

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	5211
Author:	Debra Ross
Department:	Growth and City Development
Contact:	Debra Ross (Job Title: Regeneration Officer, Email: debra.ross@nottinghamcity.gov.uk , Phone: 01158763955)
Subject:	Sutton House - Temporary Accommodation for Homeless
Key Decision (decision valued at more than £1million):	Yes
Total Value:	Exempt (As per Exempt Appendix) (Type: Capital and Revenue)
Decision Being Taken:	To approve: 1. the award of a contract to Nottingham Community Housing Association (NCHA) to deliver supported temporary accommodation service at Sutton House with effect from 1st Jan 2025 for 5 years, procured through a compliant call-off from the Council's framework of homelessness provision (Lot 3 Temporary Accommodation for Homeless Households) 2. to enter into a 5 year lease with effect from 1st Jan 2025 for the building known at Sutton House (former Independent Living Accommodation) to be granted to NCHA. 3. To approve the use of the Council's Temporary Accommodation budget for the delivery of the TA service to be delivered by NCHA from Jan 2025 to December 2029. 4. To agree to an early access licence to Sutton House being issued to NCHA with effect from 1st Dec 2024 until the start of the lease and service contract. 5. To note that spend control approval has been obtained from the Section 151 Officer for the spend associated with this decision (Ref 10672)

Reasons for the Decision(s)

The number of families requiring TA following the statutory homelessness assessment continues to increase and the Council is required to respond with a sufficient supply of accommodation that is suitable whilst ensuring best value.

In December 2023, NCC Executive Board approved £1.143m to be funded from HRA Capital Programme & Revenue funding to decommission Sutton House from use as Independent Living accommodation and refurbished for use as TA for homeless families. In accordance with that approval a procurement exercise has now been undertaken through a compliant call off from the Council's framework of Homelessness Provision (Lot 3 - Temporary Accommodation for Homeless Households). In accordance with the terms of the framework which included assessment of quality and price to secure best value for money NCHA are to be awarded the service contract to manage the service with effect from 1st Jan 2025. The arrangement will also include a lease being granted to NCHA to manage the service from Sutton House (former Independent Living Accommodation). As mentioned in the Executive Board report (19 Dec 23) there is also a requirement for the Council to make revenue payments to the Registered Provider to cover tenants personal support allowances in order for them to access/qualify for Enhance Housing Benefit. The council's contribution to this is to be paid from the Council's Temporary Accommodation budget which will be offset against the savings made on Bed & Breakfast/Nightly Paid Temporary Accommodation (NPTA).

Briefing notes documents:

LKD Sutton House - Risks.docx

Other Options Considered:

To do nothing - to not approve the recommendations in this report will mean the opportunity to provide 48 units of additional temporary accommodation for homeless families with support service will be missed. This accommodation will provide a more suitable and less expensive option than B&B/NPTA helping to reduce the budget pressure currently being placed on the council. To not contribute towards the support costs will mean the RP will be unable to claim EHB for the support service they provide to the families making the provision of the service unviable, This support is important to help families find permanent housing which helps to manage demand and so further reduce cost. Sutton House is currently being decommissioned from Independent Living Accommodation use and refurbishment work is on site to repurpose it's use as TA. If the building is not used for TA it will be stood empty awaiting alternative use.

Background Papers:

Risks & mitigation information is provided in Appendix 3

Published Works:

Executive Board 19/12/23 Decommissioning of Sutton House Commissioning & Procurement Sub Committee 10/11/20 Procurement of Services for Rough Sleepers

Affected Wards:	Citywide
Colleague / Councillor Interests:	N/A
Any Information Exempt from publication:	Yes
Exempt Information:	
Description of what is exempt:	<p>Appendices 1 & 2 (legal & Finance comments) are exempt due to containing financial information relating to the lease and support costs</p> <p>An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972</p>
3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).	The public interest in maintaining the exemption outweighs the public interest in disclosing the information because it may prejudice future negotiations taking place of similar service contracts and lease arrangements if made public.
5 - Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.	<p>The public interest in maintaining the exemption outweighs the public interest in disclosing the information because it contains confidential legal advice in respect of the proposed transaction</p> <p>and disclosure could prejudice the Council's position.<b style="mso-bidi-font-weight: normal"></p>
Documents exempt from publication:	Exempt Appendix 1 DR Value of decision & Legal Advice - Sutton House (5) (1).docx, Exempt Appendix 2 Finance Comments - Sutton House LKD MP.docx
Consultations:	Those not consulted are not directly affected by the decision. This decision relates to the award of the contract and lease of the building only. The decommissioning and repurposing of Sutton House for use as TA was approved by Executive Board in Dec 23
Crime and Disorder Implications:	N/A

Equality: EIA not required. Reasons: this is not a new or changing policy, service or function. The decision adheres to all council equality policy

Social Value Considerations: The proposal will provide additional TA for homeless households which will reduce the need to accommodate families in Bed and Breakfast accommodation while the Council fulfils its statutory duties. TA occupants will receive regular, enhanced support to find permanent accommodation.

Relates to Council Property Assets: Yes

Decision Type: Leader's Key Decision

Subject to Call In: Yes

Call In Expiry date: 18/11/2024

Advice Sought: Legal, Finance, Procurement, Other: Michelle Pullen (Michelle.Pullen@nottinghamcity.gov.uk)

Commissioner Comments: Commissioners approve the decision

Legal Advice: This advice is exempt from publication under paragraph number 5 of Schedule 12A to the Local Government Act 1972 because it contains information in respect of which a claim to legal professional privilege could be maintained in legal proceedings relating to a proposed transaction and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because it contains confidential legal advice in respect of the proposed transaction and disclosure could prejudice the Council's position. As the advice is exempt from publication, it is contained within an exempt appendix. Advice provided by Helen Bell (Senior Solicitor) on 09/10/2024.

Finance Advice: This advice is exempt from publication and is contained within an exempt appendix

Procurement Advice: The procurement of supported temporary accommodation at Sutton House was completed through a compliant process as a call-off from Lot 3 of the framework for Community Based Support and Accommodation Based Services for Homeless people, and included an assessment of quality and price to secure best value for money. Therefore, the decision to award a contract to Nottingham Community Housing Association to deliver the service at Sutton House from 1st Jan 2025 for 5 years, is fully supported by the Procurement Team. Advice provided by Julie Herrod (Procurement Officer) on 04/10/2024.

Other Advice: **Not applicable- no other advice is required. Advice provided by Phil Wye (Governance Officer) on 21/10/2024.**

Property Advice: **The proposal is supported by Strategic Assets and Property (SAM). In collaboration with Legal, SAM have provided input into the draft lease which was supplied as part of the procurement pack. The proposed tenant, NCHA, has made a few minor amendments to this draft lease which SAM have agreed, therefore the lease is effectively agreed.**

In addition, SAM have obtained an external valuation to set the Market Rental Value in order that the lease is granted at Best Consideration.

SAM will continue to assist in the grant of the lease to the provider, including possible requirement for an early entrance license. Advice provided by Richard Hawkes (Interim Strategic Asset Manager) on 21/10/2024.

Signatures:

Neghat Khan (Leader / Exec member, Strategic Regeneration)
SIGNED and Dated: 08/11/2024
Nicki Jenkins (Corporate Director of Growth and City Development)
SIGNED and Dated: 06/11/2024