

TO: THE MONITORING OFFICER (TOM CLARK, SOLICITOR TO THE COUNCIL)

RECORD OF ACTION TAKEN BY CABINET MEMBERS UNDER DELEGATED POWERS

Subject: The Private Sector Lease of Mid Sussex Cottage, Handcross by MSDC to provide temporary accommodation for homeless households.

Cabinet Members:

Councillor Judy Llewellyn-Burke, Vice Chair of Cabinet with responsibility for Corporate Estates
Councillor Andrew MacNaughton, Cabinet Member for Housing and Planning

Have the Cabinet Members received a report prior to taking the decision?	Yes
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In the case of a key decision and where the Cabinet Member has received a report

NA

Alternative options considered and rejected

NA

Record of decision taken

To authorise the Private Sector Lease of Mid Sussex Cottage, Handcross, at a rent of £1,350 pcm for 5 years

Statement of reasons for making the decision

To increase the provision of temporary accommodation in Mid Sussex, to meet the increasing demand and to provide an alternative to guest house in accordance with the Council's priorities.

Date of decision:- 26th June 2020

Is the decision to be protected from call-in?	No
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Signed:



Councillor Judy Llewellyn-Burke, Vice Chair of Cabinet with responsibility for Corporate Estates

Signed:



Councillor Andrew MacNaughton, Cabinet Member for Housing and Planning

This record must be forwarded immediately to the Monitoring Officer (TC) and copied to the relevant Cabinet Members.

For Monitoring Officer

Date of publication of Member Information Services	
Date of decision can be implemented (on the Thursday after publication of the Member Information Service unless already protected from call-in)	

Approval to lease Mid Sussex Cottage, High Street Handcross, RH17 6BW

REPORT OF: Judy Holmes
Assistant Chief Executive
Contact Officer Emma Shuttleworth,
Business Unit Leader, Housing Services
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Tel: 01444 477431
Wards Affected: Slaugham
Key Decision No

Purpose of Report

1. To seek the approval of the Vice Chair of Cabinet with responsibility for Corporate Estates, Councillor Judy Llewellyn-Burke and the Cabinet Member for Housing and Planning, Councillor Andrew MacNaughton to enter into a Private Sector Lease of Mid Sussex Cottage, Handcross, RH17 6BW. The property will be used to provide temporary accommodation for households to whom MSDC owes a duty to provide accommodation under the Homelessness legislation.

Recommendation

2. That the Vice Chair of Cabinet, with responsibility for Corporate Estates and the Cabinet Member for Housing and Planning authorise the Assistant Chief Executive to proceed with the private sector lease of Mid Sussex Cottage, Handcross.

Background

3. In July 2018 Cabinet agreed to purchase up to 20 properties and to lease up to 10 properties to provide temporary accommodation in the district to meet the needs of homeless households. Officers have negotiated with the owner of Mid Sussex Cottage, Handcross to lease it for 5 years under the Council's Private Sector Lease scheme. The lease will provide for a rent of £1,350.00 per calendar month to be paid to the property owner. The property provides 3 / 4 bedrooms and is in good condition. It is in a sustainable location in the centre of Handcross, close to local amenities. The property will meet a range of needs including those of larger families and will be a useful addition to the temporary accommodation held by the council. The lease will contain a break clause that will allow either party to serve notice at the end of the first year of the term. This will enable flexibility in the unlikely event that the property become surplus to requirements before the expiry of the lease.

Officers have negotiated a rent that is approximately 15% less than open market value to reflect the fact that the council will be undertaking full management responsibility for the property for the duration of the lease. This also provides best value for the Council.

Context

4. The demand for temporary accommodation in Mid Sussex has risen by 80% between 1 January 2019 and the same date in 2020. The surge in demand led the Council's Cabinet to recommend investment in new temporary accommodation on 16 March 2020. Since then, the Covid-19 pandemic has seen the need for temporary accommodation become even more urgent, with an unprecedented 101 households in temporary accommodation at the end of May 2020 including 59 households in guesthouse/nightly paid accommodation. The leasing of properties such as Mid Sussex Cottage is a cost-effective way for the council to increase the supply of temporary accommodation.

Financial Implications

5. The financial implications of approval to enter into this lease are rent payments of £1,350 PCM, £16,200 per annum and £81,000 over the 5 years of the lease. The property will be let to homeless households at the same rent level the owner. This rent falls within the Local Housing Allowance level, which means it will be affordable to the families placed in the property. The rent received by the Council either directly from the household or from Housing Benefit will offset the costs of the rent the council will pay to the landlord. The property will be managed to ensure minimal rent loss by reducing void periods so that it is kept occupied for the full period of the lease as far as possible.

Risk Management Implications

6. The inclusion of a break clause in the lease means that should, in the unlikely event, the property is no longer required for temporary accommodation after a year or later then the Council can terminate the lease. The property will be managed by the Council who will ensure that it is responsibly and appropriately managed.

Equality and customer service implications

7. No equality implications have been identified. In terms of customer service, the leasing of this property will provide a home for local families to relieve their homelessness within the district in a sustainable location where they can access the services and the support that they may need.

Background Papers

8. None.