

**Wards Affected:**

All Wards

**ITEM 1****DELEGATED DECISION****3 NOVEMBER 2015****LEASE - 4 DE PARYS AVENUE BEDFORD**

Responsible Cabinet Member: Councillor O'Neill (Cabinet Member for Housing and Regeneration)

Report Sponsor: Jane Reed (Service Director Housing and Community)

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**Executive Summary:**

This report is to request authorisation for the Council to sign a 2 year Lease with UK Room (a property management agency) for 4 De Parys Avenue Bedford for use as temporary accommodation for statutory homeless families. The property consists of 13 self-contained 1 & 2 bedroom flats. Under a 3 month Interim Lease which expires on 6 December 2015, the flats already provide temporary accommodation for 13 families that would otherwise be placed in rooms in Travelodge or other hotel type accommodation. The flats provide more suitable accommodation for homeless families as well as reducing temporary accommodation costs to the General Fund. The Lease will start from 7 December 2015 following on from the existing 3 month Interim Lease.

**1 Recommendation(s)**

1.1 That the Heads of Legal Services be authorised to sign a 2 year Lease for 4 De Parys Avenue Bedford for use by the Council as self-contained temporary accommodation for homeless households based on the draft Lease in the exempt Annex.

**2 Issues**

2.1 Milton Keynes Council has a duty to secure housing for households that it accepts as statutory homeless (within the meaning of Part VII of the 1996 Housing Act) or to provide interim temporary accommodation. This is increasingly out of area Travelodge or other hotel type accommodation - known as Bed & Breakfast (B&B) - as there is a shortage in Milton Keynes of any temporary accommodation. While demand continues to increase, the supply of properties available for temporary or permanent rent is reducing. B&B accommodation cost the Council's General Fund £979k in 2014/15 - in 2015/16 the cost is forecast to be £1.7m and there were 155 households in B&B at 4 October 2015.

2.2 B&B provides an unsuitable environment for families to live in - short-stay rooms generally located out of the Borough away from work, schools, friends and family, and without the facilities such as cooking and washing that self-contained accommodation offers. The Council is working on a variety of short, medium and long-term options to reduce or eliminate its use.

- 2.3 One option the Council has already taken is to enter into a 3 month Interim Lease with UK Room (London) Ltd and the property owners for 4 De Parys Avenue, Bedford, a large Victorian residential building. The property consists of 13 self-contained flats (2 studios, 10 1bed & 1 2bed) which the Council is currently using for temporary accommodation for homeless households that would otherwise be in B&B accommodation.
- 2.4 The Council leases all of the premises and then sub-lets the 13 flats individually under a non-secure licence to homeless households. The Interim Lease was signed to enable immediate use of the premises pending a Delegated Decision to authorise entering a 2 year Lease for the property.
- 2.5 UK Room (London) Ltd is a property management agency that specialises in the acquisition, operation and management of residential accommodation specifically targeting local authority and multiple occupancy requirements. It is the legally appointed Manager for 4 De Parys Avenue. The Council's Legal team already established, through extensive Search on Titles and confirmation from the owner's lender, that the owners have authority to grant a lease of the property and that the title to the property presented no issues before signing the 3 month Interim Lease.
- 2.6 UK Room totally redecorated and refurbished the 13 flats and communal areas at 4 De Parys Avenue prior to entering the Interim Lease with the Council in September 2015. The flats are fully equipped with furniture, white goods (cookers, washing machines and fridge/freezers), and crockery and cutlery as well as bed linen.
- 2.7 UK Room is responsible for managing and maintaining the property, with an on-site manager/caretaker who monitors occupation and provision of keys to new residents. Flats will be available for re-letting on the same day if given notice in time. UK Room will also equip the flats with appropriate bedroom furniture to suit the varying needs of the individual households.
- 2.8 The proposed 2 year Lease for 4 De Parys Avenue will provide a saving to the Council on temporary accommodation costs (see Financial Annex which is exempt from publication). There are other additional savings to the General Fund such as travel costs for relocating families from one short-stay B&B to another , and associated school travel costs (although the Council has changed its Home to School approach and now assists families with bus passes or advice rather than paying for taxis and fuel costs).
- 2.9 The self-contained flats also provide a saving to families as they are able to prepare food, rather than eating takeaways, and wash clothes, rather than using laundrettes, as well as being a more suitable living environment for families.
- 2.10 If the Council does not sign a 2 year Lease at the expiry of the Interim Lease the Council will need to find alternative temporary accommodation for the 13 households that will be in occupation - probably B&B accommodation due to lack of other available properties. It will also remove 13 self-contained flats from the property pool that the Council can use for its homelessness duty.

2.11 No external consultation was required or carried out.

### 3 Options

3.1 **Do Nothing** – the Council already has 13 households in 4 De Parys Avenue and would have to find them or their successors alternative accommodation when the Interim Lease expires on 6 December 2015. As there is insufficient alternative temporary accommodation available locally, the Council will probably have to place them in expensive and largely out of area B&B with an increasing cost to the General Fund, and in an unsatisfactory and transient environment. It will also reduce the number of self-contained flats available to the Council for use as temporary accommodation for the next 2 years.

3.2 **Sign a 2 year Lease for 4 De Parys Avenue** - the Council will have 13 self-contained flats available for 2 years for temporary accommodation rather using more expensive B&B. The flats will provide a more settled and less expensive environment for homeless families to live in pending more permanent housing. They will also help the Council in its duty under the Homelessness (Suitability of Accommodation) (England) Order 2003 to ensure that families are not housed in B&B accommodation for more than 6 weeks. In addition the Council will not need to find alternative temporary accommodation for the 13 households in occupation at 6 December 2015. This is the recommended option.

### 4 Implications

#### 4.1 Policy

It will contribute towards the Housing Strategy 2012 objective - Reduction of the number of Households in Bed and Breakfast.

Housing performance measures it will help to achieve are: B&B cost reduction

#### 4.2 Resources and Risk

Failure to sign the 2 Year Lease will result in additional costs to the General Fund in temporary accommodation costs.

The Annex to the report, which is not for publication by virtue of Paragraph 3 (Information Relating to the Financial or Business Affairs of the Authority) of Part 1 of Schedule 12A of the Local Government Act 1972, sets out the financial details. These matters are considered to be restricted as they contain commercially confidential information and references to the Council's negotiating position.

Resource implications identified below are dealt with in the body of the Report or in the Confidential Annex.

Y	Capital	Y	Revenue	N	Accommodation
Y	IT	Y	Medium Term Plan	N	Asset Management

#### 4.3 Carbon and Energy Management - not applicable

#### 4.4 Legal

4.4.1 The Council has a legal duty to secure housing for homeless families (Housing Act 1996)

4.4.2 The Council has a duty under the Homelessness (Suitability of Accommodation) (England) Order 2003 to ensure that families are not housed in B&B accommodation for more than 6 weeks.

#### 4.5 Other Implications

N	Equalities/Diversity	N	Sustainability	N	Human Rights
N	E-Government	N	Stakeholders	N	Crime and Disorder

Annex: Lease - 4 De Parys Avenue Bedford - Financial Paper (Exempt)