

Item No. 18.	Classification: Open	Date: 13 December 2016	Meeting Name: Cabinet
Report title:		Resettlement of Syrian Refugee Households	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Peter John, Leader of the Council	

FOREWORD – COUNCILLOR PETER JOHN, LEADER OF THE COUNCIL

Syria is the biggest humanitarian and refugee crisis for the world to face for some time. Millions are suffering with men, women and children being displaced contributing to a large scale refugee crisis. The response from the public in Britain and around the world is overwhelmingly one of hospitality and support – extending the hand of friendship to our Syrian neighbours.

I have been unequivocal in pledging the council's support to Syrian refugees who come to Southwark. We have made the offer to the Government who have been coordinating the housing of refugees coming to the UK, but to date, the Government has not taken up our offer.

Southwark remains willing to help but with the high cost of housing in London, the Government has chosen to prioritise housing refugees away from London. We have therefore been exploring ways to make good on our commitment to resettle Syrian refugee households within Southwark, whilst minimising the impact on the already stretched council resources and the local demand for affordable housing. I am really pleased that the Salvation Army, with the support of Citizens UK have come forward with local accommodation for families. This will enable us to make a formal offer to the Government for a local authority led model using their accommodation with the ambition to rehouse five Syrian refugee households a year for the next five years.

Southwark's response will not solve the refugee crisis, or the war in Syria, but by supporting around twenty five households over the next five years we will ensure that we help to play our part in providing safe refuge to some of those most in need.

RECOMMENDATIONS

1. To agree an overall ambition to rehouse five Syrian refugee households a year for the next five years (2017-2021).
2. To instruct the Strategic Director of Housing and Modernisation to make a formal offer to the Home Office to resettle five Syrian refugee households in Southwark within the next year (phase 1). This offer would be based on the local authority led model, utilising the offer of accommodation from the Salvation Army, and support from Citizens UK.
3. To instruct the Strategic Director of Housing and Modernisation to bring a report back to cabinet at the end of 2017 on the plan for housing the phase 2 households, taking account of any changes in the housing market. This will include

identifying opportunities with our community partners where possible.

4. To instruct officers to set up a Southwark Syrian Refugee Multi Agency Working Group to:
 - Develop the formal offer to the Home Office
 - Ensure the arriving households receive the full range of support required.
5. That Members note that phase 1 of the scheme will be fully funded by central Government. There may be financial pressures for phase 2 dependent on the tenure(s) used. These are set out in paragraphs 22 to 28.

BACKGROUND INFORMATION

6. The conflict in Syria began over five years ago and continues today with no signs of imminent resolution. In September 2015 the Government declared that the UK would resettle up to 20,000 refugees during 2015 to 2020. The Leader stated that Southwark “stands ready to do whatever is necessary” to help refugees fleeing a humanitarian crisis in Syria.
7. In September 2016, the Government declared it had secured 20,000 local authority places. However the LGA (Local Government Association) website states that *“government has indicated that a local authority that has not yet pledged any places but wants to get involved can still indicate their wish to participate. This allows government to ensure new arrivals can be settled in the places that can best meet the needs of families and because the VPR (Syrian Vulnerable Person Resettlement scheme) is not the only resettlement scheme with which the support and assistance of local authorities is needed.”*
8. Across the UK around 2,800 Syrians have been resettled in the UK (as of September 2016). However these have been mainly outside London. Many London boroughs have made political commitments to resettle households but have struggled to turn this into firm places, mainly due to high private rents and significant demand for affordable housing. Islington and Camden have taken the lead to date in accepting eight households each, followed by Barnet and Lambeth with three households each. In London the accommodation has been mainly provided in the private rented sector with a growing number of properties offered through Citizens UK and other voluntary sector groups.
9. The council and our partners have been exploring ways to make good on the public commitment to resettle Syrian refugee households within Southwark, whilst minimising the impact on already stretched council resources and the significant demand for affordable housing. On the 14 November 2016, the Leader met with the Southwark Refugee Welcome Group (a group of local residents working to welcome refugees to the borough) and Southwark Citizens (an alliance of community organisations working together for the common good) which are both local branches of national organisations to discuss potential options. The Salvation Army has offered four 3-bedroom flats and one private rental property, which they confirmed at their public meeting on the 16th November 2016. Following this meeting, the Leader has indicated that the council will seek to rehouse five families a year for the next five years subject to cabinet approval and the crisis in Syria continuing.

KEY ISSUES FOR CONSIDERATION

The overall offer to the Home Office

10. The situation in Syria is a significant humanitarian crisis. Other local authorities across the country are doing their bit to help these desperate households and Southwark Council has already made a public commitment to do the same. There will be costs to the local authority in resettling households and providing support (as identified in this report), and other possible impacts on communities. However, the households who come to Southwark are likely to play a positive role in the borough in future years, through contributing to our local economy and our communities.
11. Cabinet is asked to agree recommendation one to agree the commitment to resettle five refugee households in year one (phase 1), and up to a further five households a year for the subsequent four years (phase 2).

Agreeing the appropriate model for Southwark (for phases 1 and 2)

12. All resettled refugees are granted five years humanitarian protection status and access to public funds (including Local Housing Allowance) and the labour market. The government has indicated that at the end of the five years, the households will be eligible to apply for permanent settlement in the UK. Resettled families are vulnerable people fleeing conflict.
13. In London accommodation has been mainly provided in the private rented sector with a growing number of properties offered through Citizens UK and other voluntary sector groups.
14. Under the initial local authority model the local authority receives funding for each individual resettled in the borough. Funding is tapered at £8,520 in year 1, £5,000 in year 2, £3,700 in year 3, £2,300 in year 4 and £1,000 in year 5 (£20,250 per person over 5 years including children). This funding is in addition to housing benefit (up to local housing allowance levels) and other welfare benefits. Additional funding is available for education (£4,500 for ages 5-18 and £2,250 for 3-4s). Health funding is also available but has to be claimed by the Clinical Commissioning Group (CCG). The indication from Islington Council is that this equates to around £2,600 per individual.
15. The local authority must then provide as a minimum:
 - A meet and greet service at the airport and escorted transport back
 - A resettlement service
 - One year's secure furnished accommodation in the private or social sector
 - Assistance and support in accessing welfare benefits
 - An initial welcome pack containing basic food and a cash payment of £200 per person
 - A case worker for one year, responsible for signposting and coordinating

education, employment and other integration services as set out in a “personalised support plan”.

16. The alternative model is the full community sponsorship model, which enables community groups to become directly involved, carrying out most of the activities identified above under the local authority model. In addition, they would have to provide:
 - Housing on a two year lease, which is furnished, in a proper state of structural repair, and able to meet the needs of the household. If the cost of accommodation exceeds the LHA the organisation will also be required to cover the additional cost.
 - English language tuition and employment support for the first year.
 - At least £9,000 to support a resettled family.
 - It is also not also clear whether funding would be allocated to local authorities for health and education as per the local authority model.
17. Due to the uncertainty and lower funding under the full community sponsorship model, officers are strongly of the opinion that the local authority led scheme is the best option, whilst still maximising the opportunities for joint working with our community partners. Therefore this is contained in recommendation one.

The accommodation offer

18. The highest demand across the Syrian Refugee Resettlement Scheme is from larger families for accommodation of three or more bedrooms. However it is a challenge to find private rented properties of these sizes within the Local Housing Allowance rates in London. The Home Office agreed with the UNHCR (the UN Refugee Agency) to remodel the cohort profile for London to take smaller families of 3-4 people and people with more complex needs.
19. There is an extremely high demand for affordable housing in Southwark. The borough is already experiencing difficulty in securing accommodation in the private rented sector at LHA levels. The freezing of the Local Housing Allowance for four years, and the overall capping of benefits for non working households to £23k from November 2016, will mean that it will become increasingly more difficult to find private rented properties below LHA levels. The resettled families will have the right to work, however there is no guarantee of them finding work, at least initially. Therefore the benefit cap is an important factor to model into the overall financial projections.

Phase 1

20. In November 2016 the Salvation Army generously offered to accommodate up to five households in their own accommodation portfolio. This comprises four 3-bed properties, on the edge of the Salvation Army campus in Camberwell, and a separate private rental sector property. All five properties have been offered to the council on a five year basis. Exact rents are still to be fully negotiated but are likely to be at or close to Local Housing Allowance levels. The housing costs will be covered by the LHA and the Home Office funding, so this will therefore be

cost neutral to the council. The Salvation Army has already partnered with a local hospital helping to resettle newly arriving medical practitioners, and the offered properties are included in this cluster of residential accommodation.

21. The four properties owned by the Salvation Army have been visited by the council and are of a high standard. One of the properties has been fully adapted for use by a disabled household. The private property has been gifted to the Salvation Army but will need to be inspected to ensure it meets the council's temporary accommodation standard.

Phase 2

22. To fulfil Southwark's commitment under recommendation 1 up to five further properties a year would be required for the next four years after phase 1. As the accommodation provided under phase 1 would be temporary accommodation, there should be scope to re-use some of those properties as the households move on. However the council will need to identify some further properties to use.
23. If the council were to meet this need in the private rented sector (as in most other local authorities) the borough is likely to incur significant additional cost from covering the difference between the Local Housing Allowance/benefit cap and the private rent. Under the terms of the scheme, the arriving household can receive housing benefit up to Local Housing Allowance levels. However this is already well below most private rents in Southwark and has been further frozen for four years by central government. In addition, until the arriving household finds work, they would be affected by the benefit cap. The resettled families will have the right to work, however there is no guarantee of them finding work, at least initially. The benefit cap has just been reduced to £23k annually in London. These benefit changes will result in it becoming increasingly difficult to find private rented properties at or below LHA levels.
24. Initial modelling suggests that for a 4 person household (couple, son of 9, daughter 11) placed in a private rental sector 3 bed, it would cost the council an additional £32K to resettle the household in a median rent property over 5 years. Rehousing 20 such households would cost about £639k (or £15K or £301k based on the lower quartile). While rents are lower for smaller properties, the council would receive less per individual funding from the Home Office for a smaller household, so costs are broadly similar. The private rented sector is an expensive solution to resettle households, especially until they find work and the benefit cap is removed.
25. The council sector would be a more affordable option given that the rent is fully covered by the LHA, and would be within the benefit cap. For a 4 person household (couple, son of 9, daughter 11) placed in a council 3 bed, the council could potentially bring in £61.6k over five years, or £1,231k for twenty such households. However this would need to be balanced off against the opportunity cost of not using this property, such as for another household in temporary accommodation in the private sector. Looking at a worst case scenario, the average loss on the most expensive temporary accommodation supply (nightly let) was £8,500 per year (though temporary accommodation costs vary considerably by the type of unit). After factoring in the temporary accommodation costs, the council sector route could still result in an income of £381K, which could be used to provide additional support.

Tenure	Income from Home Office	Costs over 5 years	Net cost	20 families	TA cost over 5 years	Cost/surplus 20 families
Private Rented Sector	£82,080	£-114,018	£-31,938	£-638,760	£-850,000	£-1,488,760
Council property	£82,080	£-20,500	£61,580	£1,231,600	£-850,000	£381,600

26. If council accommodation is used for phase 2, there may be a need to use a fixed term tenancy or a new fixed term secure tenancy as per the changes in the Housing and Planning Act 2016. This issue is explored in the policy implications section in paragraph 36.
27. Any use of council accommodation will have an impact on the supply of council housing available for those applicants on the housing register, although the a maximum of five lettings a year (and potentially less due to households moving-on) would only represent a very small proportion of the council's overall lettings per annum.
28. Agreeing the accommodation offer for phase 2 will be complex. It may also be subject to change depending on circumstances in the housing market. We will continue to work the voluntary sector and other partners to obtain lower cost properties and to explore developing a blended approach that minimises costs to the council. For phase 2, officers will bring a report back to cabinet to agree the plan for resettling phase 2 households, following a thorough analysis of the different available tenure options

The support offer

29. Nominated families and individuals are likely to have significant support needs, especially initially. In addition, as these are individuals and households fleeing conflict, and due to the process of nomination, they are likely to contain household members with issues relating to mobility, medical, psychological and learning difficulty. There are also likely to be language issues.
30. The offer to the Home Office will need to state the level of support that the Borough will be able to accommodate. In exceptional cases additional funding is available on a needs basis for severe health, mobility, social care problems and adaptations. The Government categories are:

1	Non-complex case: those with no special needs or requirements
2A	Mobility issues: people who are wheelchair users or who have other disabilities including missing limbs or who have restricted movement
2B	Serious medical: people who require surgery or ongoing medical treatment for life threatening conditions (e.g. cancer, dialysis)

2C	Psychological: people suffering from mental illness or those where a need for immediate psychological support is specified in the HAP
2D	Special educational needs: children with disabilities or learning difficulties
3	Large families: family groups made up of 7 or more people

31. There will be a need to ensure arriving households are quickly linked in with health, social care, education, employment, benefit support etc. Some level of bespoke services may be needed which would need to be factored in when commissioning resettlement and support services. This work will be coordinated by the Community Support team and sit alongside the NRPF Unit (No Recourse to Public Funds), partnering with community groups where possible. While Syrian refugees under the resettlement programme will have access to public funds the Community Support team has the most direct experience of supporting these types of newly arriving households. Working with community partners will also help to reduce the resource impact on the council and maximise the use of the skills and expertise of our partners in supporting vulnerable households.

The Syrian Refugee Multi Agency Working Group

32. As per recommendation 4, cabinet is requested to agree to instruct officers to set up a Syrian Refugee Multi Agency Working Group (including representatives from housing, health, education, social care, community safety, benefits, DWP, any procured resettlement services, and other third sector agencies). This would report to the Strategic Director of Housing and Modernisation and Strategic Director of Children's and Adults.
33. The purpose of this group will be to oversee the successful delivery of Phase 1, to consider any emerging issues and the strategic response to them, and to oversee the development of Phase 2.

Policy implications

34. There are no policy implications arising from phase 1 of this report.
35. Under phase 2 there are potential policy implications to resolve if a decision was made to use council properties. These policy implications would need to be addressed as part of the plan for housing phase 2 households. This plan would need to include a thorough analysis of the legal rules in regards to using council properties as temporary accommodation. A fixed term tenancy may need to be used which would create a need to review the council's Tenancy Strategy. In future, under the Housing and Planning Act 2016, the council will be unable to issue secure lifetime tenancies except in limited circumstances, as set out in regulations (such as forced moves). Once the regulations are published, a formal decision on the council's Tenancy Strategy will need to be agreed. Should these changes not yet be enacted in a year's time there is the option to use flexible tenancies of fixed duration (under a power inserted by the Localism Act in the Housing Act 1985) but this would require a formal decision and a variation to the tenancy strategy. This report would consider the full policy implications as required.

Community impact statement

36. Southwark is already a diverse borough and the diversity of our community is one of our most valued assets. Given the significant international migration in to the borough, an additional five households a year is unlikely to have a significant impact on the borough. However, as the households will be fleeing a war zone, they are likely to have significant support needs, including potentially psychological issues. Therefore it is essential that sufficient tailored support is considered for each potential household. This would be part of the role of the Southwark Syrian refugee multi-agency group.
37. There is currently broad public support for resettling Syrian refugees, however there are many households in desperate housing need within Southwark. Care needs to be taken to ensure communities understand how and why these decisions are being taken, especially if social housing is used in phase 2. This will also need to be considered in further detail by the Southwark Syrian refugee multi-agency group.

Resource implications

38. The resettlement will require a level of staff resourcing, for organising and attending meetings of the Southwark Syrian refugee multi-agency panel, and in liaising with the Home Office about the resettlement offer. Southwark's involvement in the multi agency panel will be covered by existing resources. There may be need to commission some additional services dependent on the needs of the specific households but this cost would be met using the funding from the Home Office. There could be a slight impact on factors such as school places. This will be fully considered by the Southwark Syrian Refugee Multi Agency Working Group in deciding who we can offer places to.

Legal implications

39. Supplementary advice from the Director of Law and Democracy is included in paragraphs 42 to 46. The legal implications will be kept under review throughout the development of the proposals.

Financial implications

40. Phase 1 will use properties volunteered by the Salvation Army. Exact rental arrangements are still to be finalised but housing costs will be fully covered by Local Housing Allowance and Home Office funding. This will therefore be cost neutral to the council. The costs of support will be fully funded by the Home Office using the funding attached to the Syrian refugee resettlement programme. There may be financial pressures for phase 2 dependent on the tenure(s) used, as set out in paragraphs 22-28. These implications will be included in the phase 2 cabinet report.

Consultation

41. This offer to the Home Office will make a significant difference to the lives of up to twenty five Syrian refugee households, but due to the small scale will have a minimal impact on the borough overall. Therefore there are no plans to consult further on this proposal.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

42. Participation in the Syrian Resettlement Programme is voluntary and is a matter for decision by each local authority. The local government association has produced a guide for local authorities ('Syrian refugee resettlement – A guide for local authorities') to assist authorities in making an informed decision about taking part in the programme.
43. As indicated in the report government funding is available. This will be in accordance with the most recent funding instruction (FI) from the home office and will be subject to any future changes.
44. Authorities deciding to participate in the programme must satisfy the Home Office that the authority has the relevant services and infrastructure in place; this will include (although not limited to) housing and social care.
45. If the proposal for the use of council housing is to be taken forward as an option for accommodation for resettlement purposes, the legal implications will need to be fully considered and addressed during the development of proposals.
46. When considering the recommendations in this report members must give regard to the public sector equality duty conferred by the Equality Act 2010. This requires the council to consider all individuals when carrying out its functions. Specifically, to have due regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct; advance equality of opportunity and foster good relations between people with protected characteristics and those who do not. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The PSED also applies to marriage and civil partnership, but only in relation to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct. The duty is a continuing one and will need to be reviewed throughout the development of the proposals.

Strategic Director of Finance and Governance

47. The report seeks approval to make an offer to the Home Office of resettling five Syrian refugee households and the subsequent ambitions over the next five years. The Salvation Army has offered accommodation for families in the first year with the expectation that the council will provide accommodation for the second year onwards.
48. Paragraph 14 of the report outlines the tapered Home Office funding. The make up of households and specific accommodation costs are unknown and the council will need flexibility in meeting the challenges that the proposals present. The financial modelling ranges from a potential net cost of £639,000 to £1.2m of additional income should council property be exclusively chosen. The report acknowledges potential additional costs of participating in the resettlement scheme in the likely increase in temporary accommodation usage. It calculates the maximum additional cost at £850,000. Policy choices will be the significant factor in determining the actual costs of the proposal, particularly concerning the type of accommodation the council offers in Phase 2.

49. The report notes the need to create a specific multi agency working group to develop the offer and provide the required support to each household. This is assumed to be achieved within existing budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Syrian refugee resettlement - A guide for local authorities	160 Tooley St	Robert Weallans 0207 525 1217
Link: http://www.local.gov.uk/documents/10180/7632544/1.11_resettlement_guide_08.pdf/cc6c7b51-23a8-4621-b95c-a30bc3da438e		
Full Community Sponsorship – Guidance for prospective sponsors	160 Tooley St	Robert Weallans 0207 525 1217
Link: https://www.gov.uk/government/publications/apply-for-full-community-sponsorship		
Syrian refugees and the UK response – House of Commons Library	160 Tooley St	Robert Weallans 0207 525 1217
Link: http://researchbriefings.files.parliament.uk/documents/SN06805/SN06805.pdf		
Initial modelling of the estimated costs of resettling Syrian refugee households in different tenures under phase two	160 Tooley St	Robert Weallans 0207 525 1217

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Peter John, Leader of Southwark Council	
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Report Author	Robert Weallans, Housing Strategy Manager	
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CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
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