



Report to:	Cabinet	16 April 2024
Lead Cabinet Member:	Cllr Bill Handley, Lead Cabinet Member for Communities	
Lead Officer:	Liz Watts, Chief Executive	

Homes for Ukraine – Landlord Incentive Scheme Revision

Executive Summary

Key Decision

1. No

Recommendations

2. It is recommended that Cabinet agree the revised Homes for Ukraine Landlord Incentive Scheme policy, as set out in Appendix A.

Reasons for Recommendations

3. A Landlord Incentive Scheme was launched on 9 October 2023 to help improve access to the private rented market for guests who had been hosted under the Homes for Ukraine Scheme. Although 25 landlords have contacted the Council to find out more information since the incentive scheme was launched, only one landlord has signed up. In general, the feedback has been that the incentive package offered is not generous enough when compared to a landlord renting using their existing methods.
4. A comprehensive marketing plan for the scheme was launched, which included an online editorial in the Cambridge Independent, an advert for the scheme in the print copy of the Cambridge Independent (which ran for three editions), Google and Facebook adverts and leaflet information to every home in the district alongside the Council's residents' magazine. Due to the lack of sign-ups a review of the scheme has been deemed necessary.
5. The proposed revision to the policy will enable a much more comprehensive package to be offered to participating landlords, further increasing the number of

properties available without adding additional pressures to the social housing system.

6. The Homes for Ukraine Landlord Incentive Scheme is fully funded from the Government tariff funding provided to support guests.

Details

7. The Homes for Ukraine Landlord Incentive Scheme offers financial incentives to landlords that own properties within the district in exchange for them giving tenancies to guests who had been hosted in the area.
8. Feedback from hosts and guests had been provided that Ukrainian guests' lack of credit history in the UK was severely hindering their ability to access the private rental market. The private rental market in South Cambridgeshire is highly competitive with landlords having their choice of tenants in most cases. The scheme aimed to level the playing field for guests, so they have an equal chance of securing a property.
9. Since the incentive scheme launched, there has been over 25 enquiries from landlords who were interested. However, to date, there has only been one landlord who has signed up as, in general, landlords have not seen the package being offered as sufficient incentive and renting directly to the private market is more beneficial financially.
10. A comprehensive marketing plan, which included online Facebook and Google adverts, print adverts in the Cambridge Independent, an online editorial in Cambridge Independent and leaflets in the Council's residents' magazine that is delivered to every home in the district. The Council is collecting data on where people found out about the incentive scheme, and we know that digital marketing has generated 41,000 views of the Council's advert.
11. Given the number of views of the advert, the fact information has been sent to all homes in the district, alongside the lack of landlords signing up, and feedback received from landlords who have been in contact with the Council, a review is necessary to try and secure more homes.
12. So far, the Homes for Ukraine Moving On Team has seen 289 groups move on from hosted accommodation, with 123 finding private rental accommodation, 60 moving into social housing through the normal priority application and allocation process, and 106 have returned to Ukraine. As well as this, the team have facilitated 129 rematches to new hosts where needed.
13. There are currently 135 groups of Homes of Ukraine guests living with hosts. Although host thank you payments are now available for three years, following the latest extension by Government, a number of these groups will require support to move on to live more independently and officers have assessed that the incentive scheme is still required to support this work. A revised incentive scheme will increase the opportunity for these groups in finding private rented accommodation that is affordable. A survey has been sent to hosts and guests to help the Council

plan when guests may need help moving on. The responses to the survey so far have once again highlighted that hosts and guests are asking the Council for support accessing the private rented sector.

14. The incentive scheme is part of a wider package of measures the Council has put in place to help guests to move on to live independently. So far, £102,000 has been spent on these measures. This includes £73,000 on furniture packages to help guests with the initial cost of setting up their own home, £24,000 on rent deposits and rent in advance, and £5,000 on other support payments which includes removal costs, guarantor funding and transport. These measures align with the support the Council offers to other vulnerable residents who are at risk of homelessness.
15. The original Homes for Ukraine Landlord Incentive Scheme offered varying incentive payments which were calculated on the percentage difference between the average market rent and the Local Housing Allowance (LHA) rate for each property size. Local Housing Allowance is the maximum amount of housing benefit a private renter can claim to help pay their rent. Renting at LHA rate will mean the full rent is covered by benefits.
16. Below is a table showing the lump sum incentives provided under the agreed and current Homes for Ukraine Landlord Incentive Scheme. A higher incentive was provided for landlords willing to offer the home at LHA rate. This is due to the rent being more affordable for guests on lower incomes or benefits. The incentives were in exchange for providing the home for six months. Two further payments, at the same rates, were also offered to the landlord to provide the home for up to 18 months.

Number of bedrooms	Market rent incentive	LHA rate incentive
1 Bedroom	£1,140	£2,280
2 Bedroom	£1,300	£2,600
3 Bedroom	£1,350	£2,750
4 Bedroom	£1,410	£2,820

17. The proposed revision of the scheme has been designed following discussions with landlords who have expressed an interest but did not sign up due to the package not being enough of an incentive. The new scheme provided even more incentive to provide homes at LHA rate as they are more affordable for guests.
18. The proposed package on offer by the Council for landlords providing homes at LHA rate would be:
 - a. 6 months' LHA rate rent in advance to the landlord
 - b. A one off £1,000 thank you payment for joining the scheme – this would not be available again if the landlord provides the home for a period beyond the initial six months
 - c. An additional top up payment to the landlord to compensate them for offering the home at LHA rent, which is lower than they would receive if renting to other tenants privately (rates in table below, which are based on number of bedrooms in the home)

Number of bedrooms	Additional payment to compensate for providing home at LHA rate
1 bedroom	£1,800
2 bedroom	£2,700
3 bedroom	£3,150
4 bedroom	£3,000

19. The additional payment suggested is based on the difference between the rent a landlord could expect, on average, over a six-month period when compared to the rent paid at LHA rate.
20. The proposed package on offer by the Council for landlords providing homes at market rate would be:
- a. A one off £1,000 thank you payment for joining the scheme
 - b. One month rent paid in advance
21. Any rent paid in advance to the landlord at the LHA rate will be recouped by the Council from the tenant monthly. To support with the transition to living more independently, the Council will not recover the first month's rent from the tenant and will instead start collecting rent from the tenants from the beginning of the second month.
22. Rent in advance, and any incentive payment, will only be provided to the landlord once a signed tenancy agreement is in place and the tenant moves in.
23. Example of LHA rate incentive payment. A landlord offers a two-bed property for six months.
- a. £5,700 rent in advance paid
 - b. £2,700 payment to compensate for renting at LHA rate
 - c. £1,000 thank you payment for offering a tenancy
24. SCDC will support up to 18 months of incentive payments to a landlord with the same guest. The guest living in the home must be given the first opportunity to extend their stay by the landlord, but when a guest/s chose to move on, as their circumstances may change, the Council will offer the landlord the opportunity to remain in the scheme with a new Homes for Ukraine tenant.
25. 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.
26. If a tenant moves out during a 6-month tenancy, and at least 2-months remain, the landlord must offer the Council the opportunity to home another person/family for the rest of the 6-month period. This will not require a further thank you payment as it has already been paid.
27. There is no impact on the Council's general fund as the Landlord Incentive 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 available to allocate to this scheme.

28. 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.

Options

1. Cabinet agree the revised Landlord Incentive Scheme policy as set out in Appendix A (recommended option).
2. Cabinet agree the revised Homes for Ukraine Landlord Incentive Scheme as set out in appendix A, but with revisions.
3. Cabinet defers a decision to the next Cabinet meeting and provide advice on what additional information is required.
4. To reject the Homes for Ukraine Landlord Incentive Scheme revision and retain the current policy.
5. End the Homes for Ukraine Landlord Incentive Scheme entirely.

Implications

29. 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 and Fraud Risk.

30. The full cost of this scheme can be covered by the tariff funding that South Cambridgeshire District Council receives for each 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.
31. There is the risk that Homes for Ukraine guests will default on their agreement with the Council to pay back the monthly rent that the Council has paid in advance to the landlord. There are existing procedures within the Revenues department to support people to ensure payments are made. And where necessary, to aid in the collection of any unpaid monies owed to SCDC. This risk must be balanced against the increased risk of more homelessness applications if sufficient affordable accommodation cannot be found for guests moving on.

Legal

32. A legal agreement is required between SCDC and the tenant to ensure the rent paid upfront to the landlord is recovered monthly. The Council already provides this type of support to other residents who are at risk of homelessness and therefore the same pre-approved agreement will be used. The process to sign up landlords to the scheme includes a declaration that they will provide the home for a minimum of six months. The process also clarifies the incentive payments in each case. The declaration by the landlord allows the Council to use the property for the full six months, even if the tenant vacates it early.

Staffing

33. A fully resourced Moving On Team is in place to support Homes for Ukraine guests. The team includes Ukrainian speaking nationals. This team will administer this scheme and no additional resources are required. The team is funded from the Government tariff.

Risks/Opportunities

34. There are a significant number of Homes for Ukraine guests that have been living with their hosts for some time. Without sufficient support into independent accommodation, there is a risk these guests will approach SCDC as homeless. This could have knock on for the Council in trying to meet its duties to provide accommodation to vulnerable people and could increase pressure on social housing.

Equality and Diversity

35. 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 Homes for Ukraine guests. However, the assessment also saw this as a scheme that provides equal access to homes.

Alignment with Council Priority Areas

Housing that is truly affordable for everyone to live in

36. The proposal aligns with this aspect of South Cambridgeshire District Council's business plan. The scheme will help to provide more affordable housing to Homes for Ukraine guests who are moving on. 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 proposed policy

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