

Written response to: Business & Transformation Scrutiny Panel

Resolution: That the Corporate Director of Finance and Resources provide the Panel with written responses: from the Property Services Manager detailing the impact on the rental income in the Chancerygate contract and the budget following the loss of the appeal for the rental review; from the Homelessness Prevention and Accommodation Manager detailing the reasons for the shortfall in Homeless Accommodation income; from the Neighbourhood Services Manager detailing the reasons for the shortfall in car parking income.

Written response from:

Building and Estates Manager (Property Services Manager)

Response: Following work recently concluded on outstanding/due rent reviews and with backdated rent payments, it is understood that the Chancerygate Contract Costs will be satisfied for the 19/20 financial year. It is also anticipated that further rent review work and recurring additional rental income from the estate with a recently concluded new letting will be sufficient to meet the costs from 20/21 onwards.

Downward Rent Review

The risks associated with the passing rents for the 3 Sites located on Viaduct Industrial Estate (VIE) are as a result of the construction of the lease clauses entered into at the outset of the agreements.

In normal circumstance it would be expected that the rent review clause would provide for an upward only review with reference to the passing rent, but in this occasion, they are with regard to the original rents which are considerably lower.

As a result of the site having been directly impacted by flooding, it was determined by the expert that the market rent for Eden Bridge Club was lower than that passing and was determined as the original rent.

As a result the following reductions have occurred on the Estate:

Eden Bridge Club reduced from £3,000 to £200 per annum.

Bowling Club to reduce from £11,000 to £750 per annum.

The other site on the VIE, Cumbria Tile Distributors, surrendered part of their site in 2013 and the rent was reduced to £5,600 p.a. as the area reduced following flood defence works. The outstanding rent review is currently being negotiated and it is believed that other factors apply in relation to this site than the two referred to above.

It is worth noting this situation is, so far as we have been able to check, rather unique to this estate and fortunately limited to three sites. It is hoped that the impact on passing rent may be short term and until the next review dates assuming the land remains unaffected by another flood event.

Written response from:

Homelessness Prevention and Accommodation Services Manager

Response:

Following Storm Desmond in December 2015, where 29 units were out of use due to flooding (out of 50), the service has not been fully operational; as such the occupancy levels across the service have been significantly lower but income targets remained the same, meaning the income targets were never achievable.

Following the phased reinstatement of the 29 units (from March 2018 to date), many of the dispersed temporary accommodation properties (2 and 3 bed houses/flats) which were utilised on a shared basis through the flood recovery period, have been out of use for significant time periods to enable necessary planned refurbishment works to take place as part of the transitional flood recovery/improvement work, including installing enhanced security provision for households fleeing domestic abuse or other forms of violence i.e. county lines (funded through external funding received). These 'safehouse' properties (with additional security features) when unoccupied are not let generically to ensure that the service is responsive and, in a position, to safeguard families appropriately.

The staff who support the dispersed properties are the staff who work within the homeless accommodation secure schemes (men and women and families), which are staffed 24 hours a day, and who also provide the emergency out of hours homelessness advice service.

Known factors which will increase demand in the next six months:

The services have been awarded 12 months external funding from the Ministry of Housing Communities and Local Government to support the national agenda to end rough sleeping, under the Rough Sleeping Initiative and Rapid Rehousing Pathway programmes. The services will utilise some of the council's existing temporary and dispersed accommodation to establish a local supported lettings project which will provide supported accommodation to individuals/couples at risk of rough sleeping as part of a rehousing pathway to independent accommodation. It is anticipated that these projects will be launched in the next couple of months, which will increase demand for accommodation and increase income.

Cumbria County Council's current housing related support service funding will end on 31st March 2020. This includes commissioned supported accommodation services (generic and domestic abuse) and grants that the district councils receive from the county council. Should the funding be withdrawn (this has not yet been confirmed), the impact in Carlisle will be 51 units less of long term supported accommodation available for people who are homeless/at risk of homelessness and affected by domestic abuse. This will place increased pressure on the City Council Homeless Prevention and Accommodation Services as there will be increased demand for services, less

rehousing options and potentially an increase in rough sleeping for those who the council does not owe a duty towards.

Carlisle City Council utilises the grant it currently receives from Cumbria County Council to employ 3 FTE specialist support officers on a temporary fixed term basis, which will end should the funding be withdrawn.

Written response from:

Neighbourhood Services Manager

Response: Officers are looking into the reduction in income across our car parks to identify any actions that may be needed to mitigate any pressures on income by year-end. We are analysing ticket sales year on year and month by month to see if this is linked to a general reduction in demand for car parking. Or, if it is as a result of our charging structure or due to recent changes in charging hours. We are seeing for example very positive take-up of our saver permit schemes and early bird tickets providing a better deal for the customer but possibly impacting on income levels for the Council. We do know that the withdrawal of the parking charges after 6.00pm (decision made in November 2018) from the Sands car park is likely to have reduced income by approximately £40,000 per year based on modelling from the previous year's car park use. There will likewise be a further loss of income this year due to the Free After Three trial operating in three of our car parks from August, although it is too early to report on this at this time. Whilst we can also point to the good summer and the popular events hosted in Carlisle across last year such as the poppies at the castle, we need to look further into the numbers to identify trends and actions.