on coaching the tenant to achieve financial independence and generally a better quality of life that enhances the tenancy experience.

9. The housing coach supports the tenant with Universal Credit claims budgeting, befriending, advocacy, signposting and career development. The tools used are tailored to the needs of the tenant working in partnership to achieve agreed plans. A case study is shown as Appendix 3

Financial implications

10. If CEB agrees to continue with the scheme, funding for the continuation of this initiative has been identified in the Housing Needs Budget paper from the Government flexible homelessness support grant (unspent sums held in reserves). The cost of two housing coaches, a part time income officer and a bad debt top up resource would be £150k in 2019/20 rising to £200k from 2020/21 to help up to 120 families. The Housing Needs budget paper proposes funding the scheme on this basis until 2022/23.
11. The level of arrears is currently higher than the 5% target. It is currently 10% but has reduced from its peak of 13%. The higher level of arrears has been caused by the absence of an Income officer for three months last year, and a similar absence period for a housing coach. The impact of Universal Credit (UC) has been greater than anticipated with 35% of tenants in the pilot moving to UC, with nearly all of them experiencing delays in payment of housing costs. An additional day of Income Officer time has been allocated from January 2019, which will ensure the collection target is achieved within the next six months.

Legal issues

12. The proposed continuation of the ORG scheme should not create any significant additional legal risks however under the Homeless Reduction Act 2017 the impact of incremental withdrawal of rental top ups for non-co-operation or “excess income” as the main reason leading to an eviction has yet to be tested in higher courts. This presents a potential risk that where the Council evicts a tenant from the Rent Guarantee Scheme, there may be an ongoing duty to provide accommodation, and may expose the Council to further legal challenges from tenants in the scheme. These challenges may be in relation to the eviction process, or a decision to refuse support on the grounds that the tenant has made themselves intentionally homeless. This however is the same risk that is present in the Council’s existing Home Choice scheme.
13. A Risk Register can be found at Appendix 1 and shows overall risk at a manageable rating.

Equalities impact

14. No known new impacts for customers both landlords and prospective tenants at risk of homelessness

Report author	David Rundle
Job title	Private Rented Team Leader
Service area or department	Housing Needs
Telephone	01865 252398
e-mail	drundle@oxford.gov.uk

Background Papers: None