

DECISION-MAKER:	CABINET		
SUBJECT:	PRIVATE RENTED SECTOR OFFER POLICY		
DATE OF DECISION:	16 JANUARY 2024		
REPORT OF:	CABINET MEMBER FOR ADULTS, HEATH AND HOUSING		
<u>CONTACT DETAILS</u>			
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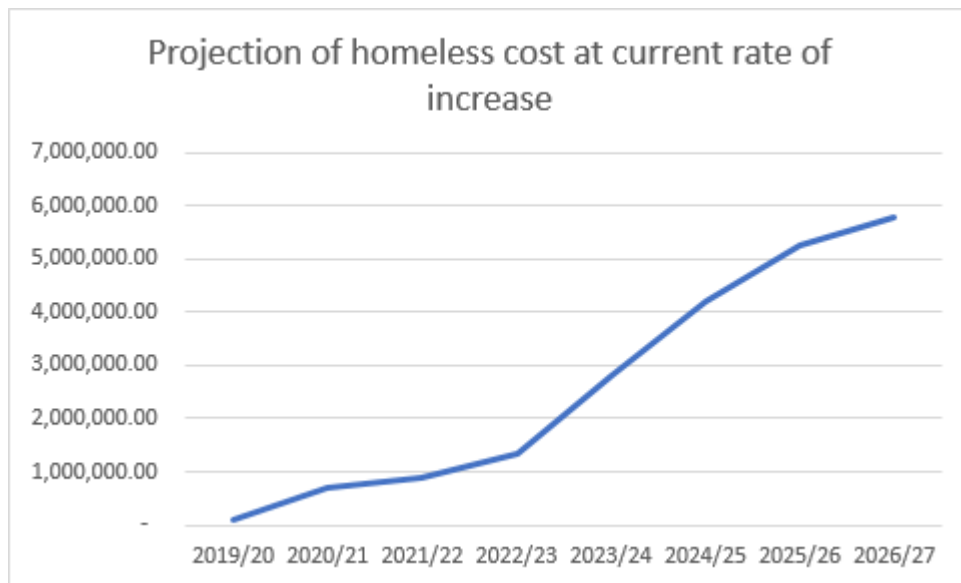
STATEMENT OF CONFIDENTIALITY	
NOT APPLICABLE	
BRIEF SUMMARY	
The Housing Act 1996, Homelessness Act 2002 and Homelessness Reduction Act 2017 set out the statutory responsibilities of Southampton City Council (the council) to those who are homeless or threatened with homelessness and are eligible for assistance.	
In Southampton, the demand for social housing outweighs the supply. Therefore, many homeless households are unable to access affordable housing within the social housing sector.	
This policy will enable the council to offer private rented sector accommodation to people who are homeless or threatened with homelessness. A Private Rented Sector Offer (PRSO) will assist in fulfilling the council's homelessness duties.	
RECOMMENDATIONS:	
(i)	To approve the Private Rented Sector Offer Policy.
(ii)	That, following consultation with the Cabinet Housing, the Executive Director of Wellbeing and Housing be given delegated authority to make minor and non-substantive amendments to the policy, as appropriate.
REASONS FOR REPORT RECOMMENDATIONS	
3.	To enable the council to offer private rented sector accommodation to fulfil homelessness duties and help tackle homelessness.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
4.	To not implement the policy, and not be able to offer private rented sector accommodation to fulfil homelessness duties.
DETAIL (Including consultation carried out)	
5.	The rate of households assessed as homeless in Southampton is 10.4 per 1000 households in 2021/2022. This is significantly higher than the national average of 6.1 per 1000 households, and several comparators (Bournemouth, Christchurch and Poole, 6.7; Liverpool, 4.8).

6.	<p>The council's statutory responsibilities to people who are homeless or threatened with homelessness are set out in the Housing Act 1996, Homelessness Act 2002 and Homelessness Reduction Act 2017. If an individual is eligible, the council may owe a 'prevention duty,' 'relief duty' or 'main housing duty:'</p> <ul style="list-style-type: none"> • 'Relief duty' (Section 189B of Housing Act 1996) with a six-month tenancy; a local housing authority has 56 days to take reasonable steps to help the applicant secure accommodation for at least 6 months. • 'Main housing duty' (Section 193 of Housing Act 1996) with a twelve-month tenancy: local housing authorities must ensure that suitable accommodation is available for the applicant until the duty is ended, through the offer of a settled home or another reason. • 'Prevention duty' (Section 195 of Housing Act 1996): a local housing authority must take reasonable steps to help someone threatened with homelessness to secure that accommodation does not cease to be available to them.
7.	<p>There are limited vacancies in social housing so, the council cannot always offer social housing to fulfil homelessness duties. There were 7,379 people on the waiting list for social housing in Southampton in March 2022, but only 1024 social houses were let in the same year.</p>
8.	<p>The council can offer private rented sector accommodation to eligible households to help prevent and relieve homelessness. This is known as a Private Rented Sector Offer (PRSO).</p>
9.	<p>The council will ensure that the property is suitable for the tenant, and consider the location, affordability, property size and standards and will comply with the technical legal requirements to ensure any offer is a valid PRSO.</p>
10.	<p>Those eligible for assistance may be provided with the option of private rented sector accommodation to discharge a relief duty. If the accommodation is a 12 month tenancy, appropriate and suitable, but the applicant refuses the offer, then no further accommodation offer will be made. This will preclude the applicant from being owed a main duty.</p>
11.	<p>A public consultation ran from 21 September 2023 to 1 November 2023. The consultation was promoted through the council's website and social media. There was a total of 41 responses received. 68% of the respondents agreed with the council offering private rented sector accommodation to people who are homeless or threatened with homelessness.</p>

RESOURCE IMPLICATIONS

Capital/Revenue

12.	<p>There are current budget pressures on the council. The Cash Limited Budget plan for the Wellbeing and Housing Directorate is £95.11M in 2023/24, £87.65M in 2024/25, £92.13M in 2025/26 and £86.98M in 2026/27. The budget for homelessness provision sits within this cash limited budget.</p>
13.	<p>If the rate of increase in Temporary Accommodation cost seen between 2022/23 and 2023/24 continues into 2024/25 and beyond, with no interventions and assuming the cost of accommodation does not significantly change, simplistically, the trajectory of cost increase would look like this:</p>



When the local authority places a household in emergency accommodation, the authority is invoiced by the accommodation provider for the placement. The authority can claim a subsidy level which is equivalent to the 2011 Local Housing Allowance (LHA) one bedroom rate for shared/nonshared accommodation where households are eligible for housing benefit this will covers the accommodation cost element. This is based on the subsidy level which is equivalent to the 2011 LHA one bedroom rate for shared/non shared accommodation which for Southampton is £121.15 per week regardless of the size of the household. However, the variance between the LHA and B&B cost and private rentals has widened considerably over the last 18 months. This accounts for £1.7m of the total cost of temporary accommodation. It is envisaged by having this policy in place it will assist the authority to be able to end our homelessness duties under the Homelessness Reduction Act 2017 through a private rented sector offer, which will assist in reducing the number of households in temporary accommodation. However, this will be subject to availability of properties in the private rented sector.

14. The cost of providing temporary accommodation is split between the General Fund and provision made within the Homelessness Prevention Grant (HPG). Spend on temporary accommodation is currently forecast at £2.8M, of which, after application of HPG, the cost to the General Fund is forecast at £1.6M. The council is currently overspending on the provision of temporary accommodation in order to meet its statutory duties, and the Medium Term Financial Strategy (MTFS) currently records an ongoing overall pressure above budget of £1.2M. This is as a result of cost increases in temporary accommodation, and increased demand for the service.

15. If the council can provide accommodation in the privately rented sector, with a robust policy to support, pressure on the provision of temporary accommodation would reduce with subsequent cost avoidance. It is not possible to quantify at this stage likely impact as it is dependent on a significant number of variables, however the effectiveness of the policy will need to be monitored and reported through the year.

16. The policy will create savings if we are able to secure long term private rented sector properties for households that are under a main housing duty, but is subject to the supply and demand of the housing market. Without the

	policy, households under a main housing duty would have to wait for a social housing property and with over 8000 households currently on the Housing Register this can take a considerable amount of time.
<u>Property/Other</u>	
17.	The policy expands the housing options that the council can use to discharge homelessness duties. Private rented accommodation provides more options for people to move into, therefore, reducing the time spent in, and money spent on temporary accommodation. This will also reduce the demand on social housing.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
18.	The council will use the powers granted to local authorities by the Localism Act 2011 and Homelessness Reduction Act 2017, to provide private rented accommodation to fulfil homelessness duties and prevent or relieve homelessness.
<u>Other Legal Implications:</u>	
19.	The consultation and design of the proposed policy, as well as the Equality Safety Impact Assessment, has been undertaken having regard to the requirement of the Equality Act 2010, in particular s.149 of the Public Sector Equality Duty (“PSED”).
20.	There are technical legal requirements to make a valid PRSO which mean that any errors cannot be rectified upon review.
21.	If the new Renters Reform Bill becomes an Act before the policy is reviewed in one year, then this policy will need to be updated to reflect the changes. The Bill aims to change laws about rented homes, including abolishing fixed term assured tenancies and assured shorthold tenancies. Instead, the tenancy will be on a periodic basis so tenants will have the right to end the tenancy at any point by providing notice to the landlord. Landlords will only be able to bring possession action if the tenant has breached the terms of the tenancy.
RISK MANAGEMENT IMPLICATIONS	
22.	As the demand for social housing outstrips the supply, homeless households are placed in temporary accommodation for long periods with limited move-on options. Therefore, the risk of not implementing this policy will result in the continued use of temporary accommodation. This can negatively impact the well-being of people in temporary accommodation and will be at a cost to the council.
23.	There may be a risk that the council is not able to secure private rented accommodation to meet the demand. This may extend the time people remain in temporary accommodation. The council will work with landlords in the private rented sector to find affordable and suitable accommodation quickly.
24.	This policy does not exclude any groups from being offered a Private Rented Sector Offer. However, it may be more challenging to find suitable accommodation for people with a disability within the private rented sector. Major adaptations may be required to make the potential offer of

	accommodation suitable and may delay the offer. It is more likely that major adaptations can be completed on a social rented property than on a private rented property as any adaptations require permission from the landlord/letting agent. The council will make sure that accommodation is suitable and meets the needs of households with a disability.
POLICY FRAMEWORK IMPLICATIONS	
25.	This policy is in line with the council's policies and strategies, including the new Homelessness and Rough Sleeping Strategy 2024-2029.

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	ALL
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Appendix 1: Private Rented Sector Offer Policy
2.	Appendix 2: Equality and Safety Impact Assessment
3.	Appendix 3: Public Consultation Summary Report
4.	Appendix 4: Consideration of Feedback Table
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.	N/A