

REPORT OF Deputy Section 151 Officer

To: Full Council

Subject: Private Sector Leases (addition to capital programme)

Date: 08th April 2024

Reference:

PURPOSE OF REPORT: For Members to consider authorising the PID for Private Sector Leases (PSL)

The Capital Programme includes new PIDs (Project Initiation Documents) which require authorisation from members before inclusion.

1. Private Sector Leases (PSL)

The Council currently has 21 PSL (Private Sector Leases) relating to private rental accommodation which are used for temporary accommodation for homelessness.

These are short term leases for an average of 3 years.

Due to the implementation of IFRS16 (international financial reporting standard) from the 1st April 2024 such leases are to be treated as capital items.

This results in any new leases, or extensions of existing leases will need to be added to the capital programme.

The PID (see appendix 1) is to authorise £750K of PSL lease commitments (over 3 years) recurring.

This is to accommodate the current annual cost for 21 properties (£205K, with headroom for general inflation going forward, and a few extra leases due to the fluctuating demands of the service), over the average of 3 years (i.e. £250K x 3 = £750K).

Note, there is no additional funding required, as each lease is paid on a monthly basis, the accounting change means that future spend has to be treated as capital which was previously revenue.

Implications

Legal Implications

No specific legal implications

Financial Implications

Included in the report

Human Resources Implications

There are no specific human resources implications.

Sustainability Implications

There are no specific sustainability implications.

Equality/Diversity

There are no specific equality/diversity issues.

Risk Management

Housing/Homelessness pressures have been identified within the Council's Corporate Risk Register as an area of significant risk.

Compliance with Policies and Strategies

This Report fits within the Council's Capital Strategy.

Lead Member Views

Councillor Bushby:

Date of Consultation – 23rd February 2024

“PSLs are a significant resource that the council uses to relieve homelessness pressure

The addition of PSLs to the Capital Programme is an accounting requirement, and therefore has no additional cost to the council”.

2 Recommendations:

That Members consider the recommendations by Community and Resources on the 4th March 2024 to Full Council

- a) The Capital Programme is updated to include:
 - o Private Sector Leases

SUPPORTING INFORMATION

Consultations: Date of Consultation – 22 February 2024

Officers Consulted –

Steve Hearse Chief Executive

Sean Kearney Head of Communities and Place

Staci Dorey Head of Legal & Governance

Gordon Bryant Finance Manager & Section 151 Officer

Contact Officer: Peter Hudson – Deputy Section 151 Officer