

## **EAST AYRSHIRE COUNCIL**

### **HOUSING COMMITTEE - 7 SEPTEMBER 2005**

#### **LANDLORD LEASING SCHEME**

##### **Report by Executive Director of Neighbourhood Services**

### **1. PURPOSE OF REPORT**

- 1.1 The purpose of this report is to recommend to the Committee the introduction of a Landlord Leasing Scheme in East Ayrshire. The scheme will provide additional temporary accommodation for individuals and families who are experiencing homelessness. The scheme will be implemented and managed as per a detailed service brief.

### **2. BACKGROUND**

- 2.1 The Housing (Scotland) Act 2001, “ the 2001 Act “ and the Homelessness etc (Scotland) Act 2003, “ the 2003 Act “ introduced a number of measures which have impacted on the demand for accommodation across all tenures including a duty to provide temporary accommodation for all homeless applicants. Local authorities must also phase out the current distinction between ‘priority’ and ‘non-priority’ applications by 2012.
- 2.2 The 2003 Act also contained a provision which enables the introduction of regulations limiting the use of Bed and Breakfast (B&B) accommodation. The Homeless Persons (Unsuitable Accommodation)(Scotland) Order 2004 states that accommodation for households with children and pregnant women must meet certain basic standards. The purpose of this Order is to put an end to the routine use of B&Bs and other unsuitable accommodation, thus placing additional demands on the current supply of temporary accommodation.
- 2.3 The Scottish Executive Report “Guidance on Regulations, Policies and Practise to Prevent and Resolve Homelessness” May 2005, promotes the advantages of people remaining in their own communities close to family, employment, education, health services and other support networks. The report found that there is overwhelming evidence demonstrating that isolation and loneliness are major factors in resettlement breakdown.
- 2.4 In March 2005, Shelter produced a paper entitled “Alternatives To Bed And Breakfast: An Overview Of Practice In Scotland”. The paper advocates the use of private sector lease Schemes as a cost effective alternative to B&B accommodation.

### **3. WHAT IS A LANDLORD LEASING SCHEME?**

- 3.1 A Landlord Leasing Scheme enables the Council to lease property from a private landlord for a fixed period of time (2 years). The Council then takes over the management of the property.
- 3.2 The Council enters into a lease agreement with the Landlord whereby the Council becomes the tenant. The Council subsequently sub-leases the property to it's tenant.
- 3.3 The properties are then used exclusively by the Council to provide temporary accommodation for homeless individuals and families.

#### **4. WHY DO WE NEED A LANDLORD LEASING SCHEME?**

- 4.1 The implementation of the 2001 and 2003 Acts' places a duty on every local authority to provide temporary accommodation for all homeless applicants. Despite increasing our supply of temporary accommodation from within our own stock by 52 units, there is a requirement to substantially increase the supply of accommodation for this purpose. In 2004/ 2005, 760 homeless households were provided with temporary accommodation in either furnished flats or hostel.
- 4.2 The Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2004, deemed most B&B accommodation, and the Council's own hostels, as unsuitable for use by households with children and pregnant women due to the shared facilities within these establishments. It is therefore imperative that there is a sufficient supply of suitable temporary accommodation for these households, to prevent the Council from breaching the Order.
- 4.3 The 2003 Act provides that local authorities carry out their homeless functions without distinguishing between 'priority' and 'non-priority' applicants by 2012. As part of the consultation process for this provision, East Ayrshire Council submitted a pro-forma to the Scottish Executive outlining the anticipated demand for all housing tenures up to 2011. The figure for private sector properties for this period was 918 additional units.
- 4.4 The Landlord leasing Scheme meets a wide range of national and local policy objectives:
  - Assists the Council to meet its statutory obligations in relation to the 2001 and 2003 Acts'.
  - Reduces the stigma of homeless accommodation.
  - Allows homeless applicants access to a range of accommodation in local areas.
  - Improves the standard of supported housing units for homeless people.
  - Brings empty / underused property back into use.
  - Allows Council stock to be returned for mainstream allocation.
  - Ensures equal access to an adequate supply of good quality affordable accommodation.
  - Assists in the delivery of additional affordable houses across tenures.
  - Improves the appearance and security of local areas.

- Supports sustainability within communities.

## **5. DEVELOPING A NEW PROJECT**

- 5.1 It is proposed that the Council will lease 10 private sector properties.
- 5.2 Properties will be sought in areas of high demand as indicated by the homeless statistics.
- 5.3 The scheme will be implemented as per detailed guidance contained within a Service Brief, a copy of which is lodged at the Members Information Point.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 An application has been made to Communities Scotland for Private Sector Housing Grant funding to meet the costs of setting up each unit of property, and the administration of the scheme. Other tenancy related costs would be met through a service charge applied to the rental liability which would be eligible for Housing Benefit should the tenant meet the requirements for Housing Benefit entitlement. It is estimated that the costs for 10 units of property to September 2006 would be:

Legal fees	£4,000
Inspection fees	£2,750
Admin and publicity	£2,000
Repair costs	£10,000
Total	£18,750

- 6.2 There would therefore be no additional costs to be met by the Council subject to Communities Scotland positively responding to the grant request.

## **7. LEGAL AUTHORITY/IMPLICATIONS**

- 7.1 The introduction of a Landlord Leasing Scheme will assist the Council to meet its statutory obligations in terms of the 2001 and 2003 Acts.

## **8. POLICY IMPLICATIONS**

- 8.1 The introduction of a Landlord Leasing Scheme will meet the relevant policy objectives as set out in the Council's approved Homelessness Strategy and Local Housing Strategy.

## **9. CONCLUSION**

- 9.1 Local Authorities are required to recognise the role that the private sector plays in providing a range of accommodation. Within both East Ayrshire Council's Homelessness Strategy and its Local Housing Strategy, reference is made to the need for successful engagement with the private rented sector. Furthermore, the 2001 and 2003 Acts place new duties on Local Authorities, which have directly increased housing demand across all tenures. In order to

meet this demand and plan for future need, the local authority must consider the options available within the private rented sector to increase the supply of good quality accommodation.

## **10. RECOMMENDATIONS**

10.1 The Committee are recommended to:-

- (i) approve the establishment of a Landlord Leasing Scheme, subject to receipt of Private Sector Housing Grant funding.
- (ii) otherwise note the contents of the report

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Executive Director of Neighbourhood Services

CMCA/LC

16 August 2005

### **LIST OF BACKGROUND PAPERS**

1. Shelter Scotland, Alternatives To Bed And Breakfast: An Overview Of Practice In Scotland May 2005
2. Landlord Leasing Scheme Service Brief

Any person wishing to inspect the background papers listed above should telephone 01563 576614 and ask for Joseph Cassidy, Policy and Strategy Manager.

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