

EXECUTIVE DECISION

made by a Council Officer



REPORT OF ACTION TAKEN UNDER DELEGATED AUTHORITY BY AN INDIVIDUAL COUNCIL OFFICER

Executive Decision Reference Number – *COD13 24/25*

Decision	
1	Title of decision: Acquisition of a freehold property
2	Decision maker: Matt Garrett, Service Director for Community Connections
3	Report author and contact details: Jackie Kings, Head of Housing Solutions, Community Connections
4a	Decision to be taken: To approve the acquisition of the freehold property as set out in the Part II report.
4b	Reference number of original executive decision or date of original committee meeting where delegation was made: 11 December 2023 – Cabinet Decision on Housing Business Case: Purchase of Temporary Accommodation
5	<p>Reasons for decision: On the 11 December 2023, the Cabinet approved the Housing Business Case to purchase temporary accommodation. The original decision allocated up to £15 million to the Capital Programme (£10 million Service borrowing and up to £5 million grant from Homes England (to be determined) to directly acquire property to be used as temporary accommodation for homeless households</p> <p>Delegation of authority to purchase property within the stated financial envelope was given to the Service Director (Community Connections).</p> <p>The original decision was placed on the Forward Plan of Key Decisions and Private Business, therefore this decision gives effect to the Cabinet resolution and is not considered a “new” key decision.</p> <p>A large city centre building has been identified. There have been extensive surveys into the condition and suitability of the building. Safeguards are in place and the condition of sale relies on final satisfactory survey reports in respect of concrete, cavity wall ties and drainage conditions.</p>
6	<p>Alternative options considered and rejected: Use of a council owned building has been considered and was rejected due to viability and condition of the building.</p> <p>Alternative City centre buildings on open sale have been considered however have been rejected due to suitability of the buildings to meet the needs of families.</p> <p>Only purchasing dispersed accommodation units such as individual houses/flats across the City. This was rejected as the number of units in the single building with on-site support delivers a better offer for families and a better value for money option with more units available. Progressing the business case with different options of accommodation also allows the Council to meet wider needs of homeless families.</p>

7 Financial implications and risks: The purchase will produce cost avoidance revenue savings to the Community Connections budget by providing a more financially viable and suitable solution for homeless families and reducing the reliance on unsuitable expensive nightly paid accommodation.

Financial modelling shows annual savings in cost avoidance of between £412,417 and £795,335 per annum depending on the assumptions used and some of the final values i.e. Interest rates, amount of grant funding realised.

As there are works to be undertaken to bring the property to the required standard it is anticipated that the savings will not be realised in financial year 2024/25.

A planning application is required for the change of use of the building from its current use as student accommodation to provide 1-, 2- and 3-bedroom self-contained family flats. A pre application has been made and based on the advice received will progress to a full application.

The timeline of the purchase is agreed for completion in September 2024. As the planning process and permission decisions will be post purchase, the purchase will be made at risk. This is mitigated in: the positive pre application; the option of continued delivery of current use; and the future opportunity options the building brings.

There have been extensive surveys into the condition of the building and outline drawings commissioned for the development. Updating the building to meet compliance regulations and standards, and remodelling into self-contained flats, will be undertaken once planning permission has been granted.

Refurbishment costs have been estimated and the risk of increasing costs in this area have been considered in the financial modelling. The risk is mitigated with detailed high end estimated costs, as well as further increased costs included in the financial modelling. All scenarios in the modelling indicate cost avoidance savings to the revenue budget.

There is a low risk that capital grant funding from Homes England is not awarded. This is mitigated in positive and supportive early dialogue with Homes England and; in the financial modelling, which includes the scenario of no capital grant from Homes England and indicates a revenue saving in cost avoidance to the revenue budget in this scenario.


An external market valuation of the property has been commissioned and is in line with the proposed use of the building. The proposed refurbishment works will address the repair issues and increase the value of the building.

The overall project outcomes will realise considerable annual savings to the Council.

8	Is the decision a Key Decision? (please contact Democratic Support for further advice)	Yes	No	Per the Constitution, a key decision is one which:
			x	in the case of capital projects and contract awards, results in a new commitment to spend and/or save in excess of £3million in total
			x	in the case of revenue projects when the decision involves entering into new commitments and/or making new savings in excess of £1million
			x	is significant in terms of its effect on communities living or working in

				an area comprising two or more wards in the area of the local authority.
8b	If yes, date of publication of the notice in the Forward Plan of Key Decisions			
9	Please specify how this decision is linked to the Council's corporate plan/Plymouth Plan and/or the policy framework and/or the revenue/capital budget:	<p>Significant action is required to meet the homelessness and temporary accommodation demand and reduce budgetary pressures.</p> <p>The purchase of this property directly and positively addresses the budget pressures faced by the Council as well as improving the health and wellbeing outcomes for homeless families by providing suitable supported accommodation until they move on to a longer-term home.</p> <p>Policy HEA8 of the Plymouth Plan outlines aims to ensure everyone has access to a decent, safe and affordable home, achieved through identifying sites and delivery programmes to develop a range of new and affordable homes to rent and buy.</p> <p>Section 4.71 of the Plymouth Plan further outlines the significant need for more affordable homes in Plymouth.</p> <p>Policy SPT3 of the JLP makes provisions to deliver 4,550 new affordable homes by 2034. In addition, Policy DEV7 of the JLP outlines the need to ensure there is a broad range of housing available to suit households with specific needs, including large family homes.</p>		
10	Please specify any direct environmental implications of the decision (carbon impact)	Refurbishment works will be carried out which will reduce the carbon impact of the building including the provision of PV panels and the replacement of a very old and inefficient gas boiler.		
Urgent decisions				
11	Is the decision urgent and to be implemented immediately in the interests of the Council or the public?	Yes		(If yes, please contact Democratic Support for advice)
		No	x	(If no, go to section 13a)
12a	Reason for urgency:			
12b	Scrutiny Chair signature:		Date	

	Scrutiny Committee name:			
	Print Name:			
Consultation				
I3a	Which Cabinet Member's portfolio does this decision relate to?	Councillor Chris Penberthy, Cabinet Member for Housing, Cooperative Development and Community		
I3b	Date Cabinet Member consulted	10 July 2024		
I3c	Are any other Cabinet members' portfolios affected by the decision?	Yes	<input checked="" type="checkbox"/>	
		No	<input type="checkbox"/>	(If no go to section 14)
I3d	Which other Cabinet member's portfolio is affected by the decision?	Councillor Mark Lowry (Cabinet Member for Finance)		
I3e	Date other Cabinet member(s) consulted	10 July 2024		
I4	Has any Cabinet member declared a conflict of interest in relation to the decision?	Yes	<input type="checkbox"/>	If yes, please discuss with the Monitoring Officer
		No	<input checked="" type="checkbox"/>	
I5	Which Corporate Management Team member has been consulted?	Name	Gary Walbridge	
		Job title	Interim Strategic Director for Health, Adults and Communities	
		Date consulted	30 June 2024	
Sign-off				
I6	Sign off codes from the relevant departments consulted:	Democratic Support (mandatory)	DS21 24/25	
		Finance (mandatory)	HS.24.25.14	
		Legal (mandatory)	LS/00001312/1/AC/15/7/24	
		Human Resources (if applicable)		
		Corporate property (if applicable)	JW 0121 16/07/24	
		Procurement (if applicable)		
Appendices				

17	Ref.	Title of appendix						
	A	Briefing report for publication						
	B	Equalities Impact Assessment						
Confidential/exempt information								
18a	Do you need to include any confidential/exempt information?	Yes	<input checked="" type="checkbox"/>	If yes, prepare a second, confidential ('Part II') briefing report and indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box in 18b below.				
		No	<input type="checkbox"/>					
		Exemption Paragraph Number						
		1	2	3	4	5	6	7
18b	Confidential/exempt briefing report title: Part II Briefing Report on the Purchase of a Building to Provide Temporary Accommodation			<input checked="" type="checkbox"/>				
Background Papers								
19	Please list all unpublished, background papers relevant to the decision in the table below. Background papers are <u>unpublished</u> works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based. If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.							
Title of background paper(s)		Exemption Paragraph Number						
		1	2	3	4	5	6	7
Council Officer Signature								
20	I agree the decision and confirm that it is not contrary to the Council's policy and budget framework, Corporate Plan or Budget. In taking this decision I have given due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not. For further details please see the EIA attached.							
Signature			Date of decision	18/07/2024				
Print Name	Matt Garrett							