

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

3026

Author:

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Department:

Development and Growth

Contact:

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Subject:

Use of ringfenced affordable housing funds to secure affordable homes for homeless people

Total Value:

£53,700 (Type: Capital and Revenue)

Decision Being Taken:

1. To authorise the Director of Legal Services to enter into an agreement with Nottingham Community Housing Association (NCHA) in relation to matters at 2 and 3 below:
2. To grant £46,100 affordable housing monies received from the sale of shared equity homes to fund works by NCHA on four vacant properties currently identified for disposal, back into use as temporary accommodation for homeless persons; and
3. On completion of the agreement at 1 above, to make the necessary transfer of funds to implement 2 above.
4. To authorise £7,602 of revenue funding to be paid to NCHA over 2 years to cover additional costs of supporting homeless families which are not covered by housing benefit.

Reasons for the Decision(s)

1. Nottingham City Council has a duty to provide temporary accommodation to homeless people in priority need. There has recently been a large increase in the number of people requiring temporary accommodation, forcing the Council to use expensive bed and breakfast accommodation, and this is having a significant impact on the Council's finances. The cost of this provision would decrease if the Council could find alternative provision. In addition to the cost saving, the vacant properties in question would also provide more suitable accommodation for homeless persons than the private bed and breakfast accommodation on offer.

2. NCHA has identified four properties in its ownership that are in poor condition, currently vacant and which are within its disposal programme. A disposal would likely mean that they would be sold on the open market and would be lost as any kind of affordable housing. NCHA has informally agreed that in return for £46,100 of grant funding from NCC as a contribution to the costs to bring these properties to a lettable standard, NCHA will use the improved units for temporary homeless provision.

3. This grant funding will come from a ring-fenced pot of money for the purpose of providing affordable housing. Specifically, the money comes from funds that have already assisted in the provision of affordable housing. NCC has in the past invested affordable housing Section 106 commuted sum funds (received from developers in lieu of onsite affordable housing provision on new developments) to provide shared equity affordable housing. Some of these shared equity homes have subsequently been sold and the Council's investment has been returned to it on those sales, resulting in the recycling of funding for further affordable housing provision. It is this money which will be used to make the grant proposed in this decision.

4. NCC are also intending to provide revenue funding of £7,602 to NCHA to support these homeless placements, to fund additional costs arising from housing homeless people that cannot be covered by housing benefit. This includes Housing Project Worker and Scheme Manager support.

5. NCC will enter into a legal agreement with NCHA which will set out the terms of the grant including the length of time that the agreement will be in place.

Other Options Considered:

Not to provide capital funding to NCHA for the improvement of the properties. This was rejected as it would mean more people would be placed in bed and breakfast leading to a significant revenue cost to the Council.

Background Papers:

None

Published Works:

Report to Executive Board 22 September 2009 entitled "Sale of site of former Trent Bridge Primary School".

Affected Wards:

Bilborough, Dunkirk and Lenton, Sherwood

Colleague / Councillor Interests:

Any Information Exempt from publication:

Yes

Exempt Information:

Description of what is exempt:

The location of the properties is include in exempt appendix A.
Legal advice is exempt

An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972

1 - Information relating to any individual

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because publication of addresses could lead to the individuals being publicly identified as homeless.

2 - Information which is likely to reveal the identity of an individual

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because publication of addresses could lead to the individuals living at those properties being publicly identified as homeless.

5 - Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because publication of the legal advice could impair the Council's ability properly to defend its position in the event of any legal challenge.

Documents exempt from publication:

Appendix A.docx, Legal advice.docx

Consultations:

Date: 20/10/2017
Area Committees: Area 3: Aspley, Bilborough and Leen Valley, Area 4: Arboretum, Dunkirk and Lenton, Radford and Park (from May 2012), Area 5: Berridge and Sherwood (from May 2012)
Relevant Area Committee Chairs have been consulted via email and telephone consultation as timescales did not permit for attendance at Area Committee meetings. Each relevant area committee chair has indicated their support this proposals apart from West Area Committee who did not respond.

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

The proposals will bring disused properties back into use that could otherwise become the target for vandalism and ASB. The proposal will reduce homelessness and therefore help to tackle some of the wider crime and disorder issues that can be associated with homelessness.

Equality: EIA not required. Reasons: An EIA is not required as the proposal does not relate to new policies or new practices. Although it is extending suitable premises for housing homeless people with RP partners the Council already uses RPs for this purpose.

Decision Type: Portfolio Holder

Subject to Call In: Yes

Call In Expiry date: 19/12/2017

Advice Sought: Legal, Finance, Procurement

Legal Advice: This advice is exempt from publication and is contained within an exempt appendix
Advice provided by Judith Irwin (Senior Solicitor) on 30/10/2017.

Finance Advice:

CAPITAL
Nottingham City Council carried forward a uncommitted balance of £369,900 Affordable Housing Capital Receipts at the 30th September 2017. Following the approval of this decision the Capital Programme will be amended and £46,100 of this resource will be committed leaving a uncommitted balance of £323,800.
Advice provided by Tom Straw (Senior Accountant - Capital Programmes) on 06/11/2017.

REVENUE
The costs of providing temporary accommodation via the four vacant properties is anticipated to provide cost efficiencies to the revenue budget.
The agreement will require NCC to provide rental support to NCHA which is expected to be lower than the current costs of using B&B's.
It is recommended the agreement that is entered into with NCHA allows NCC to minimise risks and uncertainties to ensure anticipated efficiencies are realised.
Advice provided by Chanelle Poyser (Commercial Business Partner) on 06/11/2017.

Procurement Advice: As the £46,100 of capital funds is to be awarded as a grant, there are no procurement concerns with this decision. The value of the revenue spend is below £10,000 and therefore does not require a quotation or formal tender process in accordance with Contract Procedure Rules. Advice provided by Sue Oliver (Category Manager - Procurement) on 17/11/2017.

Signatures

Jane Urquhart (PH for Planning, Housing and Heritage)
SIGNED and Dated: 11/12/2017
David Bishop (Deputy CE, CD for Development and Growth)
SIGNED and Dated: 08/12/2017