

Delegated Decision Report

Decision below £250k



Subject:	ABEN Accommodation Provision: Lease Amendments and Renewal Decision (10 Sharples Hall Street & 20 Vicarage Street)
Decision maker: Senior Officer	Neil Consterdine – Director of Communities
Decision maker: Cabinet Member	Cllr Elaine Taylor, Statutory Deputy Leader and Cabinet Member for Neighbourhoods
Decision date:	
Report author:	Clare Ocansey Senior Housing Needs Officer
Ward (s):	Borough wide

This report seeks the following authorisations:

To seek approval to amend existing lease agreements for the A Bed Every Night (ABEN) accommodation portfolio to ensure continued compliance with GMCA grant conditions and to support the effective operation, management, and maintenance of leased properties over the remaining 2.5-year funding period.

A) Approve the amendments to the existing ABEN lease agreements in line with the proposed wording in **Appendix A, ensuring continued compliance, clarity of responsibilities, and effective service operation.**

B) Approve the granting of:

- **a 12 month lease for 10 Sharples Hall Street -18 bed unit total annual rent: £108,000**
- **a 12-month lease for 20 Vicarage Street- 6 bed unit- total annual rent: £33,336**

(previous executed lease attached in Appendix A1)

Background

The Council has received notification of proposed funding to continue the **A Bed Every Night (ABEN)** programme for a further **2.5 years**. The service is currently delivered across three leased properties, with two of the existing 5-year leases due to end on 6 April 2026:

- **10 Sharples Hall Street**
- **20 Vicarage Street**

Historically, the Council has secured 5-year lease arrangements to obtain reduced rental costs through longer-term agreements. All leases incorporate a **4-week termination clause**, which provides flexibility and mitigates financial risk should ABEN funding cease earlier than anticipated.

10 Sharples Hall Street

Rent at this site is funded through Housing Benefit and GMCA grant funding. A reduced rent has been negotiated with the landlord, supported by a strong existing working relationship. The Council has also indicated a willingness to consider extending the lease period at the point of renewal in 12 months.

Rental Position

- **18-bed unit**
- **Negotiated unit cost: £500 PCM**
- **Total annual rent: £108,000**

The average market rental rate for equivalent accommodation is **£660 PCM**. The negotiated reduction therefore secures an annual saving of **£34,560** across all 18 units.

Rent is fully met through the **underlease with Depaul UK**. Without this arrangement, Housing Benefit would cover the rental liability. GMCA grant funding supports costs relating to:

- Securing the accommodation
- Repairs and essential maintenance
- General upkeep
- Uplifted lease costs, staffing, repairs, and wider service delivery

20 Vicarage Street

The Council has also renegotiated the rental terms for Vicarage Street. The landlord's initial proposal of **£550 PCM** was already below the market level of £660 PCM. Further negotiation secured a reduced rate of **£450 PCM** per unit.

Rental Position

- **6-bed unit**
- **Negotiated unit cost: £450 PCM**
- **Total annual rent: £33,336**
- **Annual saving achieved: £14,184**

The accommodation at 20 Vicarage Street is used to accommodate resident with no recourse to public funds. The Council receives funding from the Greater Manchester Mayor's Office to provide accommodation for individuals with No Recourse to Public Funds (NRPF). Notification has been received confirming continuation of this funding for the next 2.5 years, with an uplift expected. In the previous financial year, the programme received £79,000 per annum

Individuals accommodated through NRPF provision cannot be charged rent. However, the grant fully covers:

- Lease costs
- Utility charges
- Repairs and maintenance
- Compliance-related obligations

This ensures the financial sustainability of the NRPF element of the service and continuation of service.

During the course of existing operations, several areas of responsibility between the landlord, managing agent (Depaul UK), and Council have required clarification. Following negotiations with the letting agent acting on behalf of the landlord, the following amendments to the leases are proposed.

Summary of Proposed Lease Amendments Repairs, Compliance & Responsibilities

The amendments seek to:

- Clarify responsibility where damage is caused by occupants placed by the Council.
- Confirm Council responsibility for routine compliance checks (e.g. fire alarm testing, emergency lighting checks, legionella monitoring).

- Strengthen provisions requiring the landlord to meet statutory obligations and maintain compliance with HSE water hygiene regulations.
- Confirm the Council's responsibility for repair where occupant-caused damage occurs, and the landlord's responsibility for defects arising from wear, tear, age, or structural/system failures.
- Ensure defects identified through compliance checks are reported promptly to the landlord.

No Transfer of Statutory Obligations

A clear clause confirms that statutory obligations under Section 3 of the lease remain the landlord's responsibility, and the amendments do not transfer liability away from the landlord.

A full schedule of proposed wording is appended at Appendix A.

Rationale for Decision

The amendments:

- Provide operational clarity for all parties, reducing delays in repairs and compliance activities.
- Strengthen roles and responsibilities to protect service users and ensure property safety.
- Support compliance with GMCA grant conditions.
- Reduce risk to the Council by clarifying cost responsibilities and ensuring landlords continue to meet statutory requirements.
- Reinforce effective partnership working with Depaul UK, landlords, and managing agents.
- Ensure leases remain suitable and legally robust for the duration of ABEN funding.

These clarifications will not increase financial risk to the Council and are considered necessary to maintain safe, compliant service delivery

Financial:

No additional direct cost is anticipated. The Council will continue to recover rental charges through Housing Benefit, Depaul UK and utilise GMCA grant funding to support operational delivery.

Occupant-caused damage remains the Council's responsibility under the amended clauses, aligning with current operational practice.

Legal:

Legal Services have reviewed (or will review) the proposed amendment wording. The amendments do not alter statutory obligations; they simply clarify operational responsibilities and compliance expectations.

Recommendations

*A) Approve the amendments to the existing ABEN lease agreements in line with the proposed wording in **Appendix A**, ensuring continued compliance, clarity of responsibilities, and effective service operation.*

B) Approve the granting of:

- *a 12 month lease for 10 Sharples Hall Street*
- *a 12-month lease for 20 Vicarage Street*

both of which support service continuity and provide flexibility in line with the 2.5-year GMCA funding period.

These leases retain the existing 4-week termination clause, meaning no additional risk to the local authority.

Alternative option(s) to be considered

Option 1 – Approve Recommended Actions (Recommended)

*A) Approve the amendments to the existing ABEN lease agreements in line with the proposed wording in **Appendix A**, ensuring continued compliance, clarity of responsibilities, and effective service operation.*

B) Approve the granting of:

- *a 12 month lease for 10 Sharples Hall Street*
- *a 12-month lease for 20 Vicarage Street*

both of which support service continuity and provide flexibility in line with the 2.5-year GMCA funding period.

These leases retain the existing 4-week termination clause, meaning no additional risk to the local authority.

Option 2 – End Current Leases and Seek Alternative Provision (Not Recommended)

*Terminate the existing leases and attempt to source new accommodation. This option is **not recommended** because:*

- Suitable alternative accommodation is **unlikely to be found at a lower cost** than the favourable rent already negotiated with current landlords.
- The process would result in **significant operational disruption**, including decanting residents and establishing new placements.
- There would be an increased risk of **service interruption, loss of ABEN bed capacity, and a potential impact on GMCA grant funding**.
- There is a high likelihood of **cost escalation**, delays in reopening the service, and challenges in maintaining statutory compliance during transition.

Option 3 – Do Nothing (Not Recommended)

Continue operating under the existing lease arrangements without amendment. This option is **not recommended**, as it would:

- Leave unresolved issues around responsibilities for repairs, compliance checks, and defect reporting.
- Continue to expose the service to **operational delays, ambiguity, and compliance risks**.
- Not provide the clarity required to support effective partnership working with the landlord and managing agent

Consultation Cabinet Member is fully supportive of continued ABEN provision within Oldham. No conflict of interest declared. A consultation has been undertaken with service users and partner agencies.

Implications

<p>Financial</p>	<p>This report seeks to amend the existing lease agreement for the A Bed Every Night (ABEN) accommodation portfolio to ensure continued compliance with GMCA grant conditions (to provide 33 bedspaces) and to support the effective operation, management, and maintenance of leased properties over the remaining 2.5-year funding period.</p> <p>This report specifically relates to the 5-year lease agreement of 82-84 Milnrow Road, an 8-bed property, at an annual cost of £47,040 per annum, a total cost of £235,200 across all 5 years.</p> <p>The new 5-year lease agreement represents a 25% increase on the lease agreement previously spanning July 2020 – July 2025 (£3,120 per month increasing to £3,920 per month).</p> <p>The lease includes a 4-week termination clause, mitigating financial risk to the Council should ABEN funding cease earlier than anticipated.</p> <p>Current estimates are that Housing Benefit will provide approximately 70% of the property cost. The balance, approximately £14,000 will need to be funded from existing base budget within the Homelessness cost centre.</p> <p>(John Hoskins)</p>
<p>Legal</p>	<p>The proposed amendments are outside the scope of the procurement regulations, as leases and licenses for land and property are exempt. The changes mainly provide operational clarity and do not create a new services contract, so there is no risk of material modification. Any clarified responsibilities in the amended leases should, however, be reflected in the Council's agreement with Depaul UK (if it continues to act as managing agent) to ensure operational, cost and compliance responsibilities remain aligned.</p> <p>In relation to grant funding, the amendments support compliance with GMCA and NRPF grant conditions. As ABEN operates as a Service of Public Economic Interest and the values involved are below the SPEI threshold, there are no new subsidy control concerns.</p> <p>Pamela Nsofor (Solicitor)</p> <p>By virtue of Section 120 of the Local Government Act 1972 the</p>

	<p>Council has the necessary statutory powers of acquisition to acquire the property/renew the Lease/s referred to in the Recommendation. Fees and charges may apply in addition to the Lease costs.</p> <p>With regard to such a transaction for the acquisition of property that has not been exposed to the open market the Land and Property Protocol states that an independent valuation shall be obtained, where it is considered prudent to do so. It is understood that this has not been deemed necessary by the Estates Team in the circumstances.</p> <p>The Report author has confirmed that the provisions of the Council's Land and Property Protocol have been and will continue to be observed. All negotiations on behalf of the Council must be carried out in accordance with the principles of equality, proportionality and transparency.</p> <p>Any contracts for the supply of works, goods or services must comply with the Council's Contract Procedure Rules and all relevant legislation/ regulations. All land transactions will need to comply with the Council's Land and Property Protocol. All financial transactions will need to comply with the Council's Financial Procedure Rules.</p> <p>The Council must be satisfied it can meet the objectives and terms and conditions and milestones of any grant funding imposed by the funding authority including any obligation to provide match funding and to monitor, keep any necessary records and file any necessary returns. Officers must also check the terms do not conflict with other funding conditions for the scheme/s or project/property already in place. Officers are to work with legal colleagues to approve and finalise the terms of the Leases.</p> <p>(Rebecca Boyle – Corporate Group Solicitor).</p>
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Procurement	<p>This is a compliant solution for the council. This does not alter statutory obligations. This meets compliance expectations.</p> <p>As this does not increase financial risk to the Council and is considered necessary to maintain a safe, compliant service delivery and ensures continued compliance with GMCA grant conditions.</p> <p>There is no Procurement risk here this is a compliant solution.</p> <p>Angela Porter – Senior Category Manager Corporate & Environment</p>
Equality impact including implications for Children and Young People	Not required – no change in service specification from 2022 (EIA already completed)

Has the relevant Legal Officer confirmed that the recommendations within this report are lawful and comply with the Council's Constitution?	Yes
Has the relevant Finance Officer confirmed that any expenditure referred to within this report is consistent with the Council's budget?	Yes
Are any of the recommendations within this report contrary to the Policy Framework of the Council?	Yes

Report author sign-off	Clare Ocansey
Role	Senior Housing Needs Officer
Date of sign-off	24 th of March 2025

Approval	
Officer approval sign-off	Neil Consterdine <i>N. Consterdine</i>
Role	Director of Communities
Date of sign-off	06/05/2026

Approval	
Member(s) approval sign-off	
Role	
Date of sign-off	

Appendix A – Proposed Amendments to Lease Agreements

X. Repairs, Compliance Checks and Responsibilities

X.01 Tenant-Caused Damage

Notwithstanding the provisions of Clause 2.01 and Schedule 2, where any damage to the Premises, its fixtures, fittings, or safety systems (including but not limited to the fire alarm panel, smoke detection system, emergency lighting, or any other life-safety equipment) arises as a result of misuse, negligence or deliberate act by an occupier placed in the Premises by the Lessee, the Lessee shall be responsible for carrying out and funding the necessary remedial works to return the affected items to proper working order.

X.02 Routine Compliance Testing Undertaken by the Lessee

The Lessee shall be responsible for undertaking the following routine building safety compliance checks throughout the term of the Lease:

- a. Regular fire alarm testing and fire safety checks
- b. Routine emergency lighting tests
- c. **Water Hygiene Requirements** Legionella risk assessments and monitoring in line with statutory guidance
 - The Lessor must comply with HSE water hygiene requirements and ensure legionella risks are properly assessed and controlled.
 - The Lessor will provide a full legionella risk assessment for the premises at the date of this Lease, to be completed by a competent person to the satisfaction of the Lessee.
 - A full assessment and ongoing annual legionella checks are required where the premises uses a cold-water storage tank, hot-water cylinder or any water system where water may stagnate. These systems carry a higher risk and must be monitored and reviewed annually, or sooner if system changes occur.
 - Where the premises uses a combi boiler, the legionella risk is lower. In such cases, the Lessee must monitor for any emerging risks and report any significant concerns to the Lessor without delay. If regulations change, or if the water system or risk profile changes, the Lessor may be required to review the assessment sooner.

X.03 Reporting of Defects

Where, during the course of carrying out the compliance checks listed in Clause X.02, the Lessee identifies any faults, defects or failures in the Premises or its installations, such defects shall be promptly reported to the Lessor in writing.

X.04 Responsibility for Remedial Works

a. Lessor Responsibility

Where a defect arises due to normal wear and tear, age, deterioration, structural failure, electrical wiring issues, or any other matter falling within the Lessor's repairing obligations under Clauses 3.02, 3.03, 3.05, 3.06 or Schedule 2, the Lessor shall remain responsible for undertaking and funding the required repairs.

b. Lessee Responsibility

Where a defect is identified as arising from misuse, negligence or deliberate damage by an occupier placed by the Lessee, the Lessee shall arrange and fund the necessary remedial works.

c. Clarification

For the avoidance of doubt, faults found to originate from underlying system failures — including wiring defects, power supply issues, structural deterioration or failures within installations not caused by the occupier — shall remain the responsibility of the Lessor.

X.05 No Transfer of Statutory Obligations

Nothing in this Clause shall relieve the Lessor of any statutory or contractual repairing obligations under Section 3 of this Lease or any other applicable legal or regulatory requirement.

Appendix A1:

Original Lease – 10 Sharples Hall Street (Executed on: *6th of April 2021*)

Underlease- 10 Sharples Hall Street (Executed on the 7th of July 2024)

Original Lease – 20 Vicarage Street (Executed on: *14th of April 2021*)



Executed Lease
Sharples Hall.pdf



10SharplesHallStree
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Executed lease 20
Vicarage.pdf

