

HOUSING SERVICES PORTFOLIO HOLDER DECISION – 18 SEPTEMBER 2019

PROPOSED PURCHASE OF BLEASE COURT, 54 GOSPORT STREET, LYMINGTON. SO41 9BE

1. INTRODUCTION

- 1.1 This report seeks the approval of the Housing Services Portfolio Holder to acquire the freehold interest in Blease Court, Lymington as part of the Council's Temporary Accommodation initiative. The acquisition cost is set out in confidential Appendix 1.

2. BACKGROUND

- 2.1 Situated on the corner of Cannon Street and Gosport Street, this long-term empty property previously served as a supported housing scheme and incorporates seven small self-contained flats, plus a ground floor office, meeting room and small laundry room. The curtilage is shown coloured red on the attached Plan 1 and is bounded on two sides by Jewsons Builders Merchant.
- 2.2 Originally built by the Lymington Churches Housing Project in 1994 to serve young homeless unmarried people between the ages of 16 and 27, the scheme subsequently passed into the hands of Hyde Housing Association who then sold the property to Family Mosaic Housing Association in 2014. Family Mosaic merged with the current owner (Peabody Group) in 2018.
- 2.3 Peabody have agreed a sale to New Forest District Council based upon the properties existing-use-value for social rented housing.
- 2.4 An external RICS building survey has reported that the property is in fair condition for its age and type, however it is in poor cosmetic order. Some general building works are recommended with the internal accommodation requiring extensive modernisation and redecoration. Nonetheless due to the nature of Blease Court and its location, coupled with a low purchase price – relative to the cost of acquiring any other similarly sized, suitable and available privately-owned property in Lymington - makes this an ideal acquisition which will serve as a key part of the council's temporary accommodation strategy.

3. FINANCIAL AND DEVELOPMENT CONSIDERATIONS

- 3.1 Detailed cost estimates have not yet been obtained for the necessary building and modernisation works, however the purchase price – that reflects the existing social housing use value and the condition of the property – is well within the value range indicated for the property by the council's own external RICS valuer.
- 3.2 Overall financial conclusions for the proposed scheme taking the purchase price and broad estimates for all building works and modernisation into account, have been supported by the council's CFO and accord with acceptable parameters that underpin the Housing Strategy objective to deliver at least 600 affordable homes by 2026.

4. CONCLUSIONS

- 4.1 Given the current drive to identify and provide suitable homes for temporary accommodation across the District, the opportunity and timing to purchase Blease Court is ideal - an acquisition that will not only provide urgently needed homes to serve the Lymington area, but will see Blease Court preserved as an affordable housing scheme and see seven long-term empty homes brought back into use. It is hard to

imagine how a more suitable and affordable property could have been located in Lymington for this purpose.

- 4.2 Once acquired and improved Blease Court will form part of the growing network of similar council owned and managed schemes across the New Forest District. Quality homes that will provide urgently needed alternatives to bed and breakfast accommodation, and the undesirable social and financial consequences that are associated with that approach.

5. FINANCIAL IMPLICATIONS

- 5.1 In December 2018 the council's new Housing Strategy was adopted, including the aims to deliver at least 600 new affordable homes for rent and shared-ownership by 2026; to increase the provision of temporary accommodation, and to minimise the use of bed and Breakfast.
- 5.2 As stated in the Housing Strategy the ambitious delivery objectives were informed and underpinned through carefully considered financial modelling – modelling that took account of existing HRA reserves, newly enhanced abilities for prudential borrowing to finance new-build affordable housing development, and the additional net income stream that new development would generate.
- 5.3 The cost of this property and its subsequent improvement will be met within the approved 'Strategy Delivery' capital budget and is within the parameters as set out within the approved Housing Strategy. The confidential Appendix 1 is not for publication by virtue of paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part 1 of Schedule 12A of the Local Government Act 1972, and that the public interest in maintaining the exemption outweighs the public interest in disclosing it.

6. CRIME & DISORDER IMPLICATIONS

- 6.1 None.

7. ENVIRONMENTAL IMPLICATIONS

- 7.1 None.

8. EQUALITY & DIVERSITY IMPLICATIONS

- 8.1 None.

9. RECOMMENDATION

- 9.1 That the Council acquires the freehold interest in Blease Court, Lymington and progresses the necessary modernisation and improvement works as quickly as possible.

10. PORTFOLIO HOLDER ENDORSEMENT

I have agreed to the recommendations in this report and the Confidential Appendix 1.

Sign: Cllr J Cleary

Date: 18/09/2019

Date on which notice of this decision - 19 September 2019

Last date for call in - 26 September 2019

For further information contact:

Grainne O'Rourke
Executive Head of Governance &
Regulation
023 8028 5588
grainne.orourke@nfdc.gov.uk

Background Papers:

Housing Strategy (December 2018)
Homelessness and Rough Sleeping
Strategy (April 2019)