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**Report to:** Cabinet

**Date of Meeting:** 11 October 2012

**Subject:** Housing Benefit Transition Funding and Establishing a Landlord Accreditation Scheme

**Report of:** Director of Built Environment  
Director of Corporate Finance & ICT    **Wards Affected:** All

**Is this a Key Decision?** Yes

**Is it included in the Forward Plan?** Yes

**Exempt/Confidential**      No

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**Purpose/Summary**

To seek approval to the use of Housing Benefit Transition Funding, including it's use to help establish a new Private Landlord Accreditation Scheme in Sefton

**Recommendation(s)**

That Cabinet:

1. Approve the use of Housing Benefit Transition resources to fund: a) the establishment of a Landlord Accreditation scheme, and b) enhance financial advice services to assist clients adversely affected by changes to housing benefit regulations
2. Enter into an Agreement with Wirral Council to help establish a Landlord Accreditation scheme, at an estimated cost of £28,000.

**How does the decision contribute to the Council's Corporate Objectives?**

	<b><u>Corporate Objective</u></b>	<b><u>Positive Impact</u></b>	<b><u>Neutral Impact</u></b>	<b><u>Negative Impact</u></b>
1	Creating a Learning Community		X	
2	Jobs and Prosperity		X	
3	Environmental Sustainability		X	
4	Health and Well-Being	X		
5	Children and Young People		X	
6	Creating Safe Communities		X	
7	Creating Inclusive Communities		X	
8	Improving the Quality of Council Services and Strengthening Local Democracy	X		

**Reasons for the Recommendation:**

While there is a clear need for, and justification for establishing an Accreditation scheme, there are resource implications. While potential HB Transition Fund resources have been identified to help establish a scheme, Officers need to alert Members to the resource implications which would arise in future years in retaining and operating a scheme. Officers do not have authority to enter into such a commitment.

The Government’s intention is that the HB Transition Fund is used to target support to help meet housing needs of claimants affected by HB changes. It is recommended that funding will be used to enhance financial advice services to assist clients adversely affected by changes to housing benefit regulations. A holistic service will be provided in One Stop Shops in Bootle and Southport by training selected staff to provide advice on benefits, money and debt and finding employment.

**What will it cost and how will it be financed?**

**(A) Revenue Costs** The recent Landlord Accreditation feasibility report suggests that to establish an Accreditation scheme would require additional funding of at least £28,814. Once established, the future running cost would be at least £28,814 per annum, possibly rising to as much as £96,145 p. annum, depending on the size of membership of the scheme and any additional staffing required. While HB Transition funds could help pay for establishing a scheme over it’s first year, there is no identifiable funding for it’s future on-going operation. Therefore, from 2013/14 onwards, a minimum of £28,814 would need to be identified to fund the service, with an additional and equivalent saving required from within the Council’s budget in order to make headroom with which to fund the accreditation scheme.

**Arvato costs and legacy scheme**

Funding of £45,000 will be used to recruit a money/debt advice specialist **and** to provide training to Customer Service Advisors based in the One Stop Shops in Bootle and Southport.

The skills and expertise of the specialist would be used to further develop staff and also to put in place robust working procedures so that Customer Service Advisors would be able to provide appropriate help and support to clients. This approach will realise long term sustainable benefits as a result of this funding and providing training to existing Customer Service Advisors will benefit the community in future.

**(B) Capital Costs** Not applicable

**Implications:**

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

**Legal**

There is no legal duty placed on Local Authorities to establish Landlord Accreditation schemes.

Part 7 of the Localism Act 2011 amends the statutory provisions relating to homelessness in the Housing Act 1996 in that local authorities will be able to meet their homelessness duty by offering suitable accommodation in the private rented sector

**Human Resources**

Establishing a landlord Accreditation scheme would require an additional member of

staff. It is proposed to enter into an Agreement with Wirral Council to help establish a Landlord Accreditation scheme. Once a scheme is up and running it would also require an additional member of staff, plus some existing staff assisting in the management of a scheme in the early years of operation. Depending on the future size of the membership of a scheme, further additional staff may be required in future years.

**Equality**

- |    |  |                                     |
|----|--|-------------------------------------|
| 1. | No Equality Implication                          | <input checked="" type="checkbox"/> |
| 2. | Equality Implications identified and mitigated   | <input type="checkbox"/>            |
| 3. | Equality Implication identified and risk remains | <input type="checkbox"/>            |

**Impact on Service Delivery:**

Establishing an Accreditation scheme would likely have positive service implications. It would allow the Council to work positively, and in collaboration with private landlords who join a scheme. This would allow the Council to work towards improving physical housing conditions and housing management standards in the private rented sector (PRS). It would also open up opportunities for the Council to seek re-housing of homeless clients into the PRS, or OVH to advertise accredited landlord properties to clients on the Councils housing register.

**What consultations have taken place on the proposals and when?**

The Head of Corporate Finance & ICT Strategy (FD1796/12) has been consulted and comments have been included in the report.

Head of Corporate Legal Services (LD1117/12) have been consulted and any comments have been incorporated into the report.

The Landlord Accreditation Feasibility exercise involved consultation with private landlords and with stakeholders. This is summarised in the Feasibility report.

**Are there any other options available for consideration?**

There is no obligation on the Council to establish a Landlord Accreditation scheme. Hence the options are to pursue establishing a scheme or not. If the Council chose to pursue establishing a scheme, the Feasibility report provides further options on how this could be taken forward.

**Implementation Date for the Decision**

Following the expiry of the “call-in” period for the Minutes of the Cabinet/Cabinet Member Meeting

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**Background Papers:**

None

## 1. Introduction/Background

1.1 The Department for Works and Pensions (DWP) has allocated £15M transitional funding nationally, for 2012/2013; the purpose of the funding is to ease the transition of clients affected by the following Housing Benefit (HB) changes:

- Local Housing Allowance (LHA) calculation changing from median to 30<sup>th</sup> percentile of rents
- LHA bedroom caps
- LHA restriction to 4-bedroom rate
- Shared accommodation rate restriction for 25-34 year olds

The Government's intention is that these funds are used to target support to help meet housing needs of claimants affected by HB changes.

## 2 Establishing a Landlord Accreditation Scheme

2.1 Increasingly the Council's Housing Options Team is using PRS accommodation to house applicants who are 'under threat' of homelessness. As a result of Housing Benefit & LHA changes, officers predict that more households may have to turn to the private rented sector to meet their housing needs. The Localism Act 2011, introduces reforms to Homelessness Legislation and enables local authorities to meet their homeless duties by placing households into good quality private rented accommodation. This would provide greater re-housing options, and could lead to less use of expensive bed and breakfast accommodation. To allow the Council to use this new law, it will need to have a ready supply of verified good standard PRS accommodation available. An Accreditation Scheme could be designed to fulfil the criteria attached to this law change.

2.2 There is currently no Landlord Accreditation Scheme in Sefton. The lack of a scheme was identified as a weakness by the Audit Commission Inspection of Strategic Housing Services in 2009. The Council subsequently adopted a new Private Sector Housing Strategy (2009-12), which included a commitment; "The Council will look to develop an Accreditation scheme, either alone or in combination with neighbouring local authorities".

2.3 In the summer of 2011, One Vision Housing (OVH) offered to fund a study to look at the feasibility of establishing a Landlord Accreditation scheme in Sefton, and they appointed Wirral Council to undertake this study. (Wirral have a long established and well regarded Accreditation scheme). Cabinet Member Regeneration and Tourism considered the Landlord Accreditation scheme feasibility report in July, and decided:

### *Landlord Accreditation Feasibility Report*

- *continue a dialogue with Landlords about the design of a scheme;*
- *explore the option of a Liverpool City Region Accreditation scheme*
- *and related funding issues, submit a further report to the Cabinet Member on any options available to support such a scheme.*

- 2.4 Funding of £28K would be required to provide staff resource to set up and run the accreditation scheme, for 1 year. However, the risk is that there is currently no resource in place to sustain an Accreditation scheme beyond the 1<sup>st</sup> year. If Landlords opt to join an Accreditation scheme, there would certainly be an expectation that it would be a longer term scheme, and its success could be dependent upon that guarantee. However, the Council could use the first year as a 'pilot' to test the viability of an Accreditation scheme through use of the DWP one-off funding identified above. It would however need to find additional permanent resources should the scheme prove to be successful beyond year one, and this would have budgetary implications for the Council..
- 2.5 The feasibility study was based upon a stated purpose that a scheme would be open and aimed at as many landlords as possible to join. The main purpose of a scheme would still be to work with as many landlords as possible to improve the physical conditions of properties and management practices generally, and to ensure they at least conform to Localism Act Guidance. However, to satisfy the HB Transition fund, the Council would need to look at giving greater emphasis to identifying landlords willing to let their properties to households in need, and/or at risk of losing their current home as a result of adverse HB changes. The Council may also have to look to design into a scheme some incentives to landlords to encourage them to let their properties to Housing Options clients, i.e. those adversely affected by HB changes. It could also look to monitor the scheme to see how many private lets are made to housing options clients.
- 2.6 Wirral Council remain interested in helping the Council set up a scheme, and it is considered advantageous to use the Transition funding to enable the Council to enter into an agreement with Wirral to provide resources to do this. This would remove the need, and time, to recruit a member of staff, who might be at immediate risk of redundancy after the year. The Council would also benefit from the experience and expertise of the Wirral officers. After the first year, the Council would then need to review both the operation of a scheme, and its future funding, if it were likely to prove a success, and also possibly consider options about whether it could afford to run the scheme on its own, or continue with support from Wirral and/or operate in partnership with the other Liverpool region Councils to share both costs and resources.

If the Council chose to deploy Wirral to help establish a scheme, it would be a requirement for them to assist to undertake further consultation work; to complete the design of a scheme; to market it; identify suitable landlords willing to join, and also identify those willing to let their properties to households which the Housing Option Service are seeking to help, and matching landlords/properties with those households.

- 2.7 Beyond the first year's establishment of a scheme, the feasibility report clearly states that any scheme would require adequate staff resources to ensure it operates effectively. Whether the Council were to establish a stand alone Sefton scheme, or collaborate in a sub-regional scheme, there would clearly be the need to establish a post for a Scheme Manager as well as a Sefton based Technical Officer and administrative support. During the early years of any scheme however, it would more than like take time to establish landlord membership, which would limit the volume of technical and administrative work. Over this period it is likely that, as a short term measure, the workload could be shared among existing

technical officer and admin staff across teams within the Investment Programmes and Infrastructure Division, assuming there are no reductions to existing staffing levels. This would delay the need to find immediate year two resources.

- 2.8 Staffing would be the main resource requirement and costs could vary after year one, subject to whether the Council were to approve a stand alone service, or choose to share one with partners. The scheme could also grow in future years and resources, possibly as high as £96k pa, might be required to sustain a scheme.**

### **3. Provide Holistic Advice services**

- 3.1 Arvato is proposing to provide a holistic service in One Stop Shops in Bootle and Southport by training selected staff to provide advice on benefits, money and debt and finding employment. This approach would supplement existing service delivery. Funding would be required by Arvato to:
- recruit a money/debt/employment advice specialist, and
  - to provide training in money/debt advice to selected Customer Service Advisors.

This approach would mean that the One Stop Shops were providing a service to customers affected by Housing Benefit reductions over and above that which is currently provided. The funding for training to selected existing staff will ensure that the provision of money/debt advice is sustainable.

- 3.2 Arvato is requesting funding of £45,500 to recruit a money/debt advice specialist and to provide training in this area to Customer Service Advisors. The skills and expertise of the specialist would be used to further develop staff and also put in place robust working procedures so that Customer Service Advisors would be able to provide appropriate help and support to customers.

Arvato is keen to see long term sustainable benefits as a result of this funding and believes that providing training to existing Customer Service Advisors will achieve this and benefit the community in future.

### **4 Conclusion**

- 4.1 Members are asked to agree the use of the HB Transition fund for the 2 purposes set out above. Officers are confident that this conforms to the purposes required by DWP as part of their funding criteria.
- 4.2 Establishing a Landlord Accreditation scheme for Sefton is clearly desirable, and could be initially funded for 12 months, from the HB Transition resources. However, the full establishment of a scheme beyond year one, would have resource and financial implications for the Council.. Given the Council will need to consider how it manages with a projected deficit of £43m over the next two financial years, it is unclear how the additional costs of continuing to operate a scheme could be met or indeed, if the scheme would feature as a service priority in the future, and this would be for Members to decide.