

Kirkstall Accommodation – Children and Families and Housing Services Use

Date: 18 April 2024

Report of: Land and Property

Report to: Director of City Development

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

This report seeks approval for the Council to lease four blocks of currently vacant student accommodation to provide temporary accommodation for two cohorts:

- a) Young Adult Care Leavers in two blocks supported by the Children and Families Directorate, and
- b) Individuals and families in two blocks supported by Housing Services within the Communities, Housing and Environment Directorate.

A planning application is required for change of use for two blocks for the housing customers' use and will be submitted jointly by the Council and the owner to ensure that the accommodation can be utilised to an appropriate capacity.

It is proposed that a short-term lease be entered into initially, for the Young Leavers' block, until planning consent is granted for the housing use, thereafter a new lease for the entire property for a term of 10 years will take effect.

Recommendations

- a) That the Director of City Development approves entering into a short term lease for two blocks as detailed in the attached confidential appendix 1 to facilitate a).
- b) That the Director of City Development notes that a planning application will be submitted by the Council jointly with the owner of the accommodation to allow for a change of use so that an appropriate level of use of the accommodation can be implemented.
- c) That the Director of City Development approves a subsequent lease for four blocks for a term of 10 years following the completion of activity related to a change in planning consent for the accommodation. Terms are detailed in the attached confidential appendix 2.

What is this report about?

- 1 The Children and Families Directorate (C&F) and The Communities, Housing and Environment Directorate (Housing) are experiencing increasing demand pressures on their services. Both are facing significant financial challenges given the very high cost of placing individuals/families in residential accommodation, particularly that provided by the private sector.
- 2 The Council was made aware that a block of student accommodation in the Kirkstall ward would not be utilised by students in the immediate future. Discussions have commenced around the suitability and practicality of utilising the vacant accommodation to support the needs outlined in recommendations a and b above.
- 3 Those discussions have progressed and a proposal has been put forward:
 - a. Phase 1: The Council enters into a short term lease to occupy two blocks (comprising 66 beds) of accommodation to house care leavers, aged 18 plus currently in education or training. This use is in accordance with the existing planning consent for the accommodation.
 - b. That the Council jointly with the owner of the accommodation submits a planning application for a change of use of two blocks enabling the property to be utilised to support the issues outlined in 1 and 2 above.
 - c. Phase 2: Once planning consent has been obtained the short term lease will terminate and a new lease for four blocks (comprising 242 beds) for a term of 10 years will take effect.
 - d. It is proposed that C&F occupy two blocks of accommodation totalling 66 bed spaces and Housing use the two larger blocks totalling 176 bed spaces. A small portion of the accommodation is to be used as a base for onsite support, provided jointly by C&F and Housing Services.
- 4 The proposal has been costed and delivers a significant potential saving to the Council against current incurred costs. Further details are provided in the resources section of the report.

What impact will this proposal have?

- 5 Subject to approval, the proposal has the potential to provide a high standard of accommodation provided to young people supported by C&F. If approved, it will deliver significant financial savings to the Directorate as individuals relocate from more costly external placements.
- 6 Subject to approval, the benefits from a housing perspective include improvements in accommodation including the provision of accommodation more suited to daily life with on site support. The proposal would deliver significant financial savings to the Directorate as the accommodation would be less costly than current arrangements and would therefore entail a reduced level of Housing Benefit subsidy.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 7 This decision has a direct correlation to the Council's work on delivering improved health and well-being for a number of vulnerable individuals and families. Significant benefits will arise by being able to provide 'fit for purpose' accommodation, which matches need for the two intended cohorts.

What consultation and engagement has taken place?

Wards affected: Kirkstall, Bramley and Armley

Have ward members been consulted? Yes (18/12/2023 & 20/02/2023) No

- 8 The proposals set out in this report have been discussed with the Executive Member for Children's Social Care and Health Partnerships, the Executive Member for Housing and the Deputy Leader and Executive Member for Resources on 24 November 2023 who are all supportive of the same. These Members have also been consulted about the specific proposals set out in this report on the 17th April 2024.
- 9 The accommodation is within the Kirkstall ward however it is located very closely to the ward boundaries with Armley and Bramley and Stanningley, accordingly Ward Members for all three wards have been briefed on the proposal and are supportive.
- 10 Any public engagement will be undertaken through the required planning approval process.

What are the resource implications?

- 11 From financial modelling undertaken to date the short term lease for 66 beds provides a net saving of £1.8m in 2024/25, rising to £2.6m in 2025/26. These savings come from the consequential of movement of young people throughout the residential portfolio.
- 12 Financial modelling of the additional 176 beds based on current plans would result in a net cost of £313,000 in 2024/2025, increasing to £394,000 in 2025/2026. These costs should reduce as Housing Services identify additional individuals who could move into the Kirkstall accommodation.

What are the key risks and how are they being managed?

- 13 The primary risk relating to this proposal relates to the risk associated with not securing a planning consent for the required change of use to allow for wider cohorts of individuals to occupy the accommodation. This is being mitigated by working closely with the owner and submitting a robust proposal for consideration through the planning process and early engagement with Development Control Officers.
- 14 There is a risk of provision of accommodation to individuals by a local authority attracting security of tenure under the Housing Act 1985. This risk is mitigated as the leases contain clauses to ensure the arrangements are correctly identified as a short term arrangement therefore exempt from security of tenure under Schedule 1 Housing Act 1985 paragraph 6. Customers accommodated by Communities, Housing and Environment under Housing Act 1996 Homelessness duties will also be exempt from security of tenure under Schedule 1 Housing Act 1985 paragraph 4.

What are the legal implications?

- 15 Under Part 3, Section 3E(g) of the Council's Constitution (Officer Delegation Scheme (Executive Functions)) the Director of City Development has authority to discharge any function of the Executive in relation to Asset Management.
- 16 The Chief Officer Asset Management and Regeneration and Head of Asset Management of Land and Property have authority to take decisions in relation to Asset Management as delegated in the Director of City Development's sub delegation scheme.
- 17 The proposal constitutes a Significant Operational Decision and is therefore not subject to call in.
- 18 The Deputy Head of Land and Property confirms that in their opinion the terms offered to the Council represent a fair market rent for the property.
- 19 The information contained in the Appendix to this report relates to the financial or business affairs of a particular person, and of the Council. This information is not publicly available from the statutory registers of information kept in relation to certain companies and charities. It is considered that since this information was obtained through one to one negotiations for the purchase of the land/property referred to then it is not in the public interest to disclose this information at this point in time. Also the release of such information would or would be likely to prejudice the Council's commercial interests in relation to and undermine its attempts to acquire by agreement similar properties in the locality in that owners of other similar properties would be aware about the nature and level of consideration which may prove acceptable to the Council. It is considered that whilst there may be a public interest in disclosure, much of this information will be available from the Land Registry following completion of the purchase and consequently the public interest in maintaining the exemption outweighs the public interest in disclosing this information at this point in time. It is therefore considered that this element of the report should be treated as exempt under rule 10.4.(3) of the Access to Information Procedure Rules.

Options, timescales and measuring success

What other options were considered?

- 20 The alternative option of continuing with current arrangements for providing accommodation was discounted given the need to ensure improved levels of accommodation are provided for the cohorts in scope and the need to realise financial savings.

How will success be measured?

- 21 By completion of both leases.

What is the timetable and who will be responsible for implementation?

- 22 Upon approval the terms for both leases will be finalised and legal instructed.

Appendices

- Confidential Appendix 1: Heads of Terms for the phase 1 lease
- Confidential Appendix 2: Heads of Terms for the phase 2 leases

Background papers

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