

## Decision details

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Lease with Stef and Philips Limited for the use of St. Michael's Gate, Parnwell, as interim accommodation for homeless families SEPT16/CMDN/62

- [Find out more about this issue](#)

**Decision Maker:** Cabinet Member for Resources

**Decision status:** **Item Called In**

**Is Key decision?:** Yes

**Is subject to call in?:** Yes

### **Purpose:**

Special Urgency Provision

The decision is not included in the current Forward Plan and cannot wait until the publication of the next Forward Plan, on the basis of securing the lease with Stef and Philips and preventing the risk of a different local authority accessing the properties at St Michaels Gate.

*This report has been shared with the Head of Governance and Chair of Sustainable Growth and Environment Capital Scrutiny Committee.*

The five clear working day consideration period should not apply to this decision, on the basis of securing the lease with Stef and Philips and preventing the risk of a different local authority accessing the properties at St Michaels Gate.

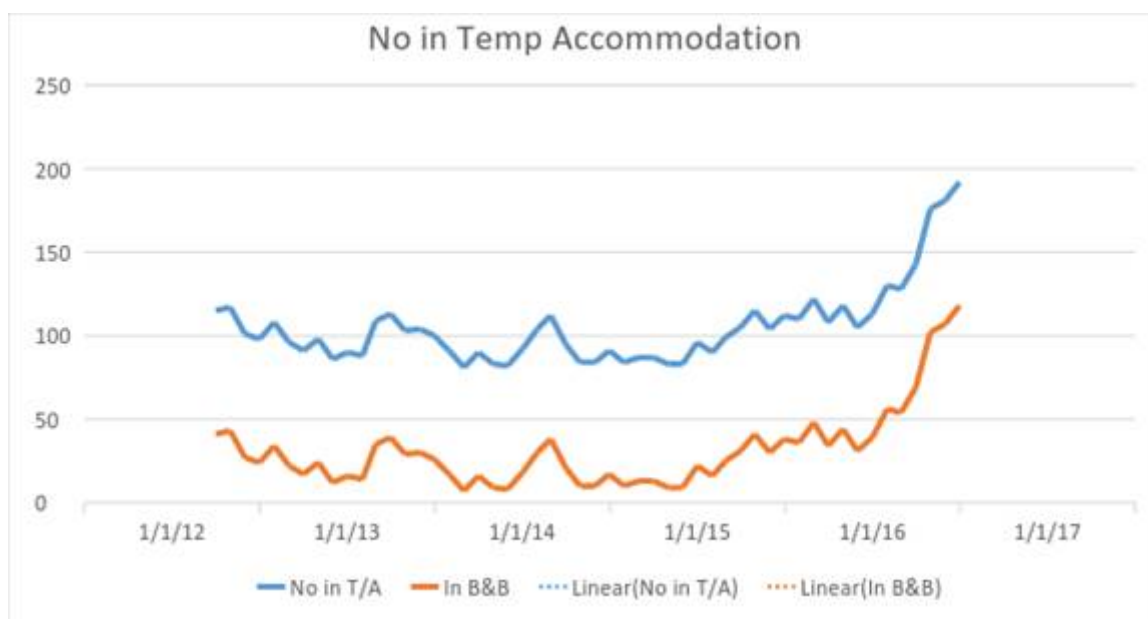
*This report has been shared with the Head of Governance and the Chair of Sustainable Growth and Environment Capital Scrutiny Committee has agreed to waive the consideration period.*

The Cabinet Member for Resources approved the Council to enter into a three year lease with a break clause at the end of the second year, with Stef and Philips regarding the use of St Michael's Gate, Parnwell as interim accommodation for homeless families at a £966,337 per annum and a total cost of up to £2,899,011 for a three year period.

### Reasons for the decision:

There has been an increase in the use of temporary accommodation which is used to meet the Council's statutory duties towards homeless households. Aside from the impacts on households, the most significant financial impact is caused by the amount we are able to reclaim via Housing Benefit Subsidy when non self-contained (i.e. bed and breakfast) accommodation is used; typically B&B accommodation costs the Council c.£480 per week per room but the amount reclaimable is just c.£92 per week (capped at the Local Housing Allowance 1-bedroom rate).

The council finds itself in this position for a number of reasons, most notably the sharp decline in available affordable or social housing of the correct size coupled with the full impacts of welfare reform (typically the spare room subsidy, benefit cap and the start of Universal Credit rollout in Peterborough). We have managed homelessness well in Peterborough over many years whilst local authorities elsewhere have continued to struggle to control impacts and costs, but Peterborough too is now catching up with other areas. The following chart shows the number of people in temporary accommodation, including a sharp increase from April 2016.



The current full year forecast is a pressure of £1.444m. Based on levels of usage of non-self-contained accommodation remaining static the forecast full year impact for 2017/18 is anticipated to be £1.965m. However, there are further changes being made to welfare benefits that could negatively impact on this position:

- a reduction to the existing housing benefit cap due at the end of November, further impacting the difference between the subsidy rate and the current non self-contained accommodation rate paid by the council

## Appendix 3

- the continued roll-out of Universal Credit impacting the way housing benefit is received (direct to the tenant rather than to the landlord further increasing the risk of non-payment of rent)

It is not viable for the council to continue to operate in this way and consideration has to be given to alternative methods of sourcing interim accommodation for homeless people in Peterborough.

### **Alternative options considered:**

#### Option 1 - Do nothing

The current position is unviable and puts the council under increasing financial pressure, this option has therefore been discounted.

#### Option 2 - Do not use St. Michael's Gate

If we decide not to enter into a lease with Stef and Philips they will still seek vacant possession of all 74 units and these will then be offered to other local authorities from London Boroughs to accommodate their own homeless households. The impact of a large number of households from outside the city being accommodated in Peterborough is likely to add significant pressure on to public resources, this option has therefore been discounted as it will increase the existing pressures on services.

#### Option 3 - Develop alternative interim accommodation

Consideration is being given to option to developing our own interim accommodation, this will be a much longer lead in time and will not be able to support the immediate temporary accommodation need.

#### Option 4 - Commit to a longer term Lease with Stef and Philips Limited

Consideration was given to a longer term arrangement for St Michaels Gate, however it is anticipated that alternative options around interim accommodation, as per option will be in place by year 3, therefore it is not necessary to enter into a longer term lease at this stage.

### **Interests and Nature of Interests Declared:**

None.

### **Background Documents:**

## Appendix 3

None.

**Urgent item?:** Yes

**Publication date:** 30/09/2016

**Date of decision:** 30/09/2016

**Issue status:** The decision is currently being reconsidered

### **This decision has been called in by:**

- [Councillor Darren Fower](#) who writes Call in supported by Councillor Sandford and Councillor Davidson Criteria 4: Decision does not follow principles of good decision-making set out in Article 11 of the Council's Constitution. That the decision maker has not followed: a - Realistically consider all alternatives and, where reasonably possible, consider the views of the public. c - Take account of all relevant matters, both in general and specific, and ignore any irrelevant matters. d - Act for a proper purpose and in the interests of the public. h - Be responsible for their decisions and be prepared to give reasons for them."

### **Accompanying Documents:**

- [CMDN - St Michaels Gate - PUB](#)  PDF 122 KB