

<b>Meeting:</b>	Executive
<b>Meeting date:</b>	15 <sup>th</sup> July 2025
<b>Report of:</b>	Director of Housing & Communities
<b>Portfolio of:</b>	Executive Member of Housing, Planning and Safer Communities

## **Decision Report: Approval of Property Management Arrangements – Follow-up Report**

### **Subject of Report**

1. As reported to Executive on 22<sup>nd</sup> April 2025, YorHome is a team within Housing Services in City of York Council which operates an ethical letting agency service. It is a non-profit service that allows people who have the means to pay rent (but cannot afford expensive upfront costs) to access the private rented sector. YorHome manage 86 tenancies in 54 properties located in and around York and arrange accommodation for people at risk of homelessness. All tenants are referred to YorHome through the Housing Options Team and the Refugee Resettlement Team and current numbers of people accommodated is 165 with 18 tenants waiting to move in.
2. At the Executive meeting in April the following recommendations were approved in relation to the management agreement that required ratification and rectification, with the Executive Members requesting the additional recommendation (IV):

Resolved:

- I. To ratify the management agreement entered into in late 2024;
- II. To approve the preparation of revised documentation in respect of the management of the property and licences to occupy;

- III. To delegate authority to the Director of Housing and Communities (in consultation with the Director of Governance) to take such steps as are necessary to agree and complete the resulting documents.
  - IV. To propose for the purpose of transparency and accountability that a report is prepared for the Audit and Governance Committee to consider any process issues raised or identified.
3. Following a review of the existing YorHome arrangements this report outlines the need to rectify a number of further arrangements set out in the Exempt Annex B and the need to deliver workable and responsive decision-making processes in line with Council standing orders. Legal Services have reviewed all other YorHome agreements and so the attached Annex B contains the complete set of required changes, with risks and implications set out in Exempt Annex A.
  4. Executive is asked to approve proposals for delegated actions should any further matters arise from those reviews. This will ensure that responsive activity can take place to rectify and secure tenancies quickly for those most at risk of homelessness in the City.
  5. The recommendations in this report seek the ratification of a number of further management agreements entered into prior to April 2025, seeks approval for the preparation of revised documentation in respect of the management of the properties along with licences to occupy granted to the occupants, and delegates authority to the Director of Governance, in consultation with the Director of Housing and Communities to conclude such documentation. In addition, the recommendations look to securing workable and responsible arrangements for the future YorHome operations.

## **Benefits and Challenges**

6. The key benefits of the report are:
  - Helping to meet the challenges set out in the Homelessness and Roughsleeping Strategy 2024-2029;
  - Releasing tenancies in an improved condition; and
  - Reducing risk for landlords and tenants and providing safe and secure homes.

## Policy Basis for Decision

7. The council has adopted the Homelessness and Roughsleeping Strategy 2024-29. The activity undertaken by the YorHome Team ensures that there is a constant supply of affordable private sector accommodation which contributes to meeting the Council's objective to ensure that the Strategy aims to build on existing successes and partnerships to make homelessness *rare, brief and non-recurring*.
8. As part of homelessness prevention, UK government provides funding for refugee resettlement through various schemes, including the UK Resettlement Scheme (UKRS) and the Afghan Citizens Resettlement Scheme (ACRS) and others. Funding is allocated to local authorities, healthcare providers, and community sponsors to support refugees during their resettlement period. This funding covers costs like transitional accommodation, case working, healthcare, and education.
9. In light of the above the Council's Core Commitments clear contribution to **Affordability; Equalities and Human Rights**; and **Health Inequalities** are met by this work and the direct impacts are outlined in the implications section of this report.

## Financial Strategy Implications

10. The government has recognised that there are costs to Local Government in supporting those impacted by homelessness from both the United Kingdom and wider afield. There are a number of funding schemes available to the Council in ensuring these costs do not cause significant burden on the Council's housing budgets. These include Homelessness Prevention Grant, UK Resettlement Scheme, Afghan Citizens Resettlement Scheme, Home for Ukraine Grant amongst others. The majority of costs will be funded from rents received from the tenants. Any upfront costs relating to voids, fees and eligible repairs are to be funded from the resettlement schemes outlined above.

## Recommendation and Reasons

11. The Executive is asked to agree:

- a. To ratify the leases which were inadvertently entered into as outlined in the Exempt Annex B, Table 1;
- b. To approve the preparation of revised documentation in respect of the management and occupation of the properties listed in the Exempt Annex B, Table 1;
- c. To delegate authority to the Director of Governance, in consultation with the Director of Housing and Communities, to take such steps as are necessary to agree and complete the resulting documents;
- d. To ratify the leases entered into as outlined in the Exempt Annex B, Table 2;
- e. To delegate authority for the development of a robust but responsive future decision-making process for property management arrangements, up to the value of £500k, in relation to YorHome to the Director of Governance in consultation with the Director of Finance and Director of Housing and Communities, and the Executive Member for Housing, Planning and Safer Communities.

*Reason:* To ensure appropriate arrangements and documentation are in place in respect of Yorhome managed properties for the current occupiers and new tenants in future.

## Background

12. As described in the opening paragraphs YorHome is a team within Housing Services in City of York Council which operates an ethical letting agency service.

13. The YorHome operating model is based on the following approach:

- All tenants are referred to YorHome through City of York Council housing departments, which includes the Housing Options Team and the Refugee Resettlement Team.

- Prospective tenants are matched with a suitable property; or a suitable property is matched to a suitable tenant.
  - The team match the tenant and property by completing a financial assessment, as well as looking at the tenants' personal circumstances. This is to assess affordability and sustainability of any tenancy.
  - They assist the tenant in the administrative process when moving from either temporary accommodation, dispersal hotels, or from overseas camps into permanent accommodation.
  - This can include, but is not limited to, receipt of relevant benefits, setting up council tax, utilities, and applying for discretionary payments and housing grants.
14. YorHome works alongside several York homelessness charities and organisations including City of Sanctuary, Refugee Action York, Refugee Council and Migration Yorkshire.
15. The current financial model is as follows:
- A full Management Package for management of properties and tenancies charged at a % rate. Staff are kept up to date with changes in legislation and helping landlords remain compliant.
  - Out of Hours contact is available via the CYC Be Independent service for Emergencies.
  - Landlords can sign up for a 2 year minimum period to access potential resettlement schemes and associated government funding which can secure upfront periods of guaranteed rent plus repairs/improvements to bring homes up to an acceptable liveable standard.
  - The team assist tenants with Housing Benefit and Universal Credit claims, maintaining strong relationships with the DWP and Benefits team at CYC. The rents are generally lower or at the Local Housing Allowance (LHA) rate which are used to work out Housing Benefit/Universal Credit housing element amounts to support the payment of the rents. Some of the tenants are in full or part time work.
  - Where there is an agreement which includes 12 +months' rent for the landlord from resettlement funding, the tenant is responsible for paying the full rent from the moment they move

in. They pay this to YorHome for the 12-month period. The tenant is not given a rent free period so that they experience managing their finances and the property is affordable for them from the outset. After 12 months, the tenant will continue to be responsible for the full rental amount, however by then the Team will have spent a full year working with them to ensure that they pay regularly to reduce any risk to the landlord of the tenant defaulting on the rent.

### **The properties and changes required:**

16. Details of the previous decision taken by Executive in April 2025 are outlined in the introductory paragraphs of this report and are available to review in the background documents.
17. Arising from further work to understand the extent of further similar issues - details of further properties and the associated matters are contained in the Exempt Annex B.

### **Assurances and Improvement Activity**

18. In terms of actions already taken, officer delegations have been amended, all legal templates used by YorHome are being reviewed and revised, and decision-making processes and procedures will be improved and documented, with staff training as appropriate.
19. Veritau, the council's Internal Audit service, has reviewed the current work ongoing, and confirm that Legal Services have identified all the correct matters of concern. Their review will be presented to the Council's Audit and Governance committee as part of an Exempt report, to be prepared in accordance with resolution IV from the April 2025 Executive decision.
20. Councillors can be assured that the work that is taking place, culminating in this report, contains a complete record of all the arrangements of concern. Further due diligence by Legal Services has resulted in no further cases being identified.
21. A manager from outside of the service alongside Veritau will review of all key controls and processes to ensure strong governance, decision-making and due diligence is in place for all future activity. These assurances will also be brought to Audit & Governance Committee, alongside the key findings of the original audit review.
22. It has also been recognised that seeking Executive decisions routinely in a business that needs responsive and timely decision-making to secure affordable rented accommodation in the city for

those residents most in need needs to be reviewed and re-evaluated. The final recommendation therefore asks for approval for officers to determine this mechanism within the Council's procedure rules whilst ensuring there is transparency over the operations of YorHome through, for example, the Annual Housing Report.

## Consultation Analysis

23. This report seeks to ensure the council's decision-making and financial procedure rules are followed, and to ensure that technical legal changes are made to ensure safe management of tenancy arrangements in respect of this property. No consultation is necessary in respect of the content of this report.

## Options Analysis and Evidential Basis

24. The Executive can choose to accept or reject the recommendations in paragraphs 11a, 11b, 11c and 11d. The risks of rejecting the recommendations are covered in the confidential Annex A. Executive is recommended to accept the recommendations to validate the work to date.
25. The Executive can choose to reject or accept Recommendation 11e. To reject could risk the pipeline of rental homes that can be secured through YorHome unless decision making can be responsive. This will directly impact of availability of accommodation for some of our residents most at risk of homelessness. The involvement of Veritau and statutory officers will ensure that the final resolution properly sits within the Council's decision-making procedures, and that there is transparent reporting of activity. Members are recommended to accept recommendation 11e.

## Organisational Impact and Implications

26. Implications are summarised below:

- **Financial.** The council historically has operated the YorHome service by using rents collected to fund the payments due to landlords who enter the service. A management fee covers the

cost of operating and any voids. Where the service uses properties to house resettlement families, the council will use grant funding to for any rent advances, fees, voids or repairs necessary to enable properties to become available. There have been additional legal costs to support the review of the leases. It has also been identified that stamp duty was due on properties arising from the lease agreements. A property by property review of the anticipated costs and revenues is being undertaken to determine both the overall cost of the arrangements and also the most appropriate funding stream for each property. The full cost will not be known into the completion of the work. This will however be reported to Executive through the regular finance and performance reports. It is not expected that there will be any impact to council tax funded budgets.

- **Human Resources (HR).** There are no direct HR implications of this report other than additional training required..
- **Legal.**
  - The Council has power to enter into the property managing arrangements and to charge to recover the costs of provision under Section 93 of the Local Government Act 2003.
  - It is necessary to rectify the arrangements that are in place in relation to the management of the properties identified in Exempt Annex B, Table 1, and the leases of the properties identified in Exempt Annex B, Table 2 to ensure the arrangements are fit for purpose and the Council is not exposed to unnecessary risk. Legal officers continue to work with the Yorhome team to identify the most effective way to document the arrangements at the properties to ensure any risk to the Council is minimised and mitigated as much as possible.
  - The use of grant funding for the initial rent payments, and possibly upfront costs relating to voids, fees and eligible repairs from the grant funding schemes referred to in the report, is in accordance with the grant funding agreements in place for those schemes.
- **Procurement.** There are no procurement implications of this report.
- **Health and Wellbeing.** Preventing homelessness is critical to public health. The health of people experiencing homelessness is significantly worse than that of the general population and poor mental and physical health is both a cause and consequence of homelessness.



- ***Environment and Climate action.*** There are no known direct implications, although improving homes may improve energy efficiency and reduce bills.
- ***Affordability.*** The report carries significant and positive implications for residents who are severely impacted by the risk of homelessness and trauma. This gives a chance of stability and recovery whilst living in an affordable home, within a city where the availability of these properties is a rare opportunity.
- ***Equalities and Human Rights,*** Given the rectifying nature of this decision and that the report does not propose changes to policy, practice, or any significant service alterations, a comprehensive Equality Impact Assessment (EqIA) has not been conducted. Careful consideration, however, has been given to potential impacts on individuals with protected characteristics and any additional support needs of the property's residents. Although time constraints prevented the consultation process required for a complete EqIA, we have balanced this against the fact that this property will provide much needed safe and secure accommodation for those facing homelessness, which necessitates making this decision promptly.
- ***Data Protection and Privacy.*** The data protection impact assessment (DPIAs) screening questions were completed for the recommendations and options in this report and as there is no personal, special categories or criminal offence data being processed to set these out, there is no requirement to complete a DPIA at this time. However, this will be reviewed following the approved recommendations and options from this report and a DPIA completed if required.
- ***Communications.*** The communications implications of this report centre around the need for clear, transparent messaging that highlights the positive outcomes of this opportunity while acknowledging and addressing any process improvements. Communications will reassure stakeholders that appropriate steps are being taken to rectify the legal and governance issues identified, including improvements to processes and staff training. Emphasis will also be placed on the broader value of the scheme, supporting the Council's Homelessness and Rough Sleeping Strategy, providing affordable and secure accommodation, and helping some of York's most vulnerable residents.
- ***Economy.*** Everyone's reasons for becoming homeless are unique however access to a home and an address they can afford and call their own, is often a significant factor. The provision of affordable accommodation to support those at risk of becoming homeless as a preventative measure can provide time and space

to get the wider support they might need and provide a secure, stable environment to maintain existing or provide a pathway to new employments.

## **Risks and Mitigations**

27. Through the establishment of required approvals and rectified legal documents this report mitigates the risks of:
- Unapproved management and associated agreements breaching the council's financial and decision-making standing orders; and
  - Potentially unlawful tenancy agreements which could lead to early eviction of tenants in already vulnerable circumstances.
28. The council is reviewing all similar and related arrangements. In terms of actions already taken officer delegations have been amended, all legal templates used by YorHome are being reviewed and revised, and decision-making processes and procedures will be improved and documented, with staff training as appropriate. This is a critical service which must be safeguarded in order to provide safe and secure tenancies for some of York's residents who are most at risk of homelessness and deprivation.

## **Wards Impacted**

All Wards

## **Contact details**

For further information please contact the authors of this Decision Report.

### **Author**

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<b>Report approved:</b>	Yes
<b>Date:</b>	04/07/2025

## Background papers

Approval of Homelessness and Roughsleeping Strategy 2024-29  
- Executive 12<sup>th</sup> December 2024:

[Agenda for Executive on Thursday, 12 December 2024, 5.30 pm](#)

Approval of Property Management Arrangements – Executive 22<sup>nd</sup> April 2025

<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=14507&Ver=4>

## Annexes

Exempt Annex A: Full report containing exempt information.

Exempt Annex B: Confidential Information Regarding YorHome Agreements requiring Approval/Rectification

## Abbreviations

ACRS	Afghan Citizens Resettlement Scheme
CYC	City of York Council
DWP	Department of Work & Pensions
EqIA	Equalities Impact Assessment
HMO	House in Multiple Occupation
HR	Human Resources
LHA	Local Housing Allowance
UK	United Kingdom
UKRS	UK Resettlement Scheme