

TITLE	Supported Housing Development at 52 Reading Road, Wokingham
FOR CONSIDERATION BY	The Executive on 26 January 2017
WARD	Emmbrook
DIRECTORS	Judith Ramsden, Director of People Services
LEAD MEMBER	Julian McGhee-Sumner, Executive Member for Health and Wellbeing

OUTCOME / BENEFITS TO THE COMMUNITY

It will contribute to meeting the housing needs of vulnerable young people through the provision of well-designed, high quality supported housing.

RECOMMENDATION

That the Executive approve:

- 1) the selection of Wokingham Housing Limited, the Council owned Local Housing Company, (or a subsidiary of WHL), as the development partner for the vulnerable young persons supported housing scheme at 52 Reading Road.
- 2) that the Council transfers the 52 Reading Road, Wokingham site to Wokingham Housing Limited (WHL), or a subsidiary of WHL, on terms to be agreed by the Director of Finance and Resources in consultation with the Leader of the Council;
- 3) that the site subject to Recommendation 1 above is appropriated for planning purposes under Section 227 of the Town and Country Planning Act 1990 and Section 122 of the Local Government Act 1972;
- 4) the proposed funding model, including the allocation of up to £950,000 Section 106 receipts for the provision of supported housing on this site.
- 5) the development brief for the 52 Reading Road site.
- 6) that the transfer of land and funding for 52 Reading Road will be subject to WHL securing a planning consent for the scheme.

SUMMARY OF REPORT

In June 2011, the Council established a wholly-owned Local Housing Company, Wokingham Housing Limited (WHL), to provide a range of high quality affordable and market housing for the people of Wokingham Borough. This report proposes that WHL (or a subsidiary of WHL) be selected as the development partner for the construction of a supported housing scheme at 52 Reading Road, Wokingham for vulnerable young people. The scheme will offer a replacement for the current scheme at Seaford Court, Wokingham and will help to meet our statutory duties towards care leavers and our Homelessness duties. The scheme will also help to achieve objectives within the Young Peoples Housing Strategy 2014 – 2019. The strategy aims to ensure that young

people, in particular those leaving care, on the edge of care and young people at risk of homelessness are housed in good quality accommodation with a range of support options.

It is proposed that the development of 52 Reading Road is funded through the use of Section 106 commuted sums. The site has also been granted Homes and Communities Agency (HCA) funding of £304,000 through the Platform for Life scheme towards the capital development. A requirement of the funding is for the development to have started on site by 31 March 2017 and to be completed by 31 March 2018. A decision regarding the delivery of the scheme by WHL is being sought so that a new young people's service can start at 52 Reading Road as soon as possible.

Background

The purpose of a new service is to support vulnerable young people aged 16 – 25 to develop the necessary skills to live independently and safely in their own accommodation. The scheme will offer a replacement for the current scheme at Seaford Court, Wokingham and will help to meet our statutory duties towards care leavers and our Homelessness duties. It will also help to achieve objectives within the Young Peoples Housing Strategy 2014 – 2019. The strategy aims to ensure that young people, in particular those leaving care, on the edge of care and young people at risk of homelessness are housed in good quality accommodation with a range of support options.

As part of the Corporate Parenting Statutory duty, officers reviewed the current housing outcomes for young people in Wokingham, and in particular for young people in care, leaving care and on the edge of care. It was considered that, whilst the current service meets the needs of the most vulnerable young people in the Borough, the service requires remodelling to respond to the changing needs of the population and ensure delivery against our sufficiency duty. A recommissioned supported housing service would help to ensure better outcomes for young people so that they can make a successful transition to independent living.

The new service will contribute to the following overarching outcomes for young people in the borough:

- Achieve economic wellbeing
- Enjoy and achieve
- Manage their health
- Stay safe
- Make a positive contribution

The service will provide short-term accommodation and support for a period of up to twelve months and will support young people to acquire the necessary skills to live independently and access full time training, education or employment while they are accommodated. The service will provide close links to the Elevate Wokingham scheme. Elevate Wokingham is part of a wider Elevate Berkshire project to up skill and improve employment outcomes for young people. The new accommodation will provide purpose built, well-designed accommodation to support vulnerable young people to become more independent. The accommodation will comprise of seven en-suite study bedrooms (one of which could be used for overnight staff accommodation if needed), a shared kitchen/diner, shared living room, breakout study space and office accommodation for staff. There will also be two self-contained one person studio flats for those requiring a lower level of support. The studio flats will have their own access, kitchen and living areas and en-suite facilities. They will also have full wheelchair access.

Referral and access to the service will be through Wokingham's Pathway Approach following a needs assessment. This will take a holistic approach to needs and include health, education, employment and social needs, as well as assessing their current housing situation. Before a young person begins their stay, a support plan will be drawn up outlining how the young person will engage in education, training or employment; the proposed length of stay, and a plan for 'moving on'. The accommodation will charge affordable rents, enabling them to stay at the placement while planning, undertaking or

finding work, education or training, pending their move into settled accommodation.

Analysis of Issues

Development Partner

Transferring the scheme to WHL and having them as the development partner will give the Council full control over the development of 52 Reading Road, whilst also retaining the asset base within the Council's companies. At this stage it is expected, but not confirmed, that the support element of the service would be provided by Optalis.

Another option that could be considered is delivery of the project through the Registered Provider Partnership. This would include transfer of the property to one of the Council's four Registered Provider Partners – whilst this may reduce the level of funding required by the Council, it would result in the loss of the asset to the Council. Whilst the Council would have some control on the redevelopment, this would not be on the level of influence the Council has with WHL. Given the current uncertainty with the funding of supported housing, it is not clear whether a Registered Provider would take on the project and be able to meet the tight project timescales.

Land Transfer

Wokingham Borough Council owns the property and the site (which is freehold) sits within the general fund. The property is currently vacant having previously been let as office accommodation. The site has been valued (included in Part 2 Schedule).

The proposal for the site is for a complete demolition and rebuild to enable a building which would be fit for purpose. The proposal is that the Council transfers the property to Wokingham Housing Limited (WHL), or a subsidiary of WHL, on terms to be agreed by the Director of Finance and Resources in consultation with the Leader of the Council.

Under Section 25 of the Local Government Act 1988, local authorities require Secretary of State consent to dispose of general fund land at less than market value for development as housing accommodation, except where the transferee is a Registered Provider of housing. Loddon Homes Limited (a subsidiary of WHL) is a Registered Provider and assuming the site transfers to this organisation, the general consent would apply. However, in the event that the site was transferred to another subsidiary of WHL at an undervalue, Secretary of State approval would be needed.

It is necessary to appropriate the site from the general fund for planning purposes under Section 227 of the Town and Country Planning Act 1990 and Section 122 of the Local Government Act 1972, in order to extinguish any rights which may exist over the same and enable the development proposed by WHL.

Proposed Funding Model

It is intended that s106 affordable housing commuted sums will be used to fund the development of this property, of which it is intended to allocate a maximum of £950,000. Full details of the business model and funding are included in the Part 2 schedule. In addition, £304,000 has been awarded from the Homes and Communities Agency (HCA) 'Platform for Life' funding stream. It is anticipated that the current support budget used to fund the service at Seaford Court will transfer to 52 Reading Road.

Development Brief

The development will provide temporary accommodation and support for vulnerable young people for a period of up to twelve months and will support young people to acquire the necessary skills to live independently and access full time training, education or employment while they are temporarily accommodated. The proposal for the site is for a complete demolition of the existing building and a rebuild to enable a building which would be fit for purpose. The development will consist of seven single en-suite bedrooms and two self-contained studio units contained within the main building. There will also be a shared living area, shared kitchen/diner and office space. There will be full wheelchair access to the studio units and also a disabled access parking space.

A requirement of the HCA funding is for the facility to have affordable rents (up to 80% market rents). The rents being proposed are 67% of current market rents. As this will be a supported living facility, there are currently no restrictions on the amount of housing benefit a young person will be able to claim, although this may change in the future with government changes to the funding of supported housing.

The Council will have full nomination rights to all the units within the facility.

The development is expected to complete by March 2018.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	Est. £996,050 costs split over years 1 & 2*	Yes – from affordable housing commuted sums and HCA grant	Capital
Next Financial Year (Year 2)			Capital
Following Financial Year (Year 3)	£0	N/A	N/A

*costs exclude Fixtures, Fittings and Equipment

Other financial information relevant to the Recommendation/Decision

Funding is likely to come from a number of different Section 106 agreements for affordable housing. The matching of new affordable housing projects to specific Section 106 agreements will occur before start-on-site to ensure that we optimise the use of available receipts. A payment of £228,000 can be drawn down from the HCA Platform for Life funding following Start on Site commencement. The remaining £76,000 HCA Platform for the Life funding will be made on completion.

Cross-Council Implications

Supporting vulnerable people is a key priority within the Council's Housing Strategy. Access to good quality, affordable housing is key to residents' health and wellbeing, education, employment, etc. Preventing and responding to young people at risk of being homeless is also a key priority within the Council's Young Persons Housing Strategy.

Reasons for considering the report in Part 2

Commercially sensitive information, relating to the funding and contract sums, is included on the Agenda as a separate Part 2 Report.

List of Background Papers

None

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