



Cabinet
24 August 2015

**Report from the Strategic Director of
Regeneration and Growth**

Wards Affected:
Brondesbury Park and Northwick Park

**Authority to extend the temporary bed and breakfast schemes
at 1 Clement Close and 1-5 Peel Road**

Appendix 1 is Not for Publication

1.0 Summary

- 1.1 Members are being asked to give their approval to extend the existing temporary bed and breakfast schemes at 1 Clement Close and 1-5 Peel Road, which were scheduled to end on 10th August 2015. The Brent Housing Partnership (BHP) led development of the sites for new accommodation for independent living (NAIL) for clients with learning disabilities, which was approved by the 21st July Cabinet, has been delayed, with a new start-on-site forecast for December 2015. This has provided the opportunity to extend the temporary bed and breakfast schemes and thereby continue providing much needed temporary accommodation for homeless households until vacant possession of the sites is required for development.

2.0 Recommendations

- 2.1 That Members give delegated authority to the Operational Director of Property and Projects to extend the temporary bed and breakfast schemes at 1 Clement Close and 1-5 Peel Road from 11th August 2015 until the expiry of the temporary planning consent on 9th December 2015, and to accordingly extend the current lease arrangements for this purpose.
- 2.2 That Members give delegated authority to the Operational Director of Property and Projects to extend the temporary bed and breakfast schemes beyond 9th December 2015, subject to further development start-on-site delays and extension of temporary planning consent, and to accordingly extend the current lease arrangements for this purpose.

3.0 Detail

- 3.1 Number 1 Clement Close, London NW6 7AL and Number 1-5 Peel Road, Wembley HA9 7ZY (appendix 2) are former children's respite care centres, which the Council decommissioned in January 2013 following a relocation of services. The properties are held under the General Fund.
- 3.2 The properties were consequently declared surplus to requirement and were approved by the Cabinet for redevelopment by BHP in conjunction with Adult Social Care for permanent independent living provision for clients with learning disabilities at both sites. The development start-on-site was forecast for August 2015.
- 3.3 The properties were likely to remain vacant for 6-12 months pending development start-on-site. The original intention was to keep the properties secure from unauthorised occupation and associated nuisance during this time. However, subsequently it was considered that they could be used in the interim period to provide much needed temporary accommodation, with the added benefit of rental income for the Council.
- 3.4 Following an options appraisal, the preferred option was to utilise the properties for temporary bed and breakfast schemes which would accommodate interim placements of households made by the Council under Section 188 Housing Act 1996 ("HA96") as non-secure tenants, while homelessness enquiries are undertaken.
- 3.5 The extent of demand for temporary accommodation and its limited supply in Brent has been exacerbated by the new Local Housing Allowance caps implemented as part of the Welfare Reforms, which have rendered many private units as unaffordable to be used as temporary accommodation.
- 3.6 The Council also currently uses other forms of temporary accommodation, including other forms of bed and breakfast accommodation (e.g. Knowles House in Harlesden), private sector and housing association leasing, which are also under pressure from increased demand.
- 3.7 It was estimated that the proposed schemes would provide approximately 12 units of non self-contained good quality bed and breakfast accommodation each, for which the Council would have exclusive nomination rights.
- 3.8 The properties were in a reasonable state of repair and condition and only minor void and health and safety works were required by the provider/s for conversion for bed and breakfast use. The costs of works were to be funded by the provider/s.
- 3.9 The proposal was for the schemes to run for approximately six months with the provision to extend the schemes, subject to the NAIL development timetable.
- 3.10 The schemes were therefore marketed for an appropriate period under sealed bids tender, via the Council web pages, other suitable forms of electronic media and directly approaching established providers and managing agents who have suitable experience in providing bed and breakfast accommodation.
- 3.11 The Council applied for temporary planning consent, which was a key risk, and other relevant statutory consents concurrently with the marketing exercise to ensure the temporary bed and breakfast schemes could be up and running as soon as possible following the selection of provider/s.

- 3.12 Following an informal tender exercise, which was evaluated on the basis of the most economically advantageous tender, the Council entered into leasing arrangements with the successful tenderer - Altwood Housing Limited, under the delegated powers of the Operational Director of Property and Projects. The amount of lease rent payable by the provider to the Council is shown in appendix 1.
- 3.13 Following temporary planning approval for a period of 12 months and void works carried out and funded by the provider, the schemes commenced on 11th February 2015. The properties were remodelled and optimised by the provider so that the schemes provided a total of 30 units of temporary bed and breakfast accommodation (15 units each).
- 3.14 An overarching nomination agreement has been entered into with the provider (lessee) to ensure that the Council receives a 100% of the nomination rights or right of first refusal for the duration of the schemes.
- 3.15 Rental income collection is carried out by the Council's housing department that in turn pay the provider an agreed level of rent in return for the nomination rights (shown in appendix 1). Under the terms of the leases, the provider is responsible for the day to day expenditure and utility bills for each property and the Council guarantees 95 per cent occupancy at each scheme.
- 3.16 The existing leasing arrangements with the provider ran from 11th February 2015 to 10th August 2015. However, development delivery for which start-on-site was scheduled for August 2015 has been delayed because the planning pre-application is still progressing. The revised start-on-site date is December 2015, but this is very much subject to planning. Officers are therefore seeking Member approval to extend the temporary accommodation bed and breakfast schemes to roughly align with the new development start-on-site timetable. It is proposed to initially extend the schemes until 9th December 2015, but the schemes will be ended earlier should the redevelopment works be able to start-on-site earlier than this, and there will therefore be no delay to the development of the new NAIL provision planned for these sites.
- 3.17 The underlying use class of the sites is class C2 (residential institutions). The temporary planning consent for the temporary bed and breakfast schemes (Sui Generis) expires on 9th December 2015. A decision will be made by Officers in the autumn as to whether there is a need to submit an application for an extension of the planning consent.
- 3.18 The existing leasing arrangements include the provision for a one-month rolling extension on each lease. This allows the Council to exit the temporary bed and breakfast schemes with one month's notice in order that the sites are handed back with vacant possession for development as quickly as possible.

4.0 Financial Implications

- 4.1 The value of the lease rent received by the Council's Property and Projects department and rent payable to the provider by the Council's Housing department is shown in appendix 1.
- 4.2 The potential slippage in the delivery timescales for the NAIL development at 1 Clement Close and 1-5 Peel Road may impact on the achievement in full of the savings target (as set out in the Cabinet reports of 21st July 2014) by the due date.

5.0 Legal Implications

- 5.1 The schemes accommodate interim placements of homeless households made by the Council under Section 188 Housing Act 1996 (“HA96”), while homelessness enquiries are undertaken.
- 5.2 Under the schemes the Council will rely on ground 4 of Schedule 1 of the Housing Act 1985 which means that the occupiers are non-secure tenants/licensees as the Council are housing these occupiers pursuant to their homelessness functions under Part VII of the Housing Act 1996.
- 5.3 In accordance with the Council’s constitution, the Operational Director of Property and Projects may acquire or dispose of leases, licences, and easements in respect of land or buildings except where the value of the premium or term of the lease exceeds delegated authority limits.
- 5.4 The delegated authority of the Operational Director of Property and Projects gave authority to enter into leasing arrangements with the successful provider of the temporary bed and breakfast schemes. However, Member approval is required to extend the schemes until the expiry of the temporary planning consent on 9th December 2015 because the level of lease rent which would be obtained for the additional lease term proposed would fall outside of the delegated authority limits.
- 5.5 Members are also being asked to provide delegated authority to the Operational Director of Property and Projects to extend the temporary bed and breakfast schemes beyond 9th December 2015, subject to further development start-on-site delays and subject to an extension of the temporary planning consent being granted.
- 5.6 The terms of the lease arrangements will be as per appendix 1.

6.0 Equality and Diversity Implications

- 6.1 There are no negative equality and diversity implications arising from this proposal, which is for an extension of existing temporary use subject to an approved redevelopment of the sites.

7.0 Staffing/Accommodation Implications

- 7.1 An external contractor will provide the service and therefore there are no additional implications for Council staff arising from the proposed leasing arrangements.

8.0 Public Services (Social Value) Act 2012

- 8.1 Not applicable

9.0 Background Papers

- Appendix 1: Lease terms
Appendix 2: Site plans

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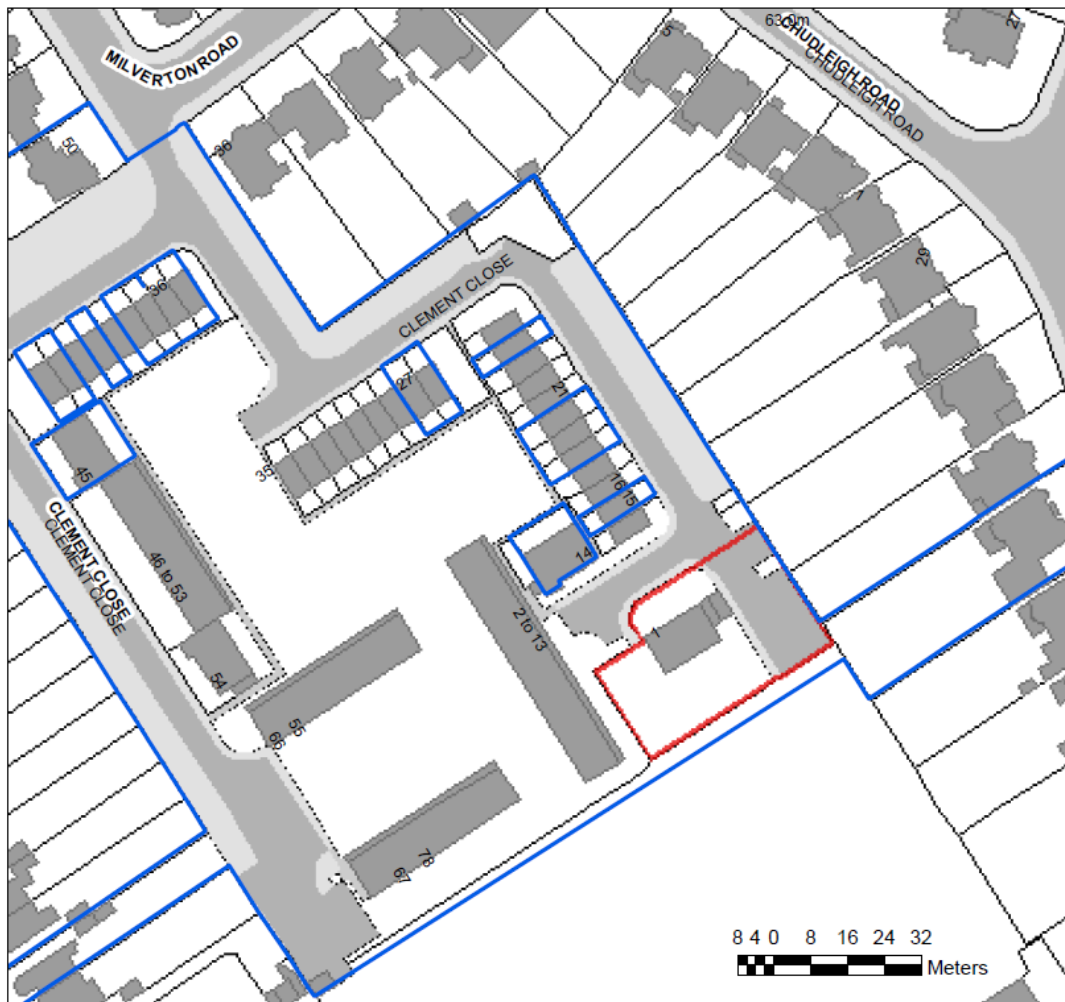
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Appendix 2: Site areas (in red outline)

1 Clement Close, London, NW6 7AL

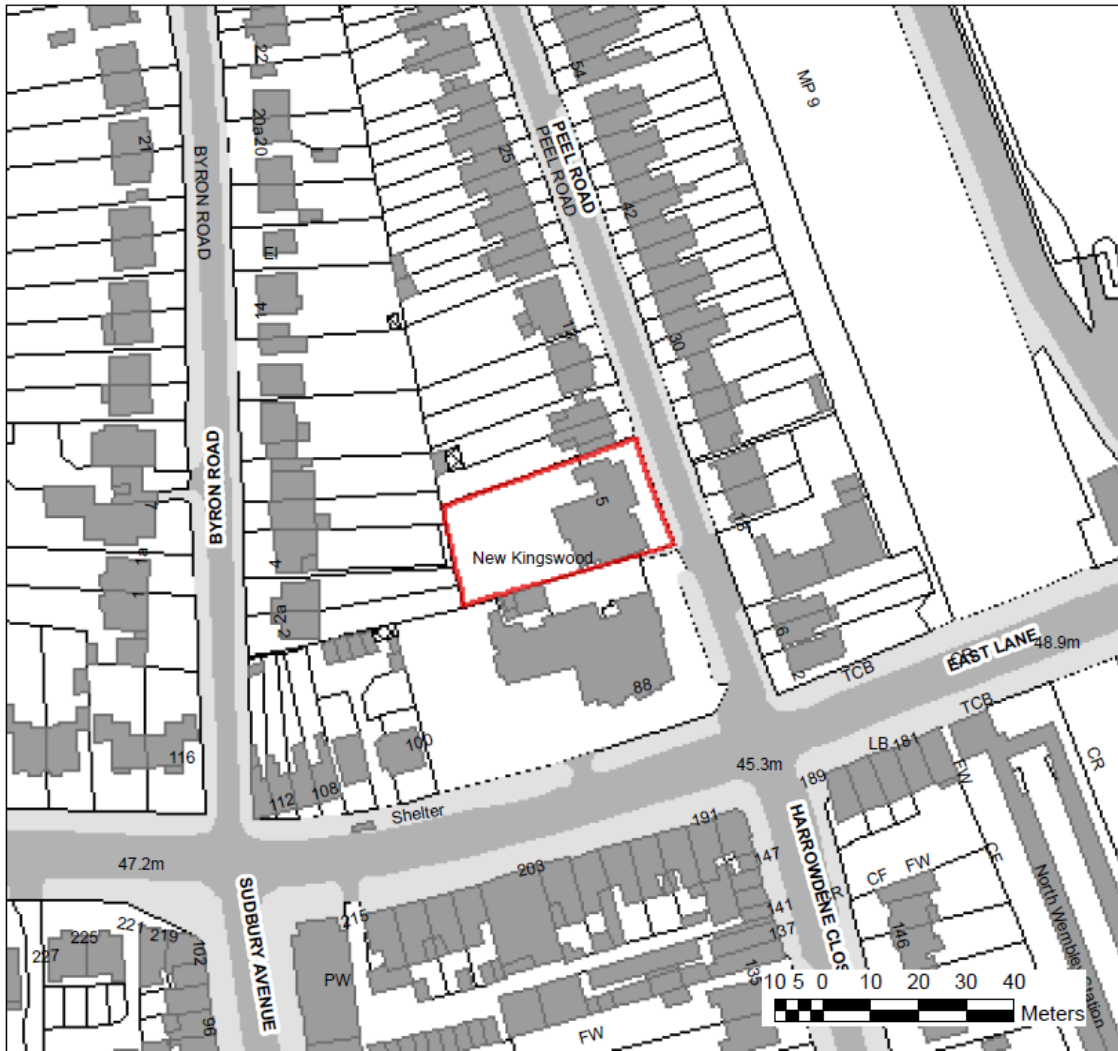


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