

<b>Notice of:</b>	<b>Cabinet Member for Housing and Welfare Reform</b>
<b>Decision Number:</b>	PH17/2020
<b>Relevant Officer:</b>	Antony Lockley, Director of Strategy
<b>Relevant Cabinet Member:</b>	Councillor Neal Brookes, Cabinet Member for Housing and Welfare Reform
<b>Date of Decision:</b>	20 February 2020

## **PURCHASE OF WILLIAM LYONS HOUSE, EXCHANGE STREET**

### **1.0 Purpose of the report:**

1.1 To seek approval for the purchase of William Lyons House, Exchange Street, Blackpool FY1 2DU through the Council's Housing Revenue Account (HRA). William Lyons House is owned by Great Places Housing Association and was formerly used as a hostel for homeless people until it was closed in 2014.

### **2.0 Recommendation(s):**

2.1 That William Lyons House be purchased by the Council through its Housing Revenue Account (HRA) at a purchase price not exceeding £250,000.

### **3.0 Reasons for recommendation(s):**

3.1 To enable the Council to re-open William Lyons House to provide housing with support managed by Blackpool Coastal Housing.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

### **4.0 Other alternative options to be considered:**

4.1 None.

### **5.0 Council priority:**

5.1 The relevant Council priority is: "Communities: Creating stronger communities and increasing resilience".

## 6.0 Background information

- 6.1 The Housing Revenue Account is the business plan for Council housing and funds the management, maintenance and development of Council homes. People housed within the Council housing stock often have a range of vulnerabilities and needs and some housing is provided with support. There is a need for more supported accommodation for vulnerable young people aged over 18. This will complement existing supported accommodation for 16 / 17 year olds, including the hostel managed by Blackpool Coastal Housing at Clare Street and other dispersed accommodation with support.
- 6.2 William Lyons House consists of 10 no. studio flats together with a 4 bedroom shared flat and a communal area. It has been “mothballed” by Great Places Housing Association since it closed as a homeless hostel in 2014. The Council’s acquisition of the property will enable it to be re-opened. The property has been surveyed and is in very good condition; Great Places have repaired and updated the accommodation since it was closed. It therefore requires very little remedial work.
- 6.3 The property is being purchased at market value. A financial appraisal shows that the Council’s purchase price can be recovered within a 30 year timescale. The appraisals are based on the following assumptions:
- 1) Acquisition capped at market rate of £250,000;
  - 2) Interest on capital outlay of 2.5% years 1-5 and 3.5% thereafter
  - 3) Standard annual maintenance and management costs
  - 4) Rent plus service charges reflecting the nature of the accommodation
  - 5) Additional intensive housing management costs included in rent to support vulnerable young people
- 6.4 This will be classed as “exempt accommodation” under Housing Benefit regulations meaning higher rates of Housing Benefit will apply. The costs of providing support to young people are higher because they are a particularly vulnerable group, either having grown up in care, or become homeless at a young age. Young people will typically reside in supported accommodation for between 6 months and 2 years.

6.5 Does the information submitted include any exempt information? No

**7.0 List of Appendices:**

7.1 None

**8.0 Legal considerations:**

8.1 Completion of the purchase will be undertaken through the Council's Legal Services.

8.2 Grant previously paid by Homes England to Great Places to build the hostel will remain "in the ground", meaning that it will continue to be registered against the property by Homes England when ownership passes to Blackpool Council. There is no requirement to repay the grant, but should there be a change of use or sale of the property in the future there will be a need to get Homes England's approval, and possibly to re-invest the grant in new affordable housing.

**9.0 Human resources considerations:**

9.1 Blackpool Coastal Housing will provide the management, maintenance, and support.

**10.0 Equalities considerations:**

10.1 None

**11.0 Financial considerations:**

11.1 The proposed purchase is to be funded from Housing Revenue Account borrowing and is supported by an appraisal that demonstrates purchase, asset maintenance, and support costs can be met by the rents with a payback period of 30 years.

**12.0 Risk management considerations:**

12.1 As with any supported housing scheme, the principal risks are:

- Lack of demand from suitable tenants requiring support
- Support costs are higher than anticipated and cannot be fully funded

The risks have been mitigated by ensuring that the proposed use responds to a clear local demand that is likely to continue indefinitely, by being realistic about the costs of support, and by having fall-back plans to move to a lower need / support model if necessary.

**13.0 Ethical considerations:**

13.1 None

**14.0 Internal/external consultation undertaken:**

14.1 None

**15.0 Background papers:**

15.1 None

**16.0 Key decision information:**

16.1 Is this a key decision? No

16.2 If so, Forward Plan reference number:

16.3 If a key decision, is the decision required in less than five days? N/A

16.4 If **yes**, please describe the reason for urgency:

**17.0 Call-in information:**

17.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

17.2 If **yes**, please give reason:

**TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE**

**18.0 Scrutiny Committee Chairman (where appropriate):**

Date informed:

Date approved:

**19.0 Declarations of interest (if applicable):**

19.1 None.

**20.0 Executive decision:**

20.1 The Cabinet Member agreed the recommendation as outlined above namely:

That William Lyons House be purchased by the Council through its Housing Revenue Account (HRA) at a purchase price not exceeding £250,000.

**21.0 Date of Decision:**

21.1 20 February 2020

**22.0 Reason(s) for decision:**

22.1 To enable the Council to re-open William Lyons House to provide housing with support managed by Blackpool Coastal Housing.

**23.0 Date Decision published:**

23.1 20 February 2020

**24.0 Executive Members in attendance:**

24.1

**25.0 Call-in:**

25.1

**26.0 Notes:**

26.1