

## **EAST HERTS COUNCIL**

### **OPENNESS OF LOCAL GOVERNMENT BODIES REGULATIONS 2014 OFFICER DECISION WRITTEN RECORD**

Reference:	OD/(to be added by Democratic Services)
Subject Matter:	Leasing of five self-contained flats in Hertford for use as temporary accommodation for homeless households.
Date of Decision:	20 <sup>th</sup> May 2025
Exempt/Confidential information (Yes/No):	Partial – EXEMPT Appendix A
If Exempt/Confidential – reason why:	Contains lease value information, the publication of which could compromise the council's ability to secure best value in the market
Name of Officer taking decision under delegated authority:	Jonathan Geall Director for Communities

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Source of delegated authority (constitution/express delegation/etc):	<p>On 5<sup>th</sup> March 2019, Council approved the latest statutory Homelessness and Rough Sleeping Strategy. This strategy identified that <i>'there are limited temporary accommodation options within East Herts for households who require accommodation in an emergency. As a result households often need to be accommodated within Bed and Breakfasts that are located outside of the East Herts area, away from their existing networks. There is a need for more suitable temporary accommodation options within East Herts... (because) suitable local temporary accommodation can minimise the negative effects of homelessness, before longer term accommodation can be found'</i>. Council approved the resulting action, <i>'to review the supply of suitable temporary accommodation within East Herts to ensure sufficient supply'</i>.</p> <p>Acting in pursuit of this action within the East Herts Homelessness and Rough Sleeping Strategy, the Director for Communities is using authority delegated in the council's Constitution in relation to</p>

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	<p>contracts and property to '<i>acquire, dispose of, let and licence</i> property (paragraph 10.6.1.2) to '<i>procure and/or manage temporary accommodation in pursuance of the council's homelessness duties and powers</i>' (paragraph 10.16.2) and thus enter into a five year contract to lease five self-contained flats in Hertford town centre for use as high quality temporary accommodation located within the district and reduce, or avoid increases in, bed and breakfast use.</p>
Exercise of delegated authority approved by: <i>(if different from Officer taking decision)</i>	n/a
Decision:	Enter into a five year contract with MHN Holdings Limited for the lease of five flats at Market Place, Hertford for use as temporary accommodation with the lease and running costs being covered in full from rental and service charge income.
Reason(s) for Decision:	Homelessness is rising in the district with a corresponding increase in the need to place homeless people temporarily in bed and breakfast (B&B) accommodation. B&B accommodation is obviously unsuitable for use as temporary

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	<p>accommodation for anything other than the very shortest of periods, added to which a room costs the council £370+ a week. Only around a third of this covered by housing benefit, with the remainder having to be funded from the council's budget with Homelessness Prevention Grant being used for any shortfall, subject to government conditions on the grant's use.</p> <p>In 2023, the council was approached by the owner of five, self-contained flats in Hertford town centre, MHN Holdings Limited, that were about to be thoroughly refurbished. The owner offered to lease the flats to the council at a competitive rate to reflect the fact that the council would manage the properties, absorb any void costs and return them in a decent condition.</p> <p>The flats are now ready for letting and this decision records the entering into a five year lease with the owner.</p> <p>A summary of the five year modelled income and costs is given below.</p> <p><b>Five year modelled income</b></p> <table border="1"> <tr> <td>Rent net of voids</td> <td>£407,825</td> </tr> <tr> <td>Service charge for utilities</td> <td>£16,313</td> </tr> </table>	Rent net of voids	£407,825	Service charge for utilities	£16,313
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	<b>Total annual income</b>	<b>£424,139</b>
<b>Five year modelled costs</b>		
	Lease and utilities	£367,876
	Management, maintenance and replacement of furniture	£56,419
	<b>Total annual costs</b>	<b>£424,294</b>
In addition, using these five flats in place of B&B accommodation is likely to save the council c£155k over the five years.		
Details of alternative options, if any considered and rejected:	<p>Option 1 – Not enter into the five year contract with MHN Holdings Limited. NOT RECOMMENDED as there is a significant need for self-contained accommodation for temporary use by homeless households in place of reliance on B&amp;B hotels. Added to this, the proposal represents a net saving for the council.</p> <p>Option 2 – Enter into a shorter contract. NOT RECOMMENDED as the owner has stated that a five year contract is the minimum to make the scheme financially viable for them. Of note, neither the owner nor council wishes to enter into a longer contract at this time, especially given the changes that local government reorganisation may bring to the numbers, types</p>	

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	and location of temporary accommodation required.
Name of Officer who has confirmed with all Members involved in taking this decision whether they have pecuniary or non-pecuniary interest:	Jonathan Geall Director for Communities
Name(s) of any Member who has removed himself/herself from contributing to this decision because of a conflict of interest:	n/a
Signature of Decision Maker (where decision is taken in consultation with a Member):	REDACTED
Signature of Member consulted by Decision Maker (where decision is taken in consultation with a Member):	n/a although discussed in detail with Cllr Mione Goldspink, Executive Member for Neighbourhoods, on 16 <sup>th</sup> May 2025.

### **SIGNATURES TO BE REDACTED**