

THE EXECUTIVE

Tuesday, 12 August 2003

Supplement 1 concerns a restricted, private and confidential report.

Public Reports

Agenda Item 5. Private Sector Leasing Scheme - Additional Accommodation Requirements (Pages 1 - 5)

Private and Confidential Reports

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THE EXECUTIVE**12 AUGUST 2003****REPORT OF THE DIRECTOR OF HOUSING AND HEALTH**

PRIVATE SECTOR LEASING SCHEME - ADDITIONAL ACCOMMODATION REQUIREMENTS	FOR DECISION	
<p><i>The Executive, at its meeting on 26 November 2002, reserved the decision to extend the use of the private sector leasing scheme beyond the use of 100 units. This report requests such an extension.</i></p> <p><u>Summary</u></p> <p>The Executive has previously been made aware of the upwards trend in homelessness applications and the need to procure alternative accommodation outside of hostels, insecure tenancies and bed and breakfast.</p> <p>Members agreed to the implementation of the Private Sector Leasing Scheme and this report sets out the current numbers and the benefits of the scheme.</p> <p><u>Recommendations</u></p> <p>The Executive is asked to:</p> <ol style="list-style-type: none"> 1. Approve the procurement of a further 150 Private Sector Leased (PSL) properties 2. Consider whether to receive further reports should additional accommodation be required above the suggested 250 level or to delegate this decision to officers. 3. Retrospectively approve the decision to procure an additional 4 Private Sector Leased properties over the 100 ceiling, to reduce Bed & Breakfast (B&B) usage for homeless families. <p><u>Reason</u></p> <p>To authorise Officers to procure additional PSL properties to reduce the Councils reliance on B&B accommodation.</p>		
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1. Background

- 1.1 The Executive was informed, in another report on this agenda that there is a Government requirement that by April 2004 families should not be housed in Bed and Breakfast (B&B) accommodation. As at November 2002, the Council had 72 homeless families in B&B.
- 1.2 The proposed Private Sector Leasing Scheme was outlined in November 2002 and the Executive agreed to the development of the scheme and procurement of up to 100 properties. Members requested that a report be brought back to the Executive should additional accommodation be required and to monitor the benefit of the scheme.
- 1.3 The Executive agreed 26th November 2002 to procure up to 100 Private Sector Leased properties. Due to administrative reasons this limit has been exceeded by 4 properties. This has been reported to Central Audit, the Leader of the Council, the Chief Executive and Councillors Mrs Twomey and Davies. The Executive is asked to retrospectively agree this in recommendation 3.

2. Procurement and Financial Monitoring

- 2.1 The request for additional PSL accommodation is recognition of the success of the scheme and the quality of accommodation and represents a financial saving to the Council over the use of Bed and Breakfast accommodation.

The need to procure further PSL accommodation is reflective of the 56% increase in local homelessness approaches during the past financial year.

- 2.2 The Accommodation Resettlement Unit has recruited a Procurement Officer to administer the scheme and to look at various accommodation options, to further reduce the need to accommodate families and single homeless people, in B&B accommodation.
- 2.3 PSL properties are procured and managed by a number of managing agents. The primary agents are Barry Stewart, Finefare Management, Lodge Group, Smart Hotels, Theori Investments and Gem-Link.
- 2.4 All properties are procured from local existing private sector stock and new site accommodation developments including Great Fleet, Barking and Causton Square, Dagenham and properties are inspected by the Council's Environmental Health staff to ensure they comply with fitness standards and are inspected for condition and occupancy every 4 weeks.
- 2.5 The number of homeless families in B&B has reduced and with the introduction of the Private Sector Leasing Scheme and increased Housing Benefit payment, represents a significant saving to the Council [Appendix A]. The scheme has generated income of £104,882.
- 2.6 If the Council did not have access to PSL accommodation during the 1st Quarter of 2003 the Council could have incurred a potential B&B charge of £273,910. There are currently 4 families in B&B, which has been reported to the Bed and Breakfast Unit.

3. Quality Survey

- 3.1 The accommodation resettlement unit has surveyed 51 PSL residents during April and May 2003, and received 37 returns. The resulting survey represents a 73% response:

PRIVATE SECTOR LEASING SCHEME QUALITY QUESTIONNAIRE

	YES	NO
1. Was the property in a clean condition when you arrived?	73%	27%
2. Was the furniture clean and in a good state of repair?	86%	14%
3. Were you instructed on how to use the gas and electricity supply?	68%	32%
4. Were you given numbers for use in an emergency such as a repair out of hours?	73%	27%
5. Were you shown how to operate the central heating system?	49%	51%
6. Were the agents professional in their approach?	86%	14%
7. Is the accommodation suitable for your needs?	92%	8%
8. Do you feel that the accommodation is a better option than B&B/hostel?	100%	0%
9. Do you feel that the time limit in Private Sector Leasing Scheme [4 to 6 months] before being offered a Council tenancy is:	a. Short b. Long c. About Right	8% 32% 60%

- 3.2 Response to the scheme has been very positive with 92% agreeing that the accommodation is suitable for their needs and 100% of customers preferring PSL accommodation to B&B. The survey has recorded customer comments "this is the best accommodation, it's a shame that it is not mine to keep" and "I love this flat".

- 3.3 The scheme has only one potential eviction due to the refusal of an offer of permanent Council accommodation because of its close proximity to a cemetery. The Homeless Review Panel considered the grounds for refusal and decided that the offer was reasonable. The case is listed for a County Court hearing to decide whether the offer of permanent accommodation did or did not constitute a reasonable offer.

4. Benefits

- 4.1 The introduction of this scheme has reduced the need to use B&B accommodation. Clients with support needs will avoid extended periods in B&B accommodation, pending needs or medical assessment.

- 4.2 Furthermore, diminishing reliance on B&B does reduce the risk of legal challenge or enquiries of the Office of the Deputy Prime Minister, as this form of temporary accommodation is viewed as unsuitable especially for families.
- 4.3 However, to continue to maintain this reduced level of reliance on B&B, it is necessary to continue to increase the supply of units of PSL properties.
- 4.4 Use of PSL accommodation enables the Council to provide a responsive service to homeless people and encourages development of a programmed, move-on approach to finding suitable insecure and secure Council accommodation. Where appropriate, a relevant support package is formed to enable clients with support needs to maintain a tenancy.
- 4.5 The scheme is a self-financing solution to meet the short and medium term accommodation needs of homeless people in the borough. The standard and quality of this accommodation is superior to B&B and future profit can be recycled into capital improvements and staff resource to improve accommodation provision to homeless people.

5. Conclusions

- 5.1 To continue to reduce reliance on B&B accommodation for homeless families and provide good quality temporary accommodation in the Private Rented Sector, the Council needs to increase the current ceiling from 100 to 250 units of Private Sector Leased accommodation.
- 5.2 There are a number of single people in B&B who will benefit from the procurement of further PSL accommodation and single accommodation should aim to represent a minimum of 20% of total PSL availability.
- 5.3 Members are asked whether they wish to see further reports on the implementation of the Private Sector Leasing Scheme or whether they will delegate to officers the decision to secure units over and above the 250 level that approval is sought for.

The following Background Papers were used in the preparation of this report: -

- Homeless Data from April 1998 to March 2003
- Accommodation Unit Monthly Temporary Accommodation Report
- H&HD financial statements

APPENDIX A

Accommodation Procurement Programme:

2003	Private Sector Leased		Bed & Breakfast		Families	Single
	Proposed	Actual	Proposed	Actual	Actual	Actual
JAN	10	9	60	52	21	31
FEB	20	22	50	35	21	14
MAR	30	40	30	35	16	19
APR	40	65	20	30	15	15
MAY	50	91	10	44	16	28
JUN	60	104**	10	44	5	39

Expenditure and income:

2002/03	Bed & Breakfast		Private Sector Leased	
	Expenditure	Income	Expenditure	Income
	£664,076.35	£236,067.21	£38,746.48	£85,067.21
	Budget 270,300 Overspend 157,709.14		Budget 000,000 Underspend 46,320.73	
Overall Overspend £111,388.41				
2003/04*	Bed & Breakfast		Private Sector Leased	
	Expenditure	Income	Expenditure	Income
	£90,077.78	£38,285.59	£139,347.37	£244,229.57
	Budget £60,300 Underspend £29,777.78		Budget £000,000 Underspend £104,882.20	
Overall Underspend £134,659.98				

* 1st Quarter 2003/04

** Procurement of additional 4 properties above the ceiling of 100 has been reported to Central Audit, the Leader of the Council, the Chief Executive and Councillors Mrs Toomey and Davies.

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