

Shire Homes Lettings Board Meeting

Private Sector Leasing Scheme

Date: 4 July 2017

Present: Redacted data

Apologies: Redacted data

1. Documentation for approval

1.1 Service level agreement

Some issues still to be discussed with Ensors

Post meeting note: meeting arranged for Monday.

List of outstanding queries sent through from Walker Morris:

- Rather than Shire Homes Lettings (SHL) representative – reference will be made to the SHL Board.
- Expiry date – agreed not required as start and end dates for the Leases and assured shorthold tenancies (ASTs) will be different and in most cases renewed on expiry of the initial term.
- Step-in arrangements – could be taken out if preferred.
- Indemnity – protection against loss or other financial burden (liability cap, monetary or service fee based)
- Insurance – waiting response from Karl. Post meeting note: proposal form completed.
- Employment exit – query over whether this is required – agreed not necessary at this stage.

Agreed that we can proceed with landlord negotiations whilst this document is completed as this is not directly related to the landlord.

1.2 AST

Based on Ermine Street example.

All reference to deposits and references removed as these are not required as part of this scheme.

Document agreed. LM to chase typos/corrections with Walker Morris

1.3 Lease

Lease covers three years – payment to landlord fixed for this period of time.

Document agreed.

1.4 Landlord info pack

Excellent detailed document, but SH suggested a 'light touch' version to gain landlords interest, which includes all the positives (i.e. could include the no hidden extras part, in the form of a leaflet).

The more detailed pack can then be given to landlords once they are interested.

Both versions should include something to say Shire Homes Lettings is a South Cambridgeshire DC company.

Document, otherwise agreed.

1.5 Landlord application form

David requested that we include questions about completing an asbestos survey and fire risk assessment (for flats)

Document otherwise agreed.

2. Financial Update:

2.1 Bank account

Still not quite set up, however Barclays are coming in this afternoon to verify Stephen's details. ML/JH to keep us updated on progress for Project Plan.

2.2 Rent accounts

Capita due in on 1 August, and should require 4 days' work (charging approx. £975 per day plus expenses but LM will be negotiating this) and accounts should be ready to use by the end of August.

Anticipate that LM can monitor rent accounts manually if necessary until then to avoid any further delays. Dawn confirmed that HB can be paid into the company's bank account.

Payment options – initially will use pay zone/pay point and MW is arranging for the pre-printed PO payment cards that can be given to tenants.

2.3 FMS

Set up as separate company on FMS and will be set up separately on the new system.

Martin to give David the transaction codes.

Post meeting note: LM to requires access to FMS.

2.4 Insurance

Landlords will be responsible for building insurance on their own properties. The Council (rather than SHL) will just need to have Directors and Officers insurance – waiting feedback from Karl on further action required in relation to this.

Post meeting note: Karl has sent proposal form for completion

3. Budgets

3.1 Flexible Homeless Support Grant

Sue explained that this is a grant the Council has received to replace the previous formula councils could use for rent levels on PSL schemes. The Council have

received £193,685 for this financial year (£213,318 for 2018/19). This will also need to cover rent above the cap for the King Street PSL properties and B&B costs above the cap. Based on the first quarter, we anticipate this will be in the region of £50,000. The remaining amount should adequately cover the management costs of the SHL PSL scheme, however, we will continue to monitor this, but this, along with budget agreed means no overspend anticipated.

3.2 Expenditure

To date this only includes staffing costs and legal costs

Will need to consider recharges from other staff time including SH, SC and GC.

Staffing costs likely to be subject to VAT.

4. Rent Negotiations

PSL rents are assessed using 90% of the January 2011 Local Housing Allowance (LHA) rates. In nearly all cases these are lower than the current rent – in most cases there is not too much difference, however in some cases this is as much as £30 per week.

We will therefore use this as a starting point but realistically we are unlikely to be successful at this level.

Agreed a flexible approach to rent level negotiations that would enable us to maximise the number of properties under the scheme – this can include the following principles:

- Can offer above the LHA especially in high cost areas, i.e. Cambridge City
- We will not offer as high as market rents as the scheme offers many other benefits – To estimate a monetary value of the other benefits, so we can bear this in mind when considering the maximum we will negotiate to.
- Where the need/demand is evident could charge a higher rent to the tenants in higher cost areas where we are satisfied this is affordable – subject to *** below.

- Alternatively, could set a higher rent for these properties and use discretionary housing payment (DHP) (funded from FHSG) to cover the amount above LHA if the tenants is in receipt of benefit.
- Using a range of rents will enable us to take on more properties.
- Where existing rent levels paid to landlords (under King Street scheme) are below LHA, if property is transferred will still charge the tenant LHA (as no likelihood that this will create a profit overall).

*** Need to check rules on disproportional rents in relation to HB. We have in the past been unable to charge higher rents to benefit claimants (whose rent would be covered through HB), but need to check if the rules would apply where cheaper rents are charged to benefit claimants.

5. Referral procedure

LM has worked with SH on this procedure and paperwork that works for the scheme and the housing advice team.

6. Repairs and Maintenance commitments

DP happy with commitments stated in the landlord pack.

DP queried if we wanted a cap on the amount Mears spend on one repair – agreed initially anything above £250 will require authorisation from Louise.

LM to receive weekly reports on expenditure/repairs reported

7. Delivery plan

Covering up to 70 properties within first 12 months, as set out in the original report, along with performance aims.

8. Project plan

To update following meetings and review at future Board meetings.

Copy attached for reference

9. Any Other Business

SH: Next meetings – to be arranged every two months.

SH: Formal AGM will be required.

SH: External audit required.

SH: Formal return of accounts required (which will be included in the audit).

SH: Need to consider how we formally report back to Council – possibly in budget setting meetings.

LM: Old company (Shire Newco Limited) still to close – this was going to be 24 May however, if a name swap has happened within 3 months, it cannot be closed. It is now scheduled for 8 August.

DP: Requested a list of properties, even if provisional at this stage as may need to set up areas. Louise to provide this.

SC/ LM: One enquiry received from a shared equity owner. If proceeds will take into account shared ownership arrangement and adjust rent to landlord accordingly and amend lease to reflect specific arrangements.

SH/ DG: The area with the post code CB21 4, will be moving to universal credit in October, earlier than we had anticipated – however, will not try to avoid this area as will be introduced more widely in the following year. DG provided information on

alternative payment options for those in receipt of universal credit – which includes homelessness. Information attached

SH/ LM: There are two properties under the PSL scheme with King Street that SCDC own and we will be bringing those back in house as general needs stock – currently waiting for assistance from legal to progress this.

GC: Marketing:

- South Cambs mag – SC due to do an article on homeless stats and could incorporate it into that or can see if we can do a separate article. Advert will also be going into the next edition. Post meeting note: Missed the deadline for next edition.
- Good news story – LH would like to promote as a good news story, so to consider if there are any households that we could use as a case study.
- Promoting through other RSL's – SH to raise at CHRB.

10. Date of Next Meeting

Tuesday 5 September at 11am – Swansley B

Tuesday 7 November at 11am – Swansley B

I agreed that these are a true record.

Signed:.....

Dated:.....