



Report to:	Cabinet	28/09/2023
Lead Cabinet Member:	Cllr Bill Handley	
Lead Officer:	Jeff Mambery	

Homes for Ukraine – Landlord Incentive Scheme

Executive Summary

South Cambridgeshire District Council has seen one of the highest number of Homes for Ukraine arrivals for a lower tier local authority, welcoming over 850 Ukrainian guests into the district since the scheme beginning in April 2022. The first phase of the project has been a success, and now our focus turns to moving guests on into their own independent accommodation.

Feedback we have received from guests highlight that accessing the private rental sector is proving increasingly difficult. In response to this, and to mitigate the potential for increased social housing wait times, it is proposed that SCDC consider the launching of a Landlord Incentive scheme. The aim of this scheme will be to provide more affordable & sustainable housing options for Homes for Ukraine guests within South Cambridgeshire. A similar scheme has been successfully run by Bristol City Council, which has housed 100 families.

The scheme will offer up front payments to landlords, depending on both the size of their property, and if they provide a tenancy at the local housing allowance rate, or at market rent. Larger incentives payments will be available to landlords who offer a tenancy at the local housing rate to make it more affordable and sustainable for Homes for Ukraine guests.

Key Decision

1. No

Recommendations

2. It is recommended that Cabinet approves the proposed policy to increase the number of private rented homes accessible to Homes for Ukraine guests who are moving on from being hosted.

Reasons for Recommendations

3. A total of 841 Homes for Ukraine guests have arrived in South Cambridgeshire since the scheme began. This is the highest numbers of arrivals for a lower tier local authority.
4. The Council has effectively managed the core processes necessary to allow guests to arrive and be hosted. A wide range of wraparound support has also been given to both hosts and guests to ensure their stay was successful. These processes are well established. Early in the scheme it was identified that supporting people to move on from hosted accommodation to live more independently would be a big challenge and a sub-team was set up.
5. The private rental market in South Cambridgeshire is highly competitive with landlords having their choice of tenants in most cases. Many tenants have good rental history and credit scores that most HFU guests cannot compete with.

Details

6. To date, 241 groups of guests (a group can be one or more guests as a family unit) have moved on from being hosted. 80 have returned to the Ukraine, 36 have moved into social housing and 125 are renting privately. However, we still have 171 groups who are currently being hosted who will need to transition to more independent living.
7. Despite a range of moving on options being available, including financial support for rent in advance, rent deposits and furniture, Ukrainian guests have reported challenges in securing rental properties due to the competition they face.
8. A landlord incentive scheme can help provide equal opportunity to refugees in finding sustainable and affordable housing, without causing extra pressures on the social housing system.
9. There is no impact on the Council's general fund as the scheme can be fully funded using the Government tariff we receive for each guest arriving under the Homes for Ukraine (HFU) scheme. There is sufficient tariff funding to allocate to this scheme.
10. The data we hold for our Ukrainian guests shows the need for one and two bed properties, which are more in demand through the social housing allocations system.
11. Similar schemes have been run in other local authorities in the UK. Bristol City Council have housed over 100 Ukrainian families through running a similar scheme. Although it is not possible to predict the number of private rented homes this scheme could secure in South Cambridgeshire, the evidence from other parts of the country is positive.
12. Providing Homes for Ukraine guests with affordable housing options will mean there is less chance they will need further support from South Cambridgeshire District Council in the future.
13. The scheme will provide private landlords with an incentive payment for offering a tenancy at either market rent, or at local housing allowance. Initially this will be for a 6-month period. Top up payments will then be offered if further tenancies are offered after the initial agreement. Details are provided in the tables in this paper

and attached draft policy. The incentive increases for larger properties and for those offering their homes at Local Housing Allowance rates which are more affordable to those in receipt of housing benefits.

14. As an example, if a landlord offered a 3-bed property at the local housing allowance for 6 months, they would qualify for an initial payment of £2,750. After the initial 6 months, if they offered a further 6-month tenancy, they would receive a further £2,750. The landlord would receive a higher payment if they offered a 12-month tenancy following the initial 6 months.
15. Each landlord can receive a maximum of 2 top-up payments after their initial payment whilst providing their home to the same group.
16. To retain landlords and their properties on the scheme, if a new family is offered a tenancy after the original family vacates, landlords will qualify for another initial payment, and another 2 top-up payments. The Council will only incentivise payments for a family for 18 months as we want to promote independence.
17. Landlords who have already provided a property to Homes for Ukraine guests will be able to sign up to the scheme once the initial tenancy comes up for renewal.
18. *Figures A-C* below provide the proposed incentives by tenancy type and size of home.
19. The payment is proposed to be made up front to landlords as soon as they have a tenancy in place and their tenant has moved in into the home offered under the scheme. This payment structure is to ensure there is sufficient incentive to secure more homes. Under current legislation, landlords cannot end a tenancy early unless there is a good reason, such as repeat non-payment of rent or major damage to the property, and a legal process is required. A payment will not be made until SCDC have received proof of the tenancy agreement, and that the tenants have moved in to the property.
20. If a tenant moves out during a longer tenancy and at least 6-months remain, for example returning to Ukraine, the terms of the scheme will mean the landlord will need to offer the home to a new family for 6-months. This will not require a further incentive payment as it has already been paid.
21. It is worth noting that there is currently a Renters Reform Bill in the early stages of development. It was first introduced to parliament in May 2023. This bill will abolish fixed term tenancies, and replace all tenancies with monthly rolling tenancies, which require 2 months' notice to end. This bill will also abolish 'non-fault evictions', providing more security to tenants. As this bill progresses it might be necessary to amend the incentive scheme.
22. Officers have held informal discussions with contacts within the private lettings sector and have had positive feedback that the scheme would be well received.

Table A. Initial proposed payment to landlords. Payments increase with size of home. Larger homes have a bigger gap between Local Housing Allowance and market rents as shown in figure D.

Number of bedrooms	Market rent incentive	LHA rate incentive
1 Bedroom	£1140	£2280
2 Bedroom	£1300	£2600
3 Bedroom	£1350	£2750
4 Bedroom	£1410	£2820

Table B. Top-up payment proposal following initial 6-month tenancy (at market rent).

Number of bedrooms	Monthly rolling	6-month tenancy	12-month tenancy
1 Bedroom	£570	£1140	£1710
2 Bedroom	£650	£1300	£1950
3 Bedroom	£675	£1350	£2025
4 Bedroom	£705	£1410	£2115

Table C. Top-up payment proposal following initial 6-month tenancy (at Local Housing Allowance rent rate)

Number of bedrooms	Monthly rolling	6-month tenancy	12-month tenancy
1 Bedroom	£1140	£2280	£3420
2 Bedroom	£1300	£2600	£3900
3 Bedroom	£1375	£2750	£4125
4 Bedroom	£1410	£2820	£4230

Table D. Current average market & LHA rent in South Cambridgeshire.

Number of bedrooms	Private rental rate	LHA rate	Difference
1 bedroom	£900	£773	£127 (14%)
2 bedroom	£1150	£848	£302 (26%)
3 bedroom	£1300	£947	£353 (27%)
4 bedroom	£1700	£1296	£404 (23%)

Options

1. To approve the Homes for Ukraine Landlord Incentive Scheme
2. To approve the Homes for Ukraine Landlord Incentive Scheme with amendments suggested by members.
3. To defer a decision to the next Cabinet meeting.
4. To reject the Homes for Ukraine Landlord Incentive Scheme.

Implications

23. In the writing of this report, taking into account financial, legal, staffing, risk, equality and diversity, climate change, and any other key issues, the following implications have been considered:-

Financial

24. The full cost of this scheme will be covered by the tariff funding that South Cambridgeshire District Council receives per Homes for Ukraine arrival, and will have no impact on any other budgets that SCDC hold. There are no implications for the funding of this scheme.

Equality and Diversity

25. An Equality Impact Assessment was completed on the Homes for Ukraine scheme, considering any potential perceived equalities issues. The assessment highlighted the potential for negative social view on the support that is being provided for Ukrainian refugees. However this support is fully funded and is necessary for the large number of Homes for Ukraine refugees in South Cambridgeshire.

Alignment with Council Priority Areas

Housing that is truly affordable for everyone to live in

26. The proposal aligns with this aspect of South Cambridgeshire District Councils business plan. The scheme will help to provide more affordable housing to refugees in the district, as it will encourage landlords to provide more properties available at a lower rental cost. There will be continuous review of uptake of the scheme and any wider impacts of the scheme on the private rented sector and homelessness applications in South Cambridgeshire.

Appendices

Appendix A: Landlord Incentive Scheme Policy

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