

LEASING POLICY

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Policy Owner	Housing Services
Author	Head of Business Services
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Proof Read	Housing & Care Director
Date Approved	7 th May 2018
Approved by	EMT
Next Review Due	May 2021

Audience – Training and Awareness Method	<i>Revised policy will be sent out via email to the Housing Teams and relevant members of the Assets Team.</i>
Effective Date	7 th May 2018

Internal References	Appendix 1 - Landlord and Tenant Responsibility Matrix - Updated May 2018.xls Appendix 2 - Landlord and Tenant H & S Responsibility Matrix - Updated May 2018.xls Scheme of Delegation Financial Standing Orders
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External References	
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LEASING POLICY

1. PURPOSE OF POLICY

- 1.1 The purpose of this policy is to clearly define the circumstances in which we will lease properties and the organisations to which we will lease them. Certain employees have delegated authority to enter into leasing arrangements in line with this policy but any proposal to lease which falls outwith the terms of this policy must be considered in line with the Scheme of Delegation.

2. INTRODUCTION

- 2.1 Our aim is to meet our obligations to promote equalities and contribute to meeting the needs of the wider community. To achieve this we will make a number of properties available to organisations working with people with support needs and to local authorities where appropriate.
- 2.2 Where leasing is found to be the most appropriate option the Board delegates authority to the Chief Executive / Directors to sign agreements on its behalf. As per the Scheme of Delegation, the Board must approve all leases which are for terms of 5 years or over, otherwise these can be negotiated by the Chief Executive / Directors – again in line with the Scheme of Delegation and the Financial Standing Orders.
- a) In line with Performance Standards and good practice, Blackwood will only lease properties to a third party on an exceptional basis. We will consider any proposal in accordance with our vision and values. Our policy is to provide the most secure form of tenancy compatible with the purpose of the housing therefore, wherever possible, we will provide direct tenancies for individuals. For example, generally when the accommodation is self-contained and long-term, we do not consider leasing to be appropriate.
 - b) When we lease property, we will ensure the lessee uses the appropriate model leases, tenancy and occupancy agreements currently available.
 - c) When we enter into a lease where we need to consider a variation on an existing model tenancy or occupancy agreement, we will seek legal advice to ensure that we are maximising the security of tenure for the individual. This may arise because of the design of the accommodation or the nature of the client group.

3. MEETING THE NEEDS OF OUR CUSTOMERS

- 3.1 To meet our policy objectives we will generally only lease property for use as temporary accommodation. There will be exceptions, however, where the accommodation is a person's permanent home. Accommodation registered with the Care Inspectorate as a care home, for example, for people with dementia would fall into this category.

- 3.2. We will lease properties where it is appropriate due to the customer being housed and the nature of the support being provided:
- 3.3. We will make every effort to safeguard our properties and the people living in them. In determining an organisation's suitability as a lessee, we will consider its track record including its financial position (consideration of financial viability is relaxed in the case of local authorities).
- 3.4. A responsibility matrix dealing with maintenance aspects (see 7.3) will be completed for each HMO (House of Multiple Occupancy) or leased property arrangement. Additionally, a further Health & Safety responsibility matrix (see 7.4) will be completed.

4. **MANAGING EQUALITIES**

- 4.1. Our policy is to ensure fair and open access to our housing and to be responsive to people's individual support needs. We will ensure, therefore, that appropriate selection and assessment criteria are used by the lessee in allocating the properties in conjunction with the terms of the management agreement with the Tenant / lessee and Local Authority Health & Social Care Partnership (HSCP) link officer.
- 4.2. We undertake to ensure that equal access to appropriate property types and locations across the range of our stock is given to lessees. Properties made available for leasing should not be confined to one particular area or to less desirable stock.

5. **RENTAL CHARGES**

- 5.1. Where the lease relates to a property being used for a purpose other than housing, for example as an office, we will consider on its merits the rent to be charged. We will also ensure an appropriate management fee is built into the charge.
- 5.2. Where the property is to be used as housing, the normal rental charge for the property will usually be applied though we will consider each case on its merits.

6. **AUDIT TRAIL**

- 6.1. We will maintain a clear audit trail showing that we have:
 - a) Examined all other available options in deciding that leasing is the most appropriate arrangement;
 - b) Ensured that the lessee has granted the most secure form of tenure compatible with the purpose of the housing;
 - c) Demonstrated good reasons for departing from the terms of any model agreements. This should include where the:
 1. lease is for longer than three years
 2. appropriate SFHA (Scottish Federation of Housing Associations) Model lease is not used
 3. Model is used but some clauses are omitted or amended
 4. appropriate model occupancy or tenancy agreement is not used
 - d) Managed risks, covered costs and taken steps to ensure sustainability where it is a commercial lease.

7. PERFORMANCE AND REVIEW

- 7.1 We will review the management of leased properties regularly by holding liaison meetings with the lessee at least every six months or as appropriate to the project.
- 7.2 A responsibility matrix as attached at Appendix 1 detailing which organisation is responsible for meeting costs associated with Maintenance; Repair; Replacement; Insurance will be completed for each leased property and the details of same integrated to Blackwood Universal Housing (UH) system.
- 7.3 A responsibility matrix as attached at Appendix 2 detailing which organisation is responsible for Health & Safety aspects will be completed for each leased property.

8. LEASE RENEWAL & TERMINATION

- 8.1 For all leases (despite the conditions of the individual lease) we will ensure that we strategically review the value of the lease arrangements at least six months prior to the renewal date. This will require a report to EMT, with sufficient detail to allow them to make a decision on whether to continue or whether there are other options available to us.
- 8.2 Should any issues arise which mean potential early termination of the lease or breach of the conditions of the lease, these should be reported the Housing and Care Director and then to EMT as soon as possible, so that relevant advice can be sought and next steps agreed.

9. REVIEW

- 9.1 This policy will be updated as required and otherwise reviewed on a three yearly basis.