



**Ward: All**

**Key Decision: Yes**

## **Temporary Accommodation Charges for Private Sector Leasehold (PSL) Properties**

### **Report by the Executive Head of Adur Homes**

#### **1.0 Summary**

1.1 The Cabinet Members are asked to approve an increase in Temporary Accommodation charges to take into account the two different levels of local housing allowance within the district. This is to allow the council to afford the increasing cost of leasing temporary accommodation properties from the private sector (PSL). This is particularly an issue in the east of the district where the amount we are currently able to offer landlords is not competitive with the private rental market. We therefore have a shortage of properties in this area.

#### **2.0 Background**

2.1 Adur presently uses temporary accommodation properties in order to meet its duties under homelessness legislation. Once the council has accepted someone as homeless they are then put on a waiting list for a secure council property. They usually stay in temporary accommodation for between 18 months-2 years before they are rehoused into secure council accommodation or a housing association property.

2.2 The main form of temporary accommodation used by the council are private sector leased (PSL) properties, plus a few short term properties in the Council's stock, and the shared accommodation at 7/9 Albion Street.

2.3 Currently the amount of tenants in temporary accommodation is as follows:

Shared accommodation council HRA properties – 10  
3 Bed temporary accommodation HRA properties - 6  
1 bed PSL's – 4 (West 4 East 0)  
2 bed PSL's – 36 (West 22 East 13)  
3 Bed PSL's – 16 (West 15 East 1)

2.4 The Local Housing Allowance (LHA) figures applicable in Adur vary because half the district east of the river falls into the Brighton and Hove LHA area, and the other half falls into the West Sussex Coast LHA area, where the LHA payable for the same size accommodation is less

2.5 At present the amount we charge tenants for temporary accommodation is a similar rate to the local housing allowance for west of the district but is considerably lower than the local housing allowance for east of the district. The amount we charge for two and three bed properties is particularly low.

### 3.0 Proposal

3.1 By splitting the amount of rent we charge temporary tenants within the district based on the two levels of local housing allowance we will be able to charge a more competitive rate for the east of the district without overcharging temporary tenants in the west of the district

3.2.1 It is proposed to increase the rate for properties in the west of the district by 3.1% and the east by between 11.25% and 24% depending on number of bedrooms (see table below). This will bring the rent to a more comparable level with the local housing allowance. These increased rates in the east district have also been compared with the proposed new LHA rates which the government is introducing and they will still fall below this rate.

### 3.3

#### West

Property	Local Housing Allowance	Current Rent	Recommended Rent	Percentage increase	Percentage variance to LHA Rate
1 bed	£ 117.83	£ 118.83	£ 122.51	3.10	3.82
2 bed	£ 155.34	£ 153.85	£ 158.62	3.10	2.07
3 bed	£ 184.11	£ 184.61	£ 190.33	3.10	3.27

#### East

Property	Local Housing Allowance	Current Rent	Recommended Rent	Percentage increase	Percentage variance to LHA Rate
1 bed	£ 149.59	£ 118.83	£ 140.00	17.82	-6.85
2 bed	£ 194.66	£ 153.85	£ 180.00	17.00	-8.14
3 bed	£ 248.70	£ 184.61	£ 220	19.17	-11.54

### 4.0 Legal

4.1 There is a legal duty under the Housing Act 1996 as amended to accommodate households to whom a duty is owed under the Act, or to accommodate in the interim while investigations take place as to whether such a duty is owed. This can be discharged at least in the short term through the use of bed and breakfast accommodation or emergency temporary accommodation with the attendant higher costs.

## 5.0 Financial implications

- 5.1 As described above, the proposals will have the effect of increasing the income received by the Council, and will bring the Council into line with Local Housing Allowance Rates.
- 5.2 There are currently 41 PSL properties in the West of the district compared with 14 in the east so the greater increase in the east will not have such a significant increase in income. However it will allow us the opportunity to take on more properties this side of the district, and thereby reduce reliance on B&B's and emergency accommodation.
- 5.3 Total annual additional income generated from this increase on current PSL properties would be:

### West district

1 bed increase  $\text{£}3.68 \times 4 = \text{£}14.72 \times 52 = \text{£}765.44$   
2 Bed increase  $\text{£}4.77 \times 22 = \text{£}104.94 \times 52 = \text{£}5456.88$   
3 bed increase  $\text{£}5.72 \times 15 = \text{£}85.84 \times 52 = \text{£}4463.68$

**Total £10,686**

### East district

2 Bed increase  $\text{£}26.15 \times 13 = \text{£}340 \times 52 = \text{£}17,680$   
3 bed increase  $\text{£}35.39 \times 1 = \text{£}35.19 \times 52 = \text{£}1829.88$

**Total £19,509**

Total Annual income **£30,206.93 (General Fund)**

## 6.0 Recommendation

- 6.1 **The Cabinet Member is recommended to agree to increase the rents of private sector leased properties in the Council's management from April 2011 to the level suggested in 3.0.**

### Local Government Act 1972

#### Background Papers:

#### Contact Officer:

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## **Schedule of other Matters**

### **1.0 Council Priority**

- 1.1 1: To protect and enhance priority services: by providing cost-effective services.  
4: Support and contribute to the health safety and wellbeing of the area: through targeting inequalities by ensuring effective temporary housing available.

### **2.0 Specific Action Plans**

- 2.1 Maximise income levels as per Housing and Environmental Health Services and Adur Homes Services business case

### **3.0 Sustainability Issues**

- 3.1 Matter considered and no issues identified

### **4.0 Equality Issues**

- 4.1 Matter considered and no issues identified

### **5.0 Community Safety issues (Section 17)**

- 5.1 Matter considered and no issues identified

### **6.0 Human Rights Issues**

- 6.1 Matter considered and no issues identified

### **7.0 Reputation**

- 7.1 Matter considered and no issues identified

### **8.0 Consultations**

- 8.1 Matter considered and no issues identified

### **9.0 Risk assessment**

- 9.1 Matter considered and no issues identified

### **10.0 Health & Safety Issues**

- 10.1 Matter considered and no issues identified

### **11.0 Procurement Strategy**

- 11.1 Matter considered and no issues identified

### **12.0 Partnership working**

- 12.1 Matter considered and no issues identified