

<b>DECISION NO:</b>	<i>For Member Services use only</i>
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Concurrence No:	066346
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<b>Action under delegated authority of Chief Executive</b>	<b>X</b>
<b>Action under delegated authority of Director of Finance and Cabinet Member for Finance</b>	
<b>Action taken by Chief Executive in consultation with Cabinet Member(s)</b>	

Subject: Temporary Accommodation Extension of Lease (Templefields, Harlow)

Signature and designation of officer(s) taking action:

Chief Executive	Date	Director of Finance	Date
		Head of Finance	Date

**Name of Cabinet Member(s) Consulted:**

I have been consulted and concur with the proposals set out below:

Cabinet Member for	Signature:	Date:
Cabinet Member for	Signature:	Date:

Name of any member who has declared a conflict of interest in relation to this decision: \_\_\_\_\_

**THIS DOCUMENT WILL BE PUBLISHED ON THE COUNCIL'S WEBSITE**

**The report overleaf sets out the decision to be taken, the reasons for the decision, and the details of alternative options, if any, considered and rejected.**

**Officer decisions are available for public inspection, both at the Borough Offices and on the Council's website, for a period of six years after the decision is made. Background papers are available for four years.**

**RECOMMENDED that:**

Approval is given for an exception to Contract Standing Order to extend the lease of 24 units of accommodation from Caridon Property Ltd at Templefields, Harlow for a further 12 months.

**Purpose**

To request an exception to Contract Standing Orders, to allow the lease agreement with Caridon Property Ltd for temporary accommodation units at Templefields, Harlow, to be extended.

**The Project**

In 2017 the Council took out a one year lease of 47 units at Templefields, Harlow. This arrangement was carried out in conjunction with Three Rivers District Council (TRDC) with Broxbourne taking 24 units and TRDC the rest. This was set out in a Service Level Agreement between the two councils with Broxbourne paying the entire leasing charge up front and TRDC reimbursing Broxbourne for their units.

The lease expired in August 2019, and as the scheme has proved to be a useful addition to the portfolio of temporary accommodation providing value for money, in comparison to sourcing ad-hoc nightly paid accommodation on the open market, it is proposed to extend the lease for a further year. The sub lease with Three Rivers District council will no longer continue as they are making their own arrangements.

This means that it is proposed to lease 24 units, 18 Studios and 6 two bedroom flats.

As with the previous arrangements Broxbourne will pay all of the lease charges to the provider Caridon in advance.

**Financial**

Current net annual cost to the Council is £222,000. Under the new proposal the annual cost remains the same. This is provided for within 2019/20 budgets.

Assuming 90% occupancy of Broxbourne's units over the year, the lease costs will be fully offset by rental income received from tenants. It should be noted that the majority of tenants will receive housing benefit which will fully offset the rental charge.

**Legal**

The proposal would enable the Council to continue to have access to an accommodation resource which allows it to discharge statutory obligations on homelessness more effectively. The proposal would require the Council to sign a revised contract with the owners prior to the agreement continuing.

**Risk**

Homelessness is an area of high risk for the Council. However, this proposal is designed first and foremost to mitigate financial risk (by pricing temporary accommodation that represents better value for money) and to enable compliance with the enhanced levels of responsibility to place people locally.

The key risks to consider are possible changes to the housing benefit regime on temporary accommodation resulting in a less favourable business case and a downturn in demand for this type of accommodation.

### **Alternative Options Considered and Rejected**

The alternative is to not renew the lease. However, as these units are significantly cheaper than the market average and are relatively close to the Borough of Broxbourne, this would not be in the Council's best interests.

### **Equalities Implications**

Households with a 'protected characteristic' (which includes age, disability, gender, race and religious affiliation) under the Equalities Act (2010) and who apply as homeless are disproportionately represented when compared to the general population.

### **Contribution to the Council's Objectives**

This proposal contributes to the objective in help residents affected by homelessness and disadvantage.

### **Conclusion**

This represents an opportunity to maintain a resource of accommodation of the right size that is essentially cost neutral in an area in close proximity to, and with good transport links to the Borough.

It is therefore, recommended that an exception to Contract Standing Orders be approved to allow the lease to be extended.

Contact Officer: Katy Leman

Ext: 5857

Date: 23 October 2019

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Action reported to the Cabinet on:

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