

**TITLE OF REPORT: JUBILEE HOUSE, HITCHIN – AMENDMENT TO BUILDING LEASE****REPORT OF THE HEAD OF HOUSING AND ENVIRONMENTAL HEALTH****1. SUMMARY**

- 1.1 This report is presented to the Hitchin Committee as part of the consultation process prior to consideration by Cabinet at the meeting to be held on 30 March 2010.
- 1.2 The purpose of this report is to seek agreement from Cabinet to change Aldwyck Housing Group Ltd's (Aldwyck) existing building lease on Jubilee House. Jubilee House is owned by the Council and is located in Fishponds Road, Hitchin. The current 30 year lease to Aldwyck runs until 2032 and this report proposes the granting of a new lease for 125 years. The proposal includes refurbishment of the building and the subsequent provision of specialist accommodation for young homeless people and both activities would be undertaken by Aldwyck.

**2. FORWARD PLAN**

- 2.1 This report contains a key decision that was first notified to the public via the Forward Plan in January 2010.

**3. BACKGROUND**

- 3.1 Aldwyck have been working in the district for the last 20 years offering general needs housing and specialist supported accommodation. Aldwyck are a not-for-profit social housing provider with an annual turnover in excess of £34 million. Their stock in the district currently stands at 159 units.
- 3.2 Aldwyck already operate a successful accommodation and support service for young people over three sites in the district. Two sites are located in Hitchin at Dacre Road and Newtons Way, and the third site is located in Sun Street, Baldock. The current service includes a productive move-on process with the Council that ensures resettlement of the service users at the appropriate time.
- 3.3 In 2000/1, an agreement was made between the Council and Aldwyck to refurbish Jubilee House for use as 12 units of temporary accommodation for statutorily homeless families. The property was transferred to Aldwyck on a 30 year building lease.
- 3.4 The scheme revenue funding was provided through the Hertfordshire County Council's Supporting People programme at some £42k per annum which enabled daytime support to be provided for the residents.

- 3.5 The Council's Housing Strategy (2008 – 2013) makes specific reference to meeting the accommodation needs of vulnerable people and the subject of Tackling Youth Homelessness is a specific priority in the Council's Homelessness Strategy (2008 – 2013).
- 3.6 The Council's Area Planning and Conversation Officers have confirmed that the frontage of the Jubilee House building has a local listing category.

#### **4. ISSUES**

- 4.1 Jubilee House was closed in August 2008 and the building was secured and boarded up shortly after. The initial scheme focused on young parents and their children, however the demand for this service diminished as homelessness prevention initiatives were introduced. Aldwyck attempted to use the building as an additional resource for single homeless young people, however, there was insufficient funding available to provide the necessary support for this client group. As a result of this, Jubilee has remained vacant and Aldwyck are unable to service the outstanding debt on the property.
- 4.2 Aldwyck have identified the Jubilee House site as an opportunity to rationalise their local services for young people. Refurbishment of Jubilee House would provide accommodation units of higher quality, better facilities and virtual 24 hour support for the residents.
- 4.3 Aldwyck have advised that the refurbishment would be completed with an alternative use in mind. Should demand for the young person's scheme drop in the future and the building become vacant, the units could be easily converted into seven 1 or 2 bedroomed flats of general needs accommodation.
- 4.4 Planning permission is not required for the refurbishment work, however it would be required for the erection of the training / meeting room and the alternative use. This will not have any effect on the locally listed facade of the building. Aldwyck have stated that if this option were pursued, it is possible that the building works for this project could start in May 2010, with a contract period of approximately 6 months.
- 4.5 Aldwyck are in negotiation with the Homes and Communities Agency (HCA) to use £400K of funding previously allocated to an alternative scheme in a different authority that is not able to progress to completion at the present moment in time. Aldwyck are also using their own capital to fund this scheme as well as setting funds against the future rental income from the scheme. There will be no cost to the Council for the refurbishment works.
- 4.6 The Council has a legal responsibility to prevent homelessness whenever possible and to provide accommodation for certain client groups, including people aged 16 or 17, if they become homeless. As the Council is no longer a landlord, it relies on agreements with social housing providers, such as Aldwyck, to meet its statutory obligations.
- 4.7 The House of Lords judgement in *R (on the application of G) v London Borough of Southwark (judgement handed down on 20<sup>th</sup> May 2009)* clarified the meaning of sections 17 and 20 of the Children Act 1989. This reiterated that the Children Act has primacy over the Housing Act in providing for children in need.

- 4.8 The 10 District and Borough Councils in Hertfordshire are in the process of agreeing a Joint Housing Protocol with Hertfordshire County Council (HCC) that will outline the responsibilities of each party. Although some of the duties will transfer to HCC, the Council will still require access to supported housing for young people in emergency situations, as part of its homelessness prevention responsibility and for those who may not qualify for, or even decline, assistance under the Children Act 1989.

## **5. LEGAL IMPLICATIONS**

- 5.1 Section 123(1) of the Local Government Act 1972 provides that a local authority may dispose of land held by them in any manner they wish. Section 123(2) of the Local Government Act 1972 provides that a local authority may not dispose of land otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained unless the local authority has the prior consent of the Secretary of State. However, the Secretary of State has issued a General Disposal Consent (2003) which permits disposals at an undervalue if it is likely to contribute towards the improvement of the social well-being of a local authority's area provided that the undervalue is not greater than £2,000,000.
- 5.2 The Council's constitution empowers the Cabinet to approve the disposal of land or buildings for a consideration or annual rent that exceeds £250,000 but does not exceed £2,500,000. Cabinet is also empowered to approve the purchase or appropriation of land and buildings where the market value of the transaction or the annual rent exceeds £250,000 and does not exceed £1,000,000.
- 5.3 Section 4 of the Homelessness Act 2002 confirms that the District Council is the Local Housing Authority (LHA) under the Housing Act 1985 Section 1 (1).
- 5.4 Section 1 (5) of the Homelessness Act 2002 states that a LHA shall take their homelessness strategy into account in the exercise of their functions.
- 5.5 Section 3 (5) of the Homelessness Act 2002 requires LHAs, when formulating a homelessness strategy, to consider the extent to which any of the strategy's objectives could be achieved through joint action involving two or more of the persons or other bodies tackling homelessness in the district.

## **6. FINANCIAL AND RISK IMPLICATIONS**

- 6.1 There will be no cost to the Council for refurbishment works.
- 6.2 Aldwyck are seeking to utilise HCA funding from another site and will also add capital from their own budget, plus funds set against the rental revenue to finance the refurbishment.
- 6.3 This scheme provides social and community benefits. If Members consider it appropriate, an undervalue is allowable in certain circumstances, which are met in this instance.
- 6.4 Risks in this recommendation are mitigated as the development can also be converted to 7 units of general needs accommodation if necessary. This will avoid the possibility of the building becoming redundant / vacant in the future.

- 6.5 The Council has a productive working relationship with Aldwyck and they have demonstrated their ability to provide an effective service to young people in the district.

## **7. HUMAN RESOURCE AND EQUALITIES IMPLICATIONS**

- 7.1 There are no direct HR or equality implications arising from this report.

## **8. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS**

- 8.1 Consultation has been undertaken with the Hitchin Area Committee on the 9<sup>th</sup> March 2010.
- 8.2 The Housing and Environmental Health Portfolio Holder Councillor Lovewell has been consulted on the future of the Jubilee House site.

## **9. RECOMMENDATIONS**

- 9.1 For the Hitchin Committee to put forward any comments or suggestions to be considered by Cabinet.
- 9.2 It is recommended that the Cabinet approve the granting of a new 125 year lease to Aldwyck for the refurbishment of Jubilee House, subject to their ability to fund the project.

## **10. REASONS FOR RECOMMENDATIONS**

- 10.1 The re-provision of the accommodation for young homeless people would contribute towards meeting the Council's Housing and Homelessness Strategy priorities. This will ensure the Council's statutory obligations are met.
- 10.2 The refurbishment of Jubilee House provides the opportunity for Aldwyck to provide higher quality units and better facilities for residents.
- 10.3 The refurbishment of Jubilee House would significantly improve its appearance.
- 10.4 Should the refurbishment be agreed, the existing units in Dacre Road would be vacated by Aldwyck. These properties are owned by North Hertfordshire Homes and there is a possibility that they could be used for rough sleepers or single homeless people. The North Herts Action Plan for Rough Sleepers and Single Homeless People contains actions around future accommodation options and Dacre Road could be utilised as an additional emergency resource, or as move-on accommodation.

## **11. ALTERNATIVE OPTIONS CONSIDERED**

- 11.1 The Jubilee House site could remain boarded up, however the building is likely to deteriorate whilst also providing an unappealing spectacle for the local community.

11.2 The Council could take legal action to end the current lease and sell the property. Jubilee House could be sold unconditionally in its existing condition or conditionally subject to planning.

## **12. APPENDICES**

12.1 Appendix A - Project papers, Correspondence from Aldwyck.

## **13. CONTACT OFFICERS**

13.1 Martin Lawrence – Strategic Housing Manager

13.2 Alan Davey – Housing Strategy and Renewals Manager

13.3 Andrew Cavanagh – Head of Finance, Performance & Asset Management

13.4 David Charlton – Estates Surveyor

13.5 Rory Stracey – Solicitor (Property)