
A separate report is submitted in the private part of the agenda in respect of this item, as it contains details of financial information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972. The grounds for privacy are that it contains information relating to the identity, financial and business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption under Schedule 12A outweighs the public interest in disclosing the information.

Scrutiny Co-ordination Committee
Cabinet
Council

31 October, 2024
5 November 2024
3 December 2024

Name of Cabinet Member:

Cabinet Member Housing & Communities - Cllr N Akhtar

Director approving submission of the report:

Director of Adults and Housing

Ward(s) affected:

All

Title: Temporary Accommodation – Lease of Caradoc Hall Coventry

Is this a key decision?

Yes - the proposals involve financial implications in excess of £1m per annum.

Executive summary:

The Housing Act 1996 (as amended) places a statutory duty on Local Authorities to provide Temporary Accommodation (TA) to homeless households who are eligible and have a priority need.

Nationally the number of households living in temporary accommodation has increased significantly over the last 3 years and as of the 31 March 2024 the Governments quarterly publications show this is the highest recorded figure ever. Coventry has also seen an increase in demand with 1329 households living in temporary accommodation as at the 23 September 2024.

The Housing & Homelessness service has taken steps to reduce the cost of temporary accommodation against a background of increasing demand, increasing private sector rents and the cost-of-living crisis.

This report sets out the options to enter into a new lease for Caradoc Hall for 10 years.

Recommendations:

Scrutiny Co-ordination Committee is recommended to consider the report and make any comments/recommendations to Cabinet for consideration at their meeting on 5 November, 2024

Cabinet is requested to consider any comments/recommendations received from Scrutiny Co-ordination Committee and to recommend that Council, subject to the consideration of the additional confidential information contained in the corresponding private report,:

- 1) Approves the proposal to enter into a new lease for 103 properties within Caradoc Hall for a period of no more than 10 years for use as temporary accommodation for homeless households.
- 2) Approves the annual costs, as detailed in the corresponding private report, for the Caradoc Hall lease over 10 years and for this to form part of the finance revenue budget for the next ten years.
- 3) Delegates authority to the Director of Adults and Housing, following consultation with the Director of Finance and Corporate Services, the Director of Law and Governance and the Cabinet Member for Communities and Housing, to undertake the necessary due diligence and agree the detailed terms of the new 10-year lease agreement of Caradoc Hall with the landlord.
- 4) Delegates authority to the Director of Adults and Housing, following consultation with the Director of Finance and Corporate Services, the Director of Law and Governance and the Cabinet Member for Communities and Housing, to vary the lease from time to time.

Council is recommended, subject to the consideration of the additional confidential information contained in the corresponding private report, to:

- 1) Approve the proposal to enter into a new lease for 103 properties within Caradoc Hall for a period of no more than 10 years for use as temporary accommodation for homeless households.
- 2) Approve the annual costs as detailed in the corresponding private report for the Caradoc Hall lease over 10 years and for this to form part of the finance revenue budget for the next ten years.

- 3) Delegate authority to the Director of Adults and Housing, following consultation with the Director of Finance and Corporate Services, the Director of Law and Governance and the Cabinet Member for Communities and Housing, to undertake the necessary due diligence and agree the detailed terms of the new 10-year lease agreement of Caradoc Hall with the landlord.
- 4) Delegate authority to the Director of Adults and Housing, following consultation with the Director of Finance and Corporate Services, the Director of Law and Governance and the Cabinet Member for Communities and Housing, to vary the lease from time to time.

List of Appendices included:

None

Background papers:

Cabinet report - Options to improve the quality but reduce the cost of temporary accommodation (public report) – 27 November 2018

Other useful documents

Homeless Reduction Act 2017

www.legislation.gov.uk/ukpga/2017/13/contents

Housing & Homeless Strategy 2019-2024

<https://edemocracy.coventry.gov.uk/documents/s43018/Adoption%20of%20Housing%20Homelessness%20Strategy%202019-24%20-%20Appendix%201.pdf>

Has it or will it be considered by Scrutiny?

Yes

Scrutiny Co-ordination Committee – 31 October 2024

If yes, which Scrutiny Board and date:

Has it or will it be considered by any other Council Committee, Advisory Panel or other body?

Yes / No

If yes, which Committee(s) / body(ies) and date:

Will this report go to Council?

Yes – 3 December 2024

Report Title: Temporary Accommodation – Lease of Caradoc Hall

1. Context (or background)

- 1.1. Following a national trend the Council has seen a significant increase in the demand for temporary accommodation with the number of families in temporary accommodation increasing by 34% since Aug 2023 and 102% since Aug 2022.
- 1.2. The Housing & Homeless Service have implemented several different accommodation options leading to a diverse temporary accommodation portfolio including lease agreements with private providers, provision through Registered Providers and the purchasing of properties. The results being that despite increases in temporary accommodation the Council has very few families in bed and breakfast (B&B) accommodation in comparison to similar sized Councils. As of the 30 September 2024 there were 1326 households in temporary accommodation with 938 being families with dependent children, even with these significant numbers there are no families in B&B and only 19 single people. B&B does not typically have cooking facilities and is often the most expensive temporary accommodation option alongside being the most inappropriate form of temporary accommodation, particularly for families with dependent children.
- 1.3. The lease of Caradoc Hall will allow the Council to secure the use of the building for 10 years. The length of the lease term reflects the current demand and includes a break clause for the Council to terminate the lease arrangement after five years.
- 1.4. As part of the proposed lease agreement the managing agent will commit to a refurbishment of the 103 flats in line with a condition survey agreed with the Council as well as continued improvements to the building such as replacement of the lifts.
- 1.5. Caradoc Hall is a residential building and as of 23 January 2023, the Fire Safety (England) Regulations 2022 made it a requirement in law to provide information to fire and rescue services to assist them in planning for and responding to a fire in their building, Caradoc Hall has complied with these regulations. A high-rise residential building is defined as a building containing two or more sets of domestic premises that is at least 18 metres tall or has at least seven storeys. The Housing & Homeless service has commissioned independent fire safety inspections quarterly with high levels of compliance by the provider. The building has a sprinkler system installed as part of the initial lease, smoke detectors and linked fire panel.

2. Options considered and recommended proposal

- 2.1. **Option 1 – Recommended** – Enter into a new lease of Caradoc Hall for a term of 10 years
- 2.2. The lease of Caradoc Hall would cover 103 self-contained flats currently leased within the building. The landlord via appointed managing agents will provide onsite housing officers, caretakers, repairs and maintenance, as well as out of hours security provision throughout the night and weekends.

- 2.3. Having access to 103 properties within Caradoc Hall which are available only to the Council means that we have guaranteed access to a substantial number of smaller family properties providing value for money for the Council.
- 2.4. **Option 2 – Not recommended** – Do not enter into a lease at Caradoc Hall
- 2.5. The Council would lose the use of Caradoc Hall as temporary accommodation and therefore would have to rely on more expensive options including utilising bed and breakfast accommodation or other private sector accommodation. Entering into a long-term agreement will ensure that 103 properties would be available for the sole use of the Council for a 10-year period.
- 2.6. The financial pressure will increase as the cost of bed and breakfast and nightly let properties are more expensive and therefore there is a risk that this will lead to a significant overspend.
- 2.7. The Council is proud that although the number of families living in temporary accommodation has increased significantly the number of families placed in bed and breakfast accommodation remains low. Bed and breakfast is recognised as being the least suitable temporary accommodation option and it is illegal for Local Authorities to place families in this type of accommodation for over 6 weeks.
- 2.8. **Option 3 – Not recommended** – to purchase/acquire Caradoc Hall through capital investment.
- 2.9. The owners have indicated they are not willing to consider selling the freehold of Caradoc Hall. They purchased the building as a long-term investment.
- 2.10. The option to purchase temporary accommodation is financially beneficial to the Council, 56 family properties have been acquired to date, however the property size which gives maximum savings are three bed or above, Caradoc consists of studios, one beds and one two bed flat.
- 2.11. The service will also be seeking to purchase a further 24 houses for temporary accommodation utilising funding previously approved by Cabinet and a grant from the Ministry of Housing, Communities and Local Government. (MHCLG)

3. Results of consultation undertaken

- 3.1. There has been no specific consultation in respect of this proposal. However general feedback from families who require temporary accommodation is that suitability, quality and security of being able to use the accommodation for the period required is important. Through approving the recommendations, the Council improves its ability to deliver this.

4. Timetable for implementing this decision

4.1. The lease agreement negotiations have commenced, and a draft lease agreement is being negotiated .

4.2. The service will undertake an inspection of each flat at Caradoc Hall to consist of:

- a) A condition survey of the current standard of each flat
- b) A survey of furniture and white goods within each flat to be completed by mid-October.
- c) An assessment of the fire safety at Caradoc Hall in conjunction with Council colleagues, fire safety consultants Ligtas and a joint health and safety inspection including all relevant compliance documentation and procedures.

5. Comments from Director of Finance and Resources and Director of Law and Governance

Finance Implications

- 5.1. The Council has a legal obligation to provide temporary accommodation for homelessness households in priority need, with a local connection who have not made themselves intentionally homeless. The proposed lease of Caradoc Hall seeks to procure temporary accommodation which is cost effective and suitable accommodation. If the Council, based on current activity levels was required to use alternative nightly temporary accommodation this would equate to a higher net cost over the life of the contract, therefore, the ten-year contract represents value for money for the Council.
- 5.2. An option to break the lease exists for the Council at the end of year 5 which will be activated if following a financial viability review the contract is not cost effective and / or providing suitable accommodation. The financial information is detailed in the corresponding private report.
- 5.3. The delegation to vary the lease from time to time will be considered by finance as to whether there is budget approval for doing so, any variations will then be reported back as part of the budget on an annual basis

Legal Implications

- 5.4. The Council also has a general power to enter into leases under the powers of general competence contained in Section 1 of the Localism Act 2011 and sections 111 and 120 of the Local Government Act 1972.

- 5.5. The 103 units within Caradoc Hall will be leased and used for temporary accommodation only. Allocation of individuals and units will be managed in-house by the Housing and Homelessness team, in the same way as officers place customers in other temporary accommodation.
- 5.6. The legal agreement in place will be between the landlord and the Council. Homeless households will sign an agreement when they move into the building which details the health & safety and the standards both the landlord and the Council require the property to be kept in whilst they are there and details of any property inspections and checks that may take place.
- 5.7. These arrangements are not subject to the Procurement Regulations 2015 as it is property transaction in which the Council is entering into. As a result, the Procurement Regulations 2015 are not applicable in this case.
- 5.8. Officers in Legal Services will finalise the 10-year lease in respect of Caradoc Hall once the final heads of terms are agreed between the parties.
- 5.9. The Housing Act 1996 (“the 1996 Act”) (as amended by the Homelessness Reduction Act 2017) sets out that local housing authorities owe specific housing duties to those within their district who are homeless or are threatened with homelessness. In order to discharge these duties, the Council must provide housing accommodation to such persons in accordance with Part VII of the 1996 Act. Under section 195 of the 1996 Act, if the local housing authority are satisfied that a person is threatened with homelessness and eligible for assistance, they must take reasonable steps to prevent them from becoming homeless.
- 5.10. Section 206(1) of the 1996 Act sets out that a local housing authority may discharge their functions under Part VII. Section 206(1)(a) sets out that the Council may fulfil their homelessness duties under the 1996 Act by *securing* that accommodation *provided by them* is made available for the relevant homeless person.
- 5.11. No housing revenue account is required as the property will be held under a lease that is for a term no longer than 10 years as per the Housing Revenue Account (Exclusion of Leases) Direction 1997.

6. Other implications

- 6.1. Should the Council not take on the lease for Caradoc Hall, the developer could seek another partner to occupy the building to recover the investment made in the building.
- 6.2. The impact on nearby schools and nurseries, GP surgeries should be minimal, as the children would continue to attend any educational establishment they were previously attending. Where tenants may not be Coventry residents, such as if they have left previous accommodation due to domestic violence or other such circumstances, there may be a small impact on local schools and nurseries.

6.3. **How will this contribute to the One Coventry Plan?**

<https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>

The proposal will contribute to the Plan's Vision - **Working together to improve our city and the lives of those who live, work and study here**" The three delivery priorities: Improving outcomes and tackling inequalities within our communities; Improving the economic prosperity of the city and regions; Tackling the causes and consequences of climate change. The two enabling priorities: Continued financial sustainability of the Council; Council's role as a partner, enabler and leader

This will directly contribute to the Council Plan, vision and commitment to improve the quality of life for Coventry people, protecting our most vulnerable residents through helping people who become homeless.

6.4. **How is risk being managed?**

6.5. There is a risk that occupancy levels are not maintained, this will be mitigated by performance monitoring, housing management and contract management. There is a high demand for this accommodation, the team have an excellent track record of maintaining high occupancy levels. Caradoc Hall has an average occupancy level of 97%.

6.6. Risk of changes to building/fire regulations during the lease term will change, this happened with the Fire Safety Regulations 2022. Officers are confident that changes will be implemented and managed by the provider.

6.7. There will be an onsite presence in the form of Housing Officer/ Maintenance Officer available 24/7, to support and deal with any incidences at Caradoc Hall.

6.8. **What is the impact on the organisation?**

This proposal will continue the availability at Caradoc Hall to meet the needs of households who require temporary accommodation as well as our ability to discharge our legal duties under the Housing Act.

6.9. **Equalities / EIA?**

No Equality Impact Assessment has been carried out for this project, the commissioning of the lease means the building is already in use and there will be no changes to use or occupancy. Homeless households will undertake a Housing Assessment and have a Personal Housing Plan (which details reasonable steps to be taken by the applicant and by the Council to prevent or relieve homelessness) and this must take into account the applicant's individual circumstances. This will include any considerations due to protected characteristics which may determine what is 'reasonable' and the type of accommodation which would be deemed 'suitable' in order to discharge the statutory duties. The allocation of households to

the accommodation in this paper will be based on the current processes and will consider whether this type of accommodation would be suitable for the household. Any decisions made will have due regard to the public sector equality duty.

6.10. Households placed in temporary accommodation are based on the homelessness duties owed and their specific housing need of the household. Due to the nature of the proposals these schemes will only have an impact on families. It is not anticipated there will be any particular impact on any group based on age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

6.11. All households affected will have a Personal Housing Plan which must take into account the applicant's individual circumstances including due regard to the public sector equality duty.

6.12. Implications for (or impact on) climate change and the environment?

No additional impact on climate change and the environment as properties currently utilised.

6.13. Implications for partner organisations?

No additional impact on the community or partner agencies. Caradoc Hall is currently utilised as temporary accommodation

Report author(s):

Name Martin Donovan

Title Housing & Homeless lead

Service Area: Housing & Homeless service**Tel and email contact:**

Tel: 07432 511863

Email: Martin.Donovan@coventry.gov.uk

Enquiries should be directed to the above person

Contributor/approver name	Title	Service Area	Date doc sent out	Date response received or approved
Contributors:				
Suzanne Bennett	Governance Services Officer	Law and Governance	10/10/24	10/10/24
Jim Crawshaw	Head of Housing & Homelessness	Housing & Homelessness	28/8/24	29/08/24
Julie Sprayson	Deputy Team Leader –Place Team	Legal Services	30/08/24	17/09/24
Paul Whitmore	Lead Accountant	Finance	30/08/24	26/09/24
Other Members				
Names of approvers for submission: (officers and members)				
Finance: Barry Hastie	Director of Finance	Finance	03/10/24	14/10/24
Legal: Gurbinder Singh Sangha	Major Projects Commercial Lawyer	Law and Governance	03/10/24	14/10/24
Director: Peter Fahy	Director of Adults and Housing	Adults and Housing	26/09/24	01/10/24
Members: Cllr Naeem Akhtar	Cabinet Member Housing & Communities		11/10/24	14/10/24

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