



Executive Director/Director Non-Key Executive Decision Report

Author/Lead Officer of Report: Ruth Ward,
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Tel: 0114 2734617

Report to: Laraine Manley – Executive Director of
Communities

Date of Decision:

Subject: Appropriation of bungalow at 3 Dover Street,
Netherthorpe for use as council housing

Which Cabinet Member Portfolio does this relate to? Housing

Which Scrutiny and Policy Development Committee does this relate to? Safer and
Stronger Communities

Has an Equality Impact Assessment (EIA) been undertaken? **Yes** **No**

If YES, what EIA reference number has it been given?

Does the report contain confidential or exempt information? **Yes** **No**

PURPOSE OF REPORT:

The purpose of this report is to seek permission for a Council owned bungalow to be declared surplus to requirements for its current purpose and appropriated for the purposes of Part II of the Housing Act 1985 to be used as accommodation, let at an affordable rent and accounted for in the HRA.

RECOMMENDATIONS

It is recommended that the Executive Director, People

R1: Declares that the bungalow site at 3 Dover Street, Netherthorpe, shown at Appendix 1 to this report, is surplus to requirements for the purpose of exercising social services functions;

It is recommended that the Executive Director, Place:

R2: Agrees that the bungalow site at 3 Dover Street, Netherthorpe, shown at Appendix 1 to this report, be appropriated for the purposes of Part II of the Housing Act 1985 and accounted for in the Housing Revenue Account;

R3: Agrees that the Director of Finance in consultation with the Director of Housing and Neighbourhood Services and the Chief Property Officer may make a reasonable financial adjustment between holding accounts as described in this report.

R4: Notes that capital approval has been given as part of the agreed monthly

budget monitoring process to authorise the necessary capital works.

Background Papers:

Appendix 1: Plan showing bungalow site at 3 Dover Street, Netherthorpe

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: <i>Approved at Capital Programme Group</i>
	Legal: <i>Andrea Simpson</i>
	Equalities: <i>(Insert name of officer consulted)</i>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	Lead Officer Name: <i>(Insert name)</i>
	Job Title: <i>(Insert job title)</i>
Date: <i>(Insert date)</i>	

3 DOVER STREET – APPROPRIATION FOR USE AS COUNCIL HOUSING

1. PROPOSAL: SURPLUS TO SOCIAL SERVICES REQUIREMENTS

- 1.1 A review of Learning Disabilities premises was carried out by KAPS in October 2014 in order to provide advice in relation to the physicality and suitability of the existing buildings utilised by the Learning Disabilities Service as day centres.
- 1.2 One of the properties reviewed was the bungalow at 3 Dover Street, Netherthorpe, which is shown on the plan attached at Appendix 1 to this report. The bungalow was built in connection with the neighbouring Burnt Tree Croft elderly person's scheme as staff accommodation. More recently it has been used as a day centre for people with learning disabilities, the care home having been transferred out of Council ownership to Sheffcare.
- 1.3 The review concluded for this property that;
'In terms of suitability of existing use, the property is not considered to be fit for purpose. Primarily this is due to the existing welfare facilities, small sized rooms and awkward configuration which do not readily lend itself to such use, particularly for clients who are reliant upon the use of wheelchairs.'
- 1.4 The property is unfit for its current use as a day care centre due to the reasons above. It is no longer linked to the adjacent care home as that facility is not operated by the Council and it is not required for the exercise of any other social services function. It is therefore requested that the bungalow at 3 Dover Street be declared surplus to requirements for the purpose (social services functions) for which it is held.

2. PROPOSAL: APPROPRIATION FOR HOUSING PURPOSES

- 2.1 This report seeks approval for the appropriation of the bungalow at 3 Dover Street, Netherthorpe, to be held for the purposes of Part II of the Housing Act 1985, so that it may be refurbished to be used as Council housing let at an affordable rent. It will be accounted for within the Housing Revenue Account (HRA).
- 2.2 The bungalow has level access with off street parking. The location has access to good transport links and is in close proximity to the city centre, local shops, parks and other community facilities. An options appraisal has been carried out and it is proposed to remodel the bungalow into two self-contained 1 bedroomed bungalows. This option will provide two units of high demand affordable housing and is financially viable for the HRA. The proposed works to the bungalow are estimated to take approximately six months due to the extent of works required including installing new utilities.
- 2.3 A potential benefit of this remodelling is that the new dwellings may be particularly suitable for more specialist supported living accommodation such as housing for adults with learning disabilities and/or physical disabilities. The proposed layout of the building will provide the opportunity for a shared sleep in care facility within

the property which could be used when and if needed.

- 2.4 Supported living with a tenancy of self-contained accommodation of the person's own choice was identified as a model of choice in the Learning Disability Commissioning Strategy approved by Cabinet in December 2014. The proposal fits this aim. While meeting the housing needs of the prospective tenants, it also provides an opportunity for the Learning Disabilities Service to benefit from the shared costs of overnight care.
- 2.5 It is proposed that the properties will be appropriated for the purposes of Part II of the Housing Act 1985 and accounted for in the HRA because the two dwellings will meet the housing need of the residents, with support provided separately. It is intended that these properties would only be let to adults with learning disabilities in the first instance. As they will be used as supported living accommodation it is proposed that they be let directly, in accordance with the provisions for allocations to extra care and supported accommodation in section 7.8 of the Council's Allocations Policy, rather than via Choice Based Lettings.
- 2.6 If after exhaustive efforts no suitable eligible applicants with learning disabilities can be identified then the dwellings will be considered as possible supported living accommodation for applicants with other support needs. If that is unsuccessful then the dwellings will be allocated to General Needs lettings.

3. HOW DOES THIS DECISION CONTRIBUTE?

- 3.1 Sheffield's Strategic Housing Market Assessment 2013 estimated that an additional 725 affordable homes would be required each year for the 5 years from 2013 to 2018 to meet projected need.
- 3.2 In February 2014, Cabinet approved a Stock Increase Programme, aimed at delivering more Council housing through a combination of new build and acquisitions. The appropriation of this property for use as Council housing would contribute towards this programme. The Council Housing Acquisition Strategy approved by the Cabinet Member for Homes and Neighbourhoods in April 2015 identified the need to provide accommodation for specific client groups (such as people with learning disabilities) as a priority.
- 3.3 This proposal contributes directly to the following Corporate Plan priorities:
- **Thriving Neighbourhoods and Communities:** adding this property to Council housing stock for use as affordable housing would create additional affordable housing, improving the availability and choice of such housing in the city.
 - **Better Health and Wellbeing:** the bungalow will be used to enable people with learning disabilities to move to more flexible "supported living" arrangements, helping them to live their lives in the way that they want.

4. HAS THERE BEEN ANY CONSULTATION?

The proposal is to declare a single property surplus to requirements for the purpose for which it is currently held and to appropriate it to housing purposes. There is no duty to consult on such a proposal.

5. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

5.1 Equality of Opportunity Implications

- 5.1.1 This proposal will bring a redundant property back into use as social rented housing and it will also have a positive impact on adults with learning disabilities. There is an increasing need for supported living accommodation for adults with learning disabilities and this proposal will enable more adults with learning disabilities to live independently in the community in appropriate accommodation for their needs and wishes.

5.2 Financial and Commercial Implications

- 5.2.1 Remodelling and refurbishment of the property and financial adjustment of accounts was approved as an addition to the Capital Programme by Cabinet in January 2017. Funding will be via HRA borrowing and 141 RTB receipts.

5.2.2 *Revenue Implications*

HRA - This is the current agreed funding method for the majority of acquisitions under the SCC stock increase programme and General Acquisition schemes as described in the HRA Business Plan 2016/17. This also enables affordable rent to be charged for the properties.

The appropriation and refurbishment will result in rent generating assets for the HRA. Funding using 141 RTB receipts enables an affordable rent to be charged. A financial viability exercise has been carried out which confirmed that the properties are viable within the 30 year HRA business plan.

5.2.2 *Other revenue implications*

Use of the dwellings as supported living accommodation for people with learning disabilities may contribute to savings for the Adult Social Care (ASC) budget by providing a local cost-effective solution compared to alternative provision such as out of city or long term hospital care.

5.3 Legal Implications

- 5.3.1 Section 122 of the Local Government Act 1972 empowers the Council to appropriate for any purpose land belonging to it and no longer required for the purpose for which it is held immediately before the appropriation. As a local housing authority it may appropriate land, including dwelling-houses, for the purposes of Part II of the Housing Act 1985 under section 19 of that Act. The property must then be accounted for within the HRA by virtue of Part VI of the Local Government and Housing Act 1989. On appropriation it must make such adjustment in its accounts as may be requisite in the circumstances by virtue of section 24 of the Town and Country Planning Act 1959.

- 5.3.2 Section 24 of the 1985 Act provides that the Council may make such reasonable charges as it may determine for the tenancies of its houses. Properties acquired for the stock increase programme are let at Affordable Rent (calculated as no more than 80% of the market rent) where consistent with government guidance.

5.3.3 By Part 6 of the Housing Act 1996 the Council must have an allocation scheme and allocate housing accommodation only in accordance with that scheme. The Council's statutory allocation scheme is the Allocations Policy. The letting arrangements for the two dwellings described in this report are provided for within the Policy.

5.3.2 *Right to Buy Implications*

A secure tenant (which includes almost all local authority tenants) has the Right to Buy unless the property falls within one of the exceptions to the Right to Buy in Schedule 5 to the Housing Act 1985. The only exception potentially applicable in this case is where the dwelling is one of a "group" of dwellings which are either modified to make them suitable for occupation by people with physical disabilities or are let to people with a mental disorder as defined in the Mental Health Act 1983 (which in the context includes learning disabilities) where in either case a social service or special facilities are provided wholly or partly for the purpose of assisting those people. "Group" is not further defined but could describe two bungalows together with a shared care facility, as in this case, provided both dwellings are let to tenants with learning disabilities and care packages. If either unit were to revert to general needs housing then the exception will not apply.

6. ALTERNATIVE OPTIONS CONSIDERED

6.1 **Option:** Declare surplus and sell asset on the open market

Outputs: Capital receipt of approximately. £108,000 from the sale of the property

Benefits: Capital receipt

No further maintenance/management costs for upkeep of the property

No cost to the HRA

Outline costs: Costs associated with the sale/disposal of properties – legal/conveyancing fees, valuation fees.

No revenue savings to be made for ASC budget

Risks: Alternative properties might need to be identified to meet strategic housing and care objectives potentially at a higher cost if they had to be acquired or built

6.2 **Option:** Refurbish the bungalow into one of the other identified options from the options appraisal:

- 2 bed bungalow with sleep in facility for LD

- 3 bed bungalow for GN Housing

Outputs: In all above options property assets would be added to the HRA stock

Some level of rental income into the HRA

Potential savings made to the ASC budget

Benefits: Increased supply of affordable housing in Sheffield

Outline Costs: Cost to the HRA for refurbishment and financial adjustment

Risks: Increased void risk due to a refurbishment option being selected that does not meet the priorities and known demand for either LD services or Council Housing Services.

Preferred Option: That the bungalow at 3 Dover Street be appropriated to housing purposes and used as affordable rent supported housing as described in the report.

Reasons for Recommendations:

The Council has identified a strategic need to deliver more affordable housing across the City, helping to meet the demand for affordable rented properties across Sheffield. Council Housing Services have confirmed that 1 bed bungalows are in demand across the city rather than 2 or 3 bed bungalows. This will help to ensure there is a good supply that reflects the needs and aspirations of the local community and the future needs of residents.

This scheme will bring a currently empty and redundant property back into use to be let as Council housing. It will be let at an affordable rent therefore generating rent for the HRA.

It will contribute towards place shaping and the regeneration of neighbourhoods, enabling the Council to improve properties through refurbishment. This will benefit local neighbourhoods.

Appendix 1

Plan showing bungalow site at 3 Dover Street, Netherthorpe, S3

