

HOUSING CABINET MEMBER MEETING

Agenda item: 125

Subject:	Brighton and Hove Landlord Solutions		
Date of Meeting:	22nd March 2011		
Report of:	Lead Commissioner for Housing		
Contact Officer:	Name:	Sylvia Peckham/Martin Reid	Tel: 293318
	E-mail:	Sylvia.peckham@brighton-hove.gov.uk Martin.reid@brighton-hove.gov.uk	
Key Decision:	No		
Wards Affected:	All		

FOR GENERAL RELEASE.

1 SUMMARY AND POLICY CONTEXT:

- 1.1 This is a proposal to amalgamate the various ways in which we are working with the private sector under the name Brighton and Hove Landlord Solutions and to expand the work we are doing to incorporate joint work with other organisations on head leasing accommodation in the City. Initially this will incorporate joint head leasing with the Universities in the City but there could be other opportunities where a social letting agency would deliver accommodation more strategically.
- 1.2 BHCC and the Universities in the City obtain accommodation from private landlords. There are opportunities to work together so as to obtain accommodation to meet demands and manage accommodation in a more strategic manner, making best use of the available resources.
- 1.3 Bringing all the current schemes together into Brighton and Hove Landlord Solutions will enable BHCC to have a clear identity in the private market from which to attract further landlords and developers to enable access to good quality housing.

2 RECOMMENDATIONS

- 2.1 That Housing Cabinet Member Meeting commend for approval bringing together all the current work with private landlords and developers into Brighton and Hove Landlord Solutions.
- 2.2 For Brighton and Hove Landlord Solutions to incorporate joint head leasing with the Universities, and undertake joint management functions with the Universities to provide efficiencies and value for money for each organisation.

3 RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS

3.1 We currently have several schemes where we work with private landlords and developers to provide housing to vulnerable households ranging from the statutorily homeless, households that our corporate partners need accommodation for e.g. CYPT, ASC, and those we accommodate under Wellbeing Powers for example so as to prevent a household becoming homeless.

3.2 Schemes we currently operate are as follows:

- Leasing from landlords (up to 10 years)
- Management Agreements (up to 25 years)
- Direct Letting (where we match a landlord with a tenant)

This provides accommodation for all our internal corporate partners and we propose to expand this to cover University students.

3.3 In addition we can link in our private sector housing so that we can cover such areas as Empty Properties, available grants and HMO licencing. This will move towards providing a one-stop service for landlords who have properties in the City and will enable us to consistently manage the private market to enable access for our households.

By incorporating all of the above into Brighton and Hove Landlord Solutions we can better deliver housing solutions for the city.

4 STRATEGIC CONTEXT:

4.1 The creation of Brighton and Hove Landlord Solutions and our joint work with the Universities will underpin the Student Housing Strategy, the Housing Strategy and fits with the work of the Strategic Housing Partnership.

4.2 The Student Housing Strategy sets out a strategic approach for the supply and management of student housing in the city, to ensure that students are integrated into established residential communities in ways that do not unbalance local population structures and housing markets. In doing so, the strategy seeks to harness the many benefits of a large student population for the long-term health and well-being of the city, and engender mixed, cohesive and sustainable communities. The strategic goals of the student accommodation strategy

- Strategic Goal 1: to ensure effective management and support high density student housing and populations within HMO dominated studentified neighbourhoods, using an area based approach
- Strategic Goal 2: to reduce or halt over-concentrations of HMO across studentified neighbourhoods via the sustainable development of affordable and appropriately-designed, purpose-built student accommodation, which offers relative ease of access and proximity to place of study/campus

- Strategic Goal 3: to work collaboratively to ensure effective management and support the impact(s) of high-density student populations within large purpose-built student accommodation on adjacent residential environs
 - Strategic Goal 4: monitor the effects of the movement of students into purpose-built student accommodation, and identify the signs of destudentification
 - Specifically Strategic Goal 1 Action 5: Encourage and support the role of the universities and other appropriate organisations for increasing and managing head-leased accommodation in Brighton & Hove.
- 4.3 Drawing our work together into Brighton and Hove Landlord Solutions will enable intelligent commissioning of accommodation in the City to meet all our clients' needs and to ensure that we work strategically across the city to source and obtain accommodation which is of good standard. Additional benefits that this will generate are that we will be better placed to manage the areas where student housing is situated so as to minimise any negative impacts on the surrounding neighbourhoods.

5 DEMAND AND SUPPLY

- 5.1 BHCC currently lease just over 700 units of accommodation for use by homeless households and also to meet the needs of corporate partners e.g. Learning Disabilities, CYPT, Adult Mental Health. From April we will be managing properties on behalf of the B&H Seaside Community Homes and are continuing to work with landlords in the city to commission and develop other accommodation.
- 5.2 Demand is growing such that we have projected that over the next 10 years we need an additional supply of around 700 properties. At the same time the access to private rented sector for vulnerable households is increasingly difficult as demand is pushing up rents. This trend is set to continue as the recent increase in VAT and predicted increase in interest rates impacts which will likely result in upward pressure on rents.
- 5.3 The Universities are also projecting an increase in Demand. While Sussex University provides accommodation for the majority of its students on campus, there is a growing demand for accommodation in the City at a rate of 25 – 50 additional units per year. Brighton University provides for a much larger number of students to live off-campus in the city and currently leases around 200 bedspaces which is also set to grow, particularly to meet demand from International students.

6 JOINT COMMISSIONING

As all three organisations are working with private landlords to lease accommodation and manage accommodation, there are areas of work where it would be beneficial to work together.

- a. Leasing – BHCC offers leased up to 10 years which enables it to lock in supply and to negotiate favourable rates with landlords. This also gives landlords certainty which they can use to obtain additional lending to increase the supply of accommodation. Both Universities offer only annual lease agreements to landlords and so by working together we may be able to better manage the market to the benefit of all parties. We can offer leases of up to 10 years, which will provide the universities with more stable accommodation at set costs to improve future planning and value for money. Landlords will have one system so that we can provide a clearer and streamlined service.
- b. In addition, by working together we will be better able to manage where accommodation is in the city such that if there is over concentration of one client group in an area of the city, we could move properties between the organisations to dilute the concentration.
- c. Marketing. All 3 organisations are marketing to landlords and there may be opportunities to combine the marketing to appeal to a wider audience of landlords. There may also be economies to be realised by undertaking joint marketing and advertising.
- d. Management – Each organisation manages the accommodation they lease and there may be opportunities to undertake joint management and/or co-locate staff to benefit from close working and reduce office costs. Co-locating staff and sharing office space and sharing back office functions deliver economies and efficiencies for each organisation.
- e. Maintenance/Repairs. All 3 organisations are undertaking repairs and maintaining properties and again there may be benefits to undertake some of this work jointly to provide a more responsive service and minimise costs.

7 FRAMEWORK AGREEMENT

- 7.1 BHCC are currently leading on a Framework Agreement whereby larger volumes of accommodation can be procured through landlords who have been approved to form part of the Framework Agreement. Partners who are party to this Agreement will have the benefit of not having to undertake a tendering process when additional accommodation is required. All 3 organisations are set to be parties to the Framework Agreement which it is envisaged will be in place by late summer 2011. Notwithstanding, there are opportunities for Joint working on Head Leasing that could be progressed in advance of the Framework Agreement.

8 CONSULTATION

- 8.1 We have consulted with both Sussex University and Brighton University who are supportive of this work.

9 FINANCIAL & OTHER IMPLICATIONS:

9.1 Financial Implications

There are no direct financial implications arising from the recommendations of this report however it is envisaged that the joint working should result in efficiencies and improved value for money for all parties.

Finance officer Consulted: Michelle Herrington Date: 9 March 2011

9.2 Legal Implications

Under the well-being powers in the Local Government Act 2000, the Council may do anything, including entering into agreements, for the promotion or improvement of the economic, social or environmental well-being of their area. The proposals contained in the report fall within those parameters and are therefore within the Council's powers. No individual's human rights are adversely affected by the proposals in the report

Legal officer Consulted: Liz Woodley Date: 10 March 2011

9.3 Equalities Implications

There are no equalities implications.

9.4 Sustainability Implications:

The proposals will ensure that better use is made of the housing stock and that the private sector is maximised for vulnerable people and students in a way that will contribute to sustainable housing solutions.

9.5 Crime & Disorder Implications:

None.

9.6 Risk and Opportunity Management Implications:

There are opportunities for joint working between the three organisations which will offer value for money and efficiencies.

9.7 Corporate / Citywide Implications:.

Strategically we will be better placed to work with the market to access accommodation and to support the Student Housing Strategy.

10 EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 10.1 The alternative is for us to continue as we are. However, we won't maximise our potential to appeal to the market and to realise the full potential of the efficiencies that could be achieved.

11 REASONS FOR REPORT RECOMMENDATIONS

- 11.1 The recommendations have been made so that BHCC can promote itself as a clear competitor in the private market to maximise use of the private market to deliver housing solutions, provide good quality products to landlords and realise efficiencies and benefits through Joint leasing. This will also contribute to the corporate priorities and those identified in the Housing strategy and Student Housing Strategy and contribute to the work of the Strategic Housing Partnership.