

# Briefing

February 2010



Welcome to the February 2010 issue of our Local Authority Briefing. April 2010 will see significant changes in the DWP funding arrangements for Temporary Accommodation.

**This will affect:**

- Properties held on short-term leases (PSL);
- Bed & Breakfast;
- Properties held on licences.

Although, Housing Association Leasing schemes (HALS) are not included this time, the DWP's Housing Benefit Circular suggests that the PSL formulae should be referred to:

"LA HB managers may, however, want to use the formulae in this scheme, which is linked to market level rents, as a guide for determining whether or not rents in HAL scheme cases are unreasonably high and should be referred to a Rent Officer."

We also understand that the DWP will seek to align temporary accommodation held within the Housing Revenue Account with these new arrangements in due course.

Local authorities we are talking to are now looking at their entire temporary accommodation portfolio and making plans which will help to ensure they are minimising cost and risk to the greatest extent possible.

Please contact me to discuss your temporary accommodation needs and the partnering opportunities there are with the private sector.



## Countdown to April 2010 Are You Ready?

One of the key drivers in DWP's decision to change the funding arrangements for leasing schemes was to ensure that future funding was used solely for this purpose. Many local authorities are looking at the impacts this will have on their budgets for 2010/11 and beyond. Some steps which are being taken to ensure that leasing schemes provide value for money include: renegotiating management fees; renegotiating landlord leases (where possible); and preparing information for setting tenant rent levels.

Local authorities we are speaking to say that giving this careful attention is vital to ascertaining that the authority has a clear picture of what their financial position will be. This also helps ensure that steps are taken in advance of the April 2010 changes.

## 2010 Calendar

January							February							March						
Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su
							1	2	3	4	5	6	7	1	2	3	4	5	6	7
4	5	6	7	8	9	10	8	9	10	11	12	13	14	8	9	10	11	12	13	14
11	12	13	14	15	16	17	15	16	17	18	19	20	21	15	16	17	18	19	20	21
18	19	20	21	22	23	24	22	23	24	25	26	27	28	22	23	24	25	26	27	28
25	26	27	28	29	30	31								29	30	31				

## Leasing for Prevention

As the new DWP regulations also include all properties leased by local authorities, there is an opportunity to use leased accommodation for homelessness prevention cases.

Please contact Orchard & Shipman to discuss how this could work in practice.

# Housing Benefit Changes

The Housing Benefit Circular for Temporary Accommodation can be accessed at the link below:

[www.dwp.gov.uk/docs/s7-2009.pdf](http://www.dwp.gov.uk/docs/s7-2009.pdf)

## Some of the key points include:

- Subsidy for leased accommodation to be up to 90% of Local Housing Allowance (LHA) Rent plus Management Fee (£40 in London; £60 rest of UK);
- Leased subsidy based on property location (Broad Rental Market Area) and property (not household) size;
- Bed & Breakfast subsidy to be self-contained one bedroom LHA rent – no management fee payable;
- Subsidy is based on year it is paid, so any claims not made before April 1st, will be paid at the new rates. This could mean loss of income where existing subsidy claims are higher.

# Free Consultancy Service

Orchard & Shipman is offering local authorities a half day's free consultancy to discuss your temporary accommodation requirements, costs, risks and liabilities and how these can be handled and delivered under the new funding arrangements.

Please telephone **David Gray** on **0131 553 9322** to arrange a meeting.

# Next Month Local Lettings Agencies

Our March Briefing will feature Local Lettings Agencies in Edinburgh and Westminster which have been successfully established following Government reviews of the Private Rented Sector. These agencies are helping households who would otherwise face financial barriers to access tenancies in the private rented sector.

# Contact Us

## England & Wales:

Contact: Andrew Morrison  
Royal House, Vine Street, Uxbridge UB8 1QE  
Tel: **01895 208 893**

Email: [andrew.morrison@orchard-shipman.com](mailto:andrew.morrison@orchard-shipman.com)

## Scotland:

Contact: David Gray  
Anderson House, Breadalbane Street, Edinburgh EH6 5JR  
Tel: **0131 553 9322**

Email: [david.gray@orchard-shipman.com](mailto:david.gray@orchard-shipman.com)



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Orchard & Shipman are the UK's largest private sector provider of PSL management services. We also operate Local Lettings Agencies in both London and Scotland as part of homelessness prevention.