

Report to: Cabinet

Date of Meeting: 09 April 2018

Report Title: Social Lettings Agency Review

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Purpose of Report

To present a revised business case for the continuation of the council's social lettings agency (SLA), incorporating the council's proposals for dealing with the existing SLA lease agreements.

Recommendation(s)

Members are asked to approve the recommendation within the report for the council to proceed with two new service models for the SLA. The two models being proposed are:

- A Guaranteed Rent Scheme
- A Management Service to support the Council's Housing Company

Reasons for Recommendations

1. The objective of the SLA is to improve access to quality, well-managed private sector housing for households who present to the council as homeless or at risk of homelessness. Cabinet approval was granted in July 2017 for a cost effective scheme to be developed to replace the council's existing private sector leasing arrangements and allow for the SLA to continue operating and achieve its objective. This was necessary due to changes in central government funding arrangements.
2. The introduction of the Homelessness Reduction Act in April 2018 allows for local authorities to discharge a new 'Relief Duty' by offering the minimum of a fixed-term 6 month Assured Short-hold tenancy in the private rented sector from a private landlord. It is therefore increasingly a priority for the council to minimise the cost of homelessness by maximising access to affordable, suitable and well managed private sector accommodation.
3. Continuation of SLA also provides the council will the necessary property management capacity to provide services to the council owned Housing Company.

Introduction

1. The council run Social Lettings Agency (SLA) currently leases 45 units of accommodation from private individual property owners. The private sector leasing model was, until March 2017, funded by the Temporary Accommodation Management Fee (TAMF). This was a demand led payment from government which paid a supplement of £60 per week, per property, in addition to the standard Local Housing Allowance rate. The TAMF payments enabled the scheme to offset the operating costs of managing accommodation.
2. In March 2017 the government confirmed that the TAMF would be replaced by the Flexible Homelessness Support Grant (FHSG). This is a ring-fenced grant payment for the purposes of homelessness prevention activity. The effect of the change has been to shift the private sector leasing scheme from an income generating initiative (which successfully provided affordable housing solutions to households) to one which now depends upon financial support from the council paid for through a cash limited grant.
3. In 2016/17 the existing Private Sector Leasing (PSL) scheme was generating an income surplus of £21,771.38 and is projected to generate a surplus of £38,030 in 2017/18. After almost 3 years of operation the PSL scheme currently has 45 units of accommodation under lease and provides over 50 vulnerable households with safe, secure and relatively affordable accommodation.
4. In July 2017 Cabinet gave approval for officers to develop a business case exploring the viability of a council delivered property management service. The service would help sustain the current SLA and promote access into privately rented accommodation; such an agency could also provide management services to the council's Housing Company.

Access to the Private Rented Sector

5. There is a significant and growing shortfall in the availability of genuinely affordable accommodation for low income households. The challenges in this area described in the 2015 Cabinet report have become increasingly pronounced. A 'perfect storm' has arrived for the most disadvantaged households. The key characteristics being:
 - Increased competition for private rented accommodation resulting in higher rents and greater reluctance from landlords to take on higher risk tenants
 - Increasing purchase prices resulting in new buy to lets demanding higher rents in order for the property investment to achieve a viable yield
 - Reduced vacancies and higher rents in the Social Housing stock
 - Lower levels of new Social Housing supply, particularly at affordable rents.
 - Lower levels of welfare benefit support
6. Part of the impact of these factors has been an increase in the number of homelessness applications received by the Council, rising by 57% since 2014/15. While the increase in presentations has begun to stabilise since mid-2017 - as a result of action taken by the council and new funding received in the

form of the Flexible Homelessness Support Grant - access to suitable housing remains the main barrier to reducing numbers further.

	2014/15	2015/16	2016/17	2017/18
Homeless Applications	350	499	579	550

*The figure for 2017/18 has been projected to yearend as of 20 March 2018.

7. Increasing competition in the private rented sector has led many letting agencies to supplement the fees paid to them by landlords with other measures designed to generate additional income. Most significant of these are relatively high fees charged to prospective tenants which create an additional barrier for those on low incomes accessing the private rented sector.
8. A number of additional barriers also affect the ability of low income households to access the private rented sector, these include:
 - Requirement for deposit/bond/guarantor
 - Requirement for references
 - Perceived problems with Local Housing Allowance and Housing Benefit processes
9. The council's Housing Company is progressing with plans to invest to purchase and develop property as set out in its business plan. Property is currently being acquired for market rent which will provide a return on investment for the council as the sole shareholder. The Housing Company will need to contract the services of a property management service which, it is proposed, the council provide, via its SLA. The financial assumptions outlined in this report are consistent with those set out in the Hasting Housing Company Business plan.

Key Features of a Social Lettings Agencies

10. For the purpose of this report a social lettings agency (SLA) is defined as a 'standalone' council service that offers a range of housing management solutions to private landlords.
11. In the winter of 2017 a survey was distributed to landlords to determine what services and products would make it likely for them to provide properties to a council run SLA. The responses received suggest that guaranteed rent is a key factor for many landlords as is the council managing the tenant rent accounts. Other positive indicators were lower landlord fees, avoidance of selective licensing requirements and free Housing Health and Safety Rating System (HHSRS) inspections.
12. It is currently proposed to develop two new service models for the SLA. The two models being proposed are:
 - **A Guaranteed Rent Scheme**
 - **A Management Service to support the Council's Housing Company**

13. It is not proposed at present to develop a commercial property management service that will compete with private letting agencies. Should this be further considered at a later date, then this will be the subject of a separate report to Cabinet. It should be noted that providing such a service on any significant scale might require the establishment of further company.
14. The two models currently proposed would allow the council to achieve the following:
- Allow the council to continue to achieve the objective of the SLA by encouraging new landlords and tenants to take advantage of the services on offer from the council.
 - Sustain existing SLA tenancies beyond the end of the current private sector leasing scheme.
 - Manage accommodation acquired and let by the Hastings Housing Company.
15. Details of how both the **Guaranteed Rent** and the **Housing Company Property** models will function are set out separately and can be found at appendix 1 and appendix 2 respectively, under the following headings:
- Landlord benefits
 - Tenant benefits
 - Payments to landlords
 - Rent levels
 - Security of tenure for tenants
 - Rental income from tenants
 - Housing management & repairs
16. Details which are common to both models will be set out in parallel within the main body of the report, under the following headings:
- Net income and expenditure
 - Risks
 - Cost savings
 - Financial Considerations
 - Legal considerations
 - Staffing and organisational considerations

Net income and expenditure

17. There are three principle income streams within the financial modelling for the SLA. The financial projections are based on modest rates of property acquisition both within the **Guaranteed Rent** and **Housing Company Property** income streams.
- **Private Sector Leasing** – the projected income from the SLA's existing private sector leasing scheme will decline as the 45 properties currently under 3 year leases each reach expiry, between May 2018 and October 2019.

- **Housing Company Property** – the projected income from new Housing Company acquisitions are conservatively based on 50% of the Housing Company's projected property acquisition rate for 2018/19 and 2019/20, rising to 85% thereafter.
- **Guaranteed Rent** – the projected income is based on two property acquisitions per month, which was the acquisition rate under the private sector leasing scheme. This rate is expected to increase of the 5 year forecast.

18. The 5 year forecast outlined below projects income/loss generation over the period 2018/19 – 2022/23.

SLA Management Service 5 Year Forecast

Portfolio Type	2018/19	2019/20	2020/21	2021/22	2022/23	Notes
Total income from HHC Properties	-£7,705	-£20,602	-£36,852	-£53,376	-£69,901	
Total income from SLA Properties	-£31,411	-£10,735	£0	£0	£0	
Total income from Guaranteed Rent Properties	-£5,488	-£23,775	-£44,529	-£65,029	-£85,528	
Grant funding required	-£86,151	-£74,712	-£17,128	£0	£0	
Total Gross Income	-£130,754	-£129,825	-£98,509	-£118,405	-£155,429	

Costs for existing Leasing Scheme					Notes
Property handback costs	£17,600	£30,800	£0	£0	£1100 allocated per property
HMO property running costs	£20,000	£8,000	£0	£0	
Bad debt (Rent)	£876	£277	£0	£0	Set at current rate of arrears
Bad debt (HMO service charges)	£7,176	£2,591	£0	£0	Set at current rate of arrears
Legal costs	£8,000	£5,000	£0	£0	Court costs for eviction
Allowance for early lease terminations	£1,118	£1,423	£0	£0	1 lease ending per quarter due to owner initiating termination clause

Costs for New Scheme (HHC Management & Guaranteed Rent)						Notes
Staffing costs	£67,242	£67,242	£75,189	£85,785	£113,091	1 FT housing manager per 50-60 properties managed.
Gas safety certificates	£450	£1,600	£2,800	£4,000	£5,200	
Bad debt	£1,373	£6,972	£14,599	£22,422	£30,245	Projected at 4%
Advertising	£2,000	£1,000	£1,000	£1,000	£1,000	
IT	£780	£780	£780	£780	£780	Subscription to rent and property management software
Property Marketing Rightmove etc.	£3,000	£3,000	£3,000	£3,000	£3,000	Marketing of HHC properties
Other supplies and services	£1,140	£1,140	£1,140	£1,140	£1,140	
Total Fixed Costs	£130,754	£129,825	£98,508	£118,127	£154,456	

Total Net Income After fixed costs	£0	-£0	-£0	-£277	-£973
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Future Grant Funding

19. The existing Private Sector Leasing (PSL) scheme will be sustained by the Flexible Homelessness Support Grant (FHSG) during 2018/19 as authorised by Cabinet in July 2017. The government has also recently announced the FHSG allocation for 2019/20. The level of award for 2019/20 gives the council the ability to sustain the SLA to March 2020, subject to the budget being approved. There will also be the need for additional grant funding for the **Guaranteed Rent** model in 2020/21, the detail of which is summarised in the table above. The SLA is forecast to be self-funding in 2021/22 and beyond.
20. The government is yet to announce what funding will replace the FHSG beyond March 2020. This report assumes that government will replace the FHSG with equivalent grant funding and that this will supplement the income generated by both the proposed **Guaranteed Rent** and **Housing Company Property** models in 2020/21. Some form of direct subsidy for the scheme will be necessary over this period if it is to continue.
21. The viability of the scheme will be kept under close review. If there has been no announcement as to whether government will replace the FHSG beyond 2019/20, by December 2019, then a further review will be carried out and a decision will need to be reached as to whether it is necessary to terminate any property management contracts under both the **Guaranteed Rent** and **Housing Company Property** models.
22. It is important to note that termination of the SLA scheme is possible at any stage. All existing contracts between the SLA and property owners have an early termination clause. All contracts under the two proposed new models will also include early termination clauses. In the event that the council is required to terminate leases and/or contracts the SLA would need to put in place arrangements for the rehousing of all households who require alternative accommodation.

Risks

23. A full breakdown of risks and mitigations is attached in appendix 3.

Cost Saving

24. All of the properties within the **Guaranteed Rent** income stream will be used to prevent or relieve the homelessness of people who may otherwise end up in expensive emergency or temporary accommodation.
25. The average net cost of a placement in temporary accommodation is £3,250 for a family with children. The **Guaranteed Rent** model is projected to rehouse 1 new household (typically with children) a month or 12 new families with children per year. The net saving would therefore be in the order of **£39,000** net in 2018/19, rising to **£78,000** in 2019/20, when properties are forecast to be accrued at 24 per year.

26. Please note - any potential saving has to be considered in the context of rising demand for all forms of temporary accommodation, including bed & breakfast accommodation. Without a significant reduction in overall demand it is unlikely that there will be any cashable saving that will accrue to the Council.

Financial Considerations

27. The performance of the SLA will be kept under review and regularly reported to Members through the council's performance management arrangements. Should central government grant arrangements change beyond March 2020 - necessitating a further financial review of the scheme - then Members will be advised of the position.
28. The current tenancies under the SLA's Private Sector Leasing scheme are fully funded by external grant until March 2019. The council also has the ability to sustain the SLA for 2019/20 if it chooses to allocate an element of recently awarded external grant for 2019/20.
29. Further, all licence and management agreements between the council and landlords within the proposed **Guaranteed Rent** and **Housing Company Property** models will contain termination clauses which can be enacted with 3 months' notice.

Legal Considerations Framework

30. A social lettings agency can be established by a local authority using its powers under Section 2(1)(b) Local Government Act 2000 "to promote the improvement of social wellbeing" in the local authority area.
31. The power to charge landlords for services on a non-profit basis is contained within section 93 of the Local Government Act 2003.
32. Section 3 of the Homelessness Act 2002 introduced the requirement for housing authorities to take a preventative approach to homelessness and confirms the power to make payment to achieve the prevention of homelessness.
33. Section 94 Local Government Act 2003 allows the council to charge landlords for the provision of the SLA services up to the full cost of providing those services.
34. Section 5(2)(2)(a) of the Homelessness Reduction Act, introduced in April 2018, allows for local authorities to discharge a new 'Relief Duty' by offering the minimum of a fixed-term 6 months Assured Short-hold tenancy in the private rented sector.
35. The point may be reached where the Council has to consider whether to set up a company to deliver property management services on a commercial basis to those property owners who may not wish to rent property directly, but who may seek the reassurance offered by a service delivered by the Council. As previously stated, this will be subject to a separate future report if required.

Staffing and organisational considerations

36. A managerial post to run the SLA and to procure properties for the Housing Company has been established and a full-time officer is in post. The cost of this provision has been built into financial projections for the SLA over the next 5 financial years. The post will be part funded by SLA budgets until March 2019 which could be extended to March 2020, subject to budget approval and part funded through services provided to the Housing Company. The costs of this have been built into the business plan of Hastings Housing Company (HHC).
37. In addition, a full time Housing Management Officer is in post that responds to tenant enquiries and supports tenants to sustain their accommodation; this post is fully funded by SLA budgets until March 2019 and could be extended to March 2020, subject to budget approval.
38. Additional staffing may be required based on business need which will be under the oversight of the SLA and Temporary Accommodation Working Group as part of the wider oversight of the SLA. The impact upon corporate support services will also need to be considered should the scheme expand.

Wards Affected

All

Timetable of Next Steps

1. Please include a list of key actions and the scheduled dates for these:

Action	Key milestone	Due date (provisional)	Responsible
Finalise property management contracts.	Prospective contract agreements shared with existing SLA landlords.	May 2018	Sam Taylor
Finalise Housing Management procedures.	New SLA models promoted to landlords.	June 2018	Sam Taylor
Finalise Income Recovery procedures documents.	New SLA models promoted to landlords.	June 2018	Sam Taylor

Finalise payment processes under the new SLA models	Payment processes finalised.	June 2018	Sam Taylor & Grant Smith
Promote the new SLA models to landlords.	New SLA models promoted at Landlords Forum	April 2018	Joe Powell
Promote the new SLA models to partner services.	Partnership event held.	June 2018	Joe Powell
Go live with new SLA models and keep under monthly performance review.	Project plan finalised by SLA and Temporary Accommodation Group.	May 2018	Joe Powell

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness No

Crime and Fear of Crime (Section 17) No

Risk Management Yes (see appendix 3)

Environmental Issues No

Economic/Financial Implications Yes (see Financial Considerations, above)

Human Rights Act No

Organisational Consequences Yes (see Organisational Considerations, above)

Local People's Views No

Anti-Poverty No

Additional Information

Appendix 1- Guaranteed Rent overview

Appendix 2 – Housing Company Property overview

Appendix 3 – Risk log

Officer to Contact

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Appendix 1 - Guaranteed Rent overview

Landlord benefits

- Guaranteed rent paid in advance.
- A comprehensive property management service.
- HHSRS Inspections.
- Selective Licensing exemption.
- Gas Safety Certificates.

Tenant benefits

- Properties let at lower quartile rents.
- Quality property management.
- No fees.
- Dedicated property management worker to maintain the tenancy when required.

Payments to Landlords

1. The **Guaranteed Rent** model will function by paying the landlord a monthly fee, equivalent to the monthly rent for their property, less a management fee, typically between 10% and 12% of the rental income - regardless of whether the tenant has paid or whether the property is occupied.
2. Under the proposed model, the council would guarantee a landlord a payment set at the **lower quartile** of market rents for Hastings and St Leonards. The average lower quartile rents are published by East Sussex in Figures and are publically available. The landlord and the council would enter into an agreement which guarantees payment to the landlord for the life of the tenancy.
3. The SLA team will require the flexibility to increase rents by 5% above the average lower quartile, where tenants can afford it, to ensure a competitive offer for landlords. There are a number of variables relating to the specification of individual properties, alongside their location which may require a slightly higher rent than the lower quartile.
4. The risk to the council of guaranteeing the rent is balanced against the social benefits to vulnerable households avoiding homelessness and savings made on temporary accommodation which, on average, represents a net cost to the council of £3,250 per household (with children) placed in temporary accommodation.

Rent levels

5. LHA rates were frozen in 2016 and are increasingly losing touch with market rents. As a result, income and benefit dependent households are increasingly required to make top-up payments from their income to supplement the LHA rate of Housing Benefit or Universal Credit they receive.

6. Each prospective tenant will be assessed to ensure that the amount of top-up they are required to pay is affordable. The table below outlines the typical top-up a household would pay under the proposed **Guaranteed Rent** model across different bedroom sizes, using the East Sussex in Figures statistics on average lower quartile rents for Hastings and St Leonards. The table also shows the amount of top up required where the council negotiates a slightly higher rent, not to exceed 5% of the average lower quartile.

	1 bed	2bed	3 bed
LHA Rate	£92.05	£120.29	£159.95
Avg. Lower Quartile Rent	£98.00	£126.00	£173.00
Top Up (lower quartile)	£5.95	£5.71	£13.05
Top Up (lower quartile + 5%)	£10.85	£12.01	£21.70

Security of tenure

7. Tenants will have a standard Assured Shorthold Tenancy (AST) with their landlord. Under an AST the tenant cannot be evicted within the fixed term period which is usually the first 6 months of the tenancy; beyond this, tenants can be evicted with 8 weeks' notice.
8. When instructed by the landlord, the council would take responsibility for ensuring the tenant is rehoused in suitable alternative accommodation. The SLA team would take responsibility for any eviction at the landlord's behest.
9. If a tenant proves unable to sustain accommodation independently due to high rent arrears or perpetrating antisocial behaviour the council will support the tenant to find alternative suitable accommodation, in every case. However, if it is necessary to evict the tenant and the tenant will not accept the alternative accommodation offered, the council may initiate the eviction on behalf of the landlord. The council will consider whether to charge a fixed fee to landlords for this service as part of the contract with the landlord.
10. Without the council taking responsibility for carrying out evictions there is a risk that landlord's – who have their rent guaranteed by the council - will have no incentive to evict a poor tenant.

Rental income from tenants

11. The council will collect rent from the tenant alongside any top-up due; this income will offset the rent guarantee payments to the landlord. Tenants will be required to make payments directly into the council's SLA bank account which will be monitored by the SLA team using rent account software.
12. The council is purchasing rent account management software which is used to monitor the status of rent accounts under the SLA. The rent accounts under the **Guaranteed Rent** model will be monitored bi-monthly. Tenants will be supported to ensure that they do not fall into arrears and that adequate support is put in place when required to ensure rent accounts are up to date.

13. The government recently announced that it will be making residents of temporary accommodation managed by the council exempt from Universal Credit. The DWP have indicated that accommodation used to prevent homelessness – such as accommodation provided by the SLA under the **Guaranteed Rent** model described above - is defined as temporary accommodation and will be exempt from Universal Credit.
14. All tenants accommodated under the **Guaranteed Rent** model will therefore be entitled to claim Housing Benefit enabling the SLA to arrange for direct payments to the rent account. This will minimise the risk of arrears as the majority of tenants under the **Guaranteed Rent** model will be entitled to full Housing Benefit for which direct payments to the council can be arranged.

Housing Management and repairs

15. The council housing management service will include deposit lodging, tenant finding, full tenancy management, rent collection, tenancy support, and an optional repairs and maintenance service.
16. The council will provide a comprehensive housing management package delivered by experienced staff members who have been managing SLA tenancies since 2015. This includes a minimum 6 monthly property inspections, support with budgeting and signposting to specialist support services to assist with tenancy sustainment.
17. The council will not charge tenants any fees to access their tenancy. Nor will the council charge landlords any additional fees on top of the 10% - 12% of the rental income agreed ahead of the start of the tenancy. The only exceptions being a 10% administration fee for arranging repairs on the landlord's behalf, described below.
18. The council will require tenants to pay a deposit which will be lodged with a deposit protection scheme. Landlords have provided feedback to the council that tenants are less likely to maintain the tenancy in a good state of repair when they have not lodged a deposit and have no investment in their tenancy. The council is able to provide tenants with interest free loans in order to provide a deposit when required.
19. The SLA will provide landlords with the offer of a free annual Gas Safety inspection. As well as the added financial incentive this provides the landlord – for a relatively modest cost to the council – this will also ensure that all SLA properties are compliant with gas safety regulations.
20. The council will not be responsible for the cost of repairs. Repairs will be the responsibility of the landlord. However, the council has the ability to carry out repairs on the landlord's behalf via our existing contractor. Therefore, the council will provide an optional repairs service which landlords can access, particularly when emergency repairs occur out of normal office hours. The council will charge the landlord a 10% administration fee for this service.

Appendix 2 – Housing Management Property Overview

Landlord benefits

- Tenant finding, deposit lodging, tenant referencing, and assured compliance with statutory requirements.
- Rent collection (no guarantee).
- Reputable, responsible and affordable property management service, competitively priced.
- Proactive property management approach which can link tenants to a range of established HBC support providers should they fall into rent arrears or face other challenges.

Tenant benefits

- No fees.
- Reputable, responsible and affordable property management.
- Proactive property management approach which can link tenants to a range of support services should they fall into difficulties.

Payments and charges to Landlords

1. The SLA will offer a traditional property management service to the Hastings Housing Company in return for a percentage of the monthly rent.
2. The SLA will charge 2 weeks rent to the Hastings Housing Company as a finder fee for sourcing and referencing tenants.
3. The SLA will add a 10% administration fee for any repairs organised by the council on behalf of the Hastings Housing Company.

Rent levels

4. Rent levels will be negotiated on a case-by-case basis. The average market rents for the Hastings and St Leonards area will be used as a starting point using data published by East Sussex in Figures. There are a number of factors which will affect the final agreed rental price including location, property condition and the length of tenure being offered. The council will make efforts to ensure rents levels are competitively priced.

Security of tenure

5. The security of tenure will be the same as under the **Guaranteed Rent** model - see appendix 1 above.

Rental income from tenants

6. The council will collect rent from the tenant on the Hastings Housing Company's behalf. Tenants will be required to make payments directly into the council's SLA bank account which will be monitored by the SLA team.
7. As with the **Guaranteed Rent** model, the council has purchased rent account management software which is used to monitor the status of rent accounts under the SLA. The rent accounts under the **Housing Company Property** model will be monitored monthly. The Hastings Housing Company will be provided with a monthly statement highlighting the status of their tenant's rent account. Tenants will be supported to ensure that they do not fall into arrears and that adequate support is put in place when required to ensure rent accounts are up to date.

Housing Management and repairs

8. The housing management offer will be the same within the **Housing Company Property** model as it is under the **Guaranteed Rent** model, see appendix 1 above.

Appendix 3 - Risk

Risk	Likelihood	Impact	Mitigation
1. Not enough landlords willing to rent properties under the Guaranteed Rent model.	Low	High	<ul style="list-style-type: none"> Consider financial assessments to require rent top ups from tenants where affordable. Landlord surveys indicate interest in a guaranteed rent model. Evidence of operating the SLA leasing scheme since 2015 is that a procurement rate of 2 per month is typical for a scheme offering guaranteed rents in Hastings.
2. The Housing Company acquires fewer properties than projected.	Med	Med	<ul style="list-style-type: none"> Income from Housing Company properties assumes a modest rate of acquisition 50% lower than the Housing Company business case. Overall viability of the SLA will be reviewed monthly by the Temporary Accommodation and SLA Working Group.
3. Unable to find tenants for the Guaranteed Rent and Market Rent models	Low	High	<ul style="list-style-type: none"> 145 households were assisted into private rented accommodation in 2016/17 Demand for accommodation continues to rise The Housing Company is projected to acquire 20 properties per annum.
4. Tenants experience poor property conditions and a risk to their health.	Low	High	<ul style="list-style-type: none"> All properties will be inspected by the council under HSSRS before being managed and will receive 6 monthly inspections thereafter. All properties will be installed with smoke alarms and carbon monoxide detectors (where required) and will be tested every 6 months.

5. Lower than anticipated level of rental income	Low	High	<ul style="list-style-type: none"> • Ensure enough officer resource is allocated to income recovery • Utilise rent account management software • Utilise eviction procedures • Implement UC exemption
6. Level of rent arrears is higher than projected.	Low	Med	<ul style="list-style-type: none"> • Ensure rent account management software is utilised • Utilise eviction procedures • Ensure enough officer resource is allocated to income recovery • Overall viability of the SLA will be reviewed monthly by the Temporary Accommodation and SLA Working Group.
7. Landlords are not incentivised from evicting tenants as rent is guaranteed under the Guaranteed Rent scheme.	Low	Low	<ul style="list-style-type: none"> • The council will lead the eviction on the landlord's behalf.
8. Level of government grant available in future years is not sufficient to make the SLA viable.	Low	High	<ul style="list-style-type: none"> • If there has been no announcement as to whether government will replace the FHSG by December 2019 a decision will be made as to whether to terminate the existing private sector leasing leases and any new property management contracts under both the Guaranteed Rent and Housing Company Property models. • All properties managed by the SLA can be terminated if scheme is not viable. • Overall viability of the SLA will be reviewed monthly by the Temporary Accommodation and SLA Working Group.
9. Income reduces as a result of the implementation of benefit reforms or changes in	Med	High	<ul style="list-style-type: none"> • Regularly review the viability of scheme • All agreements will contain break clauses and can be

statutory guidance.			<p>terminated.</p> <ul style="list-style-type: none"> Tenants can be rehoused by the Housing Options team where needed.
10. A high number of households require rehousing if SLA is unviable beyond March 2020 because grant funding is not available.	Med	High	<ul style="list-style-type: none"> The Housing Options service has expertise to rehouse households in the PRS and social housing Landlords may wish to keep tenants under alternative property management readily available in the market Resources can be diverted from the Housing options team to rehouse households Maximise time available to achieve rehousing by close project and performance monitoring
11. Reputational risk to the council	Low	Med	<ul style="list-style-type: none"> Communication and project plan Regular project performance monitoring Council corporate scrutiny procedures.
12. The government intends for UC to be fully rolled out in longer-term. Change in HB subsidy back to UC.	High	Low	<ul style="list-style-type: none"> SLA is currently exempt from UC HBC continue to engage with MHCLG and DWP on future plans for UC full rollout. Keep viability under review. Overall viability of the SLA will be reviewed monthly by the Temporary Accommodation and SLA Working Group.
13. Higher than anticipated level of voids	Low	High	<p>Ensure re-let times are kept to a minimum by:</p> <ol style="list-style-type: none"> 1) identifying tenants in advance 2) timely repairs and void turnaround 3) close housing management to ensure timely rent payments, minimal evictions and minimal absconding
14. Accommodation becomes unaffordable for tenants	Low	Low	<ul style="list-style-type: none"> Ensure regular property inspections and accounts management to ensure

			<p>incomes are maximised</p> <ul style="list-style-type: none">• Work with Housing options team and wider partners to find alternative accommodation for tenants who cannot afford accommodation.
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