

Public Document Pack

Overview and Scrutiny Management Committee

Thursday, 21st November, 2024
at 5.30 pm

PLEASE NOTE TIME OF MEETING

Council Chamber - Civic Centre

This meeting is open to the public

Members

Councillor Blackman (Chair)
Councillor Evely
Councillor Y Frampton
Councillor Kloker
Councillor Leggett
Councillor McManus
Councillor Powell-Vaughan
Councillor Renyard
Councillor Stead

Appointed Members

Catherine Hobbs, Roman Catholic Church
Rob Sanders, Church of England
Vacant, Primary Parent Governor

Contacts

Joni Goodman
Democratic Support Officer
Tel. 023 8083 2130
Email: joni.goodman@southampton.gov.uk

Mark Pirnie
Scrutiny Manager
Tel: 023 8083 3886
Email: mark.pirnie@southampton.gov.uk

PUBLIC INFORMATION

Overview and Scrutiny Management Committee

The Overview and Scrutiny Management Committee holds the Executive to account, exercises the call-in process, and sets and monitors standards for scrutiny. It formulates a programme of scrutiny inquiries and appoints Scrutiny Panels to undertake them. Members of the Executive cannot serve on this Committee.

Role of Overview and Scrutiny

Overview and Scrutiny includes the following three functions:

- Holding the Executive to account by questioning and evaluating the Executive's actions, both before and after decisions taken.
- Developing and reviewing Council policies, including the Policy Framework and Budget Strategy.
- Making reports and recommendations on any aspect of Council business and other matters that affect the City and its citizens.

Overview and Scrutiny can ask the Executive to reconsider a decision, but they do not have the power to change the decision themselves.

Southampton: Corporate Plan 2022-2030 sets out the four key outcomes:

- **Strong Foundations for Life**.- For people to access and maximise opportunities to truly thrive, Southampton will focus on ensuring residents of all ages and backgrounds have strong foundations for life.
- **A proud and resilient city** - Southampton's greatest assets are our people. Enriched lives lead to thriving communities, which in turn create places where people want to live, work and study.
- **A prosperous city** - Southampton will focus on growing our local economy and bringing investment into our city.
- **A successful, sustainable organisation** - The successful delivery of the outcomes in this plan will be rooted in the culture of our organisation and becoming an effective and efficient council.

Procedure / Public Representations

At the discretion of the Chair, members of the public may address the meeting on any report included on the agenda in which they have a relevant interest. Any member of the public wishing to address the meeting should advise the Democratic Support Officer (DSO) whose contact details are on the front sheet of the agenda.

Access is available for disabled people.

Please contact the Democratic Support Officer who will help to make any necessary arrangements.

Fire Procedure: -

In the event of a fire or other emergency a continuous alarm will sound, and you will be advised by Council officers what action to take.

Mobile Telephones: - Please switch your mobile telephones to silent whilst in the meeting

Use of Social Media: - The Council supports the video or audio recording of meetings open to the public, for either live or subsequent broadcast. However, if, in the Chair's opinion, a person filming or recording a meeting or taking photographs is interrupting proceedings or causing a disturbance, under the Council's Standing Orders the person can be ordered to stop their activity, or to leave the meeting. By entering the meeting room, you are consenting to being recorded and to the use of those images and recordings for broadcasting and or/training purposes. The meeting may be recorded by the press or members of the public. Any person or organisation filming, recording, or broadcasting any meeting of the Council is responsible for any claims or other liability resulting from them doing so. Details of the Council's Guidance on the recording of meetings is available on the Council's website.

Smoking Policy: - The Council operates a no-smoking policy in all civic buildings.

Dates of Meetings for the Municipal Year:

2024	2025
20 June	2 January
11 July	23 January
22 August	20 February
12 September	20 March
24 October	24 April
21 November	
12 December	

CONDUCT OF MEETING

TERMS OF REFERENCE

The general role and terms of reference for the Overview and Scrutiny Management Committee, together with those for all Scrutiny Panels, are set out in Part 2 (Article 6) of the Council’s Constitution, and their particular roles are set out in Part 4 (Overview and Scrutiny Procedure Rules – paragraph 5) of the Constitution.

RULES OF PROCEDURE

The meeting is governed by the Council Procedure Rules and the Overview and Scrutiny Procedure Rules as set out in Part 4 of the Constitution.

BUSINESS TO BE DISCUSSED

Only those items listed on the attached agenda may be considered at this meeting.

QUORUM

The minimum number of appointed Members required to be in attendance to hold the meeting is 4.

DISCLOSURE OF INTERESTS

Members are required to disclose, in accordance with the Members’ Code of Conduct, **both** the existence **and** nature of any “Disclosable Pecuniary Interest” or “Other Interest” they may have in relation to matters for consideration on this Agenda.

DISCLOSABLE PECUNIARY INTERESTS

A Member must regard himself or herself as having a Disclosable Pecuniary Interest in any matter that they or their spouse, partner, a person they are living with as husband or wife, or a person with whom they are living as if they were a civil partner in relation to:

- (i) Any employment, office, trade, profession or vocation carried on for profit or gain.
- (ii) Sponsorship:

Any payment or provision of any other financial benefit (other than from Southampton City Council) made or provided within the relevant period in respect of any expense incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

- (iii) Any contract which is made between you / your spouse etc (or a body in which the you / your spouse etc has a beneficial interest) and Southampton City Council under which goods or services are to be provided or works are to be executed, and which has not been fully discharged.
- (iv) Any beneficial interest in land which is within the area of Southampton.
- (v) Any license (held alone or jointly with others) to occupy land in the area of Southampton for a month or longer.
- (vi) Any tenancy where (to your knowledge) the landlord is Southampton City Council and the tenant is a body in which you / your spouse etc has a beneficial interests.
- (vii) Any beneficial interest in securities of a body where that body (to your knowledge) has a place of business or land in the area of Southampton, and either:
 - a) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body, or
 - b) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you / your spouse etc has a beneficial interest that exceeds one hundredth of the total issued share capital of that class.

Other Interests

A Member must regard himself or herself as having an, 'Other Interest' in any membership of, or occupation of a position of general control or management in:

- Any public authority or body exercising functions of a public nature
- Any body directed to charitable purposes
- Any body whose principal purpose includes the influence of public opinion or policy

Principles of Decision Making

All decisions of the Council will be made in accordance with the following principles:-

- proportionality (i.e. the action must be proportionate to the desired outcome);
- due consultation and the taking of professional advice from officers;
- respect for human rights;
- a presumption in favour of openness, accountability and transparency;
- setting out what options have been considered;
- setting out reasons for the decision; and
- clarity of aims and desired outcomes.

In exercising discretion, the decision maker must:

- understand the law that regulates the decision making power and gives effect to it. The decision-maker must direct itself properly in law;
- take into account all relevant matters (those matters which the law requires the authority as a matter of legal obligation to take into account);
- leave out of account irrelevant considerations;
- act for a proper purpose, exercising its powers for the public good;
- not reach a decision which no authority acting reasonably could reach, (also known as the "rationality" or "taking leave of your senses" principle);
- comply with the rule that local government finance is to be conducted on an annual basis. Save to the extent authorised by Parliament, 'live now, pay later' and forward funding are unlawful; and
- act with procedural propriety in accordance with the rules of fairness.

AGENDA

1 APOLOGIES AND CHANGES IN PANEL MEMBERSHIP (IF ANY)

To note any changes in membership of the Panel made in accordance with Council Procedure Rule 4.3.

2 ELECTION OF CHAIR AND VICE-CHAIR

To elect the Vice Chair for the remainder of the Municipal Year 2024/25.

3 DISCLOSURE OF PERSONAL AND PECUNIARY INTERESTS

In accordance with the Localism Act 2011, and the Council's Code of Conduct, Members to disclose any personal or pecuniary interests in any matter included on the agenda for this meeting.

NOTE: Members are reminded that, where applicable, they must complete the appropriate form recording details of any such interests and hand it to the Democratic Support Officer.

4 DECLARATIONS OF SCRUTINY INTEREST

Members are invited to declare any prior participation in any decision taken by a Committee, Sub-Committee, or Panel of the Council on the agenda and being scrutinised at this meeting.

5 DECLARATION OF PARTY POLITICAL WHIP

Members are invited to declare the application of any party political whip on any matter on the agenda and being scrutinised at this meeting.

6 STATEMENT FROM THE CHAIR

7 MINUTES OF THE PREVIOUS MEETING (INCLUDING MATTERS ARISING) (Pages 1 - 4)

To approve and sign as a correct record the Minutes of the meetings held on 24 October 2024 and to deal with any matters arising, attached.

8 HOUSING STRATEGY 2016- 2025 - "NEW AND BETTER HOMES FOR ALL" (Pages 5 - 78)

Report of the Executive Director - Resident Services detailing actions that are being taken to meet the ambitions outlined in Southampton City Council's Housing Strategy - "New and better homes for all"

9 MONITORING SCRUTINY RECOMMENDATIONS TO THE EXECUTIVE (Pages 79 - 84)

Report of the Scrutiny Manager enabling the Overview and Scrutiny Management Committee to monitor and track progress on recommendations made to the Executive at previous meetings.

Wednesday, 13 November 2024

Director – Legal and Governance

SOUTHAMPTON CITY COUNCIL
OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE
MINUTES OF THE MEETING HELD ON 24 OCTOBER 2024

Present: Councillors Blackman (Chair), Evemy, Y Frampton, Kloker, Leggett, McManus and P Baillie
Appointed Members: Rob Sanders

Apologies: Councillors Renyard and Stead
Appointed Members: Catherine Hobbs

Also in attendance:

25. **APOLOGIES AND CHANGES IN PANEL MEMBERSHIP (IF ANY)**

It was noted that following receipt of the temporary resignation of Councillor Powell-Vaughan from the Committee, Monitoring Officer, acting under delegated powers, had appointed Councillor P Baillie to replace them for the purposes of this meeting and in addition noted the apologies of Councillors Renyard and Stead.

26. **ELECTION OF VICE-CHAIR**

Item deferred to the next meeting.

27. **MINUTES OF THE PREVIOUS MEETING (INCLUDING MATTERS ARISING)**

Resolved that the minutes of the committee meeting held on the 12 September 2024 be approved and signed as a correct record.

28. **FORWARD PLAN**

The Committee received and noted the report of the Scrutiny Manager which enabled the Overview and Scrutiny Management Committee to examine the content of the Forward Plan and to discuss issues of interest or concern with the Executive.

- a) Transformation Update** - Councillor Fielker, Leader of the Council and James Wills-Fleming, Director of Transformation, were present and with the consent of the Chair addressed the meeting. Councillor Fielker provided an update on the Council's transformation programme, detailing some specific areas where strong progress has been made and the monitoring in place to manage performance and risk.

The committee noted and discussed the report in detail, including the limited number of workstreams with approved full business cases (7 out of 28). It was however noted that these programmes represented a significant proportion of the savings identified.

The Committee sought assurances on specific areas currently rated as red within the report and raised concerns about the lack of progress being made against the projects designed to boost growth in Southampton.

The costs associated with the transformation programme were discussed, and clarification was requested on the planned expenditure on consultants to help deliver the forecast transformation savings.

RESOLVED

- i) That, the Committee are provided with a breakdown of the £3.1m of expenditure forecast to be spent on consultants, excluding Newton (Europe), up to the end of 2025/26.

b) Medium Term Financial Strategy Quarter 2024/25 Update - Councillor Letts, Deputy Leader of the Council and Mel Creighton, Executive Director, Enabling Services, were present and with the consent of the Chair addressed the meeting. Councillor Letts set out the Council's financial position up to the end of quarter two of 2024/25 and the expectations for the year end.

The Committee discussed the expected draw down on the Exceptional Financial Support; the in-year savings forecast by the end of the year; the level of reserves available; the receipts expected to be delivered by the sale of assets; the slippage in the capital programme; and the options being considered to close the forecast £13.5m budget gap for 2025/26.

RESOLVED

- i) That, reflecting concerns raised about the Council's ability to secure the targeted level of receipts from the sale of assets, an updated breakdown of the assets that the Council are looking to dispose of via the Asset Development and Disposal Programme for the period 2024/25-2025/26 is circulated to the Committee.
- ii) That, to improve awareness and understanding, an all-member briefing on the Council's reserves is scheduled by the Section 151 Officer.

29. **SCRUTINY INQUIRY 2024/25 - GAMBLING HARMS TERMS OF REFERENCE**

Mark Pirnie – Scrutiny Manager was present and with the consent of the Chair addressed the meeting. Chloe Webb, lead officer for the inquiry was introduced to the Committee.

The Committee discussed the inquiry terms of reference and approved the progression of the inquiry as set out.

30. **MONITORING SCRUTINY RECOMMENDATIONS TO THE EXECUTIVE**

The Committee considered and discussed the responses from the Executive to recommendations from previous meetings.

Following consideration of the response to the recommendation made on the Leisure Services item at the September meeting of the Committee, a request was made for additional performance information, besides the number of users, that identifies how well the contractor is performing in the delivery of the leisure contract with the City Council.

RESOLVED

- i) That additional performance information, besides the number of users, that identifies how well the contractor is performing in the delivery of the leisure contract with the City Council, is provided to the Committee.

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Agenda Item 8

DECISION-MAKER:		OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE	
SUBJECT:		HOUSING STRATEGY 2016 – 2025 “NEW AND BETTER HOMES FOR ALL”	
DATE OF DECISION:		21 NOVEMBER 2024	
REPORT OF:		EXECUTIVE DIRECTOR – RESIDENT SERVICES	
<u>CONTACT DETAILS</u>			
Executive Director	Title	Executive Director – Resident Services	
	Name	Debbie Ward	Tel: 023 8083 2747
	E-mail	Debbie.ward@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
N/A			
BRIEF SUMMARY			
<p>This report details actions that are being taken to meet the ambitions outlined in Southampton City Council’s Housing Strategy - “New and better homes for all”. Reflecting the content of the reports scheduled for consideration at Cabinet on 26th November 2024, the focus is on those matters relating to working with landlords in the private rented sector and meeting the key responsibilities of the Housing Act 1996 relating to the quality and provision of emergency accommodation for households presenting as homeless.</p> <p>Appended to this report are the following draft reports that will be determined by Cabinet on 26 November 2024:</p> <ul style="list-style-type: none"> • Response to the Private Rented Sector Housing Scrutiny report - How can we get a better deal for private sector renters in Southampton? • Additional licensing scheme for Houses in Multiple Occupation • Private Sector Leasing Scheme. <p>In addition, at the request of the Chair, the following report that was approved by Cabinet on 29 October 2024 has also been appended:</p> <ul style="list-style-type: none"> • Council Right to Buy Receipt proposals and approval to spend. 			
RECOMMENDATIONS:			
	(i)	That, within the context of the ambitions outlined in the Council’s Housing Strategy, the Committee discuss the items scheduled for decision at the 26 November meeting of Cabinet to highlight any matters which Members feel should be taken into account by the Executive when reaching a decision.	
REASONS FOR REPORT RECOMMENDATIONS			
1.	To enable Members to identify any matters which they feel Cabinet should take into account when reaching a decision.		
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED			
2.	None.		

DETAIL (Including consultation carried out)	
3.	The Housing Strategy 2016-2025 sets out the clear ambition for “New and better homes for all” and recognises the importance of good quality, affordable and sustainable housing as an essential platform for the future of the city to support economic growth, develop strong, resilient neighbourhoods and meet the needs of a diverse community.
4.	<p>The strategy recognises the importance of the private rented stock across the city and is specific in committing to working with landlords to improve standards of private rental properties and to regulate properties in the private rented sector. To progress this work in 2023/24 a Scrutiny Inquiry Panel was formed to identify opportunities to improve outcomes for private sector renters in Southampton. The objectives of the Inquiry were:</p> <ol style="list-style-type: none"> a. To identify the challenges and concerns of private sector renters in Southampton. b. To understand existing plans and opportunities to address the identified challenges. c. To identify good practice being employed to get a better deal for private sector renters in the UK and beyond. d. To identify what initiatives and approaches could work well in Southampton to improve outcomes for private sector renters.
5.	<p>The Inquiry Panel made 10 recommendations to improve the conditions and standards for private sector renters in Southampton through effective enforcement, the full response is set out in Appendix 1 and 1a and relates to the following objectives:</p> <ul style="list-style-type: none"> • To help target enforcement action and facilitate the future use of available enforcement tool. • To implement the pyramid of responsive regulation approach. • To provide transparency to the Council’s approach, utilise available expertise, and demonstrate political commitment. <p>As set out in Appendix 1 and 1a, the Executive supports all of the recommendations contained within the inquiry report.</p>
6.	To support the commitment to regulate the private rented sector, Cabinet will be asked to consider whether to initiate a twelve-week public consultation on the proposals to designate an additional HMO licensing scheme (Appendix 2). This is a statutory public consultation, and the representations made during the consultation period must be considered before any decision is made on designation of the proposed area. The proposed scheme must be consistent with the Councils housing strategy and the council must adopt a coordinated approach in connection with dealing with homelessness, empty properties, and anti-social behaviour.
7.	The proposed new scheme would see between 2500-3000 smaller HMOs and HMOs within private purpose-built student accommodation blocks be subject to HMO licensing. In addition to the mandatory HMO licensing scheme this would result in approximately 5000 of the cities estimated 6-7000 HMOs being under a licensing regime.

8.	The consultation, if approved by Cabinet, will be widely distributed and will include landlords, letting agents, residents and tenant groups, local and national landlord associations, the Universities, local agencies & charities involved in housing and public safety, Hampshire Constabulary and Hampshire & Isle of Wight Fire & Rescue Service. Cabinet would then review the feedback from this consultation exercise and consider how to proceed in March 2025.
9.	The Housing Strategy also recognises the basic need to provide more housing as demand grows to meet the statutory duties of the Housing Act 1996 which can be broadly categorised as: <ul style="list-style-type: none"> • allocating social housing • providing housing information and advice • preventing and resolving homelessness.
10.	Southampton currently faces a significant housing crisis, with over 8,000 households on the housing register and a sharp increase in homelessness, with many families in temporary or emergency accommodations like Bed & Breakfasts (B&B).
11.	This situation is costly for the council and has detrimental effects on the wellbeing of families. The demands on the provision of emergency accommodation has risen significantly since the strategy was adopted in 2016, most significantly since 2019-2020. The number of homeless households approaching the council has increased by 64%, with a further 14% rise in the past 12 months. This escalation, compounded by economic disruptions, has resulted in a 61% increase in households requiring emergency accommodation.
12.	This increase in demand, shows no sign of slowing, and has a significant impact on the council's approach and ability to prevent homelessness, and meet urgent need. The demand is driven by the economic factors leading to increased cost of housing and leaving households more vulnerable to homelessness since the end of the Covid pandemic. This is a trend being experienced across the country. The increased demand has meant that the council has had to address how it meets the needs, as the existing model is unaffordable with current financial constraints.
13.	The immediate steps that the Council are taking to support better actions to prevent homelessness and provide more secure and better-quality emergency housing include: <ul style="list-style-type: none"> • The "Prevention Better than Cure" programme aims to transform the delivery of homelessness services by the Council. The initiatives include proactive and preventative approaches, enhanced access to information and support and a review of our front door and people centred services. • Property acquisition using Right to Buy receipts • Introduction of a Private Sector Leasing Scheme • Utilisation of decommission properties from Landlord stock.

14.	To deliver on these actions Cabinet has considered how Southampton City Council can use up to £5m of the Right to Buy receipts collected in 2019/20 on a pilot programme of property purchases under the temporary flexibilities granted by Government during the 2024/25 and 2025/26 financial year (Appendix 3). The report, that was approved at the 29 October meeting of Cabinet, provides a proposal regarding the use £5m of Right to Buy (RTB) receipts for Southampton City Council to acquire properties by the end of March 2025. The Government has introduced temporary flexibilities for the use of RTB receipts during 2024-2026, allowing local authorities to cover 100% of the costs of replacing affordable housing. Southampton City Council aims to take advantage of these flexibilities to run a pilot project to acquire approximately 24 properties to help address the city's housing needs.
15.	If successful, this pilot programme could lead to further acquisitions and long-term savings. By reducing the use of emergency accommodation and expanding affordable housing stock, the initiative aims to improve housing availability and reduce the financial strain on the council. If unspent, these funds would need to be returned to the government with interest.
16.	In addition to this the Council is proposing to set up a Private Sector Leasing Scheme (PSL) which will involve the Council leasing properties directly from property owners or letting agents and using them as temporary accommodation for individuals or households who are currently placed in nightly paid accommodation which is funded by the Council. Implementing the PSL scheme is an additional housing solution that is expanding our housing options by bringing into use accommodation that is currently unavailable to us. None of our current initiatives offer a comprehensive housing management service, and this scheme will complement wider service transformation activities and help alleviate homelessness pressures in terms of both demand and cost, full details are set out at Appendix 4.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
17.	Draft Cabinet reports relating to the issues identified above have been appended to this report. Final details are set out in the Executive decision making report issued prior to the decision being taken.
<u>Property/Other</u>	
18.	Draft Cabinet reports relating to the issues identified above have been appended to this report. Final details are set out in the Executive decision making report issued prior to the decision being taken.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
19.	The duty to undertake overview and scrutiny is set out in Part 1A Section 9 of the Local Government Act 2000.
<u>Other Legal Implications:</u>	
20.	Draft Cabinet reports relating to the issues identified above have been appended to this report. Final details are set out in the Executive decision making report issued prior to the decision being taken.

RISK MANAGEMENT IMPLICATIONS	
21.	Draft Cabinet reports relating to the issues identified above have been appended to this report. Final details are set out in the Executive decision making report issued prior to the decision being taken.
POLICY FRAMEWORK IMPLICATIONS	
22.	Draft Cabinet reports relating to the issues identified above have been appended to this report. Final details are set out in the Executive decision making report issued prior to the decision being taken.
KEY DECISION	No
WARDS/COMMUNITIES AFFECTED:	None directly as a result of this report
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Private Sector Renting Scrutiny Inquiry – Draft Cabinet response covering report
1a.	Private Sector Renting Scrutiny Inquiry – Draft Cabinet response to recommendations
2.	Additional Licensing Schemes for HMOs – Draft Cabinet report
3.	Council Right to Buy Receipt proposals and approval to spend – 29 October Cabinet report
3a.	Letter from MHCLG
3b.	What right to buy receipts can be spent on
3c.	Council Right to Buy Receipt proposals and approval to spend – ESIA
4.	Private Sector Leasing Scheme – Draft Cabinet report
4a.	Private Sector Leasing Scheme – Financial information
4b.	Private Sector Leasing Scheme – ESIA
Documents In Members’ Rooms	
1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessments (ESIA) to be carried out?	Identified in Executive report
Data Protection Impact Assessment	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out?	Identified in Executive report
Other Background Documents Equality Impact Assessment and Other Background documents available for inspection at:	

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	Southampton City Council Housing Strategy 2016-2025

Agenda Item 8

Appendix 1

DECISION-MAKER:	CABINET
SUBJECT:	SCRUTINY INQUIRY PANEL - HOW DO WE GET A BETTER DEAL FOR PRIVATE SECTOR RENTERS IN SOUTHAMPTON?
DATE OF DECISION:	26 th NOVEMBER 2024
REPORT OF:	COUNCILLOR ANDY FRAMPTON CABINET MEMBER FOR HOUSING OPERATIONS

<u>CONTACT DETAILS</u>			
Executive Director	Title	Executive Director – Resident Services	
	Name:	Debbie Ward	Tel: 023 8254 3351
	E-mail:	Debbie.ward@southampton.gov.uk	
Author:	Title	Director, Environment	
	Name:	Ian Collins	Tel: 023 8083 2089
	E-mail:	ian.collins@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
NOT APPLICABLE	
BRIEF SUMMARY	
This report sets out the Executive’s responses to the recommendations of the Scrutiny Inquiry Panel into a better deal for private sector renters in Southampton	
RECOMMENDATIONS:	
(i)	That the Cabinet approves the responses detailed in Appendix 1 for submission to the Overview and Scrutiny Management Committee.
REASONS FOR REPORT RECOMMENDATIONS	
1.	The Council constitution provides that the Executive should respond to Scrutiny inquiry recommendations.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	None.
DETAIL (Including consultation carried out)	
3.	In 2023/24 a Scrutiny Inquiry Panel was formed to identify opportunities to improve outcomes for private sector renters in Southampton.
4.	The objectives of the Inquiry were: a. To identify the challenges and concerns of private sector renters in Southampton. b. To understand existing plans and opportunities to address the identified challenges.

	c. To identify good practice being employed to get a better deal for private sector renters in the UK and beyond. d. To identify what initiatives and approaches could work well in Southampton to improve outcomes for private sector renters.
5.	The Scrutiny Inquiry Panel made 10 recommendations to improve the conditions and standards for private sector renters in Southampton through effective enforcement, grouped in the following categories: <ul style="list-style-type: none"> • To help target enforcement action and facilitate the future use of available enforcement tool • To implement the pyramid of responsive regulation approach • To provide transparency to the Council's approach, utilise available expertise, and demonstrate political commitment
6.	The Executive's response to each of these recommendations is detailed in Appendix 1.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
7.	Where required, the financial implications have been considered in the relevant responses in Appendix 1. The costs associated with measures identified in the responses, for which the Council would be responsible, will generally be met from existing budgets. Possible options for funding the housing condition survey are currently being explored as part of the current business planning process.
<u>Property/Other</u>	
8.	None.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
9.	The powers to undertake scrutiny inquiries are set out in the Local Government Act 2000 and the Health and Social Care Act 2001.
<u>Other Legal Implications:</u>	
10.	None.
POLICY FRAMEWORK IMPLICATIONS	
11.	None.

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Appendix 1: Response to scrutiny inquiry recommendations.
Documents In Members' Rooms	
1.	None.

Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.		No
Data Protection Impact Assessment		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.		No
Other Background Documents		
Other Background documents available for inspection at:		
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)	
1.	None.	

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Appendix 1a.

How do we get a better deal for private sector renters in Southampton? - Final Report Recommendations

#	<u>Recommendation</u>	<u>Accepted?</u> <u>(Y/N)</u>	<u>Draft Response / Associated Actions</u>	<u>Lead Executive Director</u>
Affordability of renting in the private rented sector To improve the affordability of private rented housing in Southampton the following actions are recommended:				
1	That the final version of Southampton City Vision Local Plan retains the ambitious housing delivery figures for the city, maintains an ambitious policy position for the delivery of affordable housing through major planning applications, and that the Council commits to facilitating the delivery of 8,000 affordable homes by 2040.	Y	Local Planning Authority housing targets are dictated by the Government’s standard methodology for calculating housing need. The emerging Southampton City Vision Local Plan does, and will continue to, use the Government’s adopted method for its housing need calculation. The emerging plan will also maintain an ambitious policy position for the delivery of affordable housing, but the percentage of affordable homes to be sought on major applications will be determined by the resulting of specialist evidence. Using this evidence to make the decision on the correct level of affordable housing contribution for new development is required to ensure the emerging policy is considered ‘sound’, as required by paragraph 35 of the National Planning Policy Framework (NPPF), and therefore defensible at independent examination. It is not the role of the Local Plan to provide a commitment to the exact number of affordable homes to be delivered, rather this is a decision for Cabinet given the complexities of affordable housing delivery which will likely need input from various Council teams and partners, plus additional evidence/analysis, to ensure the decision is made from a well-informed position.	Stephen Haynes
2	That partners develop and update a database of market rent levels in Southampton to support the work of the Valuation Office.	Y	This will be explored with the Data team	Debbie Ward
Security and stability in the private rented sector To improve the security and stability of tenants in private rented housing in Southampton the following actions are recommended:				
3	That Southampton City Council develops and embeds a range of creative	Y	The Housing Needs Team are currently scoping an initiative to work with private sector landlords through a private sector leasing scheme. This scheme aims to	Debbie Ward

	solutions, including the Call B4 You Serve initiative, to work with landlords and tenants in the private rented sector, at the earliest opportunity, to prevent homelessness.		increase the options for landlords to work with SCC at the same time increase SCC's access to additional temporary accommodation units. The Call B4 You Serve initiative aims to engage with landlords at the earliest opportunity to help prevent homelessness. We are currently identifying the most appropriate team within our existing structure to undertake this work.	
Housing conditions in the private rented sector				
To improve the conditions and standards for private sector renters in Southampton through effective enforcement the following actions are recommended:				
4	To help target enforcement action and facilitate the future use of available enforcement tools Commission a private sector housing conditions survey. This is vitally important in developing a scientific basis for understanding housing conditions and targeting enforcement action in a proactive and structured fashion	Y	A private sector housing conditions survey was tendered in 2022/23 and did not attract any initial interest. After some further work, conversations were had with a possible provider, however it became clear that the cost of such a survey would be circa £500K. Built into the MTFs is a budget of £250K in 2025/26 for this. There was originally a £250K allocation 2024/25 too but this was ultimately taken as a one-off saving as part of the 2024/25 budget setting process. In order for the survey to be completed, an additional budget allocation of at least £250K is required.	Debbie Ward
To implement the pyramid of responsive regulation approach:				
5	Using examples of best practice, improve the information, advice and guidance provided to landlords and tenants, and utilise landlord forums and other opportunities to build relationships with stakeholders.	Y	We are now reviewing all our web pages in regard to housing information, with a view to providing updated guidance and improved access to information. A new landlord forum has recently been set up by Maria Byrne to encourage more engagement. The HMO licensing landlord forum has lapsed during 2024 but will re-start for 2025.	Debbie Ward
6	Review, with partners, the current approach to voluntary landlord accreditation in the city with a view to developing a citywide scheme akin to the Leeds Rental Standard or the Good Landlord Charter. Increasing the effectiveness and take up of voluntary accreditation schemes will allow the Council to concentrate regulatory	Y	An exercise and review was undertaken on landlord accreditation in December 2022 and a Cabinet briefing provided. At the time it was decided that there was insufficient funding and resources to provide an in-house scheme and that there was not a political desire to outsource this. The idea of accreditation was therefore put on hold. This will now be revisited and explored but it remains that the PSH service does not have any resource currently available to administer an in-house scheme and there is no budget available to implement such.	Debbie Ward

	resources on landlords and agents that show no sign of meeting standards voluntarily.			
7	Review the new operating and enforcement guidance for local authorities to be published by Government and identify opportunities to utilise the full range of informal and formal enforcement powers available to the Council. The use of Civil Penalty Notices, designating a new HMO additional licensing scheme, and a selective licensing scheme in the city should be considered as part of the review, following the recognised best practice examples provided in this report.	Y	<p>New operating guidance has not been published yet. The change in government in May has delayed new regulation e.g. Renters Reform Bill. This is now due to go to second reading & planned enactment by spring 2025.</p> <p>Civil penalty notices (CPN) are being used by SCC Private Sector Housing & HMO licensing teams. The first CPNs were issued in August 2024. These will now be used as a first means of action in relation to certain housing offences.</p> <p>A new additional HMO licensing scheme is being proposed in Autumn 2024 for designation and introduction in Spring 2025.</p> <p>Before any selective licensing scheme is considered, a full City- Wide stock condition survey is required to gather evidence for justification of any scheme.</p>	Debbie Ward
8	Undertake economic activity modelling to identify the additional resources required to deliver a comprehensive proactive and responsive regulatory approach to enforcement of the private rented sector in Southampton.	Y	<p>The private rented sector housing regulation function is within scope of the Regulatory Services Development transformation project</p> <p>Phase 1 of this project is currently under way and involves analyses of service activities and responsibilities to enable rationalisation decisions to be made (i.e. should activities cease, continue or be adapted), defining the scope of SCC's future regulatory services.</p> <p>Phase 2 of the project will be the redesign of these retained services' systems and processes to maximise value added by staff resources.</p>	Debbie Ward
To provide transparency to the Council's approach, utilise available expertise, and demonstrate political commitment:				
9	Develop a Private Rented Sector Strategy for the city that articulates Southampton City Council's strategic vision, standards and approach to intervening in Southampton's private rented sector.	Y	The housing strategy 2016-2025 previously detailed SCCs vision and priorities for the City's housing. A new strategy will be developed in conjunction with other teams, PSH, HMO licensing, Homelessness, planning etc & will be put before Cabinet in 2025.	Debbie Ward

10	Work with experts from the University of Southampton to help deliver the responsive regulatory approach.	Y	We welcome support from the University, in particular from Prof Helen Carr & Dr Mark Jordan who helped provide expert opinion during the Scrutiny process. Opportunities for further collaboration with the University will be explored.	Debbie Ward
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Agenda Item 8

Appendix 3

DECISION-MAKER:	CABINET
SUBJECT:	ADDITIONAL LICENSING SCHEME FOR HOUSES IN MULTIPLE OCCUPATION (HMOs)
DATE OF DECISION:	26 NOVEMBER 2024
REPORT OF:	COUNCILLOR ANDY FRAMPTON CABINET MEMBER FOR HOUSING OPERATIONS

<u>CONTACT DETAILS</u>			
Executive Director	Title	Executive Director Resident Services	
	Name:	Debbie Ward	Tel: 023 8083 3351
	E-mail	Debbie.Ward@southampton.gov.uk	
Author:	Title	Service Manager Private Sector Housing & Port Health	
	Name:	Steven Hayes-Arter	Tel: 023 8091 7533
	E-mail	Steven.hayes-arter@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
Not applicable	
BRIEF SUMMARY	
Approval is sought to initiate a twelve-week public consultation on the proposals to designate an additional Houses in Multiple Occupation (HMO) licensing scheme for the wards Banister & Polygon, Bevois, Bargate, Portswood, Shirley, Bassett, Freemantle, Shirley & Millbrook.	
RECOMMENDATIONS:	
(i)	To approve the proposals for a public consultation for an additional HMO licensing scheme in Banister & Polygon, Bevois, Bargate, Portswood, Shirley, Bassett, Freemantle, Shirley & Millbrook wards. The proposed start of the consultation is from 3 rd December 2024 for twelve weeks.
(ii)	To consider the outcome of the consultation at its meeting on 25th March 2025 and, if appropriate, designates the proposed area as being subject to additional HMO licensing, which will come into effect in May 2025, following required publication and advertising of scheme.
REASONS FOR REPORT RECOMMENDATIONS	
1.	Southampton City Council has previously designated three additional HMO licensing schemes within the city since 2013. These have covered the following wards: Bevois, Bargate, Portswood, Swaythling, Freemantle, Shirley, Bassett & Millbrook. Schemes once designated can only run for a maximum of five years, and on expiry cannot be renewed. The previous schemes have ensured that the majority of HMOs within Southampton fall

	under a licensing scheme and have to meet prescribed local standards covering, management, safety (& Fire safety) & amenities. These schemes have ensured that the HMO stock within the city is safe and well managed, reducing numbers of complaints from both tenants and nearby residents.
2.	The proposed scheme will require that all HMO properties (other than those covered by the Mandatory Licensing Scheme & HMOs governed by S257 of the Housing Act 2004) with three or more occupiers from two or more households, are licensed and must comply with any licence conditions including conditions relating to standards for safety, amenities and waste set by Southampton City Council.
3.	The previous additional HMO licensing schemes in the city resulted in over 3000 smaller HMOs being licensed. This had a very positive effect on the conditions of this type of property. Through licensing, Southampton City Council was able to deal more effectively with issues of poor property conditions, poor management and anti-social behaviour
4.	An additional HMO licensing scheme ensures that HMOs not covered by the national Mandatory licensing scheme are licensed to the same standards. It also ensures that concerns and complaints about conditions and the impacts of the HMOs on their local community can be addressed effectively and promptly. Particularly in regards issues of noise nuisance, anti-social behaviour and waste.
5.	Before any Additional HMO licensing scheme can be designated the Housing Act 2004 requires that a public consultation on the proposals be carried out. Cabinet approval is therefore required to initiate this consultation.
6.	The proposed new scheme would see between 2500-3000 smaller HMOs and HMOs within private purpose-built student accommodation blocks be subject to HMO licensing. In addition to the mandatory HMO licensing scheme this would result in approximately 5000 of the Cities estimated 6-7000 HMOs being under a licensing regime.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
7.	That the Council manages the issues associated with HMOs without an additional licensing scheme. The properties associated with the new designation approval have not been subject to any licensing since the previous schemes ended in October 2023. During this time there has been no proactive approach to deal with these properties and without a new scheme, problems associated with them cannot be as effectively or quickly addressed. The proposed new additional licensing scheme will enable a more proactive and comprehensive response and will significantly reduce complaints and problems associated with the high numbers of HMOs across this designated area.
8.	The Council could consider a city-wide scheme to cover all HMOs not captured by the Mandatory HMO licensing regime. However, there is currently insufficient evidence that there are sufficient numbers of HMOs within the other wards of the city and that these are poorly managed. The selected wards have all been subject to previous additional HMO licensing due to the numbers of HMOs and issues associated with them.

9.	The Council could solely rely on its existing regulatory powers under part 1 of the Housing Act 2004 & the Houses in Multiple Occupation (Management) Regulations 2009 to deal with issues resulting in poor management of these HMOs. However, without a licensing scheme in place the Council would only be providing a reactive response to issues arising from HMOs, whereas the licensing schemes permits a proactive approach to deal effectively with these HMOs. So, this would not be a favoured option to achieve the desired objectives.
DETAIL (Including consultation carried out)	
10.	There are an estimated 28,000 private rented properties in Southampton, of which HMOs make up approximately one quarter of this stock. The Councils objectives are to ensure that all privately rented properties are well managed and that the housing needs of the city's residents are met.
11.	Mandatory HMO licensing, which applies throughout England covers all the larger HMOs in the City. These are HMOs with five or more occupiers (from three or more households). There are approximately 2300-2500 of this type of HMO within the City out of an estimated 6000-7000 HMOs.
12.	The Council has designated three previous Additional HMO licensing schemes, which have resulted in a further 2500 HMOs being licensed, therefore covering circa 5000 HMOs and the majority of the estimated HMO stock in the city. These schemes were widely welcomed and have been integral in improving the HMO stock across the city, raising standards and reducing complaints from tenants and residents.
13.	<p>The first additional HMO licensing scheme was designated in 2013 covering all small HMOs in the Bevois, Bassett, Portswood & Swaythling Ward. This scheme expired in June 2018. The same four wards were then subject to a further additional licensing designation in October 2018 and this scheme expired in September 2023. These four wards contain the majority of the City's HMOs (both Mandatory & Additional), hence why they have been previously covered. The first scheme had a huge impact on HMO management and conditions, reducing complaints from tenants by 75% and complaints from local residents regarding noise nuisance and waste by 50%. However, full compliance with licence conditions was only 62%. Therefore, after its expiry it was deemed necessary to carry out a further designation to ensure continued improvement and ongoing management of this sector. This saw levels of compliance up to 80% by 2023.</p> <p>After a period of review and reflection of the previous schemes impact it has been determined that additional licensing is the best available tool to ensure that the smaller HMO sector continues to improve in these wards. In particular to tackle issues around anti-social behaviour and waste.</p>
14.	The other proposed wards: Shirley, Freemantle, Millbrook & Bassett were subject to an additional HMO licensing scheme in 2015 through until October 2020. This was a much smaller scheme, capturing circa 600 HMOs and on expiry was determined to have successfully achieved the desired outcomes, with circa 85% compliance with conditions and a significant reduction in complaints. It was therefore decided to keep the area under review but not immediately continue with a further designation of additional HMO licensing. Having now reflected and reviewed the previous schemes and assessed the

	current environment, it seems that a new designation to capture these wards is an appropriate method to ensure standards and management of HMOs in these wards is at the desired level and more uniform across a wider area.
15.	The Cost of the scheme, including costs associated with verification and processing of licences, monitoring and enforcement of licensing conditions will be covered by the licence fee. The fee for each HMO licence will be set appropriately to cover these costs for the five years of the scheme. The licence fees for the proposed scheme are expected to be broadly similar to the existing Mandatory licensing fees
16.	It will be an offence to operate an unlicensed HMO in the designated area. Failure to apply for a licence or comply with licence conditions will result in enforcement action. This could be through the issue of Civil Penalty notices and or prosecution.
17.	The proposed designation will not apply to any HMO covered by the Mandatory licensing regime or any building which is an HMO as defined by section 257 of the Housing Act 2004.
18.	The consultation will be widely distributed and will include landlords, letting agents, residents and tenant groups, local and national landlord associations, the Universities, local agencies & charities involved in housing and public safety, Hampshire Constabulary and Hampshire & Isle of Wight Fire & Rescue Service.
RESOURCE IMPLICATIONS	
<u>Revenue</u>	
20.	Subject to approval, the HMO licensing fees will be set at a level to cover the costs of providing the licensing scheme over its five-year duration. This will cover the costs of providing the service based on officer time and associated costs involved in verification, processing applications, inspections, monitoring and enforcement and all relevant overheads. The cost of an additional HMO licence is expected to be broadly similar to the current Mandatory HMO licensing fees. These range from £319 to £1,211. The fees will be submitted for approval by Cabinet in March 2025 following the outcome of the public consultation.
21.	The licence fees will be charged in a two-stage process. A lower Stage one fee will cover the initial verification, processing and property inspection. Stage two will cover all other actions, including issue of final licence and will be proportionately higher than stage one.
22.	All income generated by the licensing scheme is required to be spent on regulating licensable HMOs within the proposed scheme. The Council is not permitted to make financial gain from the fees associated with the licensing process. Appropriate financial management arrangements are already in place from the existing scheme to ensure compliance.
<u>Property/Other</u>	
23.	There are no property implications. Existing and new staff will be accommodated in current office and will continue to work in a 'hybrid' model, making use of flexible working arrangements.

24.	If a new scheme is introduced, team resources will be increased to manage the new licensing scheme. All new posts will be funded from the licensing fees.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
25.	The Council must comply with the specific requirements set out within sections 56 and 57 of the Housing Act 2004 before designating an area as subject to additional HMO licensing. This includes the council being satisfied that a significant proportion of the HMOs within the area are being managed sufficiently ineffectively as to give rise, or to be likely to give rise, to one or more particular problems either for those occupying or for members of the public.
26.	Before designating a scheme, the Council must consider whether there are other courses of action available to them that might provide an effective method of achieving the objectives of the proposed designation and how the approval of the designation will assist the council in achieving these.
27.	A statutory public consultation must also take place, and the representations made during the consultation period must be taken into account before any decision is made on designation of the proposed area.
28.	The proposed scheme must be consistent with the Councils housing strategy and the council must adopt a coordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour.
<u>Other Legal Implications:</u>	
29.	Designation of the area subject to additional licensing cannot come into force unless the designation has been confirmed by the Secretary of State or falls within a general approval. The proposed designation falls within the 2010 general approval. If a designation is made, section 59 of the Housing Act 2004 sets out the publication arrangements that need to be undertaken before the scheme can start.
30.	The council has a duty under section 17 of the Crime and Disorder Act 1998 when exercising its various functions to have due regard to the likely effect on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment); and the misuse of drugs, alcohol and other substances in its area and re-offending in its area.
RISK MANAGEMENT IMPLICATIONS	
31.	The council has a statutory duty under the Housing Act 2004 S56 to conduct an adequate consultation and must consult persons likely to be affected by the designation of a HMO licensing area. If the council does not approve the consultation, then it cannot proceed with planning an additional HMO licensing area as any designation would then be unlawful.
32.	Section 149 of the Equality Act 2010 states that a public authority, such as the council, must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Act and to advance equality of opportunity and good

	relations between persons who share a relevant protected characteristic and persons who do not share it. An Equality & Safety Impact Assessment will be drafted and brought before Members for consideration if, following consultation, a report is brought to Cabinet seeking approval to designate a scheme.
POLICY FRAMEWORK IMPLICATIONS	
33.	The recommendations are consistent with the Housing Strategy 2016-2025

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	Bevois, Bargate, Banister & Polygon, Portswood, Swaythling, Freemantle, Shirley, Basset & Millbrook
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	None
2.	

Documents In Members' Rooms

1.	None
2.	

Equality Impact Assessment

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
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Data Protection Impact Assessment

Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	Yes
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Other Background Documents

Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None
2.	

Agenda Item 8

Appendix 4

DECISION-MAKER:	CABINET		
SUBJECT:	COUNCIL RIGHT TO BUY RECEIPT PROPOSALS AND APPROVAL TO SPEND		
DATE OF DECISION:	29 OCTOBER 2024		
REPORT OF:	COUNCILLOR FRAMPTON CABINET MEMBER FOR HOUSING		
<u>CONTACT DETAILS</u>			
Executive Director	Title	Executive Director of Resident Services	
	Name:	Debbie Ward	Tel: 023 80833351
	E-mail	debbie.ward@southampton.gov.uk	
Author:	Title	Development and Regeneration Consultant	
	Name:	Fiona Astin	Tel: 07775 834347
	E-mail	fiona.astin@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
NOT APPLICABLE	
BRIEF SUMMARY	
This report sets out the current flexibilities that have been introduced for Right to Buy (RTB) receipt rules for expenditure, and the Council's proposals and guiding principles for a pilot programme to use those flexibilities to acquire properties during the 2024/25 and 2025/26 financial years.	
RECOMMENDATIONS FOR CABINET:	
(i)	That Cabinet approve the expenditure of up to £5m of the Right to Buy receipts collected in 2019/20 on a pilot programme of property purchases under the temporary flexibilities granted by Government during the 2024/25 and 2025/26 financial years.
(ii)	That Cabinet grant delegated powers to the Director of Housing after consultation with and the Executive Director of Enabling Services, Executive Director of Growth and Prosperity, the Director of Legal and Governance and the Cabinet Member for Housing, to agree and approve the detail of the pilot programme of purchases in line with the details set out in this paper.
REASONS FOR REPORT RECOMMENDATIONS	
1.	To utilise the Council's pooled Right to Buy Receipts, taking advantage of the temporary flexibilities granted by Government, to acquire properties to help alleviate housing need in Southampton.
2.	To allow sufficient delegated authority to enable properties to be secured efficiently and mitigate the risk of delays beyond the spend deadline which would trigger payment of Right to Buy monies with interest to government.
3.	This pilot programme has the potential do deliver estimated savings of £657k per annum, based on the purchase of 24 properties saving £27,375 per annum each. If the pilot programme is successful, there is potential to seek further

	approval(s) from Council or Cabinet to extend the programme and delivery greater savings.
4.	This proposal would help to reduce the annual expenditure on emergency accommodation, increase the Council's affordable housing stock, improve the quality of service provided and move towards delivering services within the confines of the cash limited budget.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
5.	The Council could decide not to spend its pooled Right to Buy Receipts. Any Right to Buy Receipts not utilised need to be paid to Ministry of Housing, Communities and Local Government (MHCLG) with interest within the annual deadlines set out. Given that the Council has an extensive housing waiting list and unprecedented demand for emergency homeless families' accommodation, this would be a missed opportunity to meet a small proportion of that need.
DETAIL (Including consultation carried out)	
6.	Since 2019-2020, the number of homeless households approaching the council as homeless has surged by 64%, with a further 14% rise in the past 12 months. This escalation, compounded by economic disruptions, has resulted in a 61% increase in households requiring emergency accommodation. The current demand for housing in the city far exceeds the available supply. This heightened demand, shows no sign of slowing, is significantly impacting the council's ability to prevent homelessness, and, where it cannot be prevented, making it a rare, brief, and non-recurrent experience. This has led to the current operating model at the Council becoming financially unsustainable.

7. Housing Need in Southampton

The housing register in Southampton as at 10 September 2024 stands at 8,186, made up as follows:

- 1 bed – 4,617 (this includes approx. 1,500 eligible for age designated accommodation)
- 2 bed – 1,675
- 3 bed – 1,587
- 4+ bed – 307

The increasing demand placed requires the Council to modify the existing delivery model, which includes maximising financial resources and strategic investments to expand the availability of emergency accommodation to address the growing demand effectively. This is one of 3 work programmes set out in the homelessness prevention transformation programme.

The average waiting times for people on the Housing Register by property sizes are as follows (correct as at June 2024):-

Property size	Waiting time (with no priority)	Waiting time (with priority)
1 bed	4.3 years	2.8 years
2 bed	4.9 years	2.4 years
3 bed	11.5 years	9 years
4 bed +	12.6 years	10.1 years

8. The vast majority of Council tenants have the Right to Buy their property within a set of rules and a set discount formula. The money the Council receives from Right to Buy sales is held by the Council (pooled Right to Buy receipts), which has the opportunity to spend it on re-providing affordable homes. If they do not do so within set time limits, they are required to pay the money to MHCLG with interest.

9. There are also a set of rules and an agreement between Councils and MHCLG which govern how the money is spent. Flexibilities have recently been introduced to these rules which are covered in Section 14 of this paper. This paper proposes to that the Council use the current Right to Buy Monies flexibilities to invest in additional affordable housing provision. This would help to reduce the annual expenditure on emergency accommodation, increase the Council's affordable housing stock, improve the quality of service provided and move towards delivering services within the confines of the cash limited budget.

10. Bed and Breakfast (B&B) accommodation is used by the Council out of necessity when it has no other accommodation available to accommodate families to whom it owes a legal duty to house. B&B is acknowledged to be an unsuitable form of temporary accommodation for families. Legally B&B is only allowed to

	<p>be used for homeless families in an emergency, and even then, for no longer than 6 weeks. Apart from being very expensive in itself, with an average cost of £27,375 per annum per property, there is an ongoing risk of the Council being required by the Housing Ombudsman to compensate families in B&B over 6 weeks financially, which would further add to costs.</p>						
11.	<p>Homelessness has a profound human cost, particularly for families living temporarily in B&B accommodation. These environments often lack the space, privacy, and stability needed for children to thrive. The uncertainty and disruption can lead to emotional distress, affecting their mental health, education and development. Frequent moves and cramped conditions can leave children feeling isolated, struggling to form friendships, and falling behind in school. This instability can also strain family relationships, exacerbating the stress already felt by parents trying to navigate an uncertain future.</p>						
12.	<p>The council currently has:-</p> <table border="1" data-bbox="292 792 1134 958"> <thead> <tr> <th>Number of Households</th> <th>Type of Accommodation</th> </tr> </thead> <tbody> <tr> <td>172</td> <td>Temporary Accommodation</td> </tr> <tr> <td>150</td> <td>Emergency Accommodation</td> </tr> </tbody> </table> <p>Those 150 households in emergency accommodation are waiting for a move into temporary accommodation.</p>	Number of Households	Type of Accommodation	172	Temporary Accommodation	150	Emergency Accommodation
Number of Households	Type of Accommodation						
172	Temporary Accommodation						
150	Emergency Accommodation						
13.	<p>If approved, the proposals in this paper would help to alleviate housing need from the Housing Register, and provide better quality emergency facilities for homeless families, assist the Council in meeting its legal duties, and reduce the costs of using B&Bs and nightly paid accommodation.</p>						
14.	<p><u>Temporary Flexibilities for the Spend of Right to Buy Receipts</u></p> <p>The Council received a letter from MHCLG dated 30/07/24 (a copy of that letter can be found at Appendix 1 to this report) confirming that they were immediately introducing temporary flexibilities to how Right to Buy receipts can be spent which would apply to the financial years 2024/25 and 2025/26:-</p> <ul style="list-style-type: none"> Local authorities can now use up to 100% of their retained receipts to fund replacement affordable housing, a significant increase from the previous 50%. The Government has confirmed that Right to Buy receipts may be used alongside S.106 contributions. The cap on the percentage of replacements delivered as acquisitions each year (which has been capped at various percentages over the years, but most recently at 50%) has been lifted and it is for the authority to decide the percentage of retained Right to Buy receipts they will use to fund purchases rather than new build. <p>MHCLG issued updated guidance entitled “Retained Right to Buy receipts and their use for replacement supply” on the same date.</p>						

	They undertook to update the retention agreements made with local authorities under Section 11(6) of the Local Government Act 2003 over the summer to reflect these changes and an updated agreement would be issued to local authorities. The Council has not received this as yet.																																
15.	<p>Retained receipts can be used to supply:</p> <ul style="list-style-type: none"> • Homes for social or affordable rent • Homes for shared ownership sale • Homes for sale as First Homes <p>There is no requirement for replacement homes to be of the same type, size, location, or tenure as the homes they replace.</p>																																
16.	<p>Southampton City Council currently holds the following Right to Buy receipts. If these are not spent by the specified year, they are payable to MHCLG along with interest calculated using a set formula.</p> <table border="1"> <thead> <tr> <th>Year of receipt</th> <th>Year repayable</th> <th>Amount to repay</th> <th>Interest cost estimate</th> </tr> <tr> <td></td> <td></td> <th>£M</th> <th>£M</th> </tr> </thead> <tbody> <tr> <td>2019/20</td> <td>2024/25</td> <td>5.515</td> <td>1.498</td> </tr> <tr> <td>2020/21</td> <td>2025/26</td> <td>1.515</td> <td>0.706</td> </tr> <tr> <td>2021/22</td> <td>2026/27</td> <td>3.310</td> <td>1.274</td> </tr> <tr> <td>2022/23</td> <td>2027/28</td> <td>5.406</td> <td>2.135</td> </tr> <tr> <td>2023/24</td> <td>2028/29</td> <td>2.342</td> <td>1.261</td> </tr> <tr> <td>Total</td> <td></td> <td>18.086</td> <td>6.874</td> </tr> </tbody> </table> <p>The Council can spend the above monies during the financial years 2024/25 and 2025/26 using the current flexibilities. The Government has signalled that there will be further reforms to Right to Buy in due course, although they do not intend to abolish it completely (see Appendix 1).</p> <p>This report seeks approval to spend up to £5m of the Right to Buy monies accumulated in 2019/20 (the row shaded in green in the table above).</p>	Year of receipt	Year repayable	Amount to repay	Interest cost estimate			£M	£M	2019/20	2024/25	5.515	1.498	2020/21	2025/26	1.515	0.706	2021/22	2026/27	3.310	1.274	2022/23	2027/28	5.406	2.135	2023/24	2028/29	2.342	1.261	Total		18.086	6.874
Year of receipt	Year repayable	Amount to repay	Interest cost estimate																														
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17.	<p><u>What Right to Buy Receipts Can be Spent On</u></p> <p>Please see Appendix 2 to this paper, which sets out exactly what the Right to Buy monies can be spent on, taken directly from the relevant guidance. This is split out under the heads of Acquisition, Works and On Costs.</p> <p>N.B. With the temporary flexibilities introduced, this means that the Council can recover 100% of the above costs associated with acquiring properties.</p>																																

	<p>The Council's current Retention Agreement states that monies can only be regarded as spent if the works or services for which the money has been (or is about to be) paid have actually been carried out. Otherwise, the money cannot be included in the total. A contractual commitment to spend the resources is not sufficient. Depending on the progress of any property purchases, it may be necessary to approach MHCLG to seek waivers. If, for example, there are some properties at an advanced stage in the purchase process but are unlikely to be able to complete before the end of March 2025 for any reason, MHCLG would be approached to seek consent to retain the relevant amount of Right to Buy monies to complete the purchases beyond the usual deadline date.</p>
18.	<p><u>Acquisition Strategy</u></p> <p>It is proposed that the Council maximise the number of properties it can acquire in the timescale and given the budget available from the Right to Buy funds it holds. Therefore, if the average property price was £200k, plus an allowance of 15% for on costs and bringing each property up to standard, the Council could purchase up to 24 properties with £5m.</p> <p>This pilot programme has the potential do deliver estimated savings of £657k per annum, based on the purchase of 24 properties saving £27,375 per annum each. If the pilot programme is successful, there is potential to seek further approval(s) to extend the programme and delivery greater savings.</p> <p>The number of properties that can be purchased will also be dependent on the number of suitable properties on the market, and which properties can be acquired in the timescale given the legal works involved.</p>
19.	<p><u>Types of properties proposed for purchase</u></p> <p>In order to have the best chance of securing properties within the time available, the approach would need to involve the purchase of batches of newly built properties. If these were flats, it would need to be an entire block to avoid the complications of leaseholds where the Council is not in control of the whole building. The resource and timescale involved in the purchase of a number of individual properties would be significant and not achievable in this financial year.</p> <p>The approach to the purchases will need to respond to what is available on the market.</p> <p>Whilst the strong preference is for newly built properties as set out above, the following other types of properties could also be considered in the longer term over the two years if necessary:</p> <ul style="list-style-type: none"> • Ex-local authority flats in blocks where the Council owns the freehold • Ex-local authority houses • Modern second-hand houses preferably built since 1990 (or 1970 at the earliest)

	<ul style="list-style-type: none"> • Modern second-hand flats preferably built since 1990 (or 1970 at the earliest, provided that the Council can acquire the entire block if it does not already own the freehold • Properties that have been identified by the Council as Empty Homes <p>Ideally, all properties should be acquired within 4 miles of Southampton City Council Civic Centre as the crow flies. However, should suitable property availability prove difficult, this range could be extended to enable suitable purchases, at the discretion of the Director of Housing. This is because the Council is permitted to buy properties outside of its boundaries, but it is prudent to limit how far beyond those boundaries properties are purchased for efficiency of management and maintenance.</p> <p>All eligible expenditure to be on homes must be “for the benefit of the authority’s area”. This does not mean that the homes must be physically in the authority’s area or owned by the authority, but if they are not in its area, then the Authority must either own the properties or have nomination rights over them.</p> <p>All properties to be acquired should be within 85% of Nationally Described Space Standards (NDSS) where possible. These are guidance for floor area sizes for new dwellings built in England.</p> <p>Properties will be assessed for their location in relation to access to schools (primary and secondary), supermarkets, public transport, doctors’ surgeries and playground / amenity space.</p>				
20.	<p><u>Properties to be avoided:</u></p> <ul style="list-style-type: none"> • Properties that cannot be exchanged and completed before the relevant end of March purchase deadline date. • Properties that are in a ‘chain’ of transactions (to avoid risk of unacceptable completion delays) • Properties with tenants in occupation (to avoid risk of unacceptable completion with vacant possession delays) • Flats in blocks where the Council does not already own the freehold (unless the Council can acquire the entire block) • Properties which cannot be brought up to Decent Homes standards within a maintenance spend of £25k (to maximise the number of properties that can be acquired) • Properties with an EPC rating of lower than C, or that cannot be brought up a minimum C rating without the need for extensive or prohibitively expensive works. 				
21.	<p>The aim will be to purchase a mix of bedroom sizes, the below provides an indication of the aspirations as set out by the Service Lead for Housing Needs and Welfare:</p> <table border="1" data-bbox="292 1982 635 2085"> <tr> <td>1 bedroom</td> <td>10%</td> </tr> <tr> <td>2 bedroom</td> <td>80%</td> </tr> </table>	1 bedroom	10%	2 bedroom	80%
1 bedroom	10%				
2 bedroom	80%				

	3 bedroom	10%	<p>However, this mix may be altered to suit circumstances as the programme progresses. It may be necessary to buy properties for General Needs use, then substitute the equivalent number of properties from the Council's existing General Needs stock for Temporary Homelessness use. This will be at the discretion of the Director of Housing.</p>																					
22.	<p>A clear process will be devised in order to ensure that the properties purchased are properly inspected and conveyancing instructed at the appropriate time. The project will be managed by a consultant working in the Corporate Estate and Assets Team.</p>																							
23.	<p>In all cases, the consultant working in the Corporate Estate and Assets Team will visit properties to assess their suitability before considering whether any offer should be made.</p>																							
24.	<p>The consultant will make the offers on the properties, with those offers will be subject to the necessary due diligence, which may need to be commissioned outside the authority.</p>																							
25.	<p><u>Project Programme</u></p> <p><u>If approved, the aim would be to allow a programme of property purchases to commence as soon as possible after the Cabinet meeting on 29/10/24 (allowing for call-in of decision).</u></p> <table border="1" data-bbox="292 1171 1343 2130"> <thead> <tr> <th colspan="5" data-bbox="292 1171 1343 1308">OUTLINE TIMETABLE FOR PROPOSALS TO SPEND RIGHT TO BUY RECEIPTS</th> </tr> <tr> <th data-bbox="292 1308 343 1397"></th> <th data-bbox="343 1308 502 1397">Date Start</th> <th data-bbox="502 1308 667 1397">Date Finish</th> <th data-bbox="667 1308 970 1397">Task</th> <th data-bbox="970 1308 1343 1397">Detail</th> </tr> </thead> <tbody> <tr> <td data-bbox="292 1397 343 1854">1</td> <td data-bbox="343 1397 502 1854">As soon as possible after the Council's decision on this paper (allowing for any call-in of decision)</td> <td data-bbox="502 1397 667 1854">28/11/24</td> <td data-bbox="667 1397 970 1854">Preparation for purchases</td> <td data-bbox="970 1397 1343 1854"> <ul style="list-style-type: none"> • Desktop review of properties available for purchase • Initial visits by the consultant to properties with potential to meet the Council's requirements </td> </tr> <tr> <td data-bbox="292 1854 343 2130">2</td> <td data-bbox="343 1854 502 2130">As soon as possible after the Council's decision on this</td> <td data-bbox="502 1854 667 2130">28/11/24</td> <td data-bbox="667 1854 970 2130">Securing suitable external resources to expedite project</td> <td data-bbox="970 1854 1343 2130"> Procure / appoint the following external resources: <ul style="list-style-type: none"> • Red Book valuations • Conveyancing services </td> </tr> </tbody> </table>				OUTLINE TIMETABLE FOR PROPOSALS TO SPEND RIGHT TO BUY RECEIPTS						Date Start	Date Finish	Task	Detail	1	As soon as possible after the Council's decision on this paper (allowing for any call-in of decision)	28/11/24	Preparation for purchases	<ul style="list-style-type: none"> • Desktop review of properties available for purchase • Initial visits by the consultant to properties with potential to meet the Council's requirements 	2	As soon as possible after the Council's decision on this	28/11/24	Securing suitable external resources to expedite project	Procure / appoint the following external resources: <ul style="list-style-type: none"> • Red Book valuations • Conveyancing services
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		paper (allowing for call-in of decision)			<ul style="list-style-type: none"> Property inspections
	3	28/11/24	20/12/24	Property inspections and valuations of properties	<ul style="list-style-type: none"> Instruct inspections and valuations of suitable properties as and when initial offers accepted. Revise offers in line with inspections and valuations if necessary.
	4	02/12/24	20/12/24	Conveyancing instructed on properties	Issue conveyancing instructions to Legal Services as and when each offer is accepted.
	5	06/01/25	31/03/25	Purchase completions of First Tranche properties	Property purchases complete up until funding deadline

RESOURCE IMPLICATIONS

Capital/Revenue

26. The capital costs of purchasing the properties, the association on costs of those purchases, and the cost of any repairs required to bring them up to a lettable standard are all eligible to be paid for from the Council's pooled Right to Buy monies. The Council's criteria of 'Purposeful Investment' will be applied when reviewing the proposed acquisitions. This is to ensure each purchase is focused on delivering the optimum value for money for the council.

27. Given that the capital costs are all covered by the Council's pooled Right to Buy monies, there will be no on-going financing costs associated with the acquisitions. The Council can let the acquired properties out at either Social Rents or Affordable Rents. The rental income generated will cover the additional management and maintenance costs of the acquired properties creating a net operational benefit. The financial impact of the acquisitions will be incorporated into the next iteration of the HRA business plan for 2025/26 onwards.

28. It is estimated that every property purchase that ultimately goes on to release property that could be used as temporary accommodation for homeless families would generate an ongoing saving of £27,375 per year to the General Fund, which links to the Homelessness Transformation programme.

Property/Other

29. Given the necessity to meet tight deadlines on this project, the availability of internal resources has been considered. The conclusion is that it will be

	necessary to access external resources for several areas of the process as outlined below. The cost of these resources can be covered from the pooled RTB receipts.
30.	Legal Services have confirmed that it may be necessary to seek external support for the purchase transactions. A framework agreement is available and prices are being sought by Legal Services. Further, the Council's Service Manager for Procurement has confirmed that there are alternative framework agreements that can be accessed quickly for such services should that be necessary.
31.	Red Book Valuations – the Council has recently undertaken a procurement exercise to obtain this service, and it has been confirmed that the framework wording is suitable to cover this project. An exploratory conversation with the successful provider has established that they have the capacity to handle this project in a timely fashion without detriment to the main purpose of the framework, which is to deal with land and property disposals.
32.	Property Inspections – these could also be provided via the same framework as the Red Book Valuations set out above. The provider has confirmed that these too can be delivered without detriment to the land and property disposals programme.
33.	If the Red Book Valuations and Property Inspections cannot be provided through the new framework for any reason, then the separate procurement of these services could pose a significant risk to the successful delivery of the project, as there are insufficient internal resources available to carry them out internally.
34.	Officers are currently seeking clarity from the framework provider(s) as to their ability to undertake property inspections and red book valuations without any detriment to the land and property disposal programme. If this presents problems, then the Council's Service Manager for Procurement is aware of this project and will be approached to assist in identifying an alternative solution, and has already confirmed that a suitable framework already exists for the provision of site inspection services.
35.	The overall project will be managed by the Corporate Estate and Assets Division, delivering the project to, and in consultation with, the Directorate of Wellbeing and Housing. The project will be delivered by a consultant reporting to the Estate Regeneration and Development Services Manager.
36.	If they are not already, the properties purchased will need to be brought up to a lettable standard after purchase and before first lets. The Asset Management team will be involved in deciding what works are necessary, and meeting Decent Homes standards will be a priority in preparing any work specification.
37.	The properties will be held within the Housing Revenue Account and will be managed by Housing Management. Compliance will be dealt with by the Councils Asset Management Team.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
38.	The Council's power to acquire property for housing purposes is pursuant to Section 17 Housing Act 1985. The Council also has the right of first refusal to purchase a RTB property for the first 10 years after the sale pursuant to Section 156A HA 1985.

39.	RTB receipts must be applied in accordance with relevant legislation and guidance and particularly the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) and the terms of any retention agreement reached under section 11(6) of the Local Government Act 2003 modifying the applicability of the regulations.
40.	<p>Under Section 11(6) of the Local Government Act 2003, local authorities are required to spend retained Right to Buy receipts within three years, and for the receipts to fund no more than 30%* of the cost of a replacement unit. Where a local authority is unable to spend receipts within three years they have to be returned to the MHCLG, together with interest (currently 4% above base rate). However, the Government has immediately introduced temporary flexibilities for how Right to Buy receipts can be spent which would apply to the financial years 2024/25 and 2025/26.</p> <p>*This percentage has changed from time to time, and according to the letter from MHCLG at Appendix 1, had most recently been set at 50%.</p>
41.	The council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness-the best value duty.
42.	Under Section 3 of the Local Government Act 1972 the Council has the power to do anything incidental to the exercising of any of its functions.
43.	The general power of competence under section 1 of the Localism Act 2011 gives local authorities a broad range of powers "to do anything that individuals generally may do" subject to limits within other legislation.
<u>Other Legal Implications:</u>	
	N/A
RISK MANAGEMENT IMPLICATIONS	
44.	The main risk is that the Council will not be able to acquire sufficient properties to spend all available Right to Buy receipts within the deadlines, which would trigger the need to pay the monies to MHCLG with interest. This will be challenging, and will depend on what suitable properties are available and how quickly purchases are able to progress. The intention will be to identify, have offers accepted and instruct conveyancing work by Christmas 2024 in order to have the best chance of completing the purchases by 31 March 2025 (seeking a suitable extension from MHCLG if required).
45.	<p>Risk Items:</p> <ol style="list-style-type: none"> 1. Lack of suitable properties available 2. Works needed are excessive 3. The properties available do not meet the Council's criteria 4. Tenants are not able to move out in the timescale 5. Agreement cannot be reached on a price 6. Legal progress cannot be completed in the timescales 7. The timescales involved in the appointment of additional resources

POLICY FRAMEWORK IMPLICATIONS	
46.	Southampton City Council Corporate Plan (2022-2030 updated 2024) sets out a commitment to deliver safe and stable home environments recognising a safe place to call home should be a fundamental right for everyone. The acquisition programme will support this objective by providing residents of Southampton who have no place to call home a safe, good quality interim offer of accommodation which will provide the foundation from which they can begin to rebuild their lives.
47.	The Council's Homelessness and Rough Sleeping Strategy (2024-2029) sets out a vision- "A city where everyone has a safe place to call home" Where homelessness cannot be prevented it is imperative that the council can intervene with a suitable good quality and affordable accommodation option.

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	ALL
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Letter from MHCLG regarding 30 July 2024 regarding "Right to Buy receipts: increased flexibilities"
2.	What Right to Buy receipts can be spent on (extract from relevant guidance)
3.	Equality and Safety Impact Assessment (ESIA)

Documents In Members' Rooms

1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
Data Protection Impact Assessment	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
Other Background Documents	
Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None



Ministry of Housing,
Communities &
Local Government

Emma Payne
Director of Social Housing

**Ministry of Housing, Communities & Local
Government**

3rd floor, Fry Building
2 Marsham Street
London
SW1P 4DF

www.gov.uk/mhclg

To Section 151 Officers of Stock-Holding
Housing Authorities

Tel: 0303 4443725
Email: Emma.Payne@communities.gov.uk

Copies to operational contacts at the local
authorities

30 July 2024

Right to Buy receipts: increased flexibilities

Dear colleague

I am writing to provide further details on the increased flexibilities on the use of Right to Buy receipts which were announced today by the Deputy Prime Minister, as part of [the announcement in Parliament on housing and planning](#).

As the Deputy Prime Minister set out, the Government has started to review the increased Right to Buy discounts introduced in 2012 and will bring forward secondary legislation to implement changes in the autumn. There will also be a wider review of the Right to Buy, including looking at eligibility criteria and protections for new homes, on which the Government will bring forward a consultation, also in the autumn.

The Government has from today increased the flexibilities that apply to how local authorities can use their Right to Buy receipts.

For the two financial years 2024-2025 and 2025-2026:

- **The maximum permitted contribution from Right to Buy receipts to replacement affordable housing will increase from 50% to 100%.**
- **Right to Buy receipts will be permitted to be used with section 106 contributions.**
- **The cap on the percentage of replacements delivered as acquisitions each year (currently 50%) will be lifted.**

These measures are in response to long-standing requests from local authorities for more freedom in the use of their Right to Buy receipts. They will apply to the use of receipts from 2019-20, enabling local authorities to use their existing stock of receipts to bring forward replacements more quickly.

The flexibilities will be in place for an initial 24 months, subject to review. We would encourage you to make the best use of these flexibilities to maximise Right to Buy replacements, to achieve the right balance between acquisitions and new builds, and to obtain the best value for money.

Increase in Right to Buy receipts contributions to 100%

This provision will enable local authorities to fund up to 100% of the cost of a replacement home from Right to Buy receipts. It will be at the discretion of local authorities to decide the levels of receipts contribution for their replacement programmes and to consider how to make best use of the receipts, together with additional funding, including borrowing, to maximise replacements.

Use of Right to Buy receipts with Section 106

Up to now expenditure supported by grants or financial concessions made under section 106 of the Town and Country Planning Act 1990 was not permitted to be used with additional Right to Buy receipts. However, for 2024-2025 and 2025-2026 the receipts may (a) fund acquisitions discounted under section 106 agreements and (b) be combined with section 106 grants to fund replacement social housing.

Lifting the Acquisition Cap

The cap on the percentage of replacements that can be acquisitions was introduced from 1 April 2022 on a phased basis, and was frozen at 50% until 2025-26. Now we are announcing that the cap on acquisitions will be taken off altogether for two years.

The provision will mean that local authorities have more freedom to acquire properties for replacement affordable housing, to enable replacements to be delivered more quickly. Local authorities will want to consider locally the best balance between acquisitions and new builds.

Review

The impact of the three provisions described above on the delivery of replacement affordable housing will be monitored and reviewed at the end of the two-year period.

Data Collection

None of the three provisions will require regulatory change. The increase in the maximum permitted contribution of Right to Buy receipts will require changes to the calculations in the annual pooling 'data' return. Full details on these changes will be sent in due course.

Next Steps

Updated guidance on retained Right to Buy receipts and their use for replacement supply will be made available to operational leads and will also be updated on Gov.uk.

We will update the agreements made with local authorities under Section 11(6) of the Local Government Act 2003 over the summer to reflect these changes and an updated agreement will be issued to local authorities.

Any receipts not spent will continue to be returned to MHCLG for distribution as grants for the provision of new affordable housing. These grants are distributed by Homes England and the Greater London Authority as part of the Affordable Homes Programme.

Copies of this letter have been sent to the operational contacts in each stock-holding housing authority.

If you have any further questions on the changes, or wish to pick up with me or with my colleagues, please contact ross.buchanan@levellingup.gov.uk (0303 444 3725).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Emma Payne', written in a cursive style.

Emma Payne
Director of Social Housing

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APPENDIX 3b

What Right to Buy Receipts Can be Spent On (taken directly from the relevant guidance)

(a) Acquisition—

- i. Purchase price of land / site.
- ii. Stamp Duty Land Tax payable on the purchase of the land / site.

(b) Works—

- i. Main works contract costs (excluding any costs defined as “on costs”).
- ii. Major site development works. These include piling, soil stabilisation, road / sewer construction, and major demolition.
- iii. Statutory agreements, associated bonds, and Party Wall awards (including all fees and charges directly attributable to such works).
- iv. Additional costs associated with complying with archaeological works and Party Wall awards (including all fees, charges, and claims attributable to such works).
- v. Irrecoverable VAT on the above.

(c) On costs—

- i. Legal fees and disbursements.
- ii. Net gains / losses via interest charges on development period loans.
- iii. Building society or other valuation and administration fees.
- iv. Fees for building control and planning permission.
- v. Fees and charges associated with compliance with any legal requirement that it is necessary to meet before the property may be occupied.
- vi. In-house or external consultants’ fees, disbursements and expenses (where the development contract is a “design and build” contract (in respect of which, see Note 1)).
- vii. Insurance premiums including building warrant and defects / liability insurance (except contract insurance included in works costs).
- viii. Contract performance bond premiums.
- ix. Borrowing administration charges (including associated legal and valuation fees).

- x. An appropriate proportion of the development and administration costs of the Authority or the body in receipt of funding from the Authority.
- xi. Irrecoverable VAT on the above.



Appendix 3c

Equality and Safety Impact Assessment

The **Public Sector Equality Duty** (Section 149 of the Equality Act) requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people carrying out their activities.

The Equality Duty supports good decision making – it encourages public bodies to be more efficient and effective by understanding how different people will be affected by their activities, so that their policies and services are appropriate and accessible to all and meet different people’s needs. The Council’s Equality and Safety Impact Assessment (ESIA) includes an assessment of the community safety impact assessment to comply with Section 17 of the Crime and Disorder Act and will enable the Council to better understand the potential impact of proposals and consider mitigating action.

Name or Brief Description of Proposal	COUNCIL RIGHT TO BUY RECEIPT PROPOSALS AND APPROVAL TO SPEND
Brief Service Profile (including number of customers)	
<p>The Government has introduced temporary flexibilities for the expenditure of Right to Buy Receipts which can be applied during 2024/25 and 2025/26. These allow the Council to apply Right to Buy Receipts to cover 100% of the cost of acquiring additional properties to the Council’s affordable housing stock.</p> <p>This paper seeks consent to use those flexibilities for a programme of property purchases to provide additional properties to alleviate Housing Register and Temporary Homeless accommodation pressures.</p> <p>Based on an assumption of an average property purchase cost of £200k, plus a 15% on cost allowance, the Council could buy up to 78 properties under this initiative. This would impact on up to 78 households through provision of additional affordable accommodation.</p>	
Summary of Impact and Issues	
<p>The Council has a very long Housing Register (people waiting for affordable accommodation), which stands at 8,186 households as at 10/09/24.</p> <p>There is also currently an unprecedented level of demand for temporary accommodation, with 172 households in temporary accommodation and 195 in emergency accommodation, with around 150 households awaiting offers of long-term housing before they can transition out. This equates to approximately 120 families in B&B or nightly paid accommodation.</p> <p>This level of housing need has a devastating impact on those families waiting for accommodation, particularly those in emergency accommodation.</p>	

Also, B&B or nightly paid accommodation is very expensive for the Council to provide, and can only legally be used for a maximum of 6 weeks for any given family.

Unspent Right to Buy Receipts have to be paid to MHCLG with interest if they are not spent within set time limits. The Council currently holds £5.515m which will have to be paid to MHCLG along with £1.498m interest if it is not spent by 31/03/25.

Potential Positive Impacts

Using the Right to Buy Receipts to provide additional affordable accommodation will provide much-needed accommodation to meet housing need in the city.

If the monies are successfully spent in full, it will avoid the need to pay £1.498m in interest to MHCLG for the first year of the project, with further interest to be saved in future years if the money is spent.

The use of the temporary flexibilities for the expenditure of Right to Buy Receipts is especially attractive, as currently the Council can apply the Receipts to 100% of the costs of providing replacement properties (usually, only a much lower percentage of the costs can be applied).

The ability to reduce the use of B&B or nightly paid accommodation results in considerable savings for the Council. It also improves the options available to families in need of emergency accommodation, having a positive impact on the lives of those families.

Although this programme of purchases would only have a very minor impact on the availability of affordable housing stock in the city, given the length of the Housing Register, any additional properties are helpful to meet need.

Responsible Service Manager	Sue Jones
Date	08.10.24
Approved by Senior Manager	
Date	

Potential Impact

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Age	N/A	
Disability	N/A	
Gender Reassignment	N/A	
Marriage and Civil Partnership	N/A	
Pregnancy and Maternity	N/A	
Race	N/A	

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Religion or Belief	N/A	
Sex	N/A	
Sexual Orientation	N/A	
Community Safety	N/A	N/A
Poverty	The provision of additional affordable homes should have a positive impact on those families to whom they are allocated.	All properties purchased under this programme will provide affordable housing.
Health & Wellbeing	<p>The provision of better options for emergency family accommodation will offer improved health & wellbeing outcomes for families.</p> <p>The provision of additional affordable accommodation with security of tenure will have a positive impact on people to whom they are allocated.</p>	<p>A number of the properties to be purchased under this programme will be used to provide additional emergency family accommodation.</p> <p>All properties will add to the city's affordable housing stock.</p>
Other Significant Impacts	N/A	N/A

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Agenda Item 8

Appendix 8

DECISION-MAKER:	CABINET
SUBJECT:	PRIVATE SECTOR LEASING SCHEME
DATE OF DECISION:	26 NOVEMBER 2024
REPORT OF:	COUNCILLOR FRAMPTON CABINET MEMBER FOR HOUSING OPERATIONS

<u>CONTACT DETAILS</u>			
Executive Director	Title	Executive Director of Resident Services	
	Name:	Debbie Ward	Tel: 023 80833351
	E-mail	debbie.ward@southampton.gov.uk	
Author:	Title	Service Lead Housing Needs & Welfare Support	
	Name:	Maria Byrne	Tel:
	E-mail	Maria.byrne@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY
None

BRIEF SUMMARY
<p>Southampton City Council's Homelessness and Rough Sleeping Strategy 2024-2029 sets out a vision to be a city where everyone has a safe place to call home. One of the key objectives in this strategy is to explore new and innovative ways to diversify our accommodation and support options in the city.</p> <p>This report sets out the proposal for the Council to set up a Private Sector Leasing Scheme (PSL) which will involve the Council leasing properties directly from property owners or letting agents and using them as temporary accommodation for individuals or households who are currently placed in nightly paid accommodation which is funded by the Council.</p> <p>The PSL scheme supports a change in how we deliver services, aligning with the Council's Adapt, Grow, Thrive programme and will support the council move towards delivering services within the confines of cash limited budgets.</p>

RECOMMENDATIONS FOR CABINET:		
	(i)	To approve the Private Sector Leasing Scheme proposal. The scheme will aim to meet some of our current demand for additional temporary accommodation which will assist in reducing our use of costly emergency accommodation. This scheme is one of the interventions that will form part of our homelessness transformation programme.
	(ii)	To grant delegated powers to the Director of Housing following consultation with and the Executive Director of Enabling Services, Executive Director of Growth and Prosperity, the Director of Legal and Governance and the Cabinet Member for Housing, to do

		anything required to support the implementation of the proposal and to make minor amendments as required.
REASONS FOR REPORT RECOMMENDATIONS		
1.	<p>The number of households approaching the Council who are homeless or at risk of homelessness and the number of people sleeping rough is increasing. By implementing the PSL scheme we will:</p> <ol style="list-style-type: none"> 1. Increase the council's housing solutions as a tool to prevent homelessness and rough sleeping. 2. Mobilise housing solutions that contribute towards the councils cost efficiencies. 3. Modernise the council's delivery model/ toolkit to tackle homelessness. 4. Improve the quality of accommodation solutions we use to intervene in instances whereby we owe households a homeless duty. 5. Reduce the risks of people sleeping rough and living in unsuitable accommodation which impacts adversely on the life chances of those we serve. 6. Help harness partnership working with private sector stakeholders. 	
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED		
2.	<p>The Council could decide not to proceed with a PSL scheme, but it is in the Council's interests to consider all alternative options of temporary accommodation.</p> <p>Given that the Council has an extensive housing waiting list and unprecedented demand for temporary accommodation, this would be a missed opportunity to meet a small proportion of that need.</p> <p>Several local authorities already operate Private Sector Leasing Schemes and use the scheme as an established model to help increase temporary accommodation options.</p>	
DETAIL (Including consultation carried out)		
3.	<p>Since 2019-2020, the number of homeless households approaching the council as homeless has surged by 64%, with a further 14% rise in the past 12 months. This escalation, compounded by economic disruptions, has resulted in a 61% increase in households requiring emergency accommodation. The current demand for housing in the city far exceeds the available supply. This heightened demand, shows no sign of slowing, is significantly impacting the council's ability to prevent homelessness, and, where it cannot be prevented, making it a rare, brief, and non-recurrent experience. This has led to the current operating model at the Council becoming financially unsustainable.</p>	

4.

Housing Need in Southampton

The housing register in Southampton as at 10 September 2024 stands at 8,186, made up as follows:

1 bed – 4,617 (this includes approx. 1,500 eligible for age designated accommodation)

2 bed – 1,675

3 bed – 1,587

4+ bed – 307

The increasing demand placed requires the Council to modify the existing delivery model, which includes maximising financial resources and strategic investments to expand the availability of emergency accommodation to address the growing demand effectively. This is one of 3 work programmes set out in the homelessness prevention transformation programme.

The average waiting times for people on the Housing Register by property sizes are as follows (correct as at June 2024):-

Property size	Waiting time (with no priority)	Waiting time (with priority)
1 bed	4.3 years	2.8 years
2 bed	4.9 years	2.4 years
3 bed	11.5 years	9 years
4 bed +	12.6 years	10.1 years

5.

Bed and Breakfast (B&B) accommodation is used by the Council out of necessity when it has no other accommodation available to accommodate families to whom it owes a legal duty to house. B&B is acknowledged to be an unsuitable form of temporary accommodation for families. Legally B&B is only allowed to be used for homeless families in an emergency, and even then, for no longer than 6 weeks. Apart from being very expensive in itself, with an average cost of £27,375 per annum per property, there is an ongoing risk of the Council being required by the Housing Ombudsman to compensate families in B&B over 6 weeks financially, which would further add to costs.

6.

Homelessness has a profound human cost, particularly for families living temporarily in B&B accommodation. These environments often lack the space, privacy, and stability needed for children to thrive. The uncertainty and disruption can lead to emotional distress, affecting their mental health, education and development. Frequent moves and cramped conditions can leave children feeling isolated, struggling to form friendships, and falling behind in school. This instability can also strain family relationships, exacerbating the stress already felt by parents trying to navigate an uncertain future.

7.	<p>If approved, the proposals in this paper would help to alleviate housing need from the Housing Register, and provide better quality emergency facilities for homeless households, assist the Council in meeting its legal duties, and reduce the costs of using B&Bs and nightly paid accommodation.</p>
8.	<p>A PSL scheme, where the local authority acts as intermediaries between landlords and tenants, can offer a valuable solution which benefit both the local authority and landlord. The benefits to a landlord of choosing to let their property through a PSL scheme include a guaranteed monthly rent for the terms of the lease, even if the property is empty. The Local Authority carries out regular inspections and undertakes the tenancy management of the property. At the end of the lease the property will be returned in a similar condition as at the start of the lease (less fair wear and tear).</p> <p>The council will sublet the properties to homeless households. The Homelessness team will manage all aspects of tenancy management, including rent accounts, housing management, and regular property inspections. This will reduce the council's risk as we will work closely with the households to maintain their tenancies and help them transition to permanent housing.</p> <p>Implementing the PSL scheme is an additional housing solution that is expanding our housing options by bringing into use accommodation that is currently unavailable to us. None of our current initiatives offer a comprehensive housing management service, and this scheme will complement wider service transformation activities and help alleviate homelessness pressures in terms of both demand and cost.</p>
8.	<p>The PSL model:</p> <p>We will lease properties directly from the property owners for a fixed period ranging between two and five years. We will effectively become landlords for the duration of the lease, pay the property owner guaranteed monthly rent and use these properties as a temporary accommodation to house households who have come through our Homelessness pathway.</p> <p>During the term of the lease the Council will have exclusive rights to place tenants of its choosing in these properties. Property owners will have an option to end Leases ahead of expiry by giving 3 months' notice.</p> <p>Households which will include families, single people and couples will be given Non-Secure Tenancies, and we will work with them throughout their occupancy to find a secure and permanent accommodation either in Private Rented Sector or Social Housing through our Homebid system to discharge our Homelessness Duty.</p> <p>We want to offer property owners long term, flexible, lettings options that have no charges for managing the property. We are proposing two Leasing options which will give landlords a choice of the way they want to work with us.</p>

	<p>Model of delivery 1: We will offer to negotiate monthly rent and up to the amount of current market rent and property owners retain full responsibility of all day-to-day repairs and property maintenance, including when the property is void.</p> <p>Model of delivery 2: We will offer landlords rent based on the LHA Rate 2024, services such as minor day-to-day repairs, gas and electrical safety checks and void works when the property is unoccupied during the lease.</p>	
	(Leasing Option 1)	(Leasing Option 2)
	<ul style="list-style-type: none"> ➤ No fees or administration charges ➤ Guaranteed monthly rent ➤ Tenancy document preparation ➤ Accompanied viewing ➤ Tenancy management ➤ Regular property checks ➤ Guaranteed vacant possession of the property in a good state of repair, excluding fair wear and tear <p>NOTE: Property Provider will be responsible for all day-to-day repairs and void works if the property becomes unoccupied during the Lease term to make it ready for our next incoming tenant. We will only cover the cost of damages if it is caused by our tenants.</p>	<ul style="list-style-type: none"> ➤ No fees or administration charges ➤ Guaranteed monthly rent based on Local Housing Allowance (LHA) rate ➤ Tenancy document preparation ➤ Accompanied viewings ➤ Tenancy management ➤ Regular property checks ➤ Annual Gas Servicing ➤ Electrical Safety Checks ➤ Day-to-Day repairs & emergency calls excluding major works ➤ All void works when property is unoccupied during the Lease ➤ Guaranteed vacant possession in a good state of repair, excluding fair wear and tear
10.	<p>Property Standards</p> <p>We want to be certain that the properties we accept on our PSL scheme meets the Decent Homes Standard. To achieve this, we will be using the Housing Health and Safety Rating System (HHSRS) as a tool and a guidance to determine the suitability of the properties HHSRS Operating Guidance</p> <p>HHSRS is a point-based system which reveals how suitable the property is by assessing and evaluating the state, condition of the property and potential risks to health and safety from any deficiencies identified, what improvements the property needs and how this can be achieved.</p> <p>Landlord Liaison Officer (LLO) has had an awareness training in HHSRS and will be able to use this knowledge to do an initial inspection of the properties and determine its suitability or give the landlord feedback on what improvements</p>	

	<p>need to be made before we return to carry out a full inspection and consider taking the property on a lease. The minimum standard we would accept from landlords are the following:</p> <ul style="list-style-type: none"> • Structurally stable dwelling with clear exterior guttering • Windows and doors in decent standard, able to open and close easy and securely • Adequate kitchen layout with appropriate units and plumbing • Working Smoke Alarms and Carbon Monoxide Detectors • Adequate heating • Adequate lighting and ventilation • Hot and cold-water supply and all taps in good working order • Effective drainage system inside and outside of the property • Good standard of decoration
11.	<p>Property and Tenancy Management</p> <p>LLO will approach property owners to source properties to secure on a lease and will find suitable individuals and households who have come through to us via the homeless pathway to be housed in these properties. Once they are housed, LLO will be responsible for managing the properties and the tenancies of these occupiers for the duration of the lease as well as finding a secure and permanent accommodation to move them onto.</p> <p>Properties will be on a standard lease agreement and the landlord will receive regular monthly rental payments from the Council. Tenants rent accounts will be managed by the LLO to ensure that maximum income is achieved.</p> <p>The tenants will pay rent directly to the council, if they are eligible for Housing Benefit where possible this will be paid direct to their rent account. The day-to-day management of the rent accounts will be carried out by the LLO.</p>
12.	<p><u>Project Programme</u></p> <p>If approved, the aim would be to allow the launch of the scheme in December 2024</p>

OUTLINE TIMETABLE FOR PROPOSALS TO LAUNCH PSL SCHEME				
	Date Start	Date Finish	Task	Detail
1	As soon as possible after the Council's decision on this paper	Ongoing	Launch a comms plan to advertise the scheme	<ul style="list-style-type: none"> • This will include a press release • Comms plan involving social media. • Information on website updated
2	As soon as possible after the Council's decision on this paper		Instruct legal to draft a lease agreement for use for both schemes	
3	As soon as possible after the Council's decision on this paper		Organise a Landlord's Forum for December 2024 to launch the scheme.	

RESOURCE IMPLICATIONS

Revenue

13. The scheme will be funded through two distinct grants the council receives:

1. Homelessness Prevention Grant

This grant is allocated annually by the MHCLG to local authorities to help prevent homelessness. The grant is used to fund various initiatives which can include financial assistance, offering advice and support, funding temporary accommodation and supporting initiatives aimed at early intervention and housing advice.

2. Rough Sleeper Initiative Grant.

As part of the government's efforts to end the rough sleeping, The Council was previously successful in bidding for Rough Sleeper Initiative (RSI) Funding and

was awarded £30,000 for 2024/25 with the intention that it would be used to address key pressures in the Rough Sleeper Pathway. Through this funding we have a target to sign 4 leases per financial year.

The proposed scheme will deliver an estimated saving of £0.03M in 2024/25, based on 6 properties being implemented into the scheme from 1 January 2025 and £0.20M in 2025/26 based on 12 properties in the scheme for the full financial year. ¹

Full detail of the financial implications of the scheme, including detailed breakdowns of costs and income, are set out in Appendix 1.

Property/Other

14. To ensure the successful delivery of the scheme, we will require collaborative work with other Council departments. Although we will have the main duty to source properties, find suitable tenants and manage them for the duration of the lease, we will require resources from other departments to continue delivering good service to property providers and provide secure and safe temporary homes for households that we are supporting.

COUNCIL DEPARTMENTS	RESPONSIBILTIES & SERVICES THEY PROVIDE
<p>Legal Team <i>(Legal & Governance)</i></p>	<p>Possession Orders / Legal Advice</p> <p>Team will draft Lease Agreement and a Non-Secure Agreement once the PSL scheme is approved. Legal Services have confirmed that it may be necessary to seek external support for the drafting of a lease document if there is not capacity for this internally.</p> <p>We will need legal advice and representation in court when there is a breach in either Lease Agreement or a Non-Secure Agreement.</p>
<p>Stock Condition & Data <i>(Corporate Estates & Assets)</i></p>	<p>Stock Condition Surveys</p> <p>When the property is first offered to us, and after the initial visit by the LLO, we will request a Stock Condition Survey (SCS) to be carried out to inspect all elements of the property. This will also be an opportunity for the surveyor to notice</p>

¹ based on the option 1 leasing option and this will alter subject to the size of the properties and the options that property owners opt for

		any defects and advise the property owner on improvements.
	NEC Housing Management System <i>(IT Services)</i>	<p>Registering Property Elements</p> <p>This platform is used by Resident Services to manage housing applications, tenancies, rent account, repairs, etc.</p> <p>Once the SCS is completed and Lease agreed, we will instruct the IT Services to register the Leased property on NEC Housing System.</p>
	Housing Repairs <i>(Housing Operations)</i>	<p>Day-to-Day Repairs</p> <p>Any minor repairs reported to us by the occupier, or any disrepair issues seen and noted by us, will be reported to Housing Repairs team. They will arrange our in-house tradespeople to carry out the repairs. This will also include any emergency callouts during office and out of hours. For e.g. loss of heating or hot water.</p>
	Voids <i>(Housing Operations)</i>	<p>Void Inspection & Schedule of Condition</p> <p>Team will arrange Property Inspectors to carry out Schedule of Condition each time the property is void including arranging gas and electrical safety checks.</p>

15. The properties will be held within the Housing Revenue Account and will be managed by Housing Management. Compliance will be dealt with by the Councils Asset Management Team.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

16. The Council has the power to acquire land, houses and buildings for Housing purposes pursuant to S17 Housing Act 1985.

Other Legal Implications:

17. The Council has a duty under the Housing Act 1996 (Part VII), as amended, to ensure that accommodation is made available for homeless applicants who are owed a full housing duty by the Council.

Where the Council determines under the provisions of the Housing Act 1996 Part VII (as amended) that a person/household is eligible for assistance, homeless, in priority need and not homeless intentionally, it has a duty to secure suitable accommodation (unless it refers the applicant to another authority under the local connection provisions): s193(2), s206(1).

The suitability of accommodation is governed by s210 of the 1996 Act, a number of statutory instruments made under that provision (SIs 1996/3204, 2003/3326 and 2012/2601) and by the Homelessness Code of Guidance for Local Authorities. When discharging its housing duties under Part VII, the Council must, so far as reasonably practicable, secure that accommodation is available for the applicant's occupation in their own district: s208(1) of the 1996 Act.

The Homelessness Reduction Act 2017 places a duty on Local Authorities to intervene at an early stage to help prevent homelessness and take reasonable steps to relieve homelessness for all eligible applicants, not just those in priority need.

In order to grant a non-secure tenancy agreement for a PSL scheme the lease has to specifically mention that the use of the property is for the purpose of being used for temporary accommodation pursuant to paragraph 4 or 6 of Schedule 1 of the Housing Act 1985

Whenever a Local Authority is carrying out any function it must have regard to its public sector equality duty under the Equality Act 2010 and duties under the Human Rights Act 1998.

RISK MANAGEMENT IMPLICATIONS

18.	Risk	Probability	Impact	Identifying controls
	The Council does not receive the rent from the Occupier but still liable to pay the Property owner their guaranteed rent	Possible (3)	Major (4)	<p>As a first step, LLO will go through the assessment process where all applicant's income and outgoings are considered before deciding to grant a Non-Secure Tenancy to occupy our Leased properties.</p> <p>If the applicant is in employment, LLO will obtain proofs for this as well as going through their financials to have a clear indication of what their income and outgoings are to determine their affordability to pay rent and utility bills.</p> <p>If the applicant is not in employment, LLO will make sure that the applicant is receiving all benefits they are</p>

			<p>entitled to and obtain proofs to show this. We have set aside bad debt at 30% in cases where there are rent arrears that we may not be able to recover.</p> <p>Our tenants will have an ongoing support, regular contact, and home visits by the LLO. However, it will be made clear to our tenants that they need to inform the LLO of any changes to their income or benefits, and if there is any risk of them not being able to pay rent or any other bills so that we can explore all support options and could even assist with adjusting their household budget.</p> <p>Non-Secure Tenancy Agreement between us and the tenant will clearly lay out it is conditions and tenants' responsibilities, and this will be discussed in detail during the sign-up process.</p>
Capacity of the voids/repairs team to undertake works	Possible (3)	Major (4)	<p>Given the relatively small number of properties we are planning to acquire , Housing Operations will be able to manage the necessary repairs using its existing workforce. Furthermore, at this stage, it is challenging to accurately predict which of the two PSL options will be more appealing to property owners. If the project is successful a further appraisal will be undertaken to ensure we have sufficient capacity / services to manage the requirements associated to this project.</p>
The Council is unable to secure enough properties on a Lease	Possible (2)	Significant (3)	<p>We already offer a Private Rented Service where landlords can sign up and we find them a suitable tenant. Through this service we developed a portfolio of property providers, however, we also turn away a lot of property owners because we are unable to provide a service they require.</p> <p>We want to improve, build better relationships, and work smarter with private landlords and lettings agencies in our city and the PSL scheme will help us to do just that.</p>

				<p>Following a successful Landlords Forum hosted in May 2024, we asked how we can improve what we offer, what else we can offer and proposed a PSL scheme. We surveyed all our attendees, and their feedback was positive with all agreeing that PSL would be beneficial for the Council and for property owners and will give us a fantastic opportunity to work together long-term.</p> <p>Our engagements with other Councils about their PSL scheme also confirmed that property providers are very forthcoming to work with them because they offer long-term lettings options with benefits such as guaranteed rent and tenancy management.</p> <p>If we are unable to secure our target number of properties on a Lease, the RSI funding will not be spent, and we will fail to reduce the number of people sleeping rough. The Council will also have a financial “loss” because we will not be able to reduce the number of emergency accommodation placements currently in use for homeless households and continue to pay expensive nightly rates in Hotels or B&Bs.</p> <p>However, based on what the property providers have said to us, our engagements with other Councils and our structured PSL scheme, we have enough evidence to believe that we will be able to attract many property providers and secure our target number of properties on a Lease to reduce number of rough sleepers and the spending on emergency accommodations.</p>
	<p>Poor property conditions and damages caused by the Occupier</p>	<p>Possible (3)</p>	<p>Major (4)</p>	<p>When properties are taken on a Lease, they are surveyed and inspected to make sure they are in a good standard before signing the Lease with the property provider. One of the guarantees we are proposing to our providers is that we</p>

			<p>will return their property in the same condition as it was when it was secured on a Lease, minus any general wear and tear.</p> <p>Once these properties are occupied by our chosen tenants, there is a risk that, without proper tenancy management, standards might fall, and this will be costly for the Council.</p> <p>Keeping the property in a good condition and free of hazards, will be the tenant's responsibility as per their Non-Secure Tenancy agreement and this will be discussed with them in detail at the point of a sign up. Should they breach these conditions, we will have the right to take a tenancy action which could lead instruction our Legal Team start the eviction proceedings.</p> <p>We have put aside and included the "occupier damage" in our expenditure and income up to £2000 per property when we Lease properties offering market rent and no repair services and up to £1500 "Void" costs on a Lease offering day-to-day repairs and void works. We have also put aside bad debt at 30% and although this is to also cover any rent arrears, it can also be used towards the occupier damage.</p> <p>Our aim is to have a robust tenancy management in place by having regular checks with the tenant, arranging regular planned and unplanned home visits which will give us an opportunity to inspect the property and be aware of any disrepair issues. If any are noted, prompt action will be taken by arranging relevant repairs and discussing with the tenants about what improvements they need make to bring the property back to standard. By our ongoing contact with our tenants, regular visits, prompt actions once the issues are identified and regular follow ups, we are certain that we will reduce the likelihood of property falling into</p>
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				disrepair and cut the Councils spending to turn it around.
	Void periods during the Lease	Possible (3)	Moderate (3)	<p>We expect that during the term of the Lease property will not be unoccupied but there will be small void periods when one tenant vacates, and new tenant moves in.</p> <p>When the property is void, we are still liable to pay the property provider their guaranteed monthly rent. For this reason, we will aim to keep the void period to a minimum and operate to a 95% occupancy so that the incoming tenant can move in, and we continue to receive our income either from them or through Housing Benefit, if they are not in employment.</p> <p>When we move tenants into our leased properties, we will work with to find permanent residency either in private rented sector or in social housing via our Homebid system. We will be the first to know when they are offered a secure tenancy elsewhere and will already have other potential tenants assessed to move in.</p> <p>We aim to have a quick turnaround so that there is minimal void loss. To do this, we will require resources from Housing Operations team to carry out the void works. This will be tradespeople to complete the gas and electric safety checks and carry out any repairs that are needed before it is deemed ready to be let again.</p> <p>We have consulted with Housing Operations and they support our scheme. Resources will be made available through internal resources and or secured through external delivery partners to ensure voids are brought back into use within agreed targets. A budget has been set aside and assumes a 95% occupancy.</p>

POLICY FRAMEWORK IMPLICATIONS				
19.	Southampton City Council Corporate Plan (2022-2030 updated 2024) sets out a commitment to deliver safe and stable home environments recognising a safe place to call home should be a fundamental right for everyone. The acquisition programme will support this objective by providing residents of Southampton who have no place to call home a safe, good quality interim offer of accommodation which will provide the foundation from which they can begin to rebuild their lives.			
20.	The Council's Homelessness and Rough Sleeping Strategy (2024-2029) sets out a vision- "A city where everyone has a safe place to call home" Where homelessness cannot be prevented it is imperative that the council can intervene with a suitable good quality and affordable accommodation solutions.			

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	ALL
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Financial
2.	Equality and Safety Impact Assessment (ESIA)

Documents In Members' Rooms

1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	Yes
Data Protection Impact Assessment	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
Other Background Documents	
Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	
2.	

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Appendix 1 - Financial

Delivering a PSL scheme and acquiring properties through this scheme will give housing options to households that are homeless and owed an accommodation duty by the local authority. As touched on earlier in the paper the Council's use of nightly paid accommodation is increasing and the PSL model is considerably cheaper option for the Council and offers better living conditions for those households that are in need of accommodation.

The finance available to deliver this mode consists of:

Rough Sleeper Initiative (RSI) - As part of the government's efforts to end rough sleeping, The Council was previously successful in bidding for Rough Sleeper Initiative (RSI) Funding for this project and was awarded £30,000 for 2024/25 with the intention that it would be used to address key pressures in the Rough Sleeper Pathway. Through this funding we have a target to sign 4 leases per budget year and a dedicated role of Landlord Liaison Officer (LLO) was also created to manage these properties.

Homelessness Prevention Grant (HPG) - The Council receive an annual Homeless Prevention Grant (HPG) of which we are proposing to use up to £130,000 on an annual basis to lease 12 properties and use them as temporary accommodation for homeless households as an alternative to emergency accommodation which is a costly option for the Council.

We have an opportunity to use these funding to create more housing options for people who are homeless or at risk of becoming homeless and take away the current financial pressures the Council has with accommodating individuals and families in expensive, nightly paid emergency accommodations. Through this intervention, the Council will be able to secure more accommodation and prevent and relieve homelessness more effectively.

Tables have been created to show the Expenditure (all the cost to the Council) and the Income. The income has been based on Housing Benefit entitlement per property, although, there are restrictions to Benefits Subsidy for properties leased and used as a Temporary Accommodation.

For tenants placed into non-self-contained licensed accommodation for homelessness, the Housing Benefit Subsidy will be limited to the one-bedroom 2011 LHA Rate. If the accommodation is self-contained i.e. a studio, the HB Subsidy will be limited to 90% of January 2011 LHA rate for the size of the property. This means that the rent we collected from the occupiers in receipt of Housing Benefit will be less than the rent we pay the property owners. However, we will still make significant savings by accommodating people in leased properties rather than emergency accommodation where we currently pay a nightly rate.

The below tables detail how the RSI and HPG will be used to lease properties and what the benefits and assumed cost avoidance will be.

Rough Sleeper Initiative Funding (RSI)

We will use the RSI Targeted Funding of £52,500 (£22,500 for 2023/24 which was carried forward into 2024/25 & £30,000 for 2024/25) to lease Studios, 1 bed and 3 or 4 bed houses to share. The client group will be single or couples who have a history of rough sleeping or in supported accommodations, such as, hostels and are ready to move on.

TABLE 1 - Breakdown of costs associated with option 1 scheme where we will consider paying rent up to current market rate based on the condition, size and the location of the property, Property owners remain responsible for all repairs, void works, and safety checks.

For a studio and 1 bed property, tenants will be liable for all utility bills. For shared, 3 & 4 bed houses, the Council will need to pay the utility bills, however, we will recharge this to the tenants as a service charge.

We have researched the current rental market to inform the average cost of rent the Council will offer to pay landlords:

Current Market Rent (Monthly Average)	Studio	1 Bed	2 Bed	3 Bed	4 Bed
	£750	£950	£1,100	£1,450	£1,750

ANNUALLY	Studio	1 Bed		3 Bed / Shared house for 3 people	4 Bed / Shared house for 4 people
Expenditure					
Rent we will pay the Landlord annually	£9,000.00 <i>(£750 Per Month)</i>	£11,400.00 <i>(950 Per Month)</i>		£17,400.00 <i>(£1450 Per Month)</i>	£21,000.00 <i>(£1750 Per Month)</i>
Council Tax (Band C)	0.00	0.00		£1,917.33	£1,917.33
Occupier Damage (estimated charge)	£1,000.00	£1,000.00		£2,000.00	£2,000.00
Bad Debt @ 30%	£1,700.97	£1,700.97		£6,161.82	£8,227.87
TOTAL SPENT	£11,700.97	£14,100.97		£27,479.15	£33,145.20
Income					
Occupier Rent (Housing Benefit)	£5,669.92 <i>(Based on 90% of 2011 LHA One Bed Rate @ £109.03 per week)</i>	£5,669.82 <i>(Based on 90% of 2011 LHA One Bed Rate @ £109.03 per week)</i>		£18,899.40 <i>(£6,299.80 Per Room. Based on 2011 LHA One Bedroom Rate @ £121.15 per week)</i>	£25,199.20 <i>(£6,299.80 Per Room. Based on 2011 LHA One Bedroom Rate @ £121.15 per week)</i>
Service Charges (Utility Bills)	0.00	0.00		£1,640.02 <i>(3x Tenants, £546.67 per tenant @ £10.51 per week)</i>	£2,227.04 <i>(4x tenants, £556.76 per tenant @ £10.70 per week)</i>
TOTAL INCOME	£ -5,669.92	£ -5,669.82		£ -20,539.42	£ -27,426.24
TOTAL COST TO THE COUNCIL ANNUALLY PER PROPERTY	£6,031.05	£8,431.15		£6,939.73	£5,718.96

TABLE 2 - Breakdown of all costs associated with option 2 scheme where we will offer landlords rent based on the current LHA rate and we will be responsible for minor repairs, voids work, gas and electrical safety checks and Council Tax.

ANNUALLY	Studio / 1 Bed (Self-Contained)	3 Bed House / Based on 3 people sharing (Non- self-contained)	4 Bed / Shared house for 4 people (Non-self contained)
Expenditure			
Rent we pay the Landlord	£8,377.20 <i>(Based on 2024 LHA, One Bed Rate @ £161.10 per week)</i>	£15,258.36 <i>(£5,086.12 per room. Based on 2024 LHA Shared Room Rate @ £97.81 per week)</i>	£20,344.48 <i>(£5,086.12 per room. Based on 2024 LHA Shared Room Rate @ £97.81 per week)</i>
Gas Safety Check	£157.50	£157.50	£157.50
Electrical Safety Check	£43.08	£43.08	£43.08
Repairs/Maintenance	£1,000.00	£1,500.00	£1,500.00
Void Works	£1,000.00	£1,500.00	£1,500.00
Council Tax (Band C)	£0.00 (tenant liability)	£1,917.33	£1,917.33
Bad Debt @ 30%	£1,700.87	£6,161.82	£8,227.87
TOTAL SPENT	£12,278.65	£26,538.09	£33,690.26
Income			
Occupier Rent (Housing Benefit)	£5,669.56 <i>(Based on 90% of 2011 LHA One Bed Rate @ £109.03 per week)</i>	£18,899.40 <i>(£6,299.80 Per Room. Based on 2011 LHA One Bedroom Rate @ £121.15 per week)</i>	£25,199.20 <i>(£6,299.80 Per Room. Based on 2011 LHA One Bedroom Rate @ £121.15 per week)</i>
Service Charges (Utility Bills)	0.00	£1640.02 <i>(3x Tenants, £546.67 per tenant @ £10.51 per week)</i>	£2227.04 <i>(4x tenants, £556.76 per tenant @ £10.70 per week)</i>
TOTAL INCOME	£ -5,669.56	£ -20,539.42	£ -27,426.24
TOTAL COST TO THE COUNCIL PER PROPERTY	£6,609.09	£5,998.67	£5,264.02

RSI funding is being used to lease properties and use them as temporary accommodation and is mainly targeted to support singles and couples through the homelessness pathway to move on. Which, in return, will increase access into our existing silted services. In the current financial year 2024/2025 we are proposing to lease 3 properties. These will be studios, 1 bed and 3-4 bed houses to share.

Homelessness Prevention Grant (HPG)

£130,000 out of our total allocation of Homeless Prevention Grant (HPG) will be used to Lease 2, 3 and 4 bed properties to use as temporary accommodation to accommodate those deemed to be in priority need which may include families, single people and couples which will help to reduce our reliance on emergency accommodation.

TABLE 1 - Breakdown of costs associated with option 1 scheme where we will consider paying rent up to current market rent based on the condition, size and the location of the property and the property owners remains responsible for all repairs, void works, and safety checks.

ANNUALLY	2 Bed Property	3 Bed Property	4 Bed Property
Expenditure			
Rent we pay the Landlord	£13,200.00 <i>(£1100 Per Month)</i>	£17,400.00 <i>(£1450 Per Month)</i>	£21,000.00 <i>(£1750.00 Per Month)</i>
Occupier Damage	£1500	£2000	£2000
Bad Debt @ 30%	£2,430.01	£2,800.07	£4,140.82
TOTAL SPENT	£17,130.01	£22,200.07	£27,140.82
Income			
Occupier Rent (HB / Wages)	£8,100.04 <i>(Based on 90% of 2011 LHA for Two Bed @ £140.19 per week)</i>	£9,600.24 <i>(Based on 90% of 2011 LHA for Three Bed @ £166.15 per week)</i>	£13,799.76 <i>(Based on 90% of 2011 LHA for Four Bed @ £238.84 per week)</i>
TOTAL INCOME	£ -8,100.04	£ -9,600.24	£ -13,799.76
TOTAL COST TO THE COUNCIL PER PROPERTY	£9,029.97	£12,599.83	£13,341.06

NOTE: that you will notice a difference in the cost to the Council of a 3-bedroom property being occupied by one household as compared to a property being rented out on a room basis. This is due to the rental income from a shared house will be greater than for a 3-bedroom property occupied by one household

TABLE 2 - Breakdown of all costs associated with leasing option 2 will offer landlords rent based on the current LHA rate and we will be responsible for minor repairs, voids works and safety checks. We also set aside the bad debt provision at 30% for potential rent arrears.

ANNUALLY	2 Bed Property	3 Bed Property	4 Bed Property
Expenditure			
Rent we pay the Landlord	£10,471.24 <i>(Based on 2024 LHA rate for Two Bed @ £201.37 per week)</i>	£12,864.80 <i>(Based on 2024 LHA rate for Three Bed @ £247.40 per week)</i>	£17,352.40 <i>(Based on 2024 LHA rate for Four Bed @ £333.70 per week)</i>
Gas Safety Check	£157.50	£157.50	£157.50
Electrical Safety Check	£43.08	£43.08	£43.08
Repairs/Maintenance	£1,000.00	£1,000.00	£1,000.00
Void Works	£1,500.00	£1,500.00	£1,500.00
Bad Debt @ 30%	£2,430.01	£2,880.07	£4,139.92
TOTAL SPENT	£15,601.83	£18,445.45	£24,192.90
Income			
Occupier Rent (HB / Wages)	£8,100.04 <i>(Based on 90% of 2011 LHA for Two Bed @ £140.19 per week)</i>	£9,600.24 <i>(Based on 90% of 2011 LHA for Three Bed @ £166.15 per week)</i>	£13,799.76 <i>(Based on 90% of 2011 LHA for Four Bed @ £238.84 per week)</i>
TOTAL INCOME	£ -8,100.04	£ -9,600.24	£ -13,799.76
TOTAL COST TO THE COUNCIL PER PROPERTY	£7,501.79	£8,845.21	£10,393.14

As an average accommodating a homeless family in nightly paid accommodation will cost £75 a night or a weekly charge of £525 and annual cost of £27,365. Please note that the cost savings associated with emergency accommodation will vary as the nightly rate charged can vary due to household size and at peak times.

HPG is being used to reduce these costs and are proposing to lease 6 properties to accommodate families in current 2024/25 financial year and further 6 properties in year 2025/26 instead of using hotels & B&Bs.

As an example, if we were to acquire a 2-bed property to house a family, cost of leasing under option 1 will be £9,029.97 a year compared to using an emergency accommodation (Hotel, B&B etc.) which will cost £27,365 a year.

Costs in the below table are based on leasing 6 properties to house 6 families, 3x 2 bed and 3x 3 bed in year 2024/25 and 2025/26 on leasing option 1 (where we offer market rent). It is then compared against emergency accommodation costs where the Council pays, on

average, £75-a-night for a household. However, as already mentioned above, this figure can be higher for larger families and in peak seasons.

	No. of Properties	Average cost of emergency accommodation	The net cost of Temporary accommodation on a lease based on <u>option 1</u>	Avoided Costs (Annual)	Avoided costs in 2024/25 (assuming 1 Jan 2025 implementation)
Year 2024/2025	3x 2 bed	£82,125	£27,090	£55,035	£13,759
	3x 3 bed	£82,125	£37,799	£44,325	£11,081
TOTAL	6	£164,250	£64,889	£99,360	£24,840

Below table highlights the average cost avoidance for year 2024/25 and year 2025/26 based on leasing 2 and 3 bed properties on leasing Option 1

	No. of Properties	Average cost of emergency accommodation	Average cost of Temporary accommodation on a lease	Avoided Costs (Annual)	Avoided costs (assuming 1 Jan 2025 implementation)
Year 2024/25	6	£164,250	£64,889	£99,361	£24,840
Year 2025/26	12	£328,500	£129,779	£198,721	£198,721

Equality and Safety Impact Assessment

The **Public Sector Equality Duty** (Section 149 of the Equality Act) requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people carrying out their activities.

The Equality Duty supports good decision making – it encourages public bodies to be more efficient and effective by understanding how different people will be affected by their activities, so that their policies and services are appropriate and accessible to all and meet different people’s needs. The Council’s Equality and Safety Impact Assessment (ESIA) includes an assessment of the community safety impact assessment to comply with Section 17 of the Crime and Disorder Act and will enable the Council to better understand the potential impact of proposals and consider mitigating action.

<p>Name or Brief Description of Proposal</p>	<p>Private Sector Leasing (PSL) Scheme</p> <p>The PSL Scheme is where the Council will lease properties directly from the property owners or letting agencies and use them as form of temporary accommodation for households who are homeless, rough sleeping or already in expensive emergency accommodation sourced and funded by the Council.</p>
<p>Brief Service Profile (including number of customers)</p> <p>To develop a Private Sector Leasing Scheme for the provision of temporary accommodation for homeless households.</p> <p>The Council has a duty under the Housing Act 1996 (as amended) and the Homelessness Reduction Act 2017 to secure temporary accommodation for homeless households in certain circumstances, for example, whilst homelessness enquiries are undertaken or until suitable accommodation can be found under the main housing duty.</p> <p>To date, there are a total of 202 households in nightly paid accommodations such as hotels and B&Bs, which is the highest that it has ever been. Out of this total, 123 are households with children and expectant mothers and 79 are singles/couples.</p> <p>As per the Homelessness (Suitability of Accommodation) Order 2003, it is unlawful for councils to accommodate families (including single pregnant women) in B&B / Hotel accommodation that is not self-contained for over a period of 6 weeks. However, the difficulties in accessing longer term accommodation are lengthening the time families spend in emergency accommodation currently.</p> <p>Although, placing households in hotels and B&Bs is only a temporary measure to relief homelessness, there is a great physical, mental and social impact on households, specifically vulnerable adults, children and expectant mothers when the Council isn’t able source a stable, move on accommodation within reasonable timeframes.</p> <p>Through the PSL scheme, the Council will increase temporary housing options and will be able to support the most vulnerable to move on from hotels and B&Bs into more suitable accommodation for their needs. Not only this will increase the quality of their living</p>	

conditions and improve their overall wellbeing, but it will also significantly reduce the Council's spending on emergency accommodations.

Supported Housing - Hostels

Southampton City Council commission a Housing Related Support Framework consisting of intensive, life skills, high/medium and medium/low levels of support for individuals who are rough sleeping and experiencing homelessness. There is often a lot of demand for services but move on from the service can prove difficult, with a reduction in the number of affordable properties available to rent. Via the PSL scheme, it is hoped that through the development of more move on accommodation options it will provide increased access into our existing silted services, addressing our numbers of individuals rough sleeping in Southampton.

To date, there are total of 359 individuals in hostels and out of this total, 177 are in hostels with medium/low support needs which indicates that they are ready to move on from supported housing and become more independent.

Hostels are intended to fulfil an emergency or temporary function and as an emergency solution, it provides immediate relief from life on the streets. However, the lack of move on housing options prevent the hostels to fulfil their intended emergency and temporary functions and forces them to operate as longer-term which is an unsustainable solution to street homelessness.

Delivering the PSL scheme will generate more properties available to support the homeless pathway and provide a move on accommodation. Through the development of more accommodation for individuals within the pathway to move on, it will provide increased access into our existing services

Summary of Impact and Issues

Since 2019-2020, the number of homeless households approaching the council has surged by 64%, with a further 14% rise in the past 12 months. This escalation, compounded by economic disruptions, has resulted in a 61% increase in households requiring emergency accommodation. The **"Everyone In" campaign** was a government initiative implemented in the UK during the COVID-19 pandemic to address homelessness. The goal was to provide temporary accommodation for all individuals who were sleeping rough or at risk of homelessness, helping to protect them from the virus and reduce its spread. This initiative involved local authorities working together to identify and house those experiencing homelessness, often using hotels or other temporary accommodation. While the campaign was successful in providing immediate shelter to many, it also highlighted the ongoing challenges of homelessness and the need for long-term solutions.

The current demand for housing in the city far exceeds the available supply. This heightened demand shows no sign of slowing, significantly impacting the council's ability to prevent homelessness, and, where it cannot be prevented, making it a rare, brief, and non-recurrent experience. This has led to the current operating model at SCC becoming unsustainable.

A PSL scheme, where the local authority acts as intermediaries between landlords and tenants, can offer a valuable solution which benefit both the local authority and the landlord. The benefits to a landlord of choosing to let their property through a PSL scheme include a guaranteed monthly rent for the terms of the lease, even if the property is empty.

The Local Authority carries out regular inspections and undertakes the tenancy management of the property. At the end of the lease the property will be returned in a similar condition as at the start of the lease (less fair wear and tear).

The council will sublet the properties to homeless households. The Homelessness team will manage all aspects of tenancy management, including rent accounts, housing management, and regular property inspections. This will reduce the council's risk as we will work closely with the households to maintain their tenancies and help them transition to permanent housing.

Potential Positive Impacts

There are potential benefits for individuals and households who are homeless, at risk of being homeless or in an emergency accommodation that could be realised pending the successful delivery of the PSL scheme:

- Individuals and families will have better and more secure access to private rented accommodation and have the same housing options and opportunities as everyone else looking to rent in private rented sector.
- Families with children will have more secure and safe environment as opposed to staying in B&Bs or Hotels.
- The scheme will support singles and couples through the homelessness pathway to move on which will increase access into our existing silted services.
- It provides an opportunity for all to become more independent and learn to manage tenancy and pay their bills
- The scheme aligns with key deliverables set out in the Homelessness and Rough Sleeping Strategy 2024-2029.
- The scheme directly links with the Council's Transformation Programme and it is likely to help achieve the saving target the Council has for 2025/26

Responsible Service Manager	Maria Byrne
Date	07/11/2024
Approved by Senior Manager	Jamie Brenchley
Date	07/11/2024

Potential Impact

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Age	None Identified	<p>This policy does not exclude any groups from being offered a temporary accommodation under the PSL Scheme</p> <p>Although, the scheme doesn't discriminate or disadvantage anyone due to their age, it will</p>

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
		be recommended that when placing applicants in a shared house, ages of potential tenants to be considered due to differences of lifestyle between younger and older residents.
Disability	Properties offered to the Council on the PSL scheme may not meet the suitability needs of people with disabilities.	<p>We accept that in some cases it may be difficult to find a suitable accommodation for households with disabilities. For e.g. if anyone within the household have accessibility needs or require special adaptations within the property.</p> <p>It is possible to engage with the landlord and with their permission, the Council can carry out all the necessary adaptations, however, as these properties will be occupied on temporary basis only and will be returned back to the landlord once the Lease comes to an end, it will not be reasonable or cost affective for both, Landlord and the Council to make any adaptations to properties under the PSL scheme.</p> <p>Instead, The Council will work to find suitable accommodation which is, potentially, already adapted for households with disabilities and accessibility needs.</p>
Gender Reassignment	None identified	This policy does not exclude any groups from being offered a temporary accommodation under the PSL Scheme
Care Experienced	None Identified	This policy does not exclude any groups from being offered a temporary accommodation under the PSL Scheme
Marriage and Civil Partnership	None identified	N/A
Pregnancy and Maternity	None Identified	This policy does not exclude any groups from being offered a temporary accommodation under the PSL Scheme

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
		<p>However, it is unlawful for the Council to keep homeless households in emergency accommodation for longer than six weeks, especially, pregnant women and families with children. Therefore, this group are likely to be prioritised for temporary accommodation under the PSL scheme compared to other homeless households accommodated in hotels and B&B</p>
Race	None identified	This policy does not exclude any groups from being offered a temporary accommodation under the PSL Scheme
Religion or Belief	None identified	This policy does not exclude any groups from being offered a temporary accommodation under the PSL Scheme
Sex	Survivors of Domestic Abuse	<p>This policy does not exclude any groups from being offered a temporary accommodation under the PSL Scheme.</p> <p>However, survivors of domestic abuse may have limited options to which areas they can live safely and what type of properties will be suitable for them. For example, if it's a shared property considerations should be given to who the other occupiers are and whether it is safe for them to reside there.</p> <p>Through joint working with domestic abuse services and other supporting agencies, the Council can determine the suitability and source of properties in approved and secure areas (unless such property is already available) whilst taking into consideration that the applicant would need access to support services, family and community so that the applicant is safe, has the</p>

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
		support network and doesn't feel isolated.
Sexual Orientation	None identified	This policy does not exclude any groups from being offered a temporary accommodation under the PSL Scheme
Community Safety	Individuals with history of mental health, substance misuse and offending will be extremely vulnerable to be housed in certain accommodations, such as, shared houses and in certain areas of the city	<p>The Council works closely with Community Mental Health and Substance Misuse Services. Everyone who is receiving support from these services have an allocated support worker and can work jointly with the Council to provide ongoing support to people to overcome their issues and challenges.</p> <p>Although, the initial decision on temporary accommodation offer is made by the Council, in some cases, we will liaise with relevant agencies supporting our applicants and seek their professional advice to determine the suitability of the property before making the final decision.</p> <p>The Council also works with the Police and the Probation Services when assisting ex-offenders with housing.</p> <p>Before anyone in this group is considered to be for a temporary housing offer, the Council will carry out a throughout assessment and engage with Probation Services and the Police.</p> <p>Probation Services will do an assessment which includes the checks on the proposed property, area and the surroundings, whether the property is self-contained and</p>

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
		<p>if it is shared, who the other residents are going to be.</p> <p>If the accommodation isn't recommended by the police or approved by the probation services, the Council will look to find another accommodation which approved and confirmed to be suitable and safer for the applicant and the community.</p>
Poverty	<p>Cost of living crisis may affect household budgets, and they may be unable to pay household bills.</p>	<p>Singles/Couples being housed in shared accommodations will not be liable to pay utility bills as this will be included in their rent.</p> <p>However, singles, couples and families placed in self-contained accommodations, such as, studios, 1, 2, 3 and 4 bed properties, will be liable to pay council tax and utility bills on top of their monthly rent.</p> <p>The Council will support to ensure that all individuals and families have access to appropriate benefits that could increase their income to manage their household expenses. Other support options can also be explored, such as assistance with adjusting their household budget.</p> <p>PSL Scheme gives Council the option to choose which properties and in which areas to accept on a scheme. This means that it will allow the Council to access accommodation in areas where it may be more affordable.</p>

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
<p>Health & Wellbeing</p>	<p>Applicants with mental health concerns, substance misuse or ex-offenders</p> <p>Households with children who have been staying in emergency accommodation for longer than needed</p>	<p>Although, the PSL scheme will have a positive impact through providing better housing options for people, it should be noted that some of our applicants may need some extra support settling into their new home.</p> <p>There may be cases where an applicant may not have successfully held a tenancy before or have been in and out of hostels or prison approved premises, where onsite support was provided.</p> <p>They may find it difficult to navigate through living alone and becoming more independent when they're offered a temporary accommodation under the PSL scheme and without any support from services may affect their health and wellbeing.</p> <p>As already addressed in Community Safety the Council works closely with external organisations such as Mental Health Services, Substance Misuse Services, Probation Services and the Police.</p> <p>As well as the Council carrying out their own assessments to determine the readiness of people moving on from supported accommodations (hostels, probation approved premises etc.), the Council will engage and closely work with relevant organisations and only consider an offer of temporary accommodation to those with medium or low support needs.</p> <p>Support from relevant services doesn't automatically end once the applicants are</p>

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
		<p>housed. It can continue for as long as it's needed.</p> <p>Households with children in Hotels or B&Bs, especially for a long period of time, are likely to be affected by unstable living conditions with their children's education and emotional wellbeing also highly impacted. They can experience isolation and lack of support if the emergency accommodation they've been placed is out of the area from where their school, essential support services, or the community is.</p> <p>When offering a temporary accommodation through the PSL scheme to families with children, we will ensure to consider properties in the areas which are close to children's schools, any essential healthcare/support services or the community.</p> <p>Although, the PSL scheme will improve their housing situation, it is important to note that there may be cases where households might find it difficult to adapt living in property, which is likely to be larger compared to hotels/B&Bs they lived in before.</p> <p>This can be quite stressful transition, and, having already gone through the period of not having a secure home, the uncertainty of their housing situation and possibly being separated from their support network, school and essential services, they're likely to need support to make their move to a new home as easy and stress-free as possible. We will ensure that right support is provided from the moment they are offered a temporary</p>

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
		<p>accommodation until they are fully settled in and enjoying their home.</p> <p>LLO will be visiting all of our tenants housed in temporary accommodation on regular basis to ensure that everyone is doing well, properties are well maintained and offer support or signpost to relevant services if any other follow-up support is required.</p>
<p>Other Significant Impacts</p>	<p>People with no local connections</p>	<p>Individuals who are rough sleeping in the city but are not from here and have no local connection, will not be eligible for a temporary accommodation offer under the PSL Scheme.</p> <p>The Council will engage with these individuals to gather information and find out where their connection might be.</p> <p>Section 198 of the Housing Act 1996 allows a housing authority to refer a homeless applicant to another authority if the applicant doesn't have a local connection to their district.</p> <p>This does <u>not</u> apply to domestic abuse survivors who have fled from the violent and came to Southampton. In these cases, the Council will comply with the Domestic Abuse and Homelessness Legislation to assist the survivor with housing</p>

DECISION-MAKER:	OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE		
SUBJECT:	MONITORING SCRUTINY RECOMMENDATIONS TO THE EXECUTIVE		
DATE OF DECISION:	21 NOVEMBER 2024		
REPORT OF:	SCRUTINY MANAGER		
<u>CONTACT DETAILS</u>			
Executive Director	Title	Executive Director – Enabling Services	
	Name:	Mel Creighton	Tel: 023 8083 3528
	E-mail	Mel.creighton@southampton.gov.uk	
Author:	Title	Scrutiny Manager	
	Name:	Mark Pirnie	Tel: 023 8083 3886
	E-mail	Mark.pirnie@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
N/A			
BRIEF SUMMARY			
This item enables the Overview and Scrutiny Management Committee to monitor and track progress on recommendations made to the Executive at previous meetings.			
RECOMMENDATIONS:			
	(i)	That the Committee considers the responses from the Executive to recommendations from previous meetings and provides feedback.	
REASONS FOR REPORT RECOMMENDATIONS			
1.	To assist the Committee in assessing the impact and consequence of recommendations made at previous meetings.		
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED			
2.	None.		
DETAIL (Including consultation carried out)			
3.	Appendix 1 of the report sets out the recommendations made to the Executive at previous meetings of the Overview and Scrutiny Management Committee (OSMC). It also contains a summary of action taken by the Executive in response to the recommendations.		
4.	The progress status for each recommendation is indicated and if the OSMC confirms acceptance of the items marked as completed they will be removed from the list. In cases where action on the recommendation is outstanding or the Committee does not accept the matter has been adequately completed, it will be kept on the list and reported back to the next meeting. It will remain on the list until such time as the Committee accepts the recommendation as completed. Rejected recommendations will only be removed from the list after being reported to the OSMC.		

RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
5.	None.
<u>Property/Other</u>	
6.	None.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
7.	The duty to undertake overview and scrutiny is set out in Part 1A Section 9 of the Local Government Act 2000.
<u>Other Legal Implications:</u>	
8.	None
RISK MANAGEMENT IMPLICATIONS	
9.	None.
POLICY FRAMEWORK IMPLICATIONS	
10.	None
KEY DECISION	No
WARDS/COMMUNITIES AFFECTED:	None directly as a result of this report
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Monitoring Scrutiny Recommendations – 21 November 2024
Documents In Members' Rooms	
1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessments (ESIA) to be carried out?	No
Data Protection Impact Assessment	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out?	No
Other Background Documents	
Equality Impact Assessment and Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None

Overview and Scrutiny Management Committee: Holding the Executive to Account

Scrutiny Monitoring – 21 November 2024

Date	Portfolio	Title	Action proposed	Action Taken	Progress Status																
12/09/24	Compliance & Leisure	Leisure Service	<p>1) That, reflecting the lack of detail within the briefing paper, indicators that identify how well Active Nation is performing in the delivery of the contract with the City Council, is provided to the Committee.</p> <p>Update 24/10/24: The Committee has requested that additional performance information, besides the number of users, that identifies how well the contractor is performing in the delivery of the contract with the City Council, is provided to the Committee.</p>	<p>The Contractor (Places for People), Sub-contractor (Active Nation) and Council attend quarterly performance and monthly operational meetings where user figures, customer satisfaction, health & safety, reactive maintenance and income and expenditure relating to the contract is monitored. There is a target for the contract to drive year-on-year increases in Leisure users. User figures for recent years are as follows:</p> <table border="1" data-bbox="1352 759 1924 1201"> <thead> <tr> <th>Year</th> <th>Number of users</th> </tr> </thead> <tbody> <tr> <td>2022-23</td> <td>1,419,675</td> </tr> <tr> <td>2023-24</td> <td>1,566,918</td> </tr> <tr> <td>Total Increase</td> <td>147,243</td> </tr> <tr> <td>24/25 year to date</td> <td></td> </tr> <tr> <td>2023-24 Q1</td> <td>394,863</td> </tr> <tr> <td>2024-25 Q1</td> <td>400,448</td> </tr> <tr> <td>Total Increase</td> <td>5,585</td> </tr> </tbody> </table> <p>Update – 12/11/24: Performance across the following areas has increased in 2023/24 (last whole year) when compared to 2022/23:</p> <ul style="list-style-type: none"> Customer satisfaction increased by 8%. 	Year	Number of users	2022-23	1,419,675	2023-24	1,566,918	Total Increase	147,243	24/25 year to date		2023-24 Q1	394,863	2024-25 Q1	400,448	Total Increase	5,585	Completed
Year	Number of users																				
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2024-25 Q1	400,448																				
Total Increase	5,585																				

Date	Portfolio	Title	Action proposed	Action Taken	Progress Status
Page 82				<ul style="list-style-type: none"> • Footfall has increased by 10.4% (equating to 147,243 users). • Energy consumption fell by 164,292.19 KWH • 100% of monthly audits on H&S areas completed and issues resolved within 14 days. • Improvement in staff survey scores. • Ongoing monitoring and engagement between the supplier and SCC in relation to health and safety matters illustrates that the supplier has a proactive approach to encouraging the reporting of health and safety matters. SCC does not have concern regarding the type or frequency of incidents reported during 2023/24. <p>The supplier is currently undertaking development activity to:</p> <ul style="list-style-type: none"> • Improve reach and engagement across all digital channels. • Ensure group fitness classes are delivered to best meet the needs to the service user. • Implement an approach where all members of staff are encouraged to identify and report concerns, to enable a faster resolution of matters. • Implement twice daily floor walks to consider cleanliness and health and safety matters • Improved cleanliness across the Facilities 	

Date	Portfolio	Title	Action proposed	Action Taken	Progress Status
				<ul style="list-style-type: none"> • Implement appropriate maintenance/improvement plans for each Facilities in line with the future strategy for Leisure • Develop an updated retention strategy to increase staff retention. • Implement a tool for continuous improvement, designed primarily for the management of leisure facilities and leisure development. 	
24/10/24	Leader's	Transformation Programme Update	1) That the Committee are provided with a breakdown of the £3.1m of expenditure forecast to be spent on consultants, excluding Newton (Europe), up to the end of 2025/26.	Information circulated to the Committee - 13/11/24	
24/10/24	Deputy Leader	Medium Term Financial Strategy – Quarter 2 Update	<p>1) That, reflecting concerns raised about the Council's ability to secure the targeted level of receipts from the sale of assets, an updated breakdown of the assets that the Council are looking to dispose of via the Asset Development and Disposal Programme for the period 2024/25-2025/26 is circulated to the Committee.</p> <p>2) That, to improve awareness and understanding, an all-member briefing on the Council's reserves is scheduled by the Section 151 Officer.</p>	<p>Relevant confidential appendices from March 2024 report to Council on the Asset Development and Disposal Programme circulated to Committee - 13/11/24</p> <p>Finance are working with the Chief Exec's office to find a date for the training session on reserves.</p>	

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