

Kirkstall Accommodation – Children and Families and Housing Services Use

Date: 26th February 2024

Report of: Chief Officer, Transformation and Partnerships, Children and Families

Report to: Director of Children and Families, Director of Communities, Housing and Environment and 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 sets out a proposal for the Council entering into legal agreements for the use of currently vacant student accommodation to provide temporary accommodation for two cohorts a) Young Adult Care Leavers supported by the Children and Families Directorate and b) Individuals and families presenting as homeless to Housing Services within the Communities, Housing and Environment Directorate. The report seeks approval for such use but also seeks approval for the asset-based decisions arising from entering into lease arrangements for the accommodation from the Director of City Development.

Recommendations

- a) That the Director of Children and Families approves the use of vacant student accommodation for the provision of semi-independent accommodation for care leavers, noting the phased approach to usage.
- b) That the Director of Communities, Housing and Environment approves the use of vacant student accommodation for the provision of temporary accommodation for families presenting as homeless.
- c) That the Director of City Development approves the entering into an initial lease arrangement as detailed in the attached confidential appendix 1 to facilitate a) and b).
- d) That the Directors note that a planning application will be submitted by the Council jointly with the developer/owner of the accommodation to allow for a change of use so that maximum use of the accommodation can be implemented.
- e) That the Director of City Development approves subsequent lease arrangements following the completion of activity related to a change in planning consent for the accommodation.

What is this report about?

- 1 The Children and Families Directorate continues to experience significant demand pressures and increasing level of complexity of individuals requiring support. The Directorate has a mixed economy of residential and accommodation support which includes in-house and external fostering capacity, semi-independent living where individuals aged 16+ are accommodated in private and third sector housing with floating support provided and in-house and external residential accommodation where individual children are accommodated in (usually) small homes with dedicated on-site support provided. The Directorate faces significant financial challenges given the very high cost of residential accommodation, particularly that provided by the private sector, it is therefore critically important that the correct accommodation is matched to individual need thereby reducing direct costs of support but also allowing for costs not to be incurred through having a mismatch of need and support.
- 2 The Communities, Housing and Environment Directorate have similar issues around availability of accommodation for families presenting as homeless, which is at high cost. The current accommodation model in relation to families would generally be Bed and Breakfast type accommodation, which is being used more and more as the number of families in temporary accommodation is increasing each quarter. The service is increasingly struggling to fulfil its statutory duty to place families into temporary accommodation as numbers rise, the use of Bed and Breakfast and expensive night by night accommodation models are putting a significant pressure on the financial challenge due to the increase in housing benefit subsidy loss.
- 3 The Council was made aware that a block of student accommodation in the Kirkstall ward would not be utilised for student accommodation in the immediate future and therefore discussions commenced around the suitability and practicality of utilising the vacant accommodation to support the needs outlined in 1 and 2 above.
- 4 Those discussions have progressed to a stage whereby a proposal has emerged which is centred around:
 - a. The Council entering into a lease arrangement to occupy a number of units (comprising 66 beds) of accommodation to house care leavers, aged 18 plus currently in education or training (including apprenticeships). This use would be in accordance with existing planning consents for the accommodation.
 - b. That the Council jointly with the developer/owner of the accommodation submits a planning application for a change of use which would allow for the accommodation to be utilised to support the issues outlined in 1 and 2 above.
 - c. That an additional lease for a further number of units (comprising of 176 beds) be entered into subject to a successful outcome of the planning application outlined in b).
 - d. Subject to the proposed change in use, the Children and Families use would centre on care leavers (all of whom have attained that age of 18) who are currently accommodated in semi-supported accommodation but are considered suitable for a move to more independent living as a transitional step towards full independent living. Careful matching of individuals would be undertaken to allow for suitable arrangements to be put in place and a phased approach to the number of individuals

moved would take place. The 'freeing up' of semi-independent accommodation would allow for a set of consequential moves of individuals who are currently accommodated in higher costs placements which may well have a mismatch of support provided and need.

- e. Subject to the proposed change in use, Housing would centre on family use, the vast majority of families would be provided with self-contained accommodation, this would provide bedrooms, kitchen facilities and daytime space. Housing will share some units appropriately between three very small families (one adult and one child as primary composition) again offering bedroom, kitchen and daytime space. Both options are significantly improved 'family centred offer' from Bed and Breakfast use.
- f. Whilst the accommodation is relatively self-contained, there would be some separation between the two uses with C&F use occupying two smaller blocks of accommodation with a total bed space of 66 beds and Housing use centred on two larger blocks of accommodation with a total bed space of 176 units. It should be noted that occupation will be well below 100% density as this supports the safe transition of individuals and families into the accommodation. In addition, a further smaller block of accommodation would be taken and would be used as a base for onsite support, provided jointly by C&F and Housing Services.
- g. The proposal has been costed and delivers a significant potential saving to the Council against current incurred costs and further details are provided in the resources section later in the report.
- h. Reviews of the accommodation for the care leavers will be conducted in accordance with the Care Leavers Regulations 2010 and the Respective Care leaver's Pathway Plan. There are no other regulatory or inspection issues arising from the proposal.
- i. Further details on the Heads of Terms and the lease arrangements are set out in a confidential Appendix 1 to this report.

What impact will these proposals 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, which will reflect their developing and maturing needs. It should continue to allow for a trajectory of moving towards independent living. The provision of on-site support to the cohort would be beneficial as it will allow for easier access to support although this does need to be balanced alongside the need to continue to support individuals towards independent living. The proposal would if approved deliver significant financial savings to the Directorate as the consequential set of movements of individuals from costly external placements to less costly semi-independent living are significant.
- 6 Subject to approval, the benefits from a housing perspective include improvements in accommodation including the provision of accommodation more suited to daily life than that available in bed and breakfast accommodation including the provision of kitchen and dining facilities. The provision of on-site support to the cohort would be beneficial as it will allow for easier access to support as currently individual families are dispersed across the city. The proposal would, if approved, 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.

- 7 An Equality, Diversity, Cohesion and Integration (EDCI) screening has been undertaken and is included as Appendix 2. The EDCI indicates that there is some potential for EDCI implications especially given the likely cohorts of individuals that this proposal relates to. The EDCI sets out that a careful process of matching individuals and families to the accommodation will need to be in place so as to mitigate any potential negative implications of the proposal, at the same time it will be important that positive impacts, particularly relating to the ability to provide targeted support arrangements are captured and built into ongoing practice arrangements within both Directorates.

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

Health and Wellbeing Inclusive Growth Zero Carbon

- 8 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?

- 9 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 who are all supportive of the proposals.
- 10 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 broadly supportive.
- 11 Any public engagement will be undertaken through the required planning approval process.

Wards affected: All

Have ward members been consulted? Yes No

What are the resource implications?

- 12 There are a number of variables associated with the proposal particularly in relation to the costs relating to the C&F element, this reflects that costs for existing provision are generally based upon individual need and savings are accrued from the consequential 'right sizing' of accommodation provision and in particular to the freeing up of higher cost external residential placements. However, modelling has been undertaken utilising average placement costs and this indicates that cost savings in excess of £1m per annum are to be expected for C&F.
- 13 The modelling to date has reflected all known costs associated with the proposal although some additional costs in relation to one-off expenditure and liability for Council Tax (if applicable) is needed. These additional costs however will not materially affect the significant savings which could be accrued.

- 14 Taking into account both phase 1 and phase 2 of the proposals and the individuals currently identified to move, the net savings are expected to be £1.5m in 24/25 and £2.2m in 25/26, with the potential for greater savings as work continues to identify other individuals for whom the Kirkstall accommodation would be suitable.
- 15 For phase 1, i.e. the initial lease for 66 bed spaces, financial modelling assumes an average lead in time of three months after April 2024 to begin to move up to 43 care leavers into the accommodation from other placements over time. There would also be a further nine consequential moves from external residential placements into the vacated places in semi-independent accommodation. For 2024/25, this provides nine months of savings against a full year of lease costs for 66 beds, along with other costs such as staffing and an estimate for repairing any damage during tenancies. The net saving from the 66 beds in phase 1 of the proposal is estimated at £1.8m in 2024/25, rising to £2.6m in 2025/26 when a full year of placement savings is realised. The savings mainly come from the consequential movement of nine young people from external residential to more appropriate semi-independent accommodation, which will be vacated by the young people moving into the Kirkstall accommodation.
- 16 For phase 2, i.e. the addition of 176 bed spaces, current financial modelling assumes the second lease for 176 beds will be able to start from July 2024, but this is subject to the outcome and timing of the planning application. Housing Services have identified they could currently move 30 people into the accommodation from Bed and Breakfast type accommodation. Taking into account the saving on accommodation costs, and allowing an estimate for repairing any damage during tenancies, the current plans (based upon 30 individuals) would result in a net cost for phase 2 of £313,000 in 24/25, increasing to £394,000k in 25/26, however work will continue in Housing Services to identify additional individuals who could move into the phase 2 Kirkstall accommodation, this reflects that the challenge of housing demand, and responding to homeless presentation is much more 'dynamic' than the demand within Children and Families.
- 17 Based on the likely cohorts to be considered, at the time of entering into a lease for phase two Children & Families and Housing Services are confident that phase 2 will be financially viable and deliver savings. An updated analysis of estimated savings will be included in the future report to approve entering into the phase 2 lease.
- 18 Further detailed work on establishing responsibilities for costs between Housing and C&F remains outstanding.

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

- 19 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 with close working with the developer/owner in terms of submitting a robust proposal for consideration through the planning process and early engagement with colleagues within the Planning Service.
- 20 Any risks to the individuals accommodated are being managed by a careful process of matching individuals to need and in turn to the accommodation. Risks in the areas are also being mitigated by seeking to utilise relatively low density of accommodation usage.

- 21 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 lease with the developer/owner will 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?

- 22 Legal advice has been received which confirms the Council will, subject to compliance with matters outlined above, be acting within the law taking this proposal forward.
- 23 The decision arising from the recommendations in this report is a Key Decision and is subject to call-in.
- 24 The information contained in the Appendix 1 attached to this report relates to the financial or business affairs of particular persons, or organisations, and of the Council. This information is not publicly available from the statutory registers of information kept in respect of certain companies and charities. It is considered that since this information is to be used as part of one to one negotiations in respect of the leases of these properties in this report, it is not in the public interest to disclose this information at this point in time. Also, it is considered that the release of such information would or would be likely to prejudice the Council's commercial interests in relation to other similar transactions of other similar properties. 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?

- 25 The alternative option of continuing with the current arrangements 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?

- 26 Number of individuals supported by the new accommodation and financial saving realised.

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

- 27 Proposals to be implemented with effect from 1st March 2024. The responsible officers will be:
- Chief Officer Transformation and Partnerships, C&F
 - Chief Officer Asset Management and Regeneration, City Development
 - Chief Officer Housing, Communities, Housing and Environment.

Background Documents

None

Appendices

Appendix 1 - Confidential Appendix - Heads Of Terms Short Term Lease For The Maltings, Canal House And Abbey House, Broad Lane, Kirkstall

Appendix 2- EDCI Screening

CONFIDENTIAL APPENDIX 1

HEADS OF TERMS, SHORT TERM LEASE
FOR THE MALTINGS, CANAL HOUSE AND ABBEY HOUSE, BROAD LANE, KIRKSTALL
FEBRUARY 2024
SUBJECT TO CONTRACT

LANDLORD	TBC
LANDLORD'S SOLICITORS	Hill Dickinson LLP 11 Wellington Place Leeds LS1 4AP Richard Outhwaite E: richard.outhwaite@hilldickinson.com T: 07711 769478
TENANT	Leeds City Council Civic Hall LEEDS LS1 1UR Naomi Fenwick-Goldthorpe E: Naomi.FenwickGoldthorpe@leeds.gov.uk T: 07891 279717
TENANT'S SOLICITORS	In house legal team Jaqui Booth E: jaqueline.booth@leeds.gov.uk T: 0113 5351616 Kate Feltham E: kate.feltham@leeds.gov.uk T: 0113 3789079
DEMISE	The Demised Premises is to comprise the buildings known as The Maltings, Canal House and Abbey House as edged in red on the attached plan.
LEASE	A new lease commencing on the date of completion and expiring 30 September 2024.
RENT	£135 per bed per week inclusive. Rent will be payable quarterly in advance on EQD. Rent commencement date is the date of the Lease.
OPTION TO DETERMINE	The Landlord may terminate the lease at any time subject to one months written notice.
VAT	[The Landlord elected to charge VAT]
REPAIRS	The Landlord must keep the Demised Premises in good and substantial repair and condition, undertake all routine maintenance and be responsible for ensuring statutory compliance.

	<p>The Tenant is responsible for any damage it causes to the Demised Premises and the fixtures and fittings contained therein.</p> <p>The Landlord is to decorate inside and out as and when necessary.</p>
ALIENATION	<p>The Tenant will have the right to sublet individual rooms only to young people owed a duty by the Tenant as care leavers under the Children's Act 1989 without Landlord's consent. The subletting is a short-term arrangement to which Paragraph 6 Schedule 1 Housing Act 1985 applies. The Security of Tenure Provisions of the Housing Act 1985 and/or the Protection from Eviction Act 1977 do not apply to any subletting.</p> <p>Assignment is prohibited.</p>
PERMITTED USE	Provision of residential accommodation for care leavers in full time education together with ancillary administration offices.
ALTERATIONS	Prohibited
INSURANCE	The Landlord is to insure the Demised Premises with a reputable insurance company. The cost of the premium is included in the Rent.
BUSINESS RATES, UTILITIES & OUTGOINGS	The Landlord is to pay business rates and all utilities, duties, charges and other outgoings associated with the Demised Premises from lease completion.
SERVICES	A list of services to be provided by the Landlord is appended at Schedule 1 the cost incurred in providing the services to be included in the Rent.
FIXTURES & FITTINGS	An inventory of fixtures and fittings will be appended at Schedule 2.
RIGHTS OF ACCESS	The Tenant and any visitors will have pedestrian and vehicular access to the Demised Premises over the estate roads coloured yellow on the attached plan 24 hours per day, 7 days per week
LANDLORD'S WORKS	Prior to lease commencement the Landlord will install laundry facilities in Abbey House. The Landlord will also provide separate access and CCTV systems, together with all associated software, controls and fobs for the portion of the estate to be occupied by the Tenant
CONDITIONS	<p>Subject to Contract</p> <p>Subject to LCC approvals</p> <p>Subject to Landlord's Board Approval</p>
CONFIDENTIALITY	These heads of terms are confidential to the intended parties to the proposed lease and to their professional advisors.

SCHEDULE 1 - LANDLORD'S SERVICES

1. Lighting – for the building & common parts
2. Heating – for the building
3. Providing hot and cold water to, and maintaining operational supplies in, the toilets, showers/bathrooms, kitchens and laundry facilities
4. Maintaining, repairing and replacing the furniture, fittings and equipment in the lavatories, washrooms, kitchens and laundry facilities
5. Providing, repairing and maintaining telephone lines and WIFI/data services (tenant to pay for usage charges separately)
6. Providing, inspecting, maintaining repairing, renewing, replacing, upgrading, operating and monitoring: security, fire-fighting and fire detection equipment (excluding portable fire extinguishers in the Premises), fire alarm systems, pressure systems, mechanical and electrical systems, telecommunications systems, closed circuit television systems and access system controls & software
7. Repairing and maintaining the common parts, boundary structures and conducting media
8. Cleaning the common parts including cleaning and replacing signage
9. Storing, compacting, recycling and disposing of waste (including sanitary and sharps)
10. Planting, replanting and maintaining landscape features
11. Providing pest and infection control
12. Gritting, and clearing snow
13. Auditing health and safety requirements for the building & common parts
14. Auditing disabled access requirements for the building & common parts
15. Auditing the Environmental Performance of the building
16. Paying supply costs incurred in providing the above services

SCHEDULE 2 – FIXTURES & FITTINGS

Each bedroom and kitchen is to equipped with the following by the landlord prior to lease completion:

BEDROOMS

Bed
Mattress
Desk and chair
Bedside table
Wardrobe
Shelves
Blinds
Noticeboard

KITCHENS

Hob
Oven
Double fridge freezer
Table & chairs
Microwave
Ironing and ironing board
Kettle
Bin

Recycling bin

Hoover

Mop & bucket