

Report of:	Head of Housing and Partnerships
Contact Officer:	Louise Tandy
Telephone No:	01543 464348
Portfolio Leader:	Housing
Key Decision:	Yes
Report Track:	Cabinet: 25/01/18

CABINET
25 JANUARY 2018
SHARED ACCOMMODATION – PILOT PROJECT

1 Purpose of Report

- 1.1 To consider using a difficult to let Council flat for flat share accommodation for single people aged under 35. A Registered Provider would be responsible for the management of the property and meeting the support needs of the tenant.

2 Recommendations

That:

- 2.1 The Head of Housing and Partnerships, following consultation with the Housing Portfolio Leader be authorised to circulate the Project Brief (attached at Annex 1) to a minimum of two Registered Providers and be authorised to make amendments to the Project Brief if necessary.
- 2.2 The Head of Housing and Partnerships following consultation with the Housing Portfolio Leader be authorised to appoint the most suitable Registered Provider following the receipt and assessment of bid submissions.
- 2.3 The Head of Housing and Partnerships be authorised to agree Terms and Conditions to let a Council flat to a Registered Provider for the provision of flat share accommodation for single people under the age of 35.
- 2.4 A review of the pilot project takes place following a 12 month operational period and if successful, the project may be extended and other difficult to let flats would be considered for flat share accommodation (up to a maximum of 5 flats over a 5 year period).

3 Key Issues and Reasons for Recommendation

- 3.1 The Council has a number of flats that can be difficult to let and it is proposed to use one of these properties for the pilot project. If successful, other difficult to let Council flats could be utilised to help meet the needs of single people aged under 35 and prevent Council stock remaining empty for lengthy periods of time.
- 3.2 The Council would agree terms via either a lease or management agreement to enable a Registered Provider to take over the management of the flat for an initial period of 18 months. The Council would receive full rental income from the Registered Provider during this time, including during any void periods. The Registered Provider would charge rent to the tenants occupying the flat and an additional intensive housing management cost to cover any support needs. The Council will also receive £20-£30 per month, in addition to the rent attributable to the property for the increase in maintenance costs that may occur.
- 3.3 The Council would maintain and insure the property and have 100% nomination rights to the property. Referrals would be made from the Allocations or Housing Options teams.

4 Relationship to Corporate Priorities

- 4.1 The Shared Accommodation Pilot Project would contribute to the More and Better Housing PDP for 2017/18.

5 Report Detail

- 5.1 The Council is having increasing difficulty letting 2 or 3 bedroom flatted accommodation. From April 2017 to December 2017 23 x 2 bedroom flats were advertised on the Choice Based Lettings System. Of these, 12 were advertised more than once. Part of the reason is that a significant amount of new build 2 bedroom accommodation is being developed in the District by Registered Providers and these are often more attractive to potential applicants than the older Council stock. Welfare reform changes including the 'bedroom tax' are also limiting the amount of people who can apply for 2 bedroom accommodation.
- 5.2 The Government's changes to welfare reform have had a particularly significant impact for single people aged under 35 who wish to rent a property. Under Local Housing Allowance rules, single people aged under 35 with no children are normally assumed to be living in shared accommodation. This means that the maximum amount single people aged under 35 (with no dependants) can receive is set in relation to the cost of renting a room in a shared house or flat, rather than the cost of renting a self-contained property.
- 5.3 Although the shared accommodation rate doesn't apply to Council or Registered Provider tenants the Council only have a limited number of one bed flats which single people can apply for and a waiting list for one bedroom accommodation of 191 applicants at December 2017.

- 5.4 Single people under 35 therefore have limited housing options as they wouldn't be considered for a 2 bedroom flat under the Council's Allocations Policy unless they are in permanent employment and meet the affordability requirement under the Tenancy Sustainability Procedures.
- 5.5 There is limited shared accommodation being provided in the District by Private Landlords so the opportunities to access accommodation via that route are difficult to obtain.
- 5.6 Agreeing terms to enable a Registered Provider to manage one of the Council's flats as part of the pilot project will make best use of a flat that is difficult to let and will help to meet the needs of single people under the age of 35 who are having difficulty finding appropriate accommodation that they can afford. The Council would agree terms via either a lease or management agreement to enable a Registered Provider to take over the management of the flat for an initial period of 18 months. The Council would receive full rental income from the Registered Provider during this time, including during any void periods. The Registered Provider would charge rent to the tenants occupying the flat and an additional intensive housing management cost to cover any support needs. The Council will also receive £20-£30 per month, in addition to the rent attributable to the property for the increase in maintenance costs that may occur.
- 5.7 If the pilot project is a success following a 12 month operational period it is proposed to extend the project up to a maximum of five flats over a five year period.

6 Implications

6.1 Financial

The report is based on the Local Authority receiving the current rent attributable to the property, reflecting any rent decreases or increases in line with policy. The Council would still be held responsible for the maintenance of the property and therefore an agreement should be considered for the Council to be reimbursed for any additional maintenance costs occurred; current report proposes an additional £20-£30 charge per month for potential increases in maintenance costs. Any potential VAT implications are currently being reviewed.

6.2 Legal

Consideration would need to be given as to the type of tenancy or licence granted to occupiers to ensure security of tenure issues do not arise following the trial.

6.3 Human Resources

None

6.4 Section 17 (Crime Prevention)

The provision of this type of accommodation for young people under the age of 35 will provide a “stable” living environment and help combat crime and anti-social behaviour.

6.5 Human Rights Act

None

6.6 Data Protection

None

6.7 Risk Management

There are a number of risks associated with the provision of flat share accommodation. These risks can, however, be mitigated by robust management and the flat will be managed by a Registered Provider that has experience in providing this type of accommodation.

6.8 Equality & Diversity

The provision of the accommodation for the purposes of a flat share arrangement with single people under the age of 35 would be subject to Equality Impact Assessments by the Registered Provider landlord.

6.9 Best Value

The submissions received for the pilot project will be assessed for best value to the Council.

7 Appendices to the Report

Appendix 1: Project Brief

Previous Consideration
None
Background Papers
None

None

Background Papers

None

CANNOCK CHASE COUNCIL
SHARED ACCOMMODATION PILOT
PROJECT BRIEF

1. Introduction and Background

The Council has a number of flats that can be difficult to let. It is proposed that one Council flat is to be used on a flat share basis to help meet the needs of single people aged under 35 as a pilot project.

The Government's changes to welfare reform have had a particularly significant impact for single people aged under 35 who wish to rent a property. Under Local Housing Allowance rules, single people aged under 35 with no children are normally assumed to be living in shared accommodation. This means that the maximum amount single people aged under 35 (with no dependants) can receive is set in relation to the cost of renting a room in a shared house or flat, rather than the cost of renting a self-contained property.

There is limited shared accommodation being provided in the District by Private Landlords so opportunities to access accommodation via that route is difficult to obtain.

If the pilot project is successful, other difficult to let Council flats may be utilised to help meet the needs of single people aged under 35 and prevent Council stock remaining empty for lengthy periods of time.

2. Objectives of the proposal

The Council proposes to agree terms and conditions to lease/or via Management Agreement a difficult to let Council flat to a Registered Provider for 18 months. The property would be used to house single people aged under 35 with an element of support needs on a flat share basis. This will help to assist those with limited housing choices and make best use of difficult to let Council stock. The Registered Provider (RP) would pay the rent normally attributable to the property to the Council during this period (including void periods) plus an additional £20-£30 per month due to the increase in maintenance costs that may occur. The RP would be responsible for charging the tenants a rent with support charge, ensuring payment is received and managing the property during the lease/Management Agreement period. The Registered Provider would provide tenancy sustainment support to the tenants and visit on a weekly basis. The table below highlights the anticipated responsibilities of both the Council and the Registered Provider:

	Cannock Chase Council	Registered Provider
Supply of basic white goods		✓
Furnishing of the property		✓
General upkeep of the building including service area	✓	
Health and Safety Checks		✓
Management of the rents/service charges		✓
Tenancy Sustainment Support		✓
Intensive Housing Management		✓
Tenants liaison and communication in relation to the building		✓
Tenants liaison and communication in relation to tenancy support		✓
Structural repairs and boiler replacements	✓	
Ensuring HMO compliance	✓	✓
All Nominations	✓	

That a review of the pilot project takes place following a 12 month operational period and if successful, the project may be extended and up to 5 other difficult to let flats would be considered for flat share accommodation over a 5 year period..

3. Timetable

Distribution of Project Brief – w/b 12th February 2018

Submission deadline – 30th March 2018

Assessment of submissions – by 27th April 2018

Notify successful Provider – w/b 30th April 2018

Legal Agreements and Terms and Conditions agreed – by 25th May 2018

Pilot Project commences – beginning of June 2018

4. Submission Proposal

Please provide the following information:

- Details of the experience you have in managing shared accommodation and examples.
- Details and experience of staff who would be managing the project.
- Details of the intensive management support that would be provided.
- Demonstrate that the timetable above is achievable for your organisation.
- Monitoring and assessment of outcomes to inform decisions regarding extension of the pilot project.
- Details of financial responsibilities and assumptions made.

Please submit your proposal by 30th March 2018 via post or email to:

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