

People Scrutiny Commission

27 February 2020



Report of: Director of Adult Care

Title: Housing payments made under the Vulnerable Person's Resettlement Scheme and the Global Resettlement Scheme

Ward: All Wards

Officer Presenting Report: Anne James- Commissioning Manager - Refugees
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Recommendation: For People Scrutiny to consider the financial information in the report and to support Bristol City Council continuing to resettle refugees from 2020 as part of the new Global resettlement Scheme.

The significant issues in the report are: The purpose of the report is to comply with financial regulations. The Bristol City Council Vulnerable Person's Resettlement Scheme began in January 2016 and will resettle 80 refugee families by March 2020. This report details the housing costs for the scheme since 2016 where the costs have exceeded £500k.

The report also introduces the new Global Resettlement Scheme which will replace the Vulnerable Person's Resettlement Scheme and the report recommends Bristol City Council supports this scheme and aims to support 20 families in the first year. The value of the GRS will be £2,052,000.



1. Summary

- Spend to date on rental payments to 69 landlords supported by the inhouse team and 20 Home Turf Lettings landlords exceeds £500k
- A new 5 year contract needs to be procured inviting banks to manage the rental payments. The gross rental value exceeds £5m over 5 years although the contract value will be around £116k
- The Government has introduced a new Global Resettlement Scheme (GRS). Payments and terms are the same as for the Vulnerable Person's Resettlement Scheme (VPRS). The recommendation is for BCC to pledge to resettle 20 families in the first year of the GRS. Income generated from the GRS will exceed £2m.

2. Context

Evidence Base:

The Bristol City Council Syrian Resettlement Team delivers the Vulnerable Person's Resettlement Scheme (VPRS) on behalf of the Home Office. The Home Office fully fund the programme and aim to resettle 23,000 people under the scheme by December 2019, with the target for Bristol being 400 people. The Home Office fund the local authority £20,520 per person who is resettled under the scheme, the funding is allocated to the local authority on a tapered basis over 5 years from the date of the family's arrival in the UK. The scheme will end in April 2020 and a new Global Resettlement Scheme will run for one year. The terms and conditions are the same as for the Vulnerable Person's Resettlement Scheme.

The first family under the VPRS scheme arrived on 23rd March 2016 and it is likely the last family may not arrive until March 2020. As a result the funding period of the VPRS scheme is March 2016 to March 2025. This report covers both the housing costs for the property assigned to families to date under the scheme and the anticipated housing costs until the completion of the VPRS scheme and the management fee associated with payments of rent to landlords, receipt of any benefits due to tenants and rent paid by tenants.

This report relates to two contracts, one with Home Turf Lettings and one with Bristol Credit Union.

- Home Turf Lettings act as a managing agent for originally 20 and now 13 landlords who supply homes too refugees on the Vulnerable Person's resettlement Scheme.
- The Bristol Credit Union are enabling payment of rents for 68 properties where BCC is acting as the managing agent itself.

Although they are separate contracts they are tied together as they provide accommodation for a single service. The funding being spent with both organisations exceeds £500k.

Property Identification and Letting

To identify suitable properties to resettle families and provide a letting management service, Home Turf Lettings (HTL) were engaged. Through the period of January 2016 to August 2017 Home Turf Letting worked with BCC to identify properties. Over the period, 20 properties were identified and families were successfully moved into these properties. From August 2017 onwards the identification of properties and lettings management was brought in house, with rental payments to landlords handled by Bristol Credit Union.

Payments to date

Between January 2016 and August 2017, Home Turf Lettings sourced 20 properties for the VPRS. In total £551,960 has been paid to Home Turf Lettings from the VPRS budget from commencement of the scheme in January 2016 until end January 2020. This is a net amount after accounting for any rent paid by tenants and benefits received by tenants. The sum paid also accounts for a management fee of 30% on gross rental value paid to HTL to cover sourcing properties, managing properties on behalf of landlords, providing a repairs service to tenants and to administer rents.

In September 2017, the VPRS Programme Board agreed to bring the sourcing and management of properties, together with management of tenancies in-house to reduce the future costs. The fee paid to HTL amounted to 30% of gross rental value where an in-house service has been delivered at a lower cost. This means that Home Turf Lettings would continue to manage the 20 properties it has sourced but any new properties would be sourced by the in-house Syrian Resettlement Team with the management of rental payments to landlords, rent received and benefits handled by Bristol Credit Union (BCU). As at August 2019 the in-house team has sourced Private Rented Sector (PRS) properties and Bristol credit union is managing 82 tenant accounts and 68 landlord accounts. Payments from BCC to BCU total £431,928 from January 2018 – January 2020.

Future Payments from January 2020 -2025

The contract with HTL is currently being decommissioned to ensure there are no long term liabilities. Six landlords have given notice to quit on their properties and tenants are moving into properties managed by the inhouse team or by Housing services. Currently HTL manage 14 properties on behalf of the BCC Syrian Resettlement Team. Firm arrangements are being made for the future of these 14 properties to remove residual risks and to ensure stability for these refugee families. Eleven of the properties are being transferred to the in-house resettlement team on a phased basis between January and May 2020 and HTL will negotiate for a direct tenancy with the landlord for the other three families/properties. This needs to be a managed process so that landlords allow for all tenancies to be maintained (ie for the vulnerable families to be able to stay in their private rented accommodation and not suffer disruption). It is anticipated there will be a further payment to HTL of up to £58k to conclude the contract. The decommissioning arrangement aims to minimise the risk to vulnerable families by offering a service from the in-house team which is similar to the service to landlords which is offered by HTL. Any residual financial risks to HTL or BCC have been anticipated and a new contract and terms and conditions have been agreed with HTL.

There is a risk that one or more landlords may not take up this offer from the in-house team and may choose to give a refugee family notice to leave the property. If this happens the landlord needs to give six months' notice and therefore there may be some further costs beyond May 2020 for tenancies affected in this way. A protocol will be agreed with representatives from the VPRS families, the BCC Homeless Team, a tenant organisation such as ACORN or Shelter and the BCC Syrian Resettlement Team to encourage tenants to accept move on accommodation offered by the BCC Syrian Resettlement Team and minimise pressure on homeless services.

The in-house VPRS scheme is currently renting 69 properties and with the remaining 11 HTL managed properties due to transfer to the in-house team by May 2020. From May 2020 the in-house team will be managing 79 homes with a monthly gross rental cost for these properties of £70,273. The average cost of monthly rent for properties on the scheme is £900 pm. From April 2021 families will be leaving the scheme and so the number of houses and rental costs will taper.

The number of properties rented through the VPRS/GRS

	2019/20	2020/21	2021/22	2022/23	2023/4	2024/5
Number of VPRS families supported	80	80	80	66	55	24
Number of GRS families		20	20	20	20	20
Number of properties needed by the scheme	80	100	100	86	75	44
Monthly Rental costs @ £900 per property	£72,000	£90,000	£90,000	£77,400	£67,500	£39,600
Annual rental costs	£864,000	£1,080,00	£1,080,000	£928,800	£810,000	£475,200
Monthly management fee	£16,00	£2,000	£2,000	£1,720	£1500	£880
Annual Management Fee	£19,200	£24,000	£24,000	£20,640	£18,000	£10,560

Accommodation costs (rental payments) are exempt from procurement rules, and so it is only the management fee /commission which is included in the contract value. However it is important for Scrutiny to note the value of the accommodation costs because these exceed £500k. We estimate 60% of rental costs will be met by tenant contributions as a minimum.

The gross rental value of the scheme is £5,238,000. If 60% of the rental costs are collected by the provider from tenant contributions then the net cost of the accommodation costs are £2,095,200.

We currently pay £20 per rental account per month and an initial £50 set up fee. The cost of administrating 79 landlord accounts and 89 tenant accounts is £1,600 . The management costs for the scheme will therefore be in the region of £116,400.

Future of the scheme

The VPRS is run by the Home Office and BCC is contracted to deliver the local scheme. Bristol aimed to resettled 400 refugees by April 2020. We can confirm that BCC will resettle 379 individuals under the Home Office VPRS and Vulnerable Children’s Scheme. In addition two local Community Sponsorship Groups have resettled 10 refugees under the VPRS and so the total number of refugees resettled will be 389 and so we are likely to narrowly miss this ambitious target.

Home office feedback to date is that the Bristol Team have resettled some of the most complex and vulnerable families in the South of England and the Home Office is very pleased with the Bristol welcome that refugee families have received. Also the BCC Syrian Resettlement Team was a runner up for the Local Authority of the year in the Citizens UK Community Sponsorship Awards 2019 and so the council’s good work with the local community and faith sector to create a warm welcome to refugee families has also been recognised.

Whilst the current Vulnerable Person’s Resettlement Scheme closes to new arrivals in the new year, the Government has announced its new Global Resettlement Scheme will launch in April 2020. The

Government is asking Local Authorities to pledge to receive refugees under the new scheme. The scheme will run for one year but the Government will consider extending this and an announcement will be made in the Comprehensive Spending Review in Autumn 2020.

Under the VPRS, Bristol resettled 20 families per annum and we would like to pledge to continue to resettle 20 families per year under the GRS. Home Office funding is the same as for the VPRS and expenditure will be similar and we are confident we can provide a quality resettlement experience within the funding offered by the Home Office

3. Policy

Bristol became a City of Sanctuary, endorsed by the Council in 2010 and the Vulnerable Person's Scheme is part of delivering on this aspiration. It is also a key element of the delivery of the new Refugee and Asylum Seeker Strategy, Inclusive Cities, AMIF volunteering with young migrants and the One City Approach (to migration). BCC has a commitment to resettle 100 refugee families under the VPRS by 2020.

4. Consultation

a) Internal

Cllr Craig Cheney Deputy Mayor with responsibility for Finance, Governance and Performance,
 Councillor Helen Holland, Scrutiny Member for Adult Social Care
 Denise Murray Service Director – Finance
 The Syrian Resettlement Partnership Board
 EDM People – 5 February 2020

b) External

The Bristol Credit Union and Home Turf Lettings.

5. Public Sector Equality Duties

- 5a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
 - ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;

- take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
 - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
- tackle prejudice; and
 - promote understanding.

5b) The Vulnerable Persons' resettlement scheme prioritises disabled people and people who have experienced gender based violence and women who are vulnerable on account of their gender. Therefore the scheme has many benefits for people with protected characteristics. All recipients are from BAME communities and all have significant levels of poverty as refugees having fled the Syrian war.

The Chief Inspector for Borders and Immigration published An Inspection of the Vulnerable Persons Resettlement Scheme August 2017 – January 2018 which found *The Home Office's Risk Register identified changes to welfare benefits since the Scheme was expanded as a risk to the delivery of 20,000 refugees, and senior managers also cited this to inspectors. In their response to the online survey, 12 local authorities reported that the Benefits Cap was acting as a disincentive to them offering larger properties for resettled refugees, as families of 5 and 6 found it impossible to manage on the capped income. Local authorities stated that they would take families of 6 only if there was "a strong likelihood of accessing disability-related benefits", as they "did not wish to see families brought to the UK to live in poverty."*

The Bristol Resettlement Scheme does accommodate larger families and the financial modelling indicates that larger families are more financially beneficial than working with smaller families and so this does not provide a risk for the local scheme. However it does mean the scheme may subsidise rents for people who live with the benefit cap whilst awaiting for a family member to work over 24 hours or whilst waiting for decisions on disability related benefits. Therefore the scheme does provide a haven for larger families which are more common in the Middle East and North Africa and this is an additional positive benefit specific to the rent arrangements in Bristol.

Appendices:

None

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

None