

	REPORT TO CABINET TO BE HELD ON 12 APRIL 2016	
	Key Decision	YES
	Forward Plan Ref No	
Corporate Priority Aim 3 – Creating Healthy and Vibrant Communities	Cabinet Portfolio Holder	Cllr Bill Chatt Cabinet Member for Public Health and Housing

REPORT OF: DIRECTOR (TW) 16/085

WARDS AFFECTED: CASTLE

**SUBJECT: USE OF COMMUTED SUM TO SUPPORT
DEVELOPMENT OF SUPPORTED HOUSING SCHEME FOR YOUNG
PERSONS IN SCARBOROUGH**

RECOMMENDATION (S):

Cabinet is recommended to approve the use, subject to planning approval, of £150,000 of Affordable Housing Commuted Sum monies to enable Foundation Housing to convert their existing offices in Scarborough into 6 units of supported housing for young persons and to delegate authority to the Director (LD) in consultation with the Portfolio holder for Finance, Procurement and Legal to agree the terms of, and entry into, an appropriate funding agreement with Foundation Housing.

REASON FOR RECOMMENDATION

To ensure that the proposed conversion of their offices into affordable housing for young persons can be taken forward and assist in preventing youth homelessness.

HIGHLIGHTED RISKS:

See attached risk matrix

1. INTRODUCTION

1.1 Foundation Housing are a specialist supported Housing Association who provide supported housing services for a wide range of client groups,

including young people. Foundation currently provides accommodation for 54 young persons in need in Scarborough through the Young Persons Pathway.

- 1.2 In order to meet an increasing need for supported accommodation for young people Foundation intend to move out of their existing offices in Victoria Road, which they own, to allow it to be converted into 6 units of supported accommodation for young persons.
- 1.3 This report seeks approval to make use of £150,000 of affordable housing commuted sum to enable the conversion of the offices into 6 new units of supported accommodation to go ahead.

2. CORPORATE AIMS/PRIORITIES AND THE COMMUNITY PLAN

- 2.1 Contributes to Aim 3 of the Council's Corporate Plan, 'Creating Healthy and Vibrant Communities'.

3. BACKGROUND AND ISSUES

- 3.1 Young people can struggle to access secure affordable housing and because of their age can be vulnerable and in need of extra support. Whilst the Children's Act places obligations on NYCC to both accommodate and care for homeless 16-17 year olds, the Borough Council has a legal duty to assist them with this obligation and to work to prevent homelessness more generally. In addition Housing Authorities continue to have duties toward homeless young people over the age of 17, where they are deemed to be in priority need of assistance and a duty to accommodate care leavers in the event of homelessness.
- 3.2 The Young Peoples Pathway was commissioned and adopted across the whole of North Yorkshire in 2012. Since its inception, these arrangements have ensured that at the local level close and integrated working exists between the Council, Children's Services, Foundation Housing (as commissioned service provider) and Safe and Sound Homes (SASH). This partnership approach ensures that all young people in housing difficulty have a single point of contact and access to both safe and secure accommodation and support if they unable to remain safely at home.
- 3.3 At the local level Foundation (supported by the Council and NYCC) are commissioned to provide the core elements of the Pathway, including homeless prevention work and the provision of supported accommodation.
- 3.4 Overall the level of demand for all the elements of the Pathway (advice, prevention and the provision of accommodation) are high. In 2014/15 645 young people approached the Pathway in Scarborough for some form of assistance. This amounted to around 38% of the total presentations across North Yorkshire.
- 3.5 Existing levels of demand for the Pathway are very high. It is acknowledged that additional supported accommodation to meet this group is required within the

Borough. In 2013 the Council agreed to the principle of committing up to £130K in capital funding (through the use of commuted sum monies) to support the development of additional accommodation for the Pathway

- 3.6 Over the past 2 years the Council has been working with Foundation to try and identify a suitable site in Scarborough in order to facilitate this development. A number of sites have been considered, however, have been rejected on various grounds, chiefly those of high costs and development constraints.
- 3.7 However, Foundation have identified an opportunity to relocate from their existing office premises in Victoria Road, which they currently own. This will enable them to convert the building in Victoria Road into 6 units of supported accommodation for young persons.
- 3.8 Foundation intend to move into their new office accommodation in Scarborough by October 2016. They intend to commence work on the conversion of the Victoria Road as soon as it becomes vacant. They anticipate the work taking approximately 6 months to complete.
- 3.9 All of the units will be self contained accommodation. It is understood that the accommodation shall be provided for young people who are able to live independently. However, there will also be office accommodation for staff to provide support services for the tenants. These will include developing independent living skills, money management, employment and training support etc.
- 3.10 The Council had originally agreed "in principle" to commit £130,000 from the affordable housing commuted sums to the project in 2013. However, under the Council's Empty Homes Grant Policy we are able to grant a maximum of £25,000 per unit, which on the basis of 6 units would equate to £150,000.
- 3.11 The current cost estimate of the conversion are £385,000 (subject to tender) plus fees. This equates to £64,166 per unit, exclusive of fees. The Empty Homes Grant Policy is set at a maximum of £25,000 per unit and at a maximum of 50% of the overall cost. As a result it is within policy requirements.

4.0 CONSULTATION

- 4.1 On-going consultation has taken place with Foundation over the last 2 years in relation to sourcing a suitable site for the extra units for the Young Persons Pathway.

5.0 ASSESSMENT

- 5.1 The development of these 6 units for supported housing for young persons is in line with the Council's Homelessness Strategy. Given the high need levels identified with young persons in Scarborough, the delivery of 6 new units will be very welcome, and will assist in preventing homelessness amongst young persons in the Borough.
- 5.2 The accommodation at Victoria Road is owned by Foundation. An alternative site for the development might have had to be leased and may not have been able to be secured on a long term basis. In addition the accommodation could be converted to another form of affordable housing at a later date should accommodation for young persons not be required in the long term future.

6.0 IMPLICATIONS

6.1 Policy

The use of commuted sums to enable the development of affordable housing are in line with the Council's policies and strategies for affordable housing including the current Affordable Housing Supplementary Planning Document

6.2 Financial

The use of £150,000 from affordable housing commuted sum reserves to enable the provision of 6 affordable homes represents good value for money at £25,000 per unit and will have no effect on the Council's Capital Programme

6.3 Legal

The Council has legal agreements with developers who have paid commuted sum monies in lieu of the provision of affordable housing on site. These agreements place a restriction on the use of the commuted sum to ensure that it can only be spent on the provision of affordable housing.

The Council will enter into a funding agreement with Foundation Housing to safeguard the Council's funding contribution. This agreement shall ensure that funds can only be spent on the intended purpose. The agreement will also require repayment of grant should the property be sold or used for anything other than their intended purpose without agreement from the Council..

6.4 Equalities and Diversity

There are currently no Equalities and Diversity implications associated with this report.

6.5 Staffing Issues

There are no staffing issues associated with this report.

6.6 Planning, Environmental, Health and Safety, Sustainability, Crime and Disorder

There are no other implications associated with this report, however, any development proposals arising from the outcome of the consultation exercise may have implications.



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Background Papers: None

IF YOU HAVE ANY QUERIES ABOUT THIS REPORT OR WISH TO INSPECT ANY OF THE BACKGROUND PAPERS, PLEASE CONTACT JOHN BURROUGHS ON 01723 383649 OR E-MAIL john.burroughs@scarborough.gov.uk

Risk Matrix

Risk Ref	Date	Risk	Consequences	Mitigation	Current Risk Score	Target Score	Service Unit Manager/ Responsible Officer	Action Plan
1	April 2016	The use of commuted sums to support the development is not approved	The scheme may become unviable and may not proceed. As a result the 6 units will not be developed and it may lead to increased youth homelessness	The use of commuted sum of £150,000 is approved and the scheme goes ahead	C3	A1	Housing Strategy and Development Officer	

