



Report to Policy Committee

Author/Lead Officer of Report:

Lead Officer: Suzanne Allen

Author: David Stevenson

Tel: (0114 273 4326)

Report of: Janet Sharpe/Ajman Ali

Report to: Housing Committee

Date of Decision: 10.03.2023

Subject: Modifying Private Rented Solutions Policy

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? 1479				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				
<p><i>“The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended).”</i></p>				

Purpose of Report:

This report seeks approval from the Housing Policy Committee to amend the Private Rented Solutions Policy to reduce/prevent homelessness in Sheffield and sets out proposals for how the policy will be used.

Recommendations:

That the Housing Policy Committee:

1. Adopt the updated Private Rented Solutions Policy to the Appendix 2 to this report, to allow greater flexibility in use of private rented sector property for homelessness prevention and other purposes.
2. Authorise the the Director of Housing and Neighbourhood Services to amend the Policy where one or more of the reasons prescribed at paragraph 8 of the PRS Policy at Appendix 2 to this report arise.

Background Papers:

Private Rented Solutions Policy to widen access to the Private Rented Sector (Appendix 1)

Draft Private Rented Solutions Policy (as proposed to replace existing policy) (Appendix 2)

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: Helen Damon 10.02.23
	Legal: Stephen Tonge 21.02.23
	Equalities & Consultation: 28.02.23
	Climate: Jessica Rick 16.02.23
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>
2	EMT member who approved submission: Janet Sharpe/Ajman Ali
3	Committee Chair consulted: Douglas Johnson
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for

submission to the Committee by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
Lead Officer Name: <i>Suzanne Allen</i>	Job Title: <i>Head of Citywide Housing Service</i>
Date: <i>10/3/2023</i>	

1. PROPOSAL

- 1.1 Increasingly private rented sector (PRS) accommodation is the most viable and accessible route to housing for customers with housing needs due to a lack of available social housing from SCC or Housing Associations.
- 1.2 SCC utilises safe PRS accommodation as a housing option for homeless customers who are owed a homelessness duty by SCC where this is affordable and the customer is capable of maintaining a tenancy.
- 1.3 A scheme, Private Rented Solutions, is maintained by SCC to facilitate matching customers in housing need to available affordable and safe PRS property. Approximately 160 tenancies are currently being maintained through this scheme.
- 1.4 The Private Rented Solutions scheme operates as a tenant matching service, where fit and proper landlords as defined in Section 66 of the Housing Act (2004) who have safe and affordable property are referred customers who are in housing need.
- 1.5 All properties utilised are inspected by appropriately qualified officers to ensure that there are no Category 1 or serious Category 2 hazards in the property under the government's Housing Health and Safety Rating System.
- 1.6 SCC provides incentives to recruit landlords to the scheme for example a rent guarantee scheme, no fees charged to landlords. This may include rent payments in excess of Local Housing Allowance (LHA) and a cashless bond in lieu of a deposit for the tenant.
- 1.7 Incentives are necessary to attract landlords because LHA rent is lower than market rent. LHA represents the maximum rent that can be claimed in Housing Benefit/Universal Credit. As many Private Rented Solutions customers pay rent using benefits, linking rent charged to LHA is vital to ensure affordability. LHA is set by government and has remained frozen for several years whilst market rents have continued to increase.
- 1.8 SCC provides support to customers housed and landlords to ensure tenancies are sustained.

- 1.9 How we match customers to available private rented sector accommodation is governed by the “*Private Rented Solutions Policy to widen access to the Private Rented Sector*”. This was last amended in 2020 via a Cabinet Member decision and we are now seeking to amend this.
- 1.10 Officer practice/application of this policy has identified a number of issues:
- The policy is inflexible. It does not allow officers to use professional judgement and experience in offering PRS property to customers in housing need. Priority of offering property is specified between ranked customer groups (See Appendix 1). An amended policy, whilst still complying with SCC’s legal obligations would be more flexible.
 - The policy prevents PRS accommodation from being effectively used for prevention of homelessness as this is given low priority within the current policy.
 - The aspirations of the current PRS policy are linked to the former Homelessness Prevention Strategy, the policy should be updated to reflect the aspirations of the new Homelessness Prevention Strategy. Use of PRS accommodation for homelessness prevention is a key priority within the new strategy with an aim to work with 600 units of PRS accommodation within the lifetime of the strategy.
 - The policy only covers the existing Private Rented Solutions scheme, officers are currently looking at other products or services that could be used to access safe and affordable PRS accommodation so the policy wording needs to reflect this possibility.
 - The policy can only be amended via a decision at Housing Policy Committee, this has a long lead in time. This means that SCC’s use and offer around PRS cannot be pivoted in response to new opportunities/challenges.
- 1.11 Officers have drafted a new PRS policy for consideration by members of Housing Policy Committee. This is attached at Appendix 2.
- 1.12 The new draft PRS Policy makes the following amendments:
- Greater flexibility for officers to offer PRS accommodation based on the needs of customers and the suitability of property.
 - Greater focus on homelessness prevention in policy regarding how PRS accommodation is used.

- Creates flexibility for officers to explore and implement new models and opportunities for securing provision of PRS accommodation beyond the existing Private Rented Solutions scheme.
- 1.13 Additionally the draft new PRS policy includes a proposed delegation to officers from Housing Policy Committee. This would allow the Director of Housing and Neighbourhood services, or a successor role to make amendments to the PRS Policy for any of the following reasons only:
- Where a change in law or statutory instruments, judicial precedent, or other legal requirements require changes to be made to the PRS Policy to ensure it remains compliant with the law.
 - Where changes are required to update the PRS Policy to reflect changes to other SCC policies/strategies.
 - Where changes relate to the officer led operations or establishment of SCC's private rented sector related products, schemes or projects.
- 1.14 Any such officer changes would be managed as Officer Decisions under the council's constitution and policies.
- 1.15 The power to make any other changes to the PRS Policy remain reserved to Housing Policy Committee

2. HOW DOES THIS DECISION CONTRIBUTE ?

- 2.1 Currently the policy is rigid in prioritising how PRS property is matched to customers. E.g. customers who are owed a full homeless duty and are in Hotel or B and B accommodation are offered available property first.
- 2.2 In the future there is an aim to increase the number of PRS properties available to SCC and increase PRS use in homelessness prevention. Currently PRS properties are rarely offered to customers at risk of homelessness as they must be offered to other customers first.
- 2.3 A modified policy will ensure that the portfolio of PRS properties available to SCC can be used as effectively as possible to meet the individual housing needs of customers who are homeless, are at risk of homelessness or have other housing needs. E.g. some available properties may be more appropriate for certain customers depending on location, size and accessibility.
- 2.4 This will contribute to greater successful homelessness preventions as per SCC's newly adopted Homelessness Prevention Strategy 2023-2028.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 The proposed changes to the PRS Policy are being undertaken as part of a review of how SCC can increase the amount of PRS property available to it to house customers who are homeless or in other housing needs. Consultation is being undertaken as part of this wider work.
- 3.2 A survey was undertaken with customers who have been homeless and have been housed via the Private Rented Solutions team. This informed us of customer perceptions and needs on PRS property but had few responses. Consultation was not on our use of PRS property, which is long established nationally and in Sheffield, but on customer service and how the Private Rented Solutions team works with applicants.
- 3.3 Local landlords who work with the Private Rented Solutions scheme or have considered working with the scheme have been consulted via an online questionnaire running from December 2022 to mid January 2023. This was for the wider review to ask landlords about our current PRS offer and any barriers to participation/ideas for improvement.
- 3.4 Key findings from landlord consultation are
- We have a very skilled, capable and approachable PRS team who landlords are happy to work with
 - We have generally good incentives within the scheme
 - Low Local Housing Allowance (LHA) rate is a barrier for landlords to work with SCC.
 - Shorter-term leasing could be an attractive approach for some landlords
- 3.5 Officers have also reviewed recent consultation undertaken for the development of the Homelessness Prevention Strategy to understand any relevant points of learning.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

4.1.1 The Equality Impact Assessment did not reveal any significant implications for equality.

4.2 Financial and Commercial Implications

4.2.1 There are no direct financial or commercial implications from changing the PRS Policy.

4.2.2 The PRS offer and the incentives currently offered to landlords, in the policy, are fully funded from the services' existing resources.

4.2.3 If the council's PRS offer to landlords were amended or incentives provided to landlords changed in the future, a business case would be developed including any financial and commercial implications. This business case would be subject to the council's approval process.

4.2.4 Any associated costs due to changes to the council's incentives to landlords, which focus on increasing homelessness prevention, could be funded by existing homelessness prevention grant funding.

4.2.5 Greater successful homelessness preventions could also reduce the council's use of temporary accommodation/hotels, providing savings. We would expect this to offset any increased cost from new PRS products or incentives focused on homelessness prevention. These costs would be mapped out and analysed in any business case development, along with any savings.

4.3 Legal Implications

4.3.1 Article 3 of the Homelessness (Suitability of Accommodation) (England) Order 2012 concerns the suitability of privately rented accommodation (PRS) offered to certain applicants who are homeless or threatened with homelessness. PRS accommodation must meet the requirements of Article 3 if it is to be considered suitable when offered:

- a. to bring to an end the section 193(2) main housing duty (section 193(7F));
- b. as a final accommodation offer made in the 189B relief stage (sections 193A(6) and 193C(9)); or,
- c. to an applicant who has priority need, in order to prevent or relieve their homelessness.

4.3.2 A PRS property must not be regarded as suitable if the housing authority are of the view any of the following apply:

- a. it is not in a reasonable physical condition;
- b. electrical equipment supplied with the accommodation does not meet the requirements of Schedule 1 to the Electrical Equipment (Safety) Regulations 2016;
- c. the landlord has not taken reasonable fire safety precautions with the accommodation and any furnishings supplied with it;
- d. the landlord has not taken reasonable precautions to prevent the possibility of carbon monoxide poisoning in the accommodation;

- e. the landlord is not a “fit and proper person” to act in the capacity of landlord as defined under Housing Act 2004.

4.3.3 A PRS property must not be regarded as suitable if any of the following apply:

- a. it is a house in multiple occupation subject to licensing under section 55 of the Housing Act 2004 and is not licensed;
- b. it is subject to additional licensing under section 56 of the Housing Act 2004 and is not licensed;
- c. it forms part of residential property which does not have a valid Energy Performance Certificate as required by the Energy Performance of Buildings (England and Wales) Regulations 2012;
- d. it is or forms part of relevant premises which do not have a current gas safety record in accordance with regulation 36 of the Gas Safety (Installation and Use) Regulations 1998;
- e. the landlord has not provided a written tenancy agreement to the housing authority which the landlord proposes to use for the purposes of a private rented sector offer, and which the housing authority considers to be adequate. It is expected that the housing authority should review the tenancy agreement to ensure that it sets out, ideally in a clear and comprehensible way, the tenant’s obligations, for example a clear statement of the rent and other charges, and the responsibilities of the landlord, but does not contain unfair or unreasonable terms, such as call-out charges for repairs or professional cleaning at the end of the tenancy.

4.3.4 The particular requirements of Article 3 do not apply to accommodation secured for households that do not have “priority need”, or to accommodation that the authority helped the applicant to secure (for example through a bond guarantee or financial assistance) but which the applicant identified themselves. However, the Secretary of State expects housing authorities to make reasonable efforts to ensure private rented accommodation secured for applicants who do not have priority need is safe, and in reasonable condition; and that all applicants looking for their own accommodation have sufficient guidance to enable them to consider standards.

4.3.5 To determine whether or not accommodation meets the requirements set out in Article 3 housing authorities are advised to ensure it is visited by a local authority officer or someone acting on their behalf able to carry out an inspection. Attention should be paid to signs of damp or mould and indications that the property would be cold as well as to a visual check made of electrical installations and

equipment (for example; looking for loose wiring, cracked or broken electrical sockets, light switches that do not work and appliances which do not appear to have been safety tested).

- 4.3.6 The proposed PRS Policy set out in Appendix 2 complies with the above.
- 4.3.7 Furthermore, the proposed delegation from Housing Policy Committee to the Director of Housing as set out in paragraph 8 of the PRS Policy is permissible, prescribed and narrow. It seeks to enable the Director of Housing to effect swift changes to Policy to ensure it remains lawful and keeps up with changes in operational arrangements and solutions albeit within scope of the PRS Policy aims and objectives.

4.4 Climate Implications

- 4.4.1 This change is not foreseen to have significant Climate Implications.
- 4.4.2 The Council does not stipulate energy efficiency requirements for PRS properties used beyond what is required in law because the Council requires a large supply of safe and affordable PRS property to provide housing options for homeless customers. Other requirements would shrink the available pool of properties and landlords willing to work with the Council.

4.5 Other Implications

- 4.5.1 There are no significant implications to note at this point other than referenced within this report.

5. **ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 The current PRS Policy (Appendix 1) could be maintained. However as noted in 1.10 there are a range of issues with the current policy.
- 5.2 The proposed officer delegation in the proposed new policy (Appendix 2) could be altered or removed. However this would mean that any future changes to the policy, even minor, would require a full decision by Housing Policy Committee. We do not believe this would represent best use of the Council's time.

6. **REASONS FOR RECOMMENDATIONS**

- 6.1 The proposed new PRS policy (Appendix 2) alleviates challenges with the current PRS policy (Appendix 1) as outlined in 1.10 and 1.11
- 6.2 This will result in more effective use of PRS accommodation in meeting customers' housing needs, particularly around homelessness prevention.

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