



PUBLICATION OF DECISION LIST NUMBER 49/16-17

MUNICIPAL YEAR 2016/2017

Date Published: Tuesday 10th January 2017

This document lists the Decisions that have been taken by the Council, which require publication in accordance with the Local Government Act 2000. The list covers Key, Non-Key, Council and Urgent Decisions. The list specifies those decisions, which are eligible for call-in and the date by which they must be called-in.

A valid request for call-in is one which is submitted (on the form provided) to the Scrutiny Team in writing within 5 working days of the date of publication of the decision by at least 7 Members of the Council.

Additional copies of the call-in request form are available from the Scrutiny Team.

If you have any queries or wish to obtain further report information or information on a decision please refer to:
– Claire Johnson (ext.4239)

Phone 020 8379 then extension number indicated

INDEX OF PUBLISHED DECISIONS – Tuesday 10th January 2017

List Ref	Decision Made by	Date Decision comes into effect	Part 1 or 2	Subject/Title of Report	Category of Decision	Affected Wards	Eligible for Call-In & Date Decision must be called in by (If Applicable)	Page Number
1/49/16-17	Cabinet Member for Finance and Efficiency	Wednesday 18 January 2016	Part 1	Combined Liability Insurance	Key Decision KD 4403	All	Tuesday 17 January 2017	1
2/49/16-17	Cabinet Member for Housing (Cllr Oykenner) and Cabinet Member for Finance & Efficiency (Cllr Lemonides)	Wednesday 18 January 2016	Part 1 & 2	A decision is required to authorise the increase in individual lease payments to landlords on the Private Sector Leasing Scheme (PSL)	Key Decision KD 4361	All	Tuesday 17 January 2017	2 - 3

DECISIONS

For additional copies or further details please contact Claire Johnson (020 8379 4239), Governance Team.

*NOTE: CALL-IN RESTRICTIONS

Any decisions listed that are for noting only, will not be subject to the Council's call-in procedures. Such items are not deemed to be decisions but matters of information. For further details please contact Claire Johnson (020 8379 4239), Governance Team.

SUBJECT TITLE OF THE REPORT							
COMBINED LIABILITY INSURANCE							
Part 1 or 2 (relevant exempt Paragraph)	Wards affected by decision	Decision taken by	Date Decision comes in to effect	Interest declared in respect of the Decision	Category of decision (i.e. Key, Non-Key, Council, Urgent)	Contact Details	Eligible for Call-in & Date to be called in by
Part 1	All	Cabinet Member for Finance and Efficiency (Cllr Lemonides)	Wednesday 18 January 2017	None	Key Decision KD 4403	Vivian Uzoechi 020 8379 4615	Tuesday 17 January 2017
AGREED: Subject to no call-in being received, the following decision will come into effect Wednesday 18 January 2017:							
1. To extend the current insurance contract for a further 2 year period in line with the Long Term Agreement as set out in the report.							
ALTERNATIVE OPTIONS CONSIDERED:							
<p>1. Re-tendering of Current Contract The Council successfully achieved competitive rates from its insurers at the last tender exercise in 2014. However, given the current state of the insurance market, there is a risk that current competitive rates and savings will not be achieved if the current contract is re-tendered right now.</p> <p>2. Joint Procurement As insurance is a risk transfer mechanism, authorities procuring a joint policy must have very similar risk profiles (including claims history and management) to benefit from the collaboration.</p> <p>In addition, the insurance arrangement/contracts for collaborating parties must have harmonised renewal dates.</p> <p>We are unaware of any other authorities with risk profiles, insurance arrangement / contracts and harmonised renewal dates similar to Enfield Council.</p>							
REASONS FOR RECOMMENDATIONS:							
<p>1. The second year under the Combined Liability Long Term Agreement ends on 31 March 2017. Extending the contract for a further 2 year period in line with the Long Term Agreement and decision under KD 3994 will aid the alignment of this contract with other corporate insurance policies to enable a joint procurement exercise to be carried out in 2018/2019.</p> <p>2. Extending the contract will also ensure the Council continues to benefit from negotiated fixed premium rates and discounts provided under the current Long Term Agreement.</p>							
BACKGROUND							
Please note that a copy of the Part 1 report is available via the Decision list link on the Council's Democracy pages.							

LIST REFERENCE: 2/48/16-17

SUBJECT TITLE OF THE REPORT							
A decision is required to authorise the increase in individual lease payments to landlords on the Private Sector Leasing Scheme (PSL)							
Part 1 or 2 (relevant exempt Paragraph)	Wards affected by decision	Decision taken by	Date Decision comes in to effect	Interest declared in respect of the Decision	Category of decision (i.e. Key, Non-Key, Council, Urgent)	Contact Details	Eligible for Call-in & Date to be called in by
Part 1 & 2	All	Cabinet Member for Housing (Cllr Oykenner) and Cabinet Member for Finance & Efficiency (Cllr Lemonides)	Wednesday 18 January 2017	None	Key Decision KD 4361	Nick Martin 020 8379 4550	Tuesday 17 January 2017
AGREED: Subject to no call-in being received, the following decision will come into effect Wednesday 18 January 2017:							
<ol style="list-style-type: none"> 1. That the caps on lease payments paid to landlords on the PSL Scheme are increased up to 100% of the local housing allowance rate (LHA) to maintain the supply of accommodation for use as temporary accommodation or accommodation to prevent homelessness, where this can be achieved. 2. To implement the suggested price increase, up to 100% of the LHA, to all renewals of PSL leases from January 2017 onwards. This is an invest-to-save measure. 							
ALTERNATIVE OPTIONS CONSIDERED:							
<ol style="list-style-type: none"> 1. Increase the use of expensive NPA accommodation (self-contained and shared). Currently we are utilising more than 1800 units of NPA which is causing a significant cost pressure on the portfolio. The increase in use of NPA properties is not sustainable in the long term due to significant operating loss on each property. The impact of NPA on the portfolio over a 3-year period (full turnover to NPA) will be more than £2m in additional cost to the council. 2. Maintaining the current rent levels paid to providers and landlords or increasing them at a level below those recommended would result in many more properties being lost from the schemes, eventually the scheme will cease to operate. Landlords have also expressed concerns in acceptance of lump sum incentives at renewal stage due to the potential of increased tax liabilities. 							
REASONS FOR RECOMMENDATIONS:							
<ol style="list-style-type: none"> 1. As previously advised rents for the PSL scheme were raised by 4% in February 2012 for the 759 units leased at that time. This increase has not stopped the continuing requests for properties to be returned to landlords – 161 properties in four years. From the intelligence gathered this is because landlords have the option to gain greater returns from other organisations/letting agents – particularly other London Boroughs. 							

A DECISION IS REQUIRED TO AUTHORISE THE INCREASE IN INDIVIDUAL LEASE PAYMENTS TO LANDLORDS ON PRIVATE SECTOR LEASING SCHEME (PSL) – CONTINUED

The recommended increase makes Enfield more competitive with agents on a guaranteed rent basis. It is envisaged that this would not only help us to secure the current portfolio, but increase it. It is our intention to go out to the market with an improved PSL offer to attempt to attract new landlords to the PSL scheme (advertising campaign). A competitive rate to landlords also limits the need to pay out incentives to top up the current low rate paid. In the last 3 years, we have paid out more than £1.7 in incentives to landlords to keep properties on scheme.

2. Based on three scenarios detailed in Part 2 report – Appendix C & S, if we are able to renew up to 50% of the PSL portfolio the next 3 years there is an avoidance in cost of circa £0.7,. If we were to compare this against implementing the PSL price increase to the LHA rate over the same period, there is an avoidance in cost up to £2.0m against NPA ('Do nothing'). The increase in price is to be rolled out in conjunction with several work streams in order to reduce costs across the TA portfolio.
3. The PSL scheme is an efficient part of the portfolio, in terms of quality and stability. Historically, each PSL has provided the Council with a substantial monetary surplus, because the rent that we collect on them exceeds the costs of managing and leasing them. This surplus has been used to subsidise NPAs and other costs to service.

NPAs on the other hand operate at a significant deficit to the Council. The loss of affordable PSL accommodation and the increase in the use of expensive NPAs has led to a significant budget pressure for the service. Please refer to the graph in the report which shows the extent of the gradual loss of PSL's and significant increase in NPA's.

4. We are experiencing a high level of handback/transfer requests across all portfolios' (transfer list of 300), in one case an agent has requested more than 60 properties to be returned in the next 3 months as they wish to exit the market. An increase in PSL rates will save the loss of these properties where to be returned there are significant issues, disruption to families, increased accommodation costs (NPA).
5. Although there is significant loss of surplus in increasing the PSL lease rates over the next 3 years, the cost saving in years one and two will run in surplus as the council will not be paying lump sum incentives to secure properties at renewal stage.

BACKGROUND

Please note that a copy of the Part 1 report is available via the Decision list link on the Council's Democracy pages. As the Part 2 report contains exempt information it will not be available to the press or public.