

## **Report to Portfolio Holder for Housing, Health and Well-Being**

**Subject:** New leases for two properties owned by Jigsaw Homes Midlands currently used for temporary accommodation within the borough.

**Date:** 24th September 2020

**Author:** Housing and Welfare Support Manager

### **Wards Affected**

All

### **Purpose**

To obtain approval to enter into new leases for two properties in the borough of Gedling owned by Jigsaw Homes Midlands for use by the Council as temporary accommodation to help address the demand for temporary accommodation for those households that are homeless and in priority need.

### **Key Decision**

This is a not a key decision.

### **Recommendation**

That the Portfolio Holder for Housing, Health and Well-Being:

- 1) Approves the Council taking new leases of the two properties (49 Church Lane, Arnold, Nottingham, NG5 8HH and 84 Redland Grove, Carlton, Nottingham, NG4 3EU) owned by Jigsaw Homes Midlands for use as temporary accommodation
- 2) Approves the rent levels to continue to be set at 90% of the January 2011 Local Housing Allowance rate for a 3-bedroom property, with an annual review.

## **1 Background**

- 1.1 The Housing Needs Team has access to 7 two-bedroom flats owned by the Council, which are used as temporary accommodation for those households that are at risk of homelessness and are given priority on the Council's waiting list.
- 1.2 A further four units of accommodation consisting of two 3 bedroom houses and two 2 bedroom flats are also leased from Derwent Living Housing Association. This brings a total of 11 properties that can be used by the Council for temporary accommodation.
- 1.3 In July 2018, approval was given to enter into 2-year leases on two Gedling Homes (now Jigsaw Homes Midlands) properties to bolster the number of available units for temporary accommodation from 11 to 13. This was in response to the increasing numbers of households in need of temporary accommodation, due to their priority status, and to reduce the number of households being placed in bed and breakfast style accommodation.
- 1.4 The Council paid for both properties to be fully decorated and carpeted before habitation. Since then, the two properties have been used to provide temporary accommodation for housing larger households and have been largely occupied over the past 2 years.

Despite the increase in the number of overall units, there has still been a need to place families in privately owned Bed and Breakfast accommodation that is predominately located outside of the Borough. This type of nightly accommodation is costly and consider a poor substitute compared to the 13 units the Council provides.

## **2 Proposal**

- 2.1 As there is an increasing demand for temporary accommodation, Officers are seeking approval to continue the lease agreement for these two properties at:

- a) 49 Church Lane, Arnold, Nottingham, NG5 8HH
- b) 84 Redland Grove, Carlton, Nottingham, NG4 3EU

The Council's current lease of 49 Church lane is due to expire on 23<sup>rd</sup> September 2020 and the lease of 84 Retland Grove on 9<sup>th</sup> December. Therefore it is proposed that the Council enters into new leases with Jigsaw Homes Midlands until and including the 31<sup>st</sup> March 2023 so that these properties continue to be available to the Council for use as temporary accommodation. The leases will contain a break clause enabling either party to terminate the lease by giving the other party four weeks' written notice following expiration of the first six months of the term. This gives the Council the opportunity to terminate the leases if the Council

no longer needed the properties to fulfil its homelessness duties. Such break clause could also be exercised by Jigsaw Homes Midlands.

- 2.2 Officers are currently charging rent, which is set at 90% of the January 2011 Local Housing Allowance rate for a 3-bedroom property. This is the maximum amount eligible under Housing Benefits subsidy. Therefore, Officers are seeking approval to continue to charge the occupiers of the leased properties a weekly rent of £114.23 during 2020/21. Please note, the rents are to be reviewed annually and any changes to take affect from the 1<sup>st</sup> of April of that year.

### 3 Alternative Options

- 3.1 To no longer lease the two properties from Jigsaw Homes Midlands and remain with the current temporary accommodation provision of 11 units, which when fully occupied. However, this will mean that the Council will have to use bed and breakfast hotels or hostels at a significant extra cost and provide less facilities than these houses do.

### 4 Financial Implications

- 4.1 Jigsaw Homes Midlands have set the following rents for each of the two properties.

Property	Rent (if charged over 48 weeks)	Rent (if charge over 52 weeks)	Annual rent
49 Church Lane	£113.95	£105.18	<b>£5,469.36</b>
89 Redland Grove	£113.77	£105.02	<b>£5,461.04</b>

- 4.2 For both properties, the rent charged by the Council to the occupiers on a temporary accommodation basis will only attract Housing Benefit subsidy of 90% of the 3 bedroom Local Housing Allowance rate as at January 2011 as prescribed in the latest Housing Benefit guidance circular S5/2017 (3<sup>rd</sup> Revision)
- 4.3 The Local Housing Allowance rate for a 3 bedroom property in January 2011 was £126.92. However, Officers are proposing to set the rent at maximum amount eligible under Housing Benefits subsidy, which is 90% of the January 2011 Local Housing Allowance rate as stated above. This amounts to a weekly charge of £114.23 or £5,939.96 per annum.
- 4.4 At this rental level, there would be a surplus of between £470.60 and £478.92 between the cost of leasing the properties and the rental levels coming in. This goes to cover any void periods and general maintenance required. The net costs of the leases are fully contained within the current approved budget.

## **5 Legal Implications**

- 5.1 The Council owes statutory duties to eligible households who are either homeless or threatened with homelessness under the Part VII of the Housing Act 1996. This can include a duty to provide interim accommodation or a full housing duty. The Council are therefore statutorily required to provide some households with temporary accommodation and must have means of accommodating these households, whether through properties that it owns or leases or accommodation procure through third parties such as B&B or hostel accommodation.

## **6 Equality Implications**

- 6.1 The proposed leasing of these two properties provides suitable accommodation to meet the needs of a wide range of households for temporary accommodation.

## **7 Carbon reductions/ Sustainability Implications**

- 7.1 None perceived

## **8 Appendices**

- 8.1 None

## **9 Background Papers**

- 9.1 None

## **10 Reasons for Recommendations**

- 10.1 To enable the Council to enter into two new leases for the properties located at 49 Church Lane, Arnold, Nottingham and 89 Redland Grove, Carlton, Nottingham for use as temporary accommodation to compliance with its homelessness duties.