

# FAREHAM

## BOROUGH COUNCIL

### **Report to Health and Housing Policy Development Review Panel**

**Date**                    **12 March 2015**

**Report of:**            **Director of Community**

**Subject:**                **ANNUAL REVIEW OF HOMELESSNESS ACTION PLAN**

#### **SUMMARY**

This report sets out the progress made in delivering the Council's Homelessness and Housing Options Strategy 2014-2017. The report outlines the actions identified in the strategy and provides an update on progress to date in meeting these actions.

#### **RECOMMENDATION**

Panel to note the progress so far in meeting the 19 actions included in the Homelessness and Housing Options Strategy 2014 – 2017.

## INTRODUCTION

1. The current Homelessness and Housing Options Strategy for the period 2014 – 2017 was approved by the Health and Housing Policy Development and Review Panel on 14 March 2014 and then by Executive on 7 April 2014. The strategy set out a 3 year plan identifying future actions and priorities to prevent and resolve homelessness within the borough. The strategy is required to be reviewed annually to check progress against the actions and to consider any new issues that may have arisen that could affect the actions and our priorities. This is the first of such reviews and many of the actions are still in progress.

The Strategy includes a total of 19 specific actions within four objectives, these being:

Objective 1	To provide advice, assistance and support to enable homeless and vulnerable households to address their housing needs and to lead independent lives
Objective 2	Adopt sustainable initiatives that deliver housing solutions accessible to those in housing need and that minimise reliance on the use of temporary accommodation
Objective 3	Wherever possible to prevent homelessness from occurring in Fareham by working in partnership with other statutory and independent sector agencies.
Objective 4	Monitor the demand on the service and outcomes, to inform future provision and direction

## OVERVIEW

2. Appendix 1 lists the action plan tasks and the progress to date for each one. Most tasks are on track and progressing as expected, however some tasks require further explanation.
3. In November 2014 the Strategic Housing section, including the Housing Options team became subject to the Vanguard Intervention process. As a result some actions have not been progressed as originally expected as these areas will be reviewed by the Vanguard process.
4. Objective 2 includes target timescales for move-on from temporary accommodation and for taking on new private rented accommodation. We are currently behind in our targets in these actions due to two key reasons;
  - A delay in filling the Tenancy Support Worker post – officer not in post until 1 July 2014
  - Loss of 15 units of temporary accommodation at a scheme in Fareham, managed by First Wessex. Due to repair and maintenance issues the landlord took a strategic decision to dispose of the building. The move-on plans for existing tenants were bought forward and vacancies could not be refilled.

5. Objective 3 includes actions around supporting people services. The Hampshire County Council Supporting People programme continues to face significant financial challenges. The contracts covering the socially excluded cluster (primarily these are services to single homeless people) were due to expire at the end of March 2015 but on-going negotiations between the County and all Hampshire districts councils meant that all contracts were renewed for one year to enable more time to complete a comprehensive review of all services in all local authority areas. Fareham Borough Council officers will continue to work with Hampshire County Council to ensure our position is represented during this review period.
6. To date the Government's changes to the welfare provision has had little impact on the Housing Options service. However Universal Credit (UC) is expected to be introduced in the Fareham area from December 2015 – initially for single claimants on JSA. The key element of UC that could affect the Housing Options service is that welfare benefit customers will receive one direct payment from which they will be expected to manage all their expenditure, including paying their rent. For social housing tenants this may be the first time they have to take responsibility for paying their rent and the risk is that customers will not sufficiently prioritise paying their housing costs. This could lead to a rise in the level of social housing arrears and an increase in the number of tenants facing eviction. This may then impact upon the Housing Options service if these tenants then approach for advice and assistance.
7. The Homelessness and Housing Options Strategy makes reference to the closure of the Mortgage Rescue Scheme and a risk that this would lead to an increase in more owner occupiers seeking assistance from the local authority. Between 1 April 2013 and 31 March 2014, 74 owner occupiers were recorded as having sought advice from the Housing Options team (this represented 6% of the total number of customers). The number of cases actually threatened with homelessness was 46 and we were able to prevent homelessness in 9 of these cases. No owner occupier in that period went on to make a homeless application.

Between 1 April 2014 and 31 December 2014 we have so far seen 38 owner occupiers (representing 5% of the total number of customers); 23 were threatened with homelessness, 9 cases were prevented from actually being homeless but 2 cases presented as homeless. This may suggest that we can still offer effective advice to prevent most owners from becoming homeless, some do now require assistance but the number of cases is not so high as to be a cause for concern.

8. Since the production of the current strategy a Rough Sleeper Member / Officer working group has been established. This has been in response to concerns that the number of rough sleepers in Fareham appear to be increasing often with complex needs. The working group aims to review the work of the Outreach Worker and the multi-agency meeting to determine if other measures are required to assist rough sleepers to secure sustainable accommodation.

## **RISK ASSESSMENT**

9. The Council continues to face challenges in securing sufficient, good quality private rented accommodation to meet the demand from homeless households. That demand could increase given the likely reduction to funding for services to the single homeless cluster. There may also be an increase in demand for services and accommodation from those customers affected by welfare reforms. An increase in demand could put at risk the council's ability to meet its statutory obligations to homeless households.

## **CONCLUSION**

10. Good progress has been made in delivering the current Homelessness and Housing Options Strategy and the Council is on course to complete the majority of the actions included with the strategy. Some actions may need to be reviewed as a result of the work of the Vanguard intervention; more should be known about the impact of the Vanguard intervention for the next annual review of the strategy.

### **Background Papers:**

Homelessness and Housing Options Strategy 2014 – 2017

### **Reference Papers:**

### **Enquiries:**

For further information on this report please contact Sara Head. (Ext 4369)

ACTION	INTENDED OUTCOME	PROGRESS TO DATE
<p>1a - Senior Housing Options Officer to ensure best use is made of all available funds including DHP in the prevention of homelessness and the securing of alternative accommodation.</p>	<p>To limit the number of households becoming homeless.</p>	<p>Since April 2014, 18 households threatened with homelessness have been assisted by the Strategic Housing team to secure private rent accommodation.</p> <p>In this period a further 13 households have received funding from the Discretionary Housing Payment scheme to secure private rent accommodation.</p>
<p>1b – Review training needs of all Housing Options Officers on a regular basis to maintain knowledge and skills and to keep up to date with changes in case law and best practice.</p>	<p>Ensure customers receive a comprehensive advice service, through which they are made aware of other agencies able to give support and advice</p>	<p>All staff now receive a monthly email from NHAS (National Housing Advice Service) that includes information on the latest housing law cases.</p> <p>A member of the team attended the Homeless Conference in June 2014.</p> <p>A member of the team attended a course in September 2014 on preparing homeless decision letters.</p> <p>All permanent members of the team have attended Lone Worker Training to raise awareness of safe working practices when working alone with difficult customers.</p>
<p>1c - Review the Housing options website, factsheets and housing options plans.</p>	<p>Information is user friendly, current and accessible</p>	<p>New advice recently posted on the website for the benefit of home owners on how to prepare for future interest rate rises.</p> <p>All factsheets have been reviewed with one new information sheet created to give advice to customers moving to temporary accommodation.</p>

		<p>Housing Options Plans still to be reviewed.</p> <p>StreetLink poster recently added to the borough noticeboards to help residents report incidents of rough sleeping in the borough.</p>
1d - Strive to achieve Gold Standard local challenges relevant to this objective.	Provide an enhanced housing options service	The Housing Options drop-in service provides a range of advice, which where appropriate is confirmed in writing via a Housing Options Plan.
2a - Achieve move on from TA within agreed timeframes for 70% of households in year 1, 2014/2015, increasing to 90% in year 2, 2015/2016.	Increase capacity of existing TA, resulting in fewer placements in Bed and Breakfast accommodation	For the first 3 quarters of 2014-15 the move-on timescale has been met for 59.8% of customers.
2b - Monitor the success and impact of the Tenancy Support Worker, prior to 12 month period coming to an end, to determine whether to extend the post	<p>Accommodation Officer released to secure more accommodation in the private rented sector.</p> <p>Rent arrears reduced in TA.</p> <p>Better management and intervention around cases of Anti-Social Behaviour</p>	<p>Tenancy Support Worker post filled via secondment from the Housing Options Team, commencing 1<sup>st</sup> July 2014.</p> <p>This has enabled the Accommodation Officer to focus on the recruitment and retention of private landlords.</p> <p>Rent arrears have reduced in some forms of temporary accommodation and the ability of the post holder to conduct regular home visits has improved the monitoring of the conduct of tenancies within the temporary accommodation stock.</p>
2c - Launch new private rented initiatives in 2014 with the target of taking on 45 properties within the first 12 months of operation.	Meet the future demand for temporary accommodation and minimise the use of bed and breakfast accommodation.	<p>The FareLets private letting scheme was launched on 1<sup>st</sup> July 2014. The scheme was promoted via a radio advertising campaign throughout November 2014. New properties completed to date:</p> <ul style="list-style-type: none"> <li>• 4 new Managed Leases completed</li> </ul>

		<ul style="list-style-type: none"> <li>• 4 new Tenant Find properties completed</li> <li>• 1 new Full Management property completed</li> <li>• 3 new Managed Leases in the process of completion during December 2014 (since completed in January 2015)</li> </ul> <p>We've also been able to transfer existing properties to the new schemes:</p> <ul style="list-style-type: none"> <li>• 9 old PSLs converted to Managed Leases</li> <li>• 2 old PSLs in the process of converting to Managed Leases</li> <li>• 1 old AFFORD property converted to a Managed Lease</li> <li>• 5 old AFFORD properties renewed as Tenant Find</li> <li>• Block of 6 flats previously leased via a partner housing association and used as temporary accommodation is in the process of being taken on as managed leases.</li> </ul> <p>In 2013/14, 59 households were placed in Bed and Breakfast accommodation. In the first 3 quarters of 2014/15, 36 households have been placed in B&amp;B. If this level of use continues the end of year figure could be 48, which would be a reduction of 11 households compared to last year.</p>
<p>2d - Purchase 8 existing properties using RTB receipts.</p>	<p>Increase available stock of temporary accommodation.</p>	<p>Since April 2014 the council has purchased 5 properties using 'right to buy receipts' (four 2 bed maisonettes and one 1 bed flat), all being used as temporary accommodation. A further 1 bed flat is in the process of being purchased.</p> <p>A property purchased by the council to enable a development site is being used in the short term for temporary housing.</p>

<p>2e - Work with Housing Associations to develop new affordable housing in the borough.</p>	<p>Increase range of affordable housing to meet housing need in the borough.</p>	<p>For the financial year 2014/15 we are expecting a total of 138 new homes to be built in the borough, including the Council's own replacement sheltered housing scheme at Collingwood Court.</p>
<p>2f - Strive to achieve Gold Standard local challenges relevant to this objective.</p>	<p>Provide an enhanced housing options service.</p>	<p>The new FareLets scheme and the Tenancy Support Worker post have helped to increase private rent opportunities and reduce use of bed and breakfast accommodation for all households.</p>
<p>3a - Continue to monitor the success and outcomes of the Money Advice Worker and determine whether funding is available to extend the post for the life of this Strategy.</p>	<p>Number of evictions due to rent or mortgage arrears reduced.</p> <p>Homelessness is prevented as a result of better money management, budgeting and awareness of benefit entitlement</p>	<p>In the first 3 quarters of the financial year 2014/15, the Money Adviser (a 22 hour a week post) received 39 referrals of customers facing housing difficulties who it was felt would benefit from money advice.</p> <p>Many received invaluable advice and 14 of these cases were directly prevented from becoming homeless; those households avoided having to move to bed and breakfast or temporary accommodation.</p>
<p>3b - Monitor the success of the Rough Sleepers Outreach Worker and determine whether funding can be extended beyond the 12 months funded by the Regional Rough Sleepers Group.</p>	<p>Reduction in the number of rough sleepers in the borough.</p> <p>Quick engagement to prevent entrenched rough sleeping.</p> <p>Co-ordinated response to rough sleeping with Police, Community Safety &amp; Substance Misuse Agencies.</p>	<p>The Outreach Worker has engaged with 90 customers since January 2014, outcomes for these customers include:</p> <ul style="list-style-type: none"> <li>• 27 assisted to access the hostel</li> <li>• 22 assisted into private rented accommodation</li> <li>• 12 supported to return to the area in which they had a connection and could access appropriate services.</li> <li>• 5 assisted to access supported housing.</li> </ul> <p>The Outreach Worker supported the council's annual rough sleeper return to DCLG. Our robust estimate for 2014 was that we had 8 rough sleepers in the borough on the 'snapshot' night. This is the same</p>



		<p>figure as the previous year and compares favourably with many other local authorities who are reporting an increase in rough sleeper numbers.</p> <p>Outreach Worker attends regular local rough sleeper partnership meeting, working with a range of statutory and voluntary agencies to identify, reduce and prevent rough sleeping.</p> <p>Regional Rough Sleepers Group agreed a second year of funding for the post, so the Outreach Worker role is guaranteed to continue until the end of 2015.</p>
3c - In partnership with Children's Services agree the future role of the Accommodation Resource Centre following the reduction in Supporting People funding.	Maintain the gateway agency to ensure 16/17 year olds are given independent advice as to their future accommodation options. Prevent homelessness through mediation and support.	From April 2015 the Accommodation Resource Centre will no longer be the 'gateway' agency for Fareham and Gosport. Instead cases will be considered at the local Early Help Hub meetings, coordinated by social services and will focus on meeting statutory responsibility to 16-19 year olds. Housing Options will need to ensure attendance at the HUB to represent the council's position.
3d - Prepare for the impact the reduction in the Supporting People Programme will have on homelessness services across the borough through the reconfiguration of services and the targeting of remaining funds to meet statutory duties.	Maintenance of as many homelessness prevention services as possible	<p>The 'social excluded cluster' contracts have been extended until March 2016 to enable more time for Hampshire County Council and all the district council's time to prepare for new arrangements.</p> <p>We are working with our partner agencies such as Two Saints and The YOU Trust to review services.</p>
3e - Strive to achieve Gold Standard local challenges relevant to this objective.	Provide an enhanced housing options service.	Working with other agencies, we can provide a range of advice, support and accommodation services.
4a - Continue to explore purchasing the Housing Options module from	Improved data capture, and monitoring information to inform	No further progress; use of all IT systems will be

Orchard.	future plans and Strategies.	reviewed as part of the Vanguard Intervention.
4b - Produce a Business Plan for the new private rented sector schemes prior to their launch.	To be able to monitor the success of the new schemes and support the case for continuing with the posts of Temporary Accommodation Co-Ordinator and Tenancy Support Officer	Task completed – see appendix 2
4c - Continue to monitor the impact the new Allocations Policy has on homelessness and movement through Temporary Accommodation.	Increased movement through temporary accommodation.	<p>No issues currently highlighted – customers in temporary accommodation are being successful in receiving offers via the housing waiting list. The only reported issue is that some customers are disappointed when they take an offer of private rented accommodation they are placed in the low housing need band (compared to customers who go into temporary accommodation and are placed in the medium housing need band).</p> <p>No further action taken at this stage as the Allocation Policy may become subject to review as part of the Vanguard process.</p>
4d - Strive to achieve Gold Standard local challenges relevant to this objective.	Provide an enhanced housing options service.	The homeless strategy is reviewed annually via report to panel to ensure we are able to continue to prevent and respond to the needs and issues of homeless customers.

## FareLets private rented sector schemes Business Plan

The FareLets private rented sector schemes will commence in quarter one of 2014-15 and comprise of three separate services: Tenant Find, Private Sector Leased (PSL) Plus, and Full Management.

FareLets will be managed by the Housing Initiatives Team within the Strategic Housing division. The Housing Initiatives Team currently has four members of staff, but from June 2014 will include a further post (Tenancy Support Officer) on a 12 month fixed term contract for 30 hours per week. This post will be funded by the Homelessness Grant Funding provided by Department of Communities and Local Government (DCLG). If the scheme is successful, it is hoped that the fee income generated from the management of the properties will provide continued funding for the post.

FareLets will be advertised on local radio close to the launch time and for a short time after the launch in order to inform landlords of the scheme. The cost of radio advertising will be covered by the existing Homelessness Grant Funding from DCLG. This funding will also pay for printed scheme brochures and leaflets.

Following the initial outlay, the intention is that the three schemes can be developed and managed within existing funds and aim to become self-financing within twelve months.

### Targets

The aim is to take on 45 new properties during the first 12 months of the new scheme operation. It is anticipated that these will be in the ratio of 5 x Tenant Find, 20 x PSL Plus, and 20 x Full Management and these are the numbers on which the income and expenditure forecasts have been based. However, it is accepted that these numbers are estimates and could be quite different in reality.

### Potential Financial Liability

All three of the FareLets services include a rent guarantee for the landlord so there is a significant financial liability for the whole scheme. The figures used to calculate this are based on the rent for a 2 bed property as an average. This is made up as follows:

- Tenant Find – 12 months' rent guarantee at £600 per month = £7,200. This guarantee relates only to the first 12 months of any new tenancy, so the liability will end after 12 months even if the tenancy were to continue for several years.  
£7,200 x 5 properties = £36,000 liability.
- PSL Plus – 12 months' rent guarantee at £600 per month = £7,200  
£7,200 x 20 properties = £144,000 liability.
- Full Management - 12 months' rent guarantee at £600 per month = £7,200 This guarantee relates only to the first 12 months of any new tenancy, so the liability will end after 12 months even if the tenancy were to continue for several years.  
£7,200 x 20 properties = £144,000 liability.

Both the Tenant Find and Full Management services also provide a bond in lieu of a deposit. The bond is equivalent to one month's rent and the landlord can claim against this at the end of a tenancy if there has been damage to the property.

Tenant Find - £600 x 5 properties = £3,000 liability.

Full Management - £600 x 20 = £12,000 liability.

Total potential rent guarantee and bond liability for 45 properties = £339,000.

Claims against the bond have historically been quite rare, with only a few properties affected and with an average spend of £200 per property. It is not possible to determine how many tenancies with bonds in place may end within the first 12 months of the FareLets scheme. Those which do end during that period will not normally be under the FareLets scheme as they will all be new 12 month tenancies; they are most likely to be existing AFFORD cases. Therefore, funds will come from a different cost centre to the ones used for the new scheme. However, taking an estimate of 12 (one per month) and assuming the average claim value remains the same, the potential outgoings would be £200 x 12 = £2,400.

The PSL Plus service does not provide a bond for the landlord but the council returns the property to the landlord at the end of the lease in the same condition as it was taken on, except for fair wear and tear. Over the last 8 years there have only been 15 cases where the council has had to undertake costly works on termination of the lease. The average cost to the council per year during this 8 year period is £1,523. If there are approximately 2 cases per year, this amount will not change. However, it is accepted that as more properties are taken on, there may be an increase in the number of cases where works have to be carried out. If the number of leased properties being returned where works have to be carried out were to double to 4 per year, the potential outlay would be approximately £3,000. However, as each new lease taken on will be for a minimum of 12 months, any being returned during the first 12 months of the new scheme will be from existing PSL stock. The funds will therefore come from a different cost centre to the ones used for the new schemes.

### Income

The Tenant Find service is free to landlords so does not generate any income.

The PSL Plus service charges a £300 fee on first registration of the lease for properties with gas and £200 for those without gas. It is estimated that around half of the properties will have gas and half will not. Therefore 10 properties x £300 = £3,000 and 10 properties x £200 = £2,000. The total fee income is therefore projected at £5,000.

In addition to the fee income for the PSL Plus service, the PSL rents will have an additional £30 per week added on as a management cost from Monday 7<sup>th</sup> April 2014. This amounts to £1,560 per property, per year. If 20 new PSLs are taken on, the income would be £31,200.

The Full Management service charges landlords 8% of the monthly income, plus VAT. Based on a 2 bed property with a rental income of £600 per month, the monthly payment to the

council will be £48. The annual income will therefore be £576 per property. £576 x 20 properties = £11,520 (plus VAT).

£5,000 + £31,200 + £11,520 = £47,720 income across the 3 services. There will also be some VAT in addition to this (£2,304.00).

### Expenditure

The Tenant Find service will not incur any costs other than those described under the bond liability above.

The PSL Plus service and the Full Management Service will both pay for the following for a landlord:

- Gas safety certificate at £75 plus VAT (where there is gas in the property)
- Electrical safety certificate at £88.80 plus VAT
- Carbon monoxide detector at (approximately) £20 plus VAT

The cost per property with gas is £183.80. For properties without gas, the cost is £108.80  
10 properties with gas x £183.80 = £1,838. 10 properties without gas x £108.80 = £1,088.  
£1,838 + £1,088 = £2,926 per service. For both services together, the cost is £5,852 plus VAT (£7,022.40).

There is also the potential for up to £2,000 to be loaned to the landlord in both the PSL Plus and Full Management services in order to bring the property up to the required standard. It is estimated that 5 landlords per service may request a loan, meaning outgoings of £10,000 per service, or £20,000 in total. However, this is to be paid back to the council through the monthly rental income, so should be returned within 12 months.

In addition, the Full Management service offers to pay for up to £150 per property towards repairs in a year. If half of the anticipated properties were to use this amount, the council could spend 10 properties x £150 = £1,500 possible expenditure.

The income of £47,720 minus the expenditure (excluding possible loans) of £7,352 leaves £40,368 remaining. This amount does not take into account any of the liabilities discussed above. VAT has also not been taken into consideration in this last calculation.

### Measures to minimise expenditure

In order to reduce the amount of money which is paid out by the scheme, a number of measures have been put in place, as follows:

- If landlords on the Tenant Find scheme do not receive rent from their tenant and wish to claim against the rent guarantee, they will need to advise the council within 14 days of the date on which rent should have been received. If they do not meet this timescale, they will be unable to claim against the rent guarantee for that month.

In addition, these landlords will be expected to take some responsibility for managing their tenancy where tenants fall into arrears exceeding 8 weeks. They will need to serve an appropriate notice to gain possession and then provide the council with a copy of the

notice and proof of service by the time the tenant has reached 10 weeks in arrears. Failure to serve notice and provide a copy to the council will mean that the rent guarantee cannot be claimed. The council will continue to pay the landlord under the rent guarantee assuming the appropriate notice has been served and the correct claim process has been followed (as above) during the time it takes the landlord to gain possession of the property. If the level of arrears falls below 8 weeks at any point after the notice has been served but before possession is gained, the landlord must notify the council as the notice cannot then be acted upon. If the tenant falls into more than 8 weeks arrears more than once during the tenancy period, the landlord must again serve a notice in order to be able to claim against the rent guarantee. These details will form part of the legal agreement between the landlord and the council.

- Regular inspections will be carried out throughout the life of each tenancy for all properties taken on under the PSL Plus and Full Management services. This will enable us to identify any damage at an early stage and ensure that it is repaired prior to the property being handed back to the landlord in the case of the leased properties. Early identification of problems may also mean that repairs can be carried out more cheaply than if they were left for some time.
- Invoices will be raised to ensure that the cost of any damage attributable to the tenants is recovered in both the PSL Plus and Full Management services. In addition, if repairs are carried out by the council on behalf of the landlord, at his request, an invoice will be raised to recover the costs.
- The new Tenancy Support Officer will visit those tenants in the PSL Plus and Full Management service properties if they are falling into rent arrears and will help them to manage their situation. The TSO will step in if the tenant is not responding to letters, failing to maintain payment plans or not engaging with Housing Benefit.

### Repairs Service

It is intended to use the the HandyPerson service currently run by Aster Group to carry out repairs during normal working hours. As they do not operate an out of hours service, the council's Responsive Repairs service will be used for emergency repairs during these times. It may also be prudent to ask landlords if they have preferred contractors who the council could contact when larger repairs are needed, in case the HandyPerson service cannot undertake such works. A service level agreement or contract of some sort will be required between the council and Aster Group.

### Tenancy Support Officer post

As mentioned in the introductory paragraphs above, a 12 month fixed term contract has been approved for a Tenancy Support Officer, working 30 hours a week. The role is likely to commence on 2<sup>nd</sup> June 2014 and will focus on the tenant side of the accommodation process, allowing the Accommodation Officer to focus on the landlords and property

procurement. If the FareLets schemes are successful, it is hoped that the income may be able to pay for the extension of this post after May 2015.

During the 12 months fixed term of this post, the impact of the new role will be monitored so that its effectiveness can be determined. Although data is not currently collected in many of these areas it is likely to be possible to identify improvements by comparing with older data selections as needed. It is anticipated that there will be a reduction in rent arrears and bond payments for damages and an increase in bidding and move-ons through and out of temporary accommodation. In addition, it is hoped that benefit claims will be made sooner by the tenants, processed more quickly and any problems or changes in circumstances can be resolved with minimal delays.

### Monitoring spend

Income and expenditure for all three of the new services will be closely monitored and reported on a quarterly basis to the Director of Community. Spending on B&B placements will also be monitored as it is hoped that this will decrease as more new PRS properties are taken on. B&B placements should then only be used for emergency placements.

After six months a formal review of the scheme will be carried out. This will identify the scheme achievements, including the number of new properties taken on, success of the radio advertising campaign and households provided with accommodation; scheme expenditure; scheme income; and how B&B placement figures have reduced.

### Plan B

If, during the course of the first 12 months, it is established that we are paying out more money than anticipated on rent guarantees, etc. and not taking on enough new properties which generate income, the schemes may not be able to continue. If this is the case, the Full Management service may need to be scaled down or stopped, as it is likely to be the most costly service to operate. We may also need to give notice to some or all of the PSL landlords to end the leases and take action to move the tenants on if we don't have the funds to sustain these leases. The temporary Tenancy Support Officer post will also end after 12 months if there is insufficient income to be able to extend the contract.

## **SUMMARY OF LIKELY INCOME AND EXPENDITURE**

Based on 45 properties (1<sup>st</sup> year target)

45 properties broken down into: 5 x tenant Find, 20 x PSL Plus, 20 x Full Management.

	<b>Worst case scenario</b>	<b>Likely case scenario</b>	<b>Best case scenario</b>
<b>Expenditure</b>	- £416,352	- £37,752	- £4,352
<b>Income</b>	+ £46,720	+ £47,720	+ £48,720
<b>Total</b>	- £369,632	+ £9,968	+ £44,368

The likely case scenario costs are based on the following:

### Expenditure

- Claims at the rate of 5% of the full amount of the rent guarantee for each property with a bond and an average monthly rent of £600.
- One bond claim per month for 12 months at the rate of £200 per claim.
- Four payments on the return of PSL properties at an average payment rate of £761.50 per property.

### Income

- £300 fees for 10 x PSL Plus properties and £200 fees for 10 x PSL Plus properties
- £30 per week management element added to the rent, for each of 20 properties
- 8% of monthly rental income for 20 properties, based on an average monthly rent of £600.

Although there is a target for the first year of bringing 45 new properties onto the scheme, this may not be possible. Therefore, the figures have also been calculated based on only having 25 new properties on the scheme.

### Based on 25 properties

25 properties broken down into: 3 x Tenant Find, 11 x PSL Plus, 11 x Full Management

	<b>Worst case scenario</b>	<b>Likely case scenario</b>	<b>Best case scenario</b>
<b>Expenditure</b>	- £230,794	- £24,229	- £2,394
<b>Income</b>	+ £25,696	+ £26,296	+ £26,796
<b>Total</b>	- £205,098	+ £2,067	+ £24,402

The likely case scenario costs are based on the following:

### Expenditure

- Claims at the rate of 5% of the full amount of the rent guarantee for each property with a bond and an average monthly rent of £600.
- One bond claim every other month for 12 months, at the rate of £200 per claim.
- Two payments on the return of PSL properties at an average payment rate of £761.50 per property.

### Income

- £300 fees for 6 x PSL Plus properties and £200 fees for 5 x PSL Plus properties.
- £30 per week management element added to the rent, for each of 11 properties.
- 8% of monthly rental income for 11 properties, based on an average monthly rent of £600.