

North East Derbyshire District Council

Cabinet

23 October 2025

Supported Housing Lease Arrangements

**Report of Councillor N Barker, Leader of the Council and Portfolio Holder for
Strategic Leadership and Finance**

Classification: This report is public

Report By: Lee Pepper – Assistant Director – Communities

Contact Officer: Lee Pepper

PURPOSE / SUMMARY

The purpose of this Cabinet report is to seek cabinet approval on the future use of The Spinner (formerly Arkam House), and two long term void properties, 167 Market Street, Clay Cross, and 60 John Street, Clay Cross.

The properties will be leased to P3 under a full repairing and insuring lease (FRI) lease agreement at £nil consideration (a peppercorn rent). Approval is therefore required to facilitate the necessary pre-lease agreements whilst renovation works are on-going, and to agree for the properties to be leased at a peppercorn rent.

RECOMMENDATIONS

1. Cabinet to note and agree to the intended use of the properties highlighted in this report.
2. Cabinet agree for the properties to be leased under a full repairing and insuring arrangement, and at a peppercorn rent / lease charge.

Approved by the Portfolio Holder – Cllr Barker, Cabinet Member for Housing

IMPLICATIONS

Finance and Risk: Yes ☐ No ☒

Details:

On Behalf of the Section 151 Officer

Legal (including Data Protection): **Yes**☒ **No** ☐

Details: This is a statutory requirement to ensure compliance. Resource is required to draw up the necessary lease agreements in collaboration with P3 Charity.

On Behalf of the Solicitor to the Council

Staffing: **Yes**☐ **No** ☒

Details: All functions will be carried out by existing staff.

On behalf of the Head of Paid Service

DECISION INFORMATION

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards, or which results in income or expenditure to the Council above the following thresholds: NEDDC: Revenue - £125,000 <input type="checkbox"/> Capital - £310,000 <input type="checkbox"/> <input checked="" type="checkbox"/> Please indicate which threshold applies	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
District Wards Significantly Affected	None
Equality Impact Assessment (EIA) details:	
Stage 1 screening undertaken <ul style="list-style-type: none"> Completed EIA stage 1 to be appended if not required to do a stage 2 	Not applicable
Stage 2 full assessment undertaken <ul style="list-style-type: none"> Completed EIA stage 2 needs to be appended to the report 	No, not applicable
Consultation: Leader / Deputy Leader <input checked="" type="checkbox"/> Cabinet <input checked="" type="checkbox"/> SMT <input type="checkbox"/> Relevant Service Manager <input checked="" type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Yes Details:

Links to Council Plan priorities, including Climate Change, Economic and Health implications.

There are clear links to Council plan priorities. Increase in supported accommodation, increase in housing growth, reduced need for hotels and TA. In addition, there are links to health, via increased energy efficiency of older, long term void Council homes.

REPORT DETAILS

1 **Background** (reasons for bringing the report)

- 1.1 There are 294 units of Supported Accommodation within NEDDC, which is provided by 19 different providers with varying portfolios for a range of support

needs ranging from learning disability, physical disability, mental health vulnerable, homeless, ex-offenders, substance misuse and domestic abuse

- 1.2 None of the afore mentioned 294 units is directly accessible to residents being supported by the Councils Housing Options team. In 2023/24, we were unsuccessful in securing any supported housing placements for residents who were already homeless (Relief Stage).
- 1.3 The Councils Housing Options Service has some of the best outcomes in the Country, and yet, our data shows that we fall short on the number of people helped to secure supported housing.
- 1.4 Earlier this year, P3 Charity expressed an interest in expanding into North East Derbyshire. From this initial conversation, we have developed a supported housing & tenancy support offer by utilising long term void council homes, and the newly acquired Spinner, formerly the spinning wheel public house in North Wingfield.
- 1.5 This new service has been developed around the existing P3 support contract, to also include a supported housing offer with exclusive access rights for the Councils Housing Options service.

2. Details of Proposal or Information

- 2.1 The service aims to address the housing needs of North East Derbyshire residents by providing 11 units of accommodation within the district. This initiative includes the potential to expand the number of properties to support move-on options for residents.
- 2.2 The service will offer intensive support, available 7 days a week, and will complement existing provisions in the district, helping to alleviate housing shortages, while providing essential support for individuals experiencing homelessness. The service aims to contribute to long-term solutions for rough sleeping, the prevention of homelessness, and the health and wellbeing of residents of all types of tenure in the district.
- 2.3 Three units will be based at The Spinner in North Wingfield. One flat will be used as an office for P3 staff, as well as serving as a meeting / collaboration space for support services and the Councils housing options team. Two 2-bed houses in Clay Cross, Market Street and John Street are currently being renovated into shared accommodation for four individuals. A further two more properties have been identified in Clay Cross. This will meet the bed space target of the service. The Spinner was purchased by the Council in 2024. The apartments are of a high standard, and all have an energy rating of C.
- 2.4 The remaining properties are Council homes that would have been sold on the open market as part of the stock rationalisation process. P3 are carrying out the renovation works. Properties will be completed to a high standard, with energy efficiency targets of C or higher.

- 2.5 P3, as a Community Benefit Society and Registered Social Landlord, provides over 990 housing placements across the UK, specifically within Cheshire East, Derbyshire, Lincolnshire, Middlesex, Gloucestershire, Warwickshire, and the West Midlands.
- 2.6 The properties will all be separately leased to P3 under full repairing and insuring (FRI) lease agreements. To facilitate this arrangement, the Council will set a peppercorn rent / lease charge. P3 will also be responsible for all other costs, taxes and outgoings in relation to the use of the premises, the Council will retain no liability for the premises.
- 2.7 The proposals are that the leases will be for a term of at least 5-years, potentially 10-years and they will provide 24-hour living support.
- 2.8 The potential rental income that the Council would be foregoing on the properties is estimated to be as follows.

167 Market Street Clay Cross - £4,800pa. to £5,400pa. (£400/£450pcm)
60 John Street Clay Cross - £4,800pa. to £5,400pa. (£400/£450pcm)
Arkam House (3no. 1b flats & 1no. 2b flat) - £26,000pa. to £28,000pa.

The estimated cost savings related to The Spinner prior to the lease being granted would be:

- Insurance - £1,071 pa (based on 25/26 renewal cost)
- Utilities - £4,630 pa (electricity, gas & water charges)
- NNDR - £1,622 pa
- Garden Maintenance - £420 pa
- PAT Testing - £120 pa
- Council Tax - £4,710 (3 x properties as a North Wingfield Band A)

- 2.9 The granting of the leases at £nil consideration (peppercorn rent) will facilitate the delivery of this service through P3 Charity. In addition, the cost savings to the Council in terms of reduced need for temporary accommodation, emergency hotel placements, and failed tenancies, where people are not ready for independent living, will far out way lost rental income.

3 Reasons for Recommendation

- 3.1 To increase the amount of good quality supported housing in the district, exclusively to fulfil the needs of the Councils Housing Options service.
- 3.2 To fulfil the Councils housing strategy objectives in delivering supported housing and increasing the quality of housing in the district
- 3.3 To re purpose valuable Council social assets for the benefit of residents.
- 3.4 To further the Councils commitment to reduce the use of hotels for people at risk of or experiencing homelessness.

4 Alternative Options and Reasons for Rejection

- 4.1 Not to proceed would create a strategic weakness for the Council. Having no direct access supported housing is not sustainable in the short or long term.
- 4.2 Properties could be leased via the private sector. This is more costly. Using our own housing stock reduces costs, and allows us to regenerate homes, rather than losing them to the private market.
- 4.3 Not to charge peppercorn rent / lease charges. To not enter into this agreement would mean the Council and Rykneld Homes LTD having to carry out repairs and maintenance. This would create a resource burden. Therefore, the proposed arrangement necessary.

DOCUMENT INFORMATION

Appendix No	Title
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet, you must provide copies of the background papers)	