

Allocation Of S106 Commuted Sum Monies (100 Priestwood Avenue)
Executive Director: People

1 Purpose of Report

- 1.1 This report seeks approval for a proposal to enable the vacant former caretaker's house at Meadow Vale School to be reprovisioned for use as temporary accommodation for homeless households. This will require spend of £205,500 to acquire the school's interest in the property. This would be funded by unallocated S106 affordable housing commuted sum payments.

2 Recommendation

- 2.1 **To approve the use of S106 Affordable Housing capital fund spend of £205,500 to enable the Council to buy out Meadow Vale School's interest in the property at 100 Priestwood Avenue, (including associated refurbishment costs) for use as temporary accommodation.**

3 Reasons for Recommendation

- 3.1 The Council owns a small stock of temporary accommodation to meet the needs of homeless households. These are predominantly two-bedroom properties. Currently there are insufficient larger units for families which increases reliance on more costly nightly paid accommodation. This proposal offers a cost-effective means of providing an additional three bed property for temporary accommodation.

4 Alternative Options Considered

- 4.1 Meadow Vale school has confirmed that the property is no longer required. The option proposed offers a swift and cost-effective means of adding a three-bed property to the council's temporary accommodation stock. There is also the benefit that the council will continue to own the asset, which will appreciate over time, with a potential to achieve a reduction in nightly paid accommodation costs in future. The alternative option would be to dispose of the property on the open market which would generate a capital receipt, 50% of which would be retained by the council.

5 Supporting Information

- 5.1 The former caretaker's house is located at 100 Priestwood Avenue, Priestwood, Bracknell RG12 1XG and is an end of terrace 2 storey house which backs onto the site of Meadow Vale school with a gate through the rear garden fence to enable the occupant to easily access the school site. The house has three bedrooms and is in reasonably good condition.
- 5.2 The School's Governing Body has declared the property to be surplus to the school's requirements and available for disposal, subject to the net capital receipt being shared equally between the Council and the school.
- 5.3 The Council has a shortfall in three-bedroom temporary accommodation units to meet a growth in demand in family homelessness. The Housing Service manages circa 160 plus properties as temporary accommodation, including those owned by

Downshire Homes and several private sector leased properties. The temporary accommodation stock is mainly two-bedroom houses and flats, with about 25% comprising three-bedroom properties and no four-bedroom properties.

- 5.4 The market value of the house has been estimated by the Property service to be in the region of £375,000. At this value, 50% of the net capital receipt equates to £187,500, which would be payable to the school. The cost to the council of buying out the school's interest in the property is therefore £187,500. In addition, there would be some repair and upgrading costs estimated to be £18,000, making the total capital investment required £205,500.
- 5.5 The total capital cost would be met using s106 developer contributions funding.
- 5.6 The proposal in this report supports delivery of the Council's Key Priorities under chapter 6 Communities - 6.6 Deliver housing services that focus on preventing homelessness; 6.7 Develop a new Homeless Strategy and implement a local action plan to reduce rough sleeping.

6 Consultation and Other Considerations

Legal Advice

- 6.1 The allocation of funding proposed in this report complies with the requirements of the S106 agreement.
- 6.2 The council has a legal duty to secure housing for eligible homeless applicants who are in priority need, not intentionally homeless and who have a local connection (Housing Act 1996). The Homelessness Reduction Act 2017 also places further duties on the Council from April 2018 with regards to the advice and assistance that it offers to all homeless households.
- 6.3 The council can hold up to 200 units of accommodation in the General Fund without the need to open a Housing Revenue Account.

Financial Advice

- 6.4 The financial impact is that there are sufficient S106 receipts available.

Other Consultation Responses

- 6.5 The Implementation and Infrastructure Manager confirms there are sufficient commuted funds within relevant S106 pots to fund the provision of the new affordable housing proposed.

Equalities Impact Assessment

- 6.6 None applicable

Strategic Risk Management Issues

- 6.7 A detailed property survey has been undertaken by the Council's surveyor to identify the need for immediate repairs to the property and any future works. These costs have been added to the overall budget.
- 6.8 As noted above generous allowances have been made for bad debts and void levels.

Climate Change Implications

- 6.9 The Housing Service is working closely with the Borough's Energy Sustainability Officer to identify opportunities to access grant funding to improve thermal efficiency and reduce fuel costs for occupants. An allowance has been included in the overall cost to pay for future works to improve the Energy Performance Certificate (EPC) rating from D to C, in line with the requirement for all rented properties from 2025.

Background Papers

None

Contact for further information

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