

# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 10 January 2022

<b>Portfolio:</b>	Housing
<b>Subject:</b>	<b>Conversion works at 92 Gordon Road, 1 Arundel Drive and 1A Arundel Drive</b>
<b>Report of:</b>	Deputy Chief Executive Officer
<b>Corporate Priorities:</b>	Providing Housing Choices

**Purpose:**

To provide an update following the acquisition of three properties at Gordon Road and Arundel Drive. This to include the proposed use of the properties and, in the case of 92 Gordon Road, to also seek approval for the costs and the process for contractor appointment to undertake required works at the property.

**Executive summary:**

The attached report provides the Executive with an update following the 07 June 2021 Executive decision relating to town centre property acquisitions. This report confirms the successful purchase of the properties and advises on the intended use of those properties.

Effectively it is split as two projects: (1) for the works and use of 92 Gordon Road; and (2) for the works and use of both 1 and 1A Arundel Drive.

In the case of 92 Gordon Road, more information is provided on the works required and Executive approval is sought for the costs of these works and to provide delegated approval for the process of lead contractor appointment. This will enable the home to be used for emergency accommodation in a timely manner.

Further details on the costs are provided in confidential Appendix A to this report.

**Recommendation/Recommended Option:**

It is recommended that the Executive:

- (a) notes the updates relating to the acquisition of properties at Gordon Road and Arundel Drive, including the intended use and works to those properties. Also noting the potential for officers to seek some Homes England grant funding;



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### Executive Briefing Paper

<b>Date:</b>	10 January 2022
<b>Subject:</b>	Conversion works at 92 Gordon Road, 1 Arundel Drive and 1A Arundel Drive
<b>Briefing by:</b>	Deputy Chief Executive Officer
<b>Portfolio:</b>	Housing

#### INTRODUCTION

1. The Council's responsibilities include the provision of emergency accommodation for those in need. The adopted Affordable Housing Strategy (2019) also includes an objective to provide more affordable homes, especially targeting those in greater need.
2. With significant costs incurred to meet the ongoing emergency housing needs, and in acknowledgement that B&B accommodation may not always be the best solution for the customer, the Council have utilised an opportunity to acquire a property well suited to this need. The property acquisition included two further detached dwellings which can help to address some of the more bespoke affordable need from the Councils Housing Register.

#### BACKGROUND

3. On 07 June 2021 Executive agreed the principle for some town centre property acquisitions. This related to properties at 92 Gordon Road, 1 Arundel Drive and 1A Arundel Drive. The June 2021 decision also included an initial budget for remedial works to 92 Gordon Road.
4. An offer was made as a package for the purchase of all three properties. This approach appealed to the vendor and the Council's offer was accepted. The purchase of the properties completed on 30 September 2021.
5. Officers have since been establishing more detail around the best and most appropriate use of the three properties, whilst also instructing some initial repairs and remedial works. Progress has also been made on planning application requirements and ensuring any relevant safety/regulations will be met.
6. As detailed in the June 2021 Executive Report, the intention of the property acquisitions was principally driven by the opportunity 92 Gordon Road provided for Council owned emergency accommodation. This would then lessen the need to place individuals/households in Bed and Breakfast (B&B) emergency accommodation.

7. During 2020/21, the Council spent £603,924 (£374,331 net cost after Housing Benefit receipts) on B&Bs for emergency accommodation. These costs have risen in recent years and a sizeable annual spend is likely to continue. In addition to the cost to the Council, the use of B&Bs can sometimes result in having to place individuals/households in B&B accommodation outside of the Borough. This can present challenges for the customer in what will already be a difficult time in their life, for example being separated from their support network, getting to work, or getting children to schools.
8. The properties at 1 and 1A Arundel Drive were last used as an office building, and additional care home rooms respectively. These properties can be returned to residential use and meet some bespoke/harder to house need on the Council's Housing Register.

## **92 GORDON ROAD**

### *Use, Works, and Permissions*

9. 92 Gordon Road was last used as a home for adults with learning difficulties and/or mental illness. The property layout is ideally suited for emergency accommodation; it includes 9No. en-suite bedrooms on the first and second floors of the building. There are also reception rooms, kitchens, and an office at the ground floor. The property is conveniently located close to the town centre shops, services and public transport routes.
10. The Council will need to seek a Change of Use planning application before the property can be used for emergency accommodation. A planning application will be submitted for consideration by the Local Planning Authority. This will seek the change of use from Class C2 (Residential Institution) to a House in Multiple Occupation (sui generis).
11. The physical changes/works to the property will be kept minimal, but the overall costs will reflect the large size of the property. The works include roof repairs, some upgrades to the water/heating systems, some redecoration, various external works (ground works to garden/parking areas, bin storage, etc.) and general improvements. The existing main commercial kitchen will be refitted with a domestic style kitchen. Electrical upgrades and fire risk measures will be incorporated, as per the advice of the Fire Risk Assessor. This will include the replacement of many of the existing fire doors, and additional smoke detection.
12. Fitted furniture is already available in all bedrooms, and a large ground floor reception room will be retained and furnished to provide dining space and informal seating for the occupants. It is expected that a 'toy library' or similar will also be provided, to help any families who might be housed at the property in an emergency.
13. The occupants will also be provided with a laundry room and external drying space. Officers will also investigate the ability to provide Wi-Fi connectivity throughout the property. This is important should customers be trying to resolve their housing situation and to enable them to communicate with friends, family and any appropriate organisations or authorities to whom they might seek assistance.
14. The property will also include a storage room for sundries such as bedding, cots, additional beds, etc. All aimed at being able to quickly provide for the potential various needs of emergency housing.
15. As the property will remain owned and managed by the Council, it will not require a

House of Multiple Occupation (HMO) license. However, officers will ensure it meets the expectations and requirements of a large HMO.

16. Proposed floor plans of the property are included in Appendix B.

#### *Management/Occupants*

17. 92 Gordon Road will be held under the Council's general fund as part of the Council's emergency housing functions.
18. The management of the home will be led by the Housing Options/Initiatives Team in Fareham Housing, under the supervision of the Head of Housing and Benefits. Once in use it is intended that the property will be staffed during office hours. This role will likely have some similarities of both the existing Sheltered Housing Officers and Neighbourhood Officer roles at the Council. It will include general management of the home (including non-statutory fire safety checks, legionella checks/flushing, reporting any repairs, etc.), and providing help and advice to the occupants with a view of supporting them into more suitable/secure accommodation.
19. The property is not intended as 'move-on' style accommodation, or for those customers with more complex needs. The nature of the intended use as emergency housing does make it hard to predict the likely occupants but it will typically include hospital discharges, ex-MOD staff without accommodation, sudden loss of home, family fallouts, private rented (Section 21) evictions, re-possession and domestic violence victims.
20. As the property will be owned and managed by the Council, the use can be closely monitored and the management approach and staffing levels at the property could be reviewed or adapted over time. It will provide a more supportive and managed environment for our customers than external B&B use.

#### *Funding and Costs*

21. 92 Gordon Road will be held as a general fund property for emergency accommodation. The costs for works to the property will also be met by the general fund.
22. Most of the physical works will be undertaken by a single/lead contractor. Those works/changes are summarised in paragraphs 12-14 of this report. There will also be associated costs such as planning or specialist surveys, and costs to meet fire regulation requirements.
23. The initial budget agreed by the Executive in June 2021 was intended to provide an immediate remedial works budget should the acquisition have been successful. A revised and more accurate cost/budget for the works is now understood, a more detailed overview of this is included in confidential Appendix A.
24. Further on-going costs (maintenance/repairs) are expected to be met by the rental receipts from the use of the property. Any additional staffing costs will be ascertained in conjunction with Council's Finance Team. In the longer term the acquisition, works and ongoing management/maintenance of this property is expected to have a lesser impact to Council costs and resources than the alternative, which is a continued sizeable spend to external B&B accommodation providers.

#### *Timeframes*

25. To enable a time efficient delivery of this emergency accommodation project (and

subject to planning permission being granted) it is important that progress can quickly be made toward completing all the necessary works to the property. Executive approval is sought for the Deputy Chief Executive Officer to have delegated authority to award the contract for a lead contractor to undertake most of the works. This at a level acknowledging the overall project costs outlined in confidential Appendix A.

26. It is expected that a tender will be issued for the required works to 92 Gordon Road in early spring 2022 (subject to planning approval), with the works subsequently undertaken in late spring/early summer 2022. The property should then be available for use as emergency accommodation in summer/early autumn 2022.

## **1 AND 1A ARUNDEL DRIVE**

### *Use, Works, and Permissions*

27. 1 and 1A Arundel Drive are large, detached properties. These will be converted back to residential use to each provide a 5-bedroom home. Both will include a downstairs wet-room and disabled accessible bedroom.
28. Large and disabled accessible properties rarely become available, and these will help to meet some of the bespoke need for some larger families on the Council's Housing Register. Some families have been waiting for a larger property of this nature for a considerable period. Other examples are large families with a young disabled child, as the child gets older disabled accessibility becomes increasingly important (for example hoist systems to aid the parents/carers in lifting the child and having appropriate ground floor accommodation).
29. Planning permission is already in place for the change of use of these two properties back to residential dwellings. These permissions were obtained by the former owners.

### *Management/Occupants*

30. Both Arundel Drive properties will be general purpose Housing Revenue Account properties available for Affordable Rent. They will be matched to appropriate families from the Housing Register.

### *Funding and Costs*

31. The costs for the works at 1 and 1A Arundel Drive will be met through existing HRA budgets for Capital Development works to HRA properties. No further approval is therefore required for new/additional funding for the works involved.
32. Officers will also be investigating the ability to obtain Homes England grant funding toward the acquisition and works at 1 and 1A Arundel Drive. If possible, this could provide £35,000 - £45,000 toward the overall costs for each property.

### *Timeframes*

33. The works to the Arundel Drive homes are expected to take place in early spring 2022, with the homes then being available for occupation on or before summer 2022.

## **CONCLUSION**

34. The property acquisitions at 92 Gordon Road and 1 & 1A Arundel Drive provide an opportunity to better meet some of the emergency, and the more bespoke, housing

needs of the Borough. This helps to delivery the Corporate objective of providing Housing Choices.

35. Despite the initial costs through the property acquisition and the works required at 92 Gordon Road, over the medium/longer term it will provide a more sustainable solution to meet some of the emergency housing needs in the Borough, rather than significant and rising B&B expenditure. The properties at Arundel Drive will also provide an opportunity to meet some of the harder to house, bespoke needs, of customers on the Council's Housing Register.
36. The Executive is requested to note the updates provided on the property acquisitions and agree the costs for 92 Gordon Road (as outlined in Appendix A), with delegation to Officers (in conjunction with the Executive Member for Housing) to appoint a lead contractor to undertake the majority of works at 92 Gordon Road, subject to the necessary planning approvals being in place.

**Enquiries:**

For further information on this report please contact Robyn Lyons (Head of Housing Delivery) (Ext 4305)