

## Council Housing Growth - Conversion of a former family resource centre into residential provision.

Date: 18<sup>th</sup> January 2024

Report of: Council Housing Growth Team / Property Acquisitions Programme

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

A former family resource centre owned by Leeds City Council has been declared surplus to operational requirements and was identified suitable for conversion into a large bespoke family home. The property is currently vacant and secure.

Housing Management have identified a family with specific needs.

Permission has previously been granted for the Council Housing Growth to appoint NPS to design and cost the scheme. Proposed designs were submitted to Planning and permission to convert into residential was granted in December 2023.

The CHGT is seeking authority to spend the specified amount set out in confidential Appendix A, required to carry out the conversion works.

### Recommendations

The Chief Officer Asset Management & Regeneration is requested to:

- a) Authorise the required expenditure detailed in Confidential Appendix A, to enable the conversion of the former family resource centre into a large bespoke family home.

## **What is this report about?**

- 1 The Council Housing Growth team received a request from Housing Management for a large bespoke family home.
- 2 A former family resource centre was identified as a solution. The building is currently vacant, secure and had been declared surplus to operational requirements. There has been an appetite to bring the building back in to residential use after several options were considered.
- 3 It was agreed that a conversion proposal should be drawn up and priced. The proposal was approved through Planning in December 2023, and the scheme is now in a position to be delivered.
- 4 The report seeks to provide details of the proposals with the intention for approval to be granted to carry out the conversion works.

## **What impact will this proposal have?**

- 5 The Council Housing Growth Programme evaluation assesses whether the property is one which the council would wish to see back in housing stock and includes consideration of the following factors:
  - i. Housing Management priorities.
  - ii. Whether the property is in an area of housing need - where council housing stock is low and demand for council housing is high.
  - iii. Whether the property is of a type and size which is in demand and will be easily let.
- 6 Housing Management have identified a need for this type of property and anticipate a continued future demand. The conversion of this property will bring a vacant property back in to use, and will provide a large bespoke family home into the Councils portfolio.
- 7 The identified family will be housed in a more appropriate residential property that will better suit their current and future needs. Refer to confidential appendix A detailing specific family circumstances & supporting information.
- 8 Value for Money (VfM) - the scheme has considered whether the property represents a viable investment (in terms of how long it will take to repay the associated borrowing based on assumed income generation/savings) and VfM.
- 9 Having conducted an initial Equality and Diversity screening, the programme has concluded that a full assessment is not required. The screening form is attached at Appendix B to this report.

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 10 This scheme contributes to the Best City Ambition, by providing a functional and high-quality home that meets the family's bespoke health needs and subsequently "supports good health, wellbeing and educational outcomes", which is a key focus of the Health and Wellbeing pillar.
- 11 As part of the Leeds standards, the council determines whether additional measures that prove VfM, can and should be implemented to improve the energy performance (SAP rating) of properties. This would be with a view to making the properties more energy efficient and less expensive to heat, positively contributing to fuel poverty and reducing carbon output.
- 12 The Council's Housing Portfolio is strengthened by bringing this property back into residential use, as the Council currently does not own a large bespoke provision, however Housing Management have identified there is demand.

## What consultation and engagement has taken place?

Wards affected: Killingbeck and Seacroft ward

Have ward members been consulted?  Yes  No

- 13 Engagement and discussions have taken place with Asset management, Land & Property, Housing & Property management, Health & Housing, legal, procurement, finance, planning and building control to ensure all aspects of the scheme have been considered.
- 14 Councillor briefings and local Ward Member updates have been provided. Upon completion a further update will be provided.
- 15 Regular updates on progress is provided at the Affordable Housing Deliver Board.

## What are the resource implications?

- 16 Housing Management have provided a relevant rent model and conducted an affordability assessment has been undertaken with the family. Due to the sensitive nature of this, details can be found in confidential Appendix A.
- 17 Land & Property has provided valuation information for pre & post conversion, details are set out in confidential Appendix A.
- 18 Conversion works and fees shall be funded by mix of RtB and HRA borrowing from the approved Council Housing Growth programme. As of Jan 2024, c£20m budget remains to fund property acquisitions and the required works.
- 19 NPS shall support with administration of the contract and ensuring standards and requirements are achieved by the contractor.

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

- 20 As with all projects in the Council Housing Growth Programme, this scheme is being delivered using the council's agreed project management methodology and a programme risk log will be maintained and risks managed, monitored, and escalated through the governance process as necessary.
- 21 Housing Management have identified an alternative family who would be interested and eligible for the property should the initial family change their mind during the conversion. However, the initial family have been involved throughout the process and are still very keen to move into the property. Financial viability modelling has been undertaken to agree a rental level, along with an affordability assessment with the family. The family have been deemed suitable for the scheme.
- 22 Feasibility work has been carried out to ensure the scheme is viable, has a clear demand and is the preferred option for the building. The viability modelling is based on certain assumptions about the housing market and future movements in house prices/ rents, which may not prove to be accurate. Should rents or housing prices fall, or not rise in line with our assumptions, the payback period could be longer than predicted.

## What are the legal implications?

- 23 This is a Significant Operational Decision and is not eligible for call in.

24 Appendix A to this report has been marked as exempt under Access to Information Procedure Rules 10.4 (3) on the basis that it contains information relating to the financial or business affairs of any person (including the authority holding that information) which, if disclosed to the public, would, or would be likely to prejudice the commercial interests of that person or of the Council. The information is exempt if and for so long as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. In this case the report author considers that it is in the public interest to maintain the exemption

## **Options, timescales and measuring success**

### **What other options were considered?**

Alternative options for the vacant property were considered and explored including disposal, demolition, conversion to self-contained units, an RP conversion solution and the conversion into bespoke family home (preferred option).

The only other solution is to build a bespoke property with the required bedrooms in a suitable location. Financially this would be much more expensive option than the conversion of the Lambrigg property.

### **How will success be measured?**

25 The conversion of the property will enable a family who are currently housed in property that no longer meets their requirements, to move into a bespoke space that meets their needs and supports a better quality of life.

26 A requirement of the conversion will be to improve energy efficiency of the building where possible. An energy efficiency assessment and subsequent certificate will be produced.

27 The final cost of the conversion will be regularly reviewed, value engineered where appropriate and monitored rigorously to ensure value for money.

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

28 The conversion works are estimated to commence from February 2024 and complete in May 2024.

29 A contractor has been identified and will be ready to mobilise quickly upon approval.

## **Appendices**

- Appendix A – Confidential appendix containing information regarding the details of the proposal outlined in this report.
- Appendix B: Equality, Diversity, Cohesion and Integration Screening.

## **Background papers**

- None