
Executive Decision Funding Request from One Roof Leicester / Proposal for Right to Buy Investment

Decision to be taken by: City Mayor

Decision to be taken on: 10 September 2024

Lead director/officer: Chris Burgin

Useful information

- Ward(s) affected: Saffron
- Report author: Janet Callan, Programme Manager – Affordable Housing
- Author contact details: 0116 4541752; 37 1752
- Report version number: V3

1. Summary

This report seeks approval for the use of up to £92,000 of Right to Buy Receipts (RTBR) towards the acquisition of a privately owned house on Richmond Close, Leicester, by One Roof Leicester (ORL), to be used as a shared house to accommodate three single people who have been homeless.

2. Recommended actions/decision

That the City Mayor approves:

- i. The use of up to £92,000 of Right to Buy Receipts to grant aid One Roof Leicester in their purchase of a 3-person shared house;
- ii. The addition of £92,000 to the HRA capital programme for 2024/25 financed from Right to Buy Receipts.

3. Scrutiny / stakeholder engagement

The Ward Councillors have been advised of this proposal and, on confirmation that a key worker will be provided to residents living in the property, to offer/provide advice and support, the ward councillors have confirmed that they have no objections to this proposal.

4. Background and options with supporting evidence

4.1 In May 2014 the Executive agreed that the Assistant Mayor for Housing should agree any schemes for RTBR grant funding, and that ward councillors should be consulted on any proposed schemes.

4.2 One Roof Leicester has approached the council via the Director of Housing to request council funding towards its proposed purchase of new Affordable Housing within the city boundary.

4.3 One Roof Leicester is seeking to buy a three-bedroomed privately-owned house on Richmond Close located in the Saffron ward, for use in providing accommodation to people referred from the Housing Options Homelessness service. The property will be used to provide temporary accommodation and its residents will have licence agreements and will pay a social rent. ORL is not a Registered Provider of Social Housing but is a Registered Charity. It has owned and/or managed up to 11 properties since 2016.

4.4 The total estimated costs that ORL has sought funding towards is £230,000 and this includes for purchase and works required to bring the property to a lettable standard. ORL is seeking grant from Leicester City Council of up to £92,000 (40%) towards the total scheme costs.

4.5 The council has RTBR funds available to invest in securing new Affordable Housing and could look to grant-aid the purchase and required works.

4.6 One Roof Leicester has confirmed that it will enter into an Affordable Rent Grant Agreement with the council for this property and will give the Council referral rights on 100% of all lets in perpetuity.

4.7 The Ward Councillors have been advised of this proposal and, on confirmation that a key worker will be provided to residents living in the property, to offer/provide advice and support, the ward councillors have confirmed that they have no objections to this proposal.

5. Financial, legal, equalities, climate emergency and other implications

5.1 Financial implications

This report seeks approval to grant fund up to 40% of the scheme costs of One Roof Leicester in their purchase of a property to accommodate 3 single people, using receipts from the sale of properties under Right to Buy. This would reduce the amount of financing available for Council-funded acquisitions but would still support in the delivery of much-needed accommodation, alleviating pressure on the Council's temporary accommodation costs.

Signed: Stuart McAvoy – Head of Finance

Dated: 14.8.24

5.2 Legal implications

Commercial Legal

Nominations Rights/Agreement: it is noted from the report that the Authority will obtain nomination rights for referrals to be made to the accommodation. Such rights will need to be secured through nomination agreement to enable to protect the Authority to place people in affordable units who have eligible needs.

Subsidy Control and RTB Receipt Funding/Grant Agreement: the Authority in making available any subsidy needs to ensure compliance with Subsidy Control Act 2022 and therefore a Subsidy Control Assessment will be required, and advice sought from legal services. Subject to this, appropriate grant funding terms will need to be put into place and legal can support with both of these aspects.

Procurement: there are no obvious procurement implications arising from the report, procurement options as general due diligence is suggested to be completed via the procurement team to close this off.

Mannah Begum, Principal Lawyer, Commercial Legal, Ext 1423

Property Legal

Powers: the Council has powers under the Housing Acts in relating to the provision of affordable housing. A power of general competence is also available under section 1 of the

Localism Act 2011, the exercise of which is subject to any prohibitions or restrictions that may exist.

Right to buy receipts: must be applied in accordance with relevant legislation and guidance and particularly the Local Authority (Capital Finance and Accounting) (England) Regulations 2003 (as amended) and the terms of any agreement reached under the Local Government Act 2003 modifying the applicability of the regulations.

It is noted that the report proposes a grant agreement. The grant agreement and nomination agreement should contain sufficient restrictions on disposal to ensure that the grant can be recovered should One Roof dispose of the property.

Zoe Iliffe, Principal Lawyer (Property, Highways & Planning)

Signed: Mannah Begum, Principal Lawyer, Commercial & Zoe Iliffe, Principal Lawyer (Property, Highways & Planning)

Dated: 14.8.24

5.3 Equalities implications

When making decisions, the Council must comply with the Public Sector Equality Duty (PSED) (Equality Act 2010) by paying due regard, when carrying out their functions, to the need to eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act, to advance equality of opportunity and foster good relations between people who share a 'protected characteristic' and those who do not. In doing so, the council must consider the possible impact on those who are likely to be affected by the recommendation and their protected characteristics.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

The report seeks approval using funds from Right to Buy Receipts towards the acquisition of a privately owned house on Richmond Close, Leicester, by One Roof Leicester (ORL), to be used as a shared house to accommodate three single people who have been homeless. Any purchased homes should consider use of inclusive design principles in their development. The purchased property would add housing stock which in turn will help us towards meeting our target for affordable housing. Provision of good quality affordable homes for rent for local people that help to address current provision, both in terms of lack of availability and suitability are likely to have positive impacts in terms of the aim of the PSED to advance equality of opportunity for people from across all protected characteristics. By providing affordable housing where peoples' needs are met in a community setting there is also potential to better foster good relations between those who share a protected characteristic and those who do not.

Signed: Equalities Officer, Surinder Singh

Dated: 7.8.24

5.4 Climate Emergency implications

Housing is one of the largest sources of carbon emissions in Leicester. Following the city council's declaration of a Climate Emergency and its aim to achieve net zero carbon emissions, addressing these emissions is key. This is particularly important within projects where the council has the greatest level of influence.

The reports states that some of the cost of this property acquisition is for works to improve the property to a lettable standard. One Roof Leicester should therefore be encouraged to ensure this includes consideration of opportunities to improve the energy efficiency of the property wherever possible. This could include improved insulation, efficient heating and lighting and renewable systems. This would reduce carbon emissions from the property and may also reduce energy bills and increase comfort levels for occupants.

Signed: Aidan Davis, Sustainability Officer

Dated: 7.8.24

5.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

N/A

6. Background information and other papers:

7. Summary of appendices:

8. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)? No

9. Is this a "key decision"? If so, why? No