

Report of **Head of Housing Partnerships and Housing Growth**

Report to **Director, Environment and Neighbourhoods**

Date: **31st July 2015**

Subject: **Approval of continued funding to Unipol Student Homes**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

Unipol Student Homes is a national charity, established in 1975, that focuses on improving the provision of student housing, improving standards and promoting the extension of good practices throughout the private rented sector. In Leeds, Unipol engages with over 400 landlords and supports over 14,500 tenants living in off-street properties. As Unipol is a registered charity it operates on a not for profit basis and all monies received are invested back into the organisation.

Unipol and the Council have worked together over a number of years to develop and improve service delivery standards and amenity provisions in private sector housing. Extensive partnership working has resulted in collaboration and successfully developing both the Unipol Code of Standards that is specific to the large student sector in the city, and the Leeds Landlord Accreditation Scheme (LLAS) that supports that role and also helps regulate the wider private rented sector in Leeds.

The Council has long recognised the key role that Unipol plays in the private rented sector, particularly regarding the direct impact on provision of quality student housing, and has for many years provided financial assistance via a voluntary grant of £10K per annum to support their functions.

The £10K funding will provide opportunity for Unipol to enhance their existing engagement with landlords and agents across the city and allow partnership working with the Council in addressing property standards in the sector.

An agreement to support Unipol for 3 years was approved in August 2012 to cover the period up to 2015. This report seeks support for the continuation of this funding based on the provision of an agreed business plan for Unipol that will further enhance the private sector, improve partnership working and confirming value for money for the Council.

Recommendations

1. That the Director notes the contents of this report.
2. That the Director approves the request to continue a voluntary grant of £10K per annum for a three year period covering 2015 to 2018 to Unipol Student Homes to be used to support initiatives in the private rented sector in accordance with an agreed business plan.

1. Purpose of this report

- 1.1 This report establishes the contribution that Unipol Student Homes make towards the regulation and support of the private rented sector.
- 1.2 The report recognises their input in regards to increased accreditation, with the emphasis on the student market and contribution to quality, affordable housing and raising overall property standards across the sector.
- 1.3 The report identifies opportunities for closer working between Unipol and the Council and supports the request for financial assistance to Unipol amounting to £10K per annum for a three year period to support this work.

2 Background information

- 2.1 Unipol and the City Council continue to work closely on a range of issues and this has resulted in Unipol contributing to the development and implementation of housing strategies for the private sector as well as providing a direct link to the growing student sector via the Unipol Code of Standards accreditation scheme.
- 2.2 This report is produced as a result of a bid from Unipol for continued financial assistance from the Council to support the ongoing provision and growth of the Unipol Code of Standards (Cos).
- 2.3 The main aim of the CoS is to provide quality accommodation for a wide range of students intending to live in Leeds and to raise management standards in off-street properties. The CoS has seen annual growth since it's inception and now covers over 14,500 tenants in Leeds with over 400 separate landlords signed up to the code.
- 2.4 The CoS works in partnership with the Council's own Leeds Landlord Accreditation Scheme (LLAS) to provide quality, well managed

accommodation for students and vulnerable tenants and increases the level of accreditation across the city.

- 2.5 The cost of operating the CoS element of the Unipol service has traditionally been shared between Unipol and the Universities in Leeds with an additional contribution from the City Council.

3 Main issues

- 3.1 In order to determine this funding request it is appropriate to consider the operation of the CoS in line with the overall objectives of Unipol.
- 3.2 Unipol has recently completed a review of its services and produced a main strategic document that will guide its development. This strategy document outlines the charities priorities and is summarised below:

As part of its mission Unipol has four main strands to its services:

- ✓ It provides details of private rented properties in the student sector, displaying properties honestly and comparably together with benchmarking the standards of those properties. It ensures that student users of its services (the websites and the advice services) have real choices and that they are able to select good quality properties with confidence and knowledge. This will be particularly important as Leeds moves into an increasing student housing surplus, enabling the poorer quality stock to leave the market and encouraging better landlords to continue investing
 - ✓ It provides direct affordable housing to students in Leeds. It houses all types of students but has a particular emphasis of those who the private sector do not house, particularly those with special housing needs and especially those with families.
 - ✓ It runs a number of accreditation schemes which aim to ensure that Code properties in the private sector are of a high standard, are well managed and have high levels of customer satisfaction. Its schemes are robust and are not simply paper or training based. A process of verification involved visits to properties and detailed measurement to the standards within the Codes.
 - ✓ It trains both landlords and those in the national arena on student housing issues as well as highlighting examples of good practice across the PRS.
- 3.3 The operation and expansion of the CoS and the introduction of a bespoke managing agents accreditation scheme for the sector also clearly support and compliment the objectives of the Council. It is estimated that up to 40% of the student market is managed through agents and Unipol has so far invested in excess of £40K on developing the managing agents scheme which has resulted in an additional 4,000 bed spaces being covered by accreditation standards.

- 3.4 Closer working arrangements between the Council and Unipol whereby Unipol provide access to their extensive inspection and property database (currently this represents in excess of 1,500 properties) to the Council will significantly reduce resource implications for the Council in this market sector. Unipol propose to undertake all compliance inspections and initial service requests on behalf of the Council in respect of student properties under their code.
- 3.5 It is estimated that arrangements as discussed above and where Unipol take responsibility for all initial complaints and inspections of properties under their scheme could “free up” the equivalent of at least 0.5 FTE member of the Housing Regulation Team. In essence, including on costs, this would produce a potential saving to the Council of approximately £20K per annum.
- 3.6 Furthermore, the benefits of such joint working will allow Council staffing and resources to be better utilised in targeting poorer quality housing and under performing landlords across more deprived areas of the city.
- 3.7 An additional benefit of partnership working has been demonstrated by Unipol commissioning a detailed research of Housing Needs Assessment in North West Leeds where the findings have been shared with the Council and will help inform our future housing strategies in that area of the city. This was a key recommendation of the Health and Wellbeing Scrutiny Board Inquiry into the Private Rented Sector.
- 3.8 In addition to the accreditation work, Unipol is also a recognised housing supplier and is currently developing its property portfolio by:

Leeds City Council Leased Off-Street Houses - arrangements took place between Unipol and Leeds City Council in respect of leasing properties that will see significant investment in upgrades over the next three years with a further investment over a 10 year period to raise these properties well above the decent homes threshold.

Unipol, in improving and maintaining its property portfolio, expends a further £1 million annually on works and goods. Although it is vital that the organisation receives best value for money in procuring these, Unipol has established a policy stressing the importance of using local traders and workers as part of delivering a value based and sustainable procurement process ensuring much of this funding is returned to the local economy.

- 3.9 It should be noted that whilst the above initiatives are welcomed, Unipol do receive an element of financial support from the Council in this respect via subsidised rent levels on leased properties.
- 3.10 The level of funding requested by Unipol (£10K per annum) to continue to operate and enhance the CoS remains at the same level that support commenced in 2006.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 This funding request has been consulted upon by colleagues across the service and has received support in principle.
- 4.1.2 Unipol remain a key partner for the Council and actively participate in key delivery groups including the Private Rented Sector Housing Forum.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 There is a direct link between the quality of housing and the health of residents. Therefore, support of this request, which will enhance accreditation in the student sector and allow better allocation of council resources to the more deprived areas of the city, will have a positive impact on Equality and Diversity / Cohesion and integration. The Housing Regulation team already operates within an equality framework procedure and the resulting actions will be subject to the usual screening.

4.3 Council policies and City Priorities

- 4.3.1 The quality and standards of accommodation within the Private Rented Sector represents a key Council priority and contributes towards the Council's aims and aspirations of making Leeds the best City in the UK and providing decent and energy efficient homes.
- 4.3.2 The provision of £10K financial support to Unipol will allow them to help the Council realise its ambition of raising standards across the student market and beyond. This will be achieved by an increase in the number of property inspections they undertake and the education of landlords and agents in the city.

4.4 Resources and value for money

- 4.4.1 The opportunity to take advantage of inspections and investigations undertaken by Unipol staff will enable Council resources to be allocated to other priority work and represents excellent value for money for the Council.
- 4.4.2 The closer working practices are likely to produce potential efficiencies equivalent to 0.5 FTE member of staff. This is a projected "saving" on staffing resources of at least £20K per annum and therefore represents excellent value for money for the Council.

4.4.3 The data sharing agreement is in line with Council data protection requirements and represents no financial implications for the Council.

4.5 **Legal Implications, Access to Information and Call In**

4.5.1 There are no legal implications raised by this report.

4.6 **Risk Management**

4.6.1 There are no risk management issues.

5 Conclusions

5.1.1 The private rented sector in Leeds represents at least 18% of the housing stock (Housing census 2011) and continues to expand rapidly. Some of the most vulnerable households in Leeds live in the private rented sector.

5.1.2 The ongoing partnership working between both parties has resulted in Unipol making a significant contribution to key Council policies and strategies. This has been demonstrated through their direct input to leasing miscellaneous properties and returning empty properties back into use. Furthermore, Unipol have recently commissioned R'New to produce a key research document on Housing Needs in North West Leeds that will assist the Council and its partners determine appropriate housing strategies for this area of the city. This was a major recommendation of the Scrutiny Inquiry into the Private Rented Sector and has provided detailed intelligence to the Council on housing needs and future trends.

5.1.3 The continuation of funding to Unipol will allow them to maintain and increase their inspection and complaint investigation services and help improve student property standards.

5.1.4 The proposed extension of the collaborative and partnership working arrangements with Unipol will effectively release more resources from the private sector teams to concentrate efforts on the more deprived areas of the city and contribute to the locality working principles.

5.1.5 Joint working with Unipol will also help increase the role of accreditation and promote self regulation in the private sector allowing the authority to target its limited resources on specific areas of concern.

5.1.6 Officers believe that the funding request of £10K per annum to support the Unipol Code of Standards is in line with the Councils objectives and represents value for money.

6 Recommendations

- 6.1 That the Director notes the contents of this report.
- 6.2 That the Director approves the request to provide a voluntary grant of £10K per annum for a three year period covering 2015 to 2018 to Unipol Student Homes to be used to support initiatives in the private rented sector in accordance with an agreed business plan.

7 Background documents¹

- 7.1 Equality, Diversity, Cohesion and Integration screening document.

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.