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|-------------------------------------|---|---|---------------------------|
| <b>DECISION-MAKER:</b>              | CABINET   |   |                           |
| <b>SUBJECT:</b>                     | HOMELESS TEMPORARY ACCOMMODATION                |   |                           |
| <b>DATE OF DECISION:</b>            | 16 APRIL 2013                                   |   |                           |
| <b>REPORT OF:</b>                   | CABINET MEMBER FOR HOUSING AND LEISURE SERVICES |   |                           |
| <b><u>CONTACT DETAILS</u></b>       |   |   |                           |
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| <b>STATEMENT OF CONFIDENTIALITY</b> |   |   |                           |

The Appendices 1 and 2 are not for publication by virtue of Category 3 (Information relating to the financial or business affairs of any particular person including the Council) of paragraph 10.4 of the Council's Access to Information Procedure Rules as contained in the Council's Constitution. It is not considered to be in the public interest to disclose this information because these Appendices contain confidential and commercially sensitive information relating to the property interests potentially involved in this matter.

### **BRIEF SUMMARY**

Presently the Homelessness Team have a number of properties used as temporary accommodation for short term lets to homeless people. These are predominantly in the Central area of the city with a small number on the west side, but none on the east.

Seymour House, Seymour Road is one such property located on the west side of the city which provides 16 temporary "homes" (a mixture of 1 bed flats and studio flats). Originally built as a children's home, the properties have undergone various degrees of reconfiguration from their original layouts.

Following recent extensive investigations it has been concluded that in order to maintain the building up to the Council's adopted Decent Homes Standard major improvements of both blocks is required.

Assessments carried out on behalf of the Housing Investment Team indicate that to carry out these major improvements works (kitchens, bathrooms etc) will cost circa £750K plus fees.

As an alternative to refurbishing Seymour House, the ground floor of Oatlands House in Shirley could be converted to provide 7 units and the former Children's Referral Unit in Selborne Avenue, Harefield converted to provide a possible 11 units. Seymour House could then be sold and the receipts used to part fund the purchase and refurbishment of Selborne Avenue and the refurbishment of Oatlands House. This option also creates 2 additional units of much needed Temporary Accommodation

## **RECOMMENDATIONS:**

- (i) To approve, in accordance with Financial Procedure Rules, the addition of a £1,270,000 Homeless Temporary Accommodation scheme to the Modern Facilities section of the HRA Capital Programme for the appropriation, from the General Fund, of the former Children's Referral Unit in Selborne Avenue and for the refurbishment of Selbourne Avenue and Oatlands House to be funded by capital receipts from the sale of Seymour House and a virement from savings in the 2013/14 Housing Refurbishment scheme as detailed in Appendix 2.
- (ii) To approve in accordance with Financial Procedure Rules expenditure in financial year 2013/14 of £1,270,000 (including fees) on the Homeless Temporary Accommodation scheme.
- (ii) To note the proposed disposal of Seymour House following completion of works to Selbourne Avenue and Oatlands House.

## **REASONS FOR REPORT RECOMMENDATIONS**

1. This report is presented as a general exception item in accordance with Rule 15 of the Access to Information Procedure Rules of Part 4 of the Council's Constitution. Amendments to the Local Authorities (Executive Arrangements) (Meetings and Access to information) (England) Regulations 2012 require 28 days notice to be given prior to determining all Key Decisions. This new requirement was published by Government mid August and came into effect on 10th September 2012. Whilst the report did have the required 28 days notice, the new requirement to indicate potential elements of confidentiality was not complied with as notification of the decision was published on the 4<sup>th</sup> March 2013.
2. Financial Procedure Rules state that all schemes already in the capital programme up to the value of £125,000 require approval by the relevant Chief Officer following consultation with the relevant Cabinet Member and Chief Finance Officer. Schemes over £125,000 but less than £250,000 will require approval by the Cabinet Member. Schemes between £250,000 and £2 million will require Cabinet approval.

## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

3. The alternative option to this proposal would be to undertake the improvements needed to Seymour House of £750K plus fees (total £850K) to ensure the properties are upgraded to the Council's adopted standards.
4. This course of action would still leave the Council with a property that is old, not with the best layout, thermally inefficient and not flexible enough for all homeless requirements.
5. This would also involve relocating all existing tenants and the 16 flats being rendered unusable for 6 months whilst improvements are carried out. In addition, this process would incur additional costs and lost revenue.
6. By simply refurbishing Seymour House this would leave the Council with 16 units whereas the proposal will provide 18 units, a net gain of 2 units.

7. The cost of £850,000 (including fees) for the refurbishment of Seymour House is included in the HRA Capital Programme and part of the saving resulting from not proceeding with the work will be used to fund the balance of the expenditure on the Homeless Temporary Accommodation scheme. This will result in a net saving to the HRA Capital Programme. The detail is shown in Appendix 2.

#### **DETAIL (Including consultation carried out)**

8. Whilst there is no doubt of the requirement to provide such temporary homes, it is questionable whether retaining this building is the correct option when other more modern properties exist within the Council's portfolio.
9. Within the HRA portfolio the complete ground floor of Oatlands House, St James Close, Shirley (formerly leased to Hampshire PCT) is void. The Homeless Team have confirmed that this location is ideal for their use, outline designs have resulted in a proposal of possibly 7 purpose-built units being made available at a cost of c. £400K plus fees
10. As the Homelessness Team have already indicated that there is a lack of such properties on the east side of the city, Housing Investment have liaised with colleagues in the General Fund to ascertain if there are any properties suitable for use/conversion within the General Fund portfolio that are currently to be disposed of.
11. The former Children's Referral Unit in Selborne Avenue, Harefield is such a property with a guide price of c. £250K plus fees. Housing Investment have received outline designs detailing that a possible 11 flats can be provided within the existing building constraints at a cost of £500K plus fees.
12. The proposal is to appropriate the Selborne Avenue property from the General Fund and add this property to the HRA property portfolio.
13. The next stage is to commission work to both Selborne Avenue and Oatlands House with delivery anticipated in Autumn/Winter 2013 of a minimum of 18 purpose-built 1 bed properties being delivered, **a net gain of at least 2 units compared with Seymour House.**
14. Whilst works are being carried out as above, outline planning permission would be applied for on the Seymour House site and upon completion of all works to Selborne Avenue and Oatlands House, we would close and dispose of Seymour House.

#### **RESOURCE IMPLICATIONS**

15. The estimated costs for the Homeless Temporary Accommodation scheme are detailed in the table below.

|                                  | Cost including fees<br>£ |
|----------------------------------|--------------------------|
| Refurbishment of Oatlands House  | 442,000                  |
| Appropriation of Selborne Avenue | 275,000                  |
| Refurbishment of Selborne Avenue | 553,000                  |
| <b>Total Cost for Scheme</b>     | <b>1,270,000</b>         |

Therefore the total expenditure on the Homeless Temporary Accommodation scheme will be £1,270,000. A large proportion of this expenditure will be funded from the sale proceeds of Seymour House. The cost of £850,000 (including fees) for the refurbishment of Seymour House is included in the HRA Capital Programme and part of the saving resulting from not proceeding with the work will be used to fund the balance of the expenditure on the Homeless Temporary Accommodation scheme. This will result in a net saving to the HRA Capital Programme. The detail is shown in Appendix 2.

16. These options will provide modern facilities which will be warm, energy efficient, easier to maintain, reduce Revenue repairs and be located across the city. This will also remove any additional disposal costs from the General Fund for disposing of Selborne Avenue i.e. Auction House fees.

**Property/Other**

17. The HRA Capital Programme is fully reflected in the Corporate Property Strategy.

**LEGAL IMPLICATIONS**

**Statutory power to undertake proposals in the report:**

18. There are no specific legal implications in connection with this report. The power to carry out the proposals is contained within Part 2 of the Housing Act 1985.

**Other Legal Implications:**

19. None.

**POLICY FRAMEWORK IMPLICATIONS**

20. The proposed schemes in this report contribute positively to the Council’s objectives set out in the Housing Strategy and HRA Business Plan to maintain and improve the condition of the city’s housing stock.

**KEY DECISION?** Yes

|                                    |                       |
|------------------------------------|-----------------------|
| <b>WARDS/COMMUNITIES AFFECTED:</b> | Shirley and Harefield |
|------------------------------------|-----------------------|

## SUPPORTING DOCUMENTATION

### Appendices

|    |  |
|----|--|
| 1. | Confidential - Homeless Temporary Accommodation – Housing Investment Team Report               |
| 2. | Confidential - Homeless Temporary Accommodation - Financial Implications and Funding Statement |

### Documents In Members' Rooms

|    |      |
|----|------|
| 1. | None |
|----|------|

### Equality Impact Assessment

|  |     |
|--|-----|
| Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out. | Yes |
|--|-----|

### Other Background Documents None

### Equality Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

|    |      |  |
|----|------|--|
| 1. | None |  |
|----|------|--|