



# Cabinet

Item  
**9(i)**

8 June 2016

Report of	Head of Commercial Services	Author	Geoff Beales
Title	Colchester Borough Homes Private Sector Leasing Scheme		506514
Wards affected	All		

**This report seeks agreement from Cabinet for actions in support of a Colchester Borough Homes Private Sector Leasing Scheme.**

## 1. Decision(s) Required

- 1.1 To agree that Colchester Borough Council (the Council) can enter into a private sector leasing scheme (the Scheme) for the reasons set out in this report and that Colchester Borough Homes (CBH) can manage the Scheme on behalf of the Council.
- 1.2 To agree to the Council granting non-secure tenancies to tenants occupying properties leased through the Scheme where there is a duty to provide accommodation for people who are homeless or threatened with homelessness.
- 1.3 To delegate decisions regarding the implementation of the scheme to the Head of Commercial Services in consultation with the Portfolio Holder for Housing and Public Protection.

## Reasons for Decision(s)

- 2.1 Under the terms of the Management Agreement with CBH, decisions on future opportunities for CBH to expand or develop services need to be approved by Cabinet.
- 2.2 The Council, as the local housing authority, has powers and duties under Part VII of the Housing Act 1996 (as amended) to secure accommodation for households who are homeless.
- 2.3 CBH manages the housing advice and homelessness process on behalf of the Council whilst the duty to provide suitable temporary accommodation remains with the Council.
- 2.4 Private sector landlords can be reluctant to provide accommodation directly to people who are threatened with homelessness. It is intended that the Scheme will be of interest to private sector landlords because the Council will be responsible for the rent and the condition of the properties in accordance with the terms of any lease agreed.
- 2.5 It is intended that the proposed Scheme will reduce the reliance on and the cost of bed and breakfast accommodation at a time when demand for housing options and homelessness services is increasing.

### **3. Alternative Options**

- 3.1 Not to adopt a Private Sector Leasing Scheme and rely on existing temporary accommodation providers and bed and breakfast accommodation both inside and outside the Borough.
- 3.2 Enhance incentives given to private landlords to let their properties to households who are homeless rather than CBC/CBH creating their own scheme. CBH currently manages a Home Finder Scheme, which provides landlords with tenants without a finders/matching fee, and pays the landlord an advance deposit to secure the accommodation on behalf of the tenant. This scheme is unlikely to generate enough properties to address current pressures on the housing options and homelessness service.

### **4. Supporting Information**

- 4.1 CBH manages the housing options function on behalf of CBC. This includes assessment of homelessness applications and the provision of temporary accommodation. This service is coming under growing pressure with housing options for people to whom the Council owes a duty becoming increasingly limited.
- 4.2 Whilst much has been done to improve the Borough's temporary accommodation, some households are still placed in properties which are unsuitable either due to property size or because they have shared bathroom and kitchen facilities. Frequent moves between temporary accommodation is upsetting, particularly for vulnerable households requiring access to GP and social care services and for families with children needing to easily access schools.
- 4.3 The numbers of households living in Bed and Breakfast accommodation is regularly reported and monitored via the CBH Management Agreement Liaison Protocol. At the end of March 2016, 28 households were living in bed and breakfast accommodation, of which 13 were families and 15 were single people. Of these, 24 households were placed outside of the Borough.
- 4.4 A successful Scheme managed by CBH on behalf of the Council represents an opportunity to increase availability of more suitable private sector accommodation to help ensure CBH is able to support the Council fulfilling its statutory homelessness duties.

### **5. Proposals**

- 5.1 The Scheme will be established with lease agreements between Landlords and CBC, occupation agreements will be between CBC and the Tenant, with the Scheme being managed by CBH.
- 5.2 Delegated authority will be established via the Management Agreement in order that CBH are able to manage the lease and the tenancy on behalf of the Council. They will also be responsible for setting up the scheme, administering it and attracting landlords.

## **6. Strategic Plan References**

6.1 The proposals contribute directly to the following Strategic Plan priority areas:

- Provide opportunities to increase the number of homes available including those that are affordable for local people and to build and refurbish our own Council Houses for people in significant need.
- Develop a strong sense of community across the Borough by enabling people and groups to take more ownership and responsibility for their quality of life.
- Create the right environment for people to develop and flourish in all aspects of life both business and pleasure.

## **7. Consultation**

7.1 A Landlords Forum was held on 15 March 2016. An outline of a possible scheme was presented to 28 landlords with accommodation to let in Colchester borough; a good level of interest was shown in letting their properties via this proposed scheme.

## **8. Publicity Considerations**

8.1 A communications plan will be developed to publicise the scheme and generate interest from landlords.

## **9. Financial implications**

9.1 Initial funding to set up the Scheme will be from existing temporary accommodation and homelessness prevention budgets, with Staffing resources also funded from existing budgets.

9.2 Costs arising from tenant arrears, and re-let costs will be covered by the rental income.

9.3 Legal costs relating to individual leases will be borne by the Scheme once it becomes self-financing. Initial costs are included within existing service level agreements.

9.4 There may be unforeseen costs in respect of property damage where the Council is unable to recover the costs from the non-secure tenancy.

## **10. Equality & Diversity Implications**

10.1 The Private Sector Leasing scheme will provide an improved temporary accommodation solution for those who are vulnerable and homeless. Reducing out-of-Borough accommodation placements and the use of Bed & Breakfast and shared accommodation improves opportunity and well-being for those who are homeless. Families with children who are homeless and require temporary accommodation will benefit from improved accommodation options.

10.2 An Equality Impact Assessment on discharging homelessness duty has previously been completed and a link to the document can be found below:

<http://www.colchester.gov.uk/CHttpHandler.ashx?id=7856&p=0>

## **11. Community Safety Implications**

- 11.1 It is anticipated that with the implementation of the scheme there will be a positive benefit for Community Safety by the provision of support to vulnerable clients.

## **12. Health and Safety Implications**

- 12.1 Inspections of the Leased property will be carried out against an agreed standard by the CBC Private Sector Housing team. Copies of gas and electrical safety certificates, heating breakdown cover and an energy performance certificate will be available for each tenancy. Landlords will be required to provide adequate building insurance.

## **13. Risk Management Implications**

- 13.1 The mix and value of properties in the scheme has a large impact on the costs and risks, therefore a balanced portfolio will be the desired objective. It is proposed that 35 properties will be taken on in year 1 and a further 50 properties a year up to a maximum of 150 properties.
- 13.2 Monitoring of the Scheme will be dealt with at the quarterly liaison meetings between CBC and CBH that are held under the Management Agreement. Performance will be measured by a balanced budget and the transition of tenants into more permanent accommodation. The Portfolio Holder for Housing and Public Protection will be updated regularly.
- 13.3 By the development of a property standard which will be inspected by the CBC Private Sector Housing team at the outset of the lease, the standard of the accommodation will be assured.
- 13.4 It should be accepted that tenants who will occupy the leased accommodation will be vulnerable and likely to require more intensive support to manage the tenancy. Through regular visits and inspections, tenants will be supported by the Housing Options Team to maintain the accommodation.