

Report to Deputy Leader and Portfolio Holder – Corporate Resources and Performance

Subject: The renewal of leases for two properties owned by Jigsaw Homes Midlands currently used for temporary accommodation within the borough.

Date: 23rd January 2023

Author: Housing and Welfare 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 Deputy Leader and Portfolio Holder for Corporate Resources and Performance:

- 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 leases for a period of 2 years, starting on the 1 April 2023

1 Background

- 1.1 As well as the 2 properties leased from Jigsaw Homes Midlands, the Housing Needs Team currently has access to 14 properties 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 and 3 caretaker bungalows owned by Nottinghamshire County council has also recently been secured on leases until March 2024. This brings a total of 23 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. These leases were extended and currently are due to expire on the 31 March 2023. 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 and nightly charged style accommodation.
- 1.4 The Council paid for both properties to be fully decorated and carpeted before habitation back in 2018 and has financial invested in the internal maintenance and upkeep of the properties throughout.
- 1.5 Both properties are large 3 bedroom houses which has enabled the Housing Needs Team to accommodate the larger families we are currently assisting. The need for this type of temporary accommodation is still significant due to the demand and composition of households presenting as homeless or at risk of becoming homeless.

Despite the increase in the number of overall units available to the Housing Needs Team, there has still been a need to place some families in privately owned bed and breakfast accommodation for a period of time. Bed & Breakfast accommodation is predominately located outside of the Borough and is costly and consider a poor substitute compared to the other temporary accommodation offers the can Council provide.

2 Proposal

2.1 Due to the ongoing 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 leases of 49 Church Lane, Arnold and 84 Redland Grove, Carlton are due to expire on 31 March 2023. Therefore it is proposed that the Council enters into new leases with Jigsaw Homes Midlands until and including the 31 March 2025, 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.

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 21 units. However, this will mean that the Council will have to be more reliant on bed and breakfast hotels, hostels or other nightly charged accommodation at a significant extra cost to the Council. This type of accommodation also provides limited amenities and includes no cooking facilities which could have a detrimental impact on the health and wellbeing of those households placed.

4 Financial Implications

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

Property	Rent (Weekly)	Annual rent
49 Church Lane, Arnold	£125.39	£6,520.28
89 Redland Grove, Carlton	£132.77	£6,904.04

- 4.2 For both properties, the rent charged by the Council to the occupiers on a temporary accommodation basis will only attract 100% 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 (3rd Revision)
- 4.3 The Local Housing Allowance rate for a 3 bedroom property in January 2011 was £126.92. The current rental levels for these 2 properties have been set at the maximum amount eligible under Housing Benefits subsidy, which is 90% of the January 2011 Local Housing Allowance rate as stated above. However, following on from the Temporary Accommodation Appraisal approved by Cabinet in 2021 and the subsequent properties purchased and leased thereafter it is proposed to undertake a review on all temporary accommodation rent levels in early 2023.

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 Bed & Breakfast 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 and reduce its reliance on expensive and unsuitable bed and breakfast and other nightly charged accommodation.