

**Manchester City Council
Report for Information**

Report to: Neighbourhoods and the Environment Scrutiny Committee – 19 June 2019

Subject: Update on the work of the Section 21 team based within the Housing Solutions Team

Report of: Director of Adult Services

Summary

This report provides an update on the work of the newly created team in the Housing Solutions Service, whose role is to specifically focus upon supporting people who receive a Section 21 notice from their landlord to leave the accommodation.

Recommendations

Members are invited to consider and comment on the information contained within this report.

Wards Affected: All

Alignment to the Our Manchester Strategy Outcomes (if applicable):

Manchester Strategy outcomes	Summary of how this report aligns to the OMS
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Helping people to stay in their accommodation through prevention work will help them to thrive. Reducing the number of people who are homeless, or placing them in appropriate accommodation with help to access employment and learning opportunities will contribute to Manchester become a thriving and sustainable city.
A highly skilled city: world class and home grown talent sustaining the city's economic success	
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Helping families remain in their accommodation will ensure that children are not moved from schools or travelling distances to attend. This will improve standards and attainment levels.
A liveable and low carbon city: a destination of choice to live, visit,	Helping people to remain in their locality will reduce the amount of travelling that will occur if they have

work	to move into homeless accommodation.
A connected city: world class infrastructure and connectivity to drive growth	

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Neighbourhoods and the Environment Scrutiny Committee – Wednesday 5 September 2018 - Update on the work to tackle homelessness and rough sleeping

Health Scrutiny Committee – 4 December 2018 - Homelessness Business Planning: 2019/20

Neighbourhoods and the Environment Scrutiny Committee - Wednesday 6 February 2019 - Homelessness Business Plan 2019 - 2020

Executive Meeting - Wednesday 30 May 2018 - Executive Priorities 2018/19

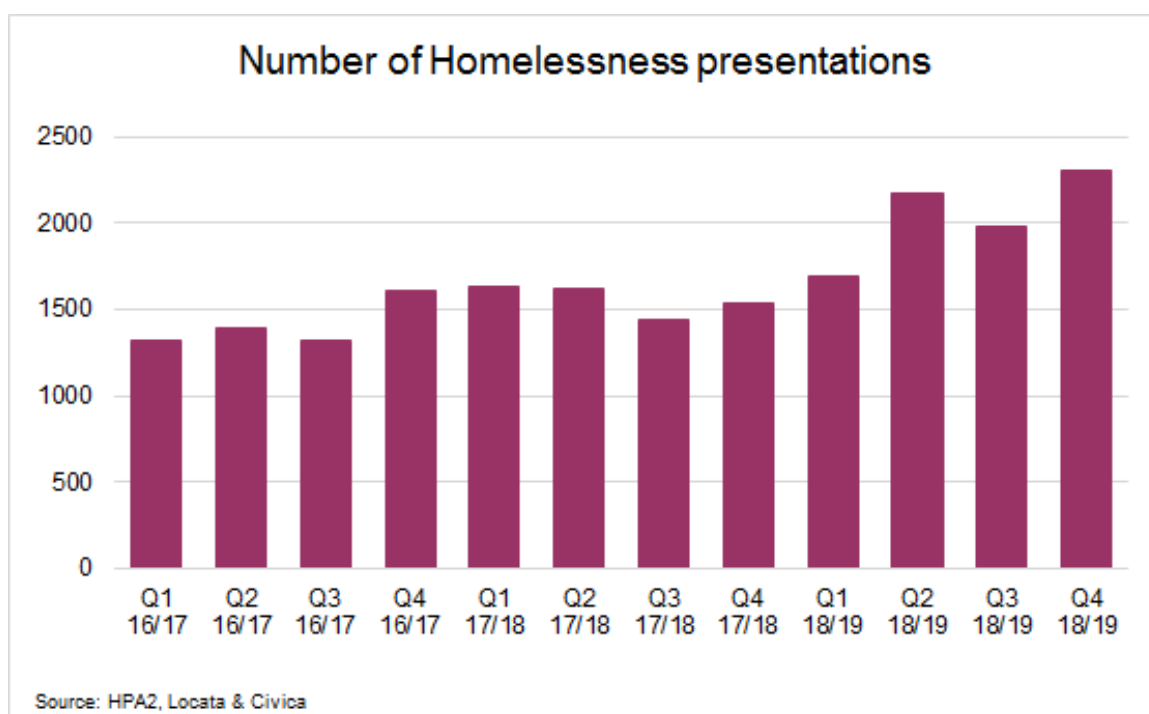
Neighbourhoods and the Environment Scrutiny Committee – Wednesday 6 March 2019 - Update on Homelessness and Housing

1.0 Introduction

- 1.1 This report is further to the update on homelessness that went to the Neighbourhoods and Environment Scrutiny Committee on the 6th March 2019. In that report it was mentioned that a team had been created to focus specifically upon people who are presenting to homeless services with a Section 21 notice. Members asked if they could have more detail about this service.

2.0 Background

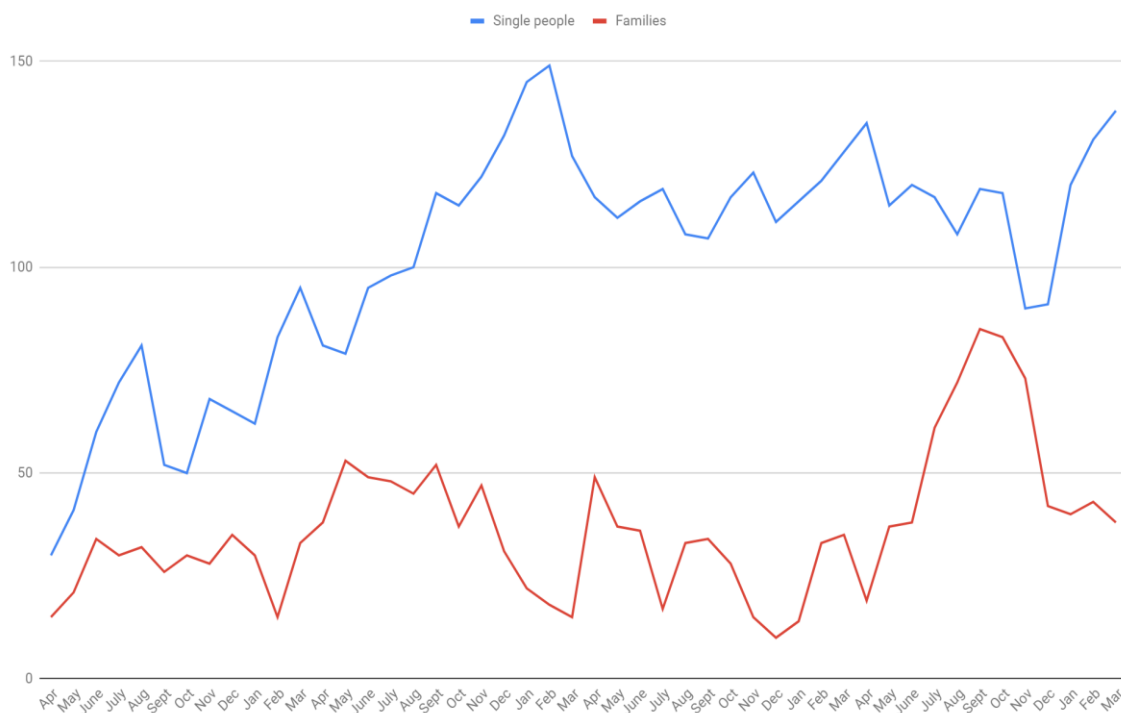
- 2.1 The number of homeless presentations in Manchester has continued to rise, in line with the national picture.



- 2.2 A significant number of people who have presented and been accepted as homeless have entered the system by having been evicted from a private tenancy. This accounts for approximately a quarter of people (23%) who were accepted as homeless in 2018/19 and overtook domestic abuse as the main cause for homelessness in 2015/16.
- 2.3 The property market in Manchester continues to be buoyant, and whilst the Council is investing in affordable housing, the number of properties that are unaffordable at the Local Housing Allowance rate continues to rise.
- 2.4 The market forces of demand outstripping supply, and the increased pressure that the Government are putting on small landlords, means that landlords will continue to ask tenants to leave either to relet the property for a higher amount, or to sell the property in the foreseeable future.

2.5 This has placed increased pressure on the emergency accommodation budget and the dispersed temporary accommodation supply.

2.6 The following table shows the emergency accommodation numbers for single people and families month by month. Figures are taken on the last day of the month.



2.7 Moving into emergency accommodation, and subsequently temporary accommodation, before permanent accommodation, can be a traumatic process for families. The Section 21 procedure has been designed to remove the emergency accommodation stage in the process, and also maximise as much time as possible to find an alternative for the family rather than them becoming homeless.

3.0 Section 21 Notices

3.1 In England and Wales, a section 21 notice, also known as a no fault notice, is the notice which a landlord must give to their tenant to begin the process to take possession of a property let on an assured shorthold tenancy. The landlord does not need to provide a reason for ending the tenancy.

3.2 Throughout the process the tenant continues to have the rights of an assured shorthold tenant and has to continue to pay rent. The notice has to follow certain rules to be valid and give the tenant at least 2 months notice.

3.3 If the tenant stays in the property beyond the date given on the notice, the landlord can apply to the court for a possession order, which they must do within 6 months of serving the tenant the Section 21 notice. The expiry of a

section 21 notice does not end the tenancy; the tenancy can only be ended by a landlord obtaining an order for possession from a court, and then having that order executed.

- 3.4 The court decides if a hearing is needed upon receiving the landlord's claim and a defence form from the tenant. The court makes a decision by looking at the papers and there is only a hearing if a Judge thinks there is something in the claim or defence that needs examining in court.
- 3.5 The court can decide to:
- Dismiss the case if the section 21 notice is not valid.
 - Order the tenant to leave if the notice is valid.
- 3.6 In Manchester there is a Court Service, which sits within the Homeless Service. They will help any tenant who is going to court through the Section 21 process as well as through other proceedings. The role of the Court Service is in section 4.0 below.
- 3.7 Many people believe that if the section 21 is invalid, then the Judge will automatically not give a possession order. Unfortunately, due to the way section 21 notices are enforced through the court by the accelerated possession procedure, there is no court hearing. This can result in wrongful possession orders being made that the court team then have to apply at court to get set aside.
- 3.8 If the case is dismissed, the landlord has to start the possession process again if they still want the tenant to leave. If the court orders the tenant to leave, it usually gives a 2 week notice, but can allow up to 6 weeks. It is normal practice for the court to request that the tenant pays the landlord's court costs as they have caused the case to go to court by not leaving. The court records its decision and any leaving date in a possession order.
- 3.9 Only bailiffs can evict people from the property, this is normally court bailiffs. Landlords can apply for private bailiffs but this is more expensive and difficult to do. If the tenant has not left the property by the date set out in the possession order made by the court, the landlord can apply to the court for bailiffs to evict the tenant. The tenant has to leave the property upon arrival of the bailiffs.

4.0 The Court Service

- 4.1 The Court Service is based in the Manchester Civil Justice Centre and is run on a combination of a drop in service and appointments.
- 4.2 The Court Service deals with people facing evictions due to mortgage or rent arrears, a private landlord seeking possession (Section 21 notices are included in this) and also when a tenant is losing their home if the landlord has not paid the mortgage.

- 4.3 An adviser at court will go through the person's case with them and then make an application to court to suspend or set aside the order and where appropriate represent them in court.
- 4.4 The Court Service can make an application to suspend right up until the moment the eviction is about to happen. As long as an application is in, then nothing will happen until a judge considers the case (which can be done on the day as an emergency application).
- 4.5 The service have made applications to suspend where the court has telephoned the bailiff outside the house to say an application as gone in and the bailiffs have had to wait until a Judge has considered the case.
- 4.6 To access the service people can just drop in but it is recommended that people make an appointment as otherwise there is no guarantee that staff will be available.

5.0 The new process for homeless applicants who present with a Section 21 notice

- 5.1 Where a household approaches the Local Authority as homeless with a section 21 notice, they are referred to the new Section 21 team. This service will assess if the Section 21 notice is valid or invalid.
- 5.2 If the notice is invalid, the team will advise the tenant and the landlord. Even if the notice is invalid they will still try to work with the tenant and landlord to prevent a repeat presentation.
- 5.3 If the notice is valid, the team will ring the landlord and try and negotiate for the tenant to remain in the accommodation. This may be possible through Discretionary Housing Payments, or other incentives, such as rental payments being made directly to the landlord rather than the tenant.
- 5.4 If the notice is valid, and the Landlord refuses to agree to keep the tenant in the property, a decision is made on whether it is suitable for the household to remain in the property until the County Court Possession date. If this is possible the Council will advise the household that because they have a valid section 21 notice they are going to be treated as homeless.
- 5.5 At this point the household will be supported by a Housing Solutions Officer until alternative accommodation can be secured or temporary accommodation is needed. As part of the homeless prevention work, a personal housing plan (PHP) will be produced and agreed by the Housing Solutions Officer and household, which will outline actions that both parties will need to complete; the PHP will be reviewed at least every 2 weeks. At this point, appropriate referrals will be made for safeguarding, to the Early Help Hub, to benefits advice or other suitable services where needs are identified.
- 5.6 As the household is effectively homeless from the date they present with a valid Section 21 notice, this decision is about increasing the length of time the

local authority can work with the household to either extend the current tenancy with a new assured shorthold tenancy or secure alternative accommodation, most likely to be in the private rented sector.

- 5.7 Unlike previously, the household will not be placed in B&B or emergency accommodation when the Section 21 notice expires but instead will wait until the date specified by a County Court Possession order, using this time to find alternative provision. To avoid any costs being incurred by the household, the Council will pay the court fee for an accelerated possession claim (which is currently £355). This will be paid from the prevention fund. By using this method, the local authority can reduce the use and expenditure of emergency B&B accommodation.
- 5.8 On the day of presentation the household will be referred by the Housing Solutions Officer to the Private Rented Sector (PRS) Team and support will begin with the household, whilst they continue to reside in the Section 21 property, to identify a different PRS property. The PRS Team will conduct an affordability assessment to ensure the household can afford a PRS tenancy and that it is sustainable.
- 5.9 Where a PRS property is identified, it is inspected by the team and checks are made on the landlord; where these checks are successful the team will negotiate any available incentives which may be required to secure the tenancy. The household will be in a position to move directly from their Section 21 address to the new private rented sector property, thereby avoiding emergency and temporary accommodation completely. This will reduce the strain and trauma of 'being homeless' to the family, whilst reducing costs to the Local Authority.
- 5.10 Where the applicant fails the affordability assessment or for another reason is not suitable for a private rented sector tenancy, the PRS Team must inform the Housing Solutions Officer.
- 5.11 A referral will be made early in the process by the Housing Solutions Officer to the Allocations Team, informing them of the potential need for dispersed accommodation. This referral will outline the temporary accommodation need for the household. Where needed, by staying in the Section 21 property for a longer period, the household will be able to go straight into dispersed accommodation and avoid B&B. The need will be confirmed to the Allocations Team by the Housing Solutions Officer, once it is clear that prevention cannot be achieved and that a private rented sector offer is not feasible.

Case study

The person did not want to remain in central Manchester. A referral was made to the private rented sector team and the person was encouraged to look for alternative private rented properties at the same time. The team investigated the eviction notice and referred to the Court Team. With the teams assistance, the customer sourced an affordable private property in

Reddish via Easy homes. The Private Rented Sector team liaised with the letting agent to sort out fees and a viewing. Person has now moved into the new property.

6.0 Outcomes from the Section 21 Team

- 6.1 Since the Section 21 team started, they have dealt with just over 300 cases (up and including 23/05/2019).
- 6.2 Of the 300 cases, 52% were found to be invalid, and so homelessness was prevented in these cases.
- 6.3 Of the valid notices:
- 43 households have been prevented through negotiation with the landlord;
 - Nine households have been rehoused directly into a PRS tenancy;
 - Five households have had DHP payments to maintain their tenancy; and
 - Two have moved into temporary accommodation, avoiding emergency accommodation, and moving directly into a dispersed property.
- 6.4 The remaining households are still at the point that they are remaining in their section 21 property and are being worked with, they may still get a private rented sector offer or be able to remain in the tenancy.
- 6.5 Of the other households who have valid section 21 notices the team will continue to work with them to try to prevent homelessness before possession is taken. This may be by reaching an agreement with the landlord, being offered alternative accommodation or if the landlord doesn't enforce the section 21 notice after 6 months that notice becomes invalid.

7.0 Financial Impact

- 7.1 Although the team has only been in place since mid-January, they are having a significant impact in reducing the growing numbers of people being placed in emergency B&B accommodation and therefore stabilising expenditure in this area. This is through prevention - keeping people in their property, and through reducing spend on Bed & Breakfast as people who need to leave their accommodation are going straight into either a permanent private rented sector tenancy or dispersed accommodation in a managed process, rather than going into emergency B&B.
- 7.2 Without the introduction of the Section 21 team the indicative additional expenditure incurred by Homelessness is estimated at £272k based on the average length of stay in B&B accommodation:
- 156 households with invalid cases have avoided going into B&B altogether for 23 days saving £196k;

- 43 Households with valid cases have avoided going into B&B altogether for 23 days and remained in their current tenancy following negotiations with the landlord saving £54k;
- 9 Households with valid cases have avoided going into B&B altogether for 23 days and rehoused directly into PRS saving £11k;
- 5 Households with valid cases have avoided going into B&B altogether for 23 days and remained in current tenancy following a DHP payment saving £6k; and
- 2 Households with valid cases have avoided going into B&B altogether for 23 days moving directly into dispersed accommodation saving £2.4k.

Case Study

A landlord had served a section 21 as the tenant had rent arrears, but the Landlord was quite happy with the tenant generally. The Section 21 team contacted the landlord and explained that the notice they had served was incorrect. In the meantime, staff applied for a Discretionary Hardship Payment, which cleared the arrears. The outcome was that the landlord was happy for the tenant to stay, as was the tenant.

8.0 Conclusion

- 8.1 Although the team have only been in place for 4 months, they are making a significant impact.
- 8.2 The outcome of this service is that more people are able to remain in their accommodation longer; are avoiding emergency accommodation; and having more opportunity to access a property in the area of their choice.