

Agreement to lease 9 three-bedroom houses at Paston Lane, Peterborough

Councillor Steve Allen: Cabinet Member for Housing, Culture and Recreation

August 2020

Deadline date: N/A

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| Cabinet portfolio holder: | Councillor Steve Allen Cabinet Member for Housing, Culture and Recreation. |
| Responsible Director: | Peter Carpenter Acting Corporate Director of Resources |
| Is this a Key Decision? | YES If yes has it been included on the Forward Plan: NO – Urgency Procedures Invoked |
| Is this decision eligible for call-in? | YES |
| Does this Public report have any annex that contains exempt information? | NO |
| Is this a project and if so has it been registered on Verto? | NO Verto number: |

R E C O M M E N D A T I O N S

The Cabinet Member is recommended to:

1. Approve an agreement to lease 9 three-bedroom houses to be used for temporary accommodation and / or general needs affordable housing for a term of 20 years.
2. Approve payment of the associated Stamp Duty Land Tax and professional fees.

1. PURPOSE OF THIS REPORT

- 1.1 This report is for Councillor Steve Allen to consider exercising delegated authority under paragraph 3.4.3 of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph (q) and (b) respectively.
- 1.2 With the approval of the Chairman of Growth, Environment and Resources Scrutiny Committee, special urgency procedures have been invoked to suspend the requirement to publish on the Forward Plan and the five day consideration period. These procedures have been invoked for the reasons set out below.

The timescale for approval is urgent as initially it was anticipated that the agreement would be concluded in July 2020. In reliance on this the developer has a contractor ready and

waiting to start on site and any further delay is likely to prejudice that arrangement and the overall progress of the scheme.

2. **TIMESCALES.**

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| Is this a Major Policy Item/Statutory Plan? | NO | If yes, date for Cabinet meeting | N/A |
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3. **BACKGROUND AND KEY ISSUES**

3.1 Homelessness is an issue that Peterborough City Council are proactive in working to reduce in a number of different ways. Where there is insufficient housing stock, the Council can be forced to rely on Bed & Breakfast accommodation which is a considerable drain on the Council's finances.

This transaction will give PCC the opportunity to lease 9 new houses at Local Housing Allowance (LHA) rates as at December 2019 plus 10%. The scheme which is being developed by a local developer will be used for temporary accommodation.

- The rent will be at LHA rates as at December 2019 plus 10%, which equates to £70,354.55 per annum total. The rent will increase by the same percentage as LHA rates increase and will be updated in April of each year (if LHA rates have changed).
- NPS agency fees £7k + VAT.
- Stamp Duty Land Tax £9k

4. **CONSULTATION**

4.1 Consultation has taken place with the Chief Executive of the Council and Executive Director of Place and Economy for Cambridgeshire and Peterborough.

Furthermore, as this decision is being taken under special urgency powers, the Chairman of the Growth, Environment and Resources Scrutiny Committee has been consulted regarding the requirement to waive the ordinary notification requirements connected with taking a key decision. The Chairman has consented to this request on the basis that a delay would prejudice the arrangements that have been put in place for the development to commence.

5. **ANTICIPATED OUTCOMES OR IMPACT**

5.1 Once this report is approved, the developer will be able to start on site.

6. **REASON FOR THE RECOMMENDATION**

6.1 This scheme will see 9 new houses developed bringing much needed new homes to the area and sustaining local employment.

7. **ALTERNATIVE OPTIONS CONSIDERED**

- 7.1 The Council is already exploring a number of ways to increase the stock of temporary accommodation. These include:
- Leasing in properties from private sector landlords at LHA rates
 - Purchasing property to sublease

This opportunity is an especially good one because it involves working with a local developer, (who is an existing Council landlord) employing local contractors and bringing forward good quality houses for the city.

8. IMPLICATIONS

Financial Implications

- 8.1 Further housing which can be used for temporary accommodation will have a positive effect on the Council's finances by reducing the need for B & B accommodation.

Initially the rental costs to tenants of these properties will be £70,354 per year. This council cost is balanced by the income received from the DWP for temporary accommodation. Costs will only fall on the Council for maintenance and when there are void periods or differences between what Tenants can claim through Benefits and the individual rental levels. Processes are being put in place to minimise this.

Legal Implications

- 8.2 The Council will enter into a full repairing lease for twenty years.

Equalities Implications

- 8.3 Not applicable.

Carbon Impact Assessment

- 8.4 A carbon impact assessment form will follow. The nine new houses will be building regulation compliant and built in line with any planning requirements for new build.

9. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

- 9.1 None.

10. BACKGROUND DOCUMENTS

- 10.1 None have been used.

11. APPENDICES

- 11.1 None.