

Edgar Road Purchase

Extraordinary Cabinet	2nd March 2023
Report Author	Ashley Jackson, Housing Strategy and Projects Manager
Portfolio Holder	Cllr Jill Bayford, Cabinet Member for Housing
Status	For Decision
Classification:	Unrestricted
Key Decision	Budget
Reasons for Key	For the acquisition or disposal of land or property with a value of £750,000 or above
Ward:	Cliftonville West

Executive Summary:

We are proposing to purchase a property in Edgar Road, Cliftonville. The property is four houses, currently configured as a single property, consisting of rooms with en-suite bathrooms with shared lounges and kitchens. The property has been valued and the owner has indicated acceptance of an offer within the valuation figure, subject to contract. There is sufficient funding within the approved Live Margate programme to support the purchase.

Recommendation(s):

Cabinet is asked to agree:

1. To proceed with the purchase of the building, using the £1.6m remaining in the approved Live Margate programme;
2. To design a scheme to convert the building into self-contained 2 bedroom flats, progress a planning application and appoint a suitable design team to progress the conversion;
3. To consider a further report once the detailed conversion costs are known, so that the necessary funding can be included within the HRA capital programme and a contractor appointed.

Corporate Implications

Financial and Value for Money

The purchase of the property and initial design and planning can be funded via the existing capital budget in the HRA's Capital Programme for the Live Margate Programme.

Further funds will need to be factored into the programme in order to undertake the desired renovation into self-contained 2 bedroom flats.

Legal

The Council has a Best Value Duty under the Local Government Acts to ensure that it pays no more than market value for the acquisition of any properties. A professionally qualified Valuer has been appointed who has provided advice about the market value and negotiated purchase price to ensure that the purchase is within the market value.

Under section 120 Local Government Act 1972 the Council has a general power to acquire property by agreement. A local authority may also purchase properties for housing the homeless under section 17 Housing Act 1985.

Property acquisitions by the Council must comply with its Property Procedure Rules.

Application for and acceptance of the grant from the GLA as recommended complies with the Council's powers under s1(1) of the Localism Act 2011 and applying the grant in the manner recommended satisfies the Council's Best Value Duty in respect of its housing obligations.

Risk Management

Housing development is inherently risky and key risks include planning, construction costs and demand for homes.

The building is already a registered house in multiple occupation with an established planning use as residential. The conversion of HMO accommodation to family homes is in line with specific planning policies in Cliftonville restricting the development of one bedroom and bedsit accommodation.

The appointment of a suitably qualified design team will help to reduce the risks associated with construction projects including design risks and construction costs.

Demand risk is limited considering the number of households currently registered on the councils housing register and the number of households living in temporary accommodation.

The council has already successfully delivered similar projects in the area.

Corporate

TDC is aware of the challenges facing its residents and in 2019 our Corporate Statement committed to supporting residents through effective partnership working with both the public sector agencies and the community. We will provide leadership and direction across the District and the region to ensure everyone is working to the same goal. Delivering high-quality housing, safer communities and enhancing the health and wellbeing of our residents. Specifically we committed to improve standards and safety in homes across all tenures.

Equality Act 2010 & Public Sector Equality Duty

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.

Protected characteristics: age, sex, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.

This report relates to the following aim of the equality duty: -

- To advance equality of opportunity between people who share a protected characteristic and people who do not share it

The provision of affordable homes within the district helps to ensure that people with protected characteristics are more able to access suitable homes to meet their needs.

Corporate Priorities

This report relates to the following corporate priorities: -

- Communities

1.0 Introduction and Background

1.1 The 'Live Margate' project is a long-term programme that involves buying existing properties and turning them into quality family homes, making Margate, in particular, Cliftonville West and Margate Central a place where more people aspire to live.

The programme is ensuring that we respect the original architecture, sympathetically renovating and restoring the various buildings.

1.2 The programme has included investment of £23.1m through a number of key organisations including Thanet District Council, Kent County Council and the Homes & Communities Agency. The programme was a 15 year programme running from 2011 to 2026. Thanet District Council and Kent County Council have several aims for the programme, as follows:

- Increase the number of family homes
- Improve living and housing standards
- Encourage investment and owner occupation

1.3 The property proposed for purchase is situated in Edgar Road, Cliftonville. It is currently a licensed house in multiple occupation, in reasonable condition.

1.4 The property can be purchased with the remaining Live Margate funding with the additional costs for professional fees and works to convert the building into family homes, included within the Housing Revenue Account Capital Programme, once the costs are detailed.

2.0 The Current Situation

- 2.1 The Live Margate project is currently in its 12th year and to date we have successfully purchased and refurbished 9 properties creating 33 units of affordable housing within the Housing Revenue Account.
- 2.2 The long term goals of the programme to regenerate Margate Central and Cliftonville West was also to:
- Stabilise the community by stemming resident churn rate and significantly increase the segment of non-transient population.
 - Deliver a self sustaining and vibrant community in the Special Intervention Area attractive to investors
 - Reduce the concentration of disadvantaged people living in the Special Intervention Area.
 - Reduce worklessness and benefit dependency amongst locals
 - Reduce crime and anti-social behaviour.
 - Reduce the burden on public services
 - Drive efficient Inter-Agency working through implementing best practice.
 - Help to tackle mental and physical health issues of residents, bringing the life expectancy back towards Kent average.
- 2.3 All projects undertaken by the Housing Strategy and Projects Team are currently complete in the Live Margate area, and for the past couple of years the team have been negotiating with various owners of properties to purchase our next project. Due to the increase in the market values of properties within the area this has not been possible.
- 2.4 The property in its current form is one unit, with approximately 20 ensuite rooms with shared kitchens and bathrooms. It is a licensed House in Multiple Occupation. All compliance and repairs are up to date. The property has been valued and the owner has agreed an offer, subject to contract, within the valuation.
- 2.5 The current owners have already started the process of moving out, they have purchased a number of units across Thanet, and have confirmed the property will be empty by 31st March 2023.
- 2.6 If approved, the conversion project will take between 12 and 18 months to develop and for works to start on site. During this time, the building has the potential to be occupied, as a house in multiple Occupation to assist with the needs of homeless people.

3.0 Options

- 3.1 We propose to purchase the property for conversion into self-contained flats, replicating our other Live Margate developments, such as Ethelbert Crescent and Sweyn Road. This would result in a minimum of 14 flats, potentially all 2 beds however this is to be agreed, and is subject to planning approval. There is a 'no one bed' planning policy within this ward. This is consistent with the aims of the Live

Margate Programme to purchase bedsits flats within the intervention area and convert them to self contained homes.

- 3.2 We propose to fund the purchase using remaining Live Margate funds.
- 3.3 Alternatively Cabinet could decide not to purchase the building. Securing an alternative building within Cliftonville is likely to be difficult, so not proceeding with this might mean that the remaining £1.6m in the Live Margate programme would need to be reallocated to other housing projects.

Contact Officer: *Ashley Jackson (Housing Strategy and Projects Manager)*

Reporting to: *Bob Porter (Acting Corporate Director of Place)*

Corporate Consultation

Finance: *Chris Blundell (Acting Deputy Chief Executive)*

Legal: *Sameera Khan (Interim Head of Legal & Monitoring Officer)*