



Derby City Council

**URBAN RENEWAL CABINET MEMBER
MEETING
29 July 2016**

ITEM 5

Report of the Strategic Director of Communities
and Place

Acquisition and adaptation of a 2 bedroom bungalow in Littleover

SUMMARY

- 1.1 This report proposes the purchase of a 2 bedroom detached bungalow for a client (RP) with complex care needs.
- 1.2 After purchase, the property will undergo a programme of works to adapt it for the specific care needs of RP.

RECOMMENDATION

- 2.1 To authorise the Head of Strategic Asset Management and Estates to instruct the professional services to proceed with the purchase at the agreed price of £155,000.
- 2.2 To approve the subsequent alterations, up to a value not to exceed £25,000, required to the property.

REASONS FOR RECOMMENDATION

- 3.1 There are no properties within Council stock that are, or would be after alteration, suitable to accommodate RP and her care needs.
- 3.2 RP is living in a hospital setting which is no longer appropriate for her and is detrimental to her on going care, well-being and development

SUPPORTING INFORMATION

- 4.1 RP is currently in an out of city hospital placement, although her family live in Derby, and has a very high level of care needs. This setting has been identified as no longer appropriate but there is no suitable accommodation available for her to be discharged to.
- 4.2 Under the recommendations of the Department of Health report "Transforming Care: A national response to Winterbourne View Hospital" and "Winterbourne View – Time for Change" by the Transforming Care and Commissioning Steering Group there is a requirement for Derby City Council to provide suitable accommodation for RP to allow her discharge.

4.3 RPs housing needs are outlined as follows:

- A detached bungalow
- Facilities for sleep in care to include a bedroom and separate toilet facilities
- Open plan preferred
- Provision for commercial washer/dryer
- Private rear garden with no/minimal overlooking
- Space to accommodate support staff but a large property would be too disorientating for RP
- Only within certain geographic areas of Derby for compelling social reasons

There are no properties within existing stock that are, or would be after alteration, suitable to accommodate RP and her care needs.

4.4 In conjunction with all agencies working with RP, the open market has been monitored over the past 12 months to identify a suitable property to purchase and alter. Where properties have been identified as suitable they have been sold to private purchasers, withdrawn from the market or vendors have chosen to convert to market rent instead, resulting in a substantial delay to RPs discharge.

4.5 This bungalow has been identified on the open market by Strategic Housing, Specialist Services, Derby Homes and NHS as being suitable for RP subject to the following main alterations being carried out:

- Remove shower cubicle from bathroom and replace with a bath;
- Alter/Remove/Replace garden fence, gravel, slabs and raised timber decking to rear to maintain privacy and safety;
- Renew existing driveway and provide fence and access gate to side of property to secure rear garden
- Alter kitchen to accommodate a fridge freezer and commercial washer/dryer
- Alter 2nd bedroom to provide a 2nd WC to property
- Carry out general repair and improvement works to property as required.

4.6 The cost of the alteration has been estimated, in conjunction with Derby Homes who will procure the work, at approximately £25,000 which includes a contingency. Where the alterations are subject to Building Regulations compliance that role will be undertaken by Derby City Council Building Consultancy service and their fee is included within the figure shown

4.7 A valuation has been undertaken by Strategic Asset Management and Estates and the property was valued at £147,500. There is an accepted bracket of 5% to residential valuations and when applied the value increases to £154,875. The vendors have agreed a price of £155,000 which is within an acceptable variation.

4.8 The property is within close proximity to a bungalow already purchased for another individual with complex care needs. This proximity offers the ability for support staff to work more effectively between the properties and provide rapid emergency support if required allowing wider options to manage the risk strategy for both client and support staff

OTHER OPTIONS CONSIDERED

- 5.1 For RP to move into an existing council owned property – RP needs a detached bungalow with sufficient space for up to 2/3 carers at a time, carer sleep in space and privacy. The council do not own any properties that fulfil the criteria needed.
- 5.2 To identify a site and design and build an individual bungalow for RP. No suitable sites were available within the correct geographic location that would fulfil the housing needs of RP. The procurement, design, planning and construction periods would result in RP remaining in unsuitable accommodation for a longer period of time.
- 5.3 For RP to move into privately rented accommodation. Due to the specific criteria required by RP there are limited privately rented properties that may be suitable. A council property will offer her a secure tenancy which he would not get in the private market. This would be very disruptive to her if she were served notice to quit by a landlord and would be detrimental to her health and well-being
- 5.4 To do nothing and for RP to remain in her current placement – Under the recommendations of the Department of Health report “Transforming Care: A national response to Winterbourne View Hospital” and “Winterbourne View – Time for Change” by the Transforming care and Commissioning Steering Group there is a requirement for local authorities to provide suitable accommodation for vulnerable adults currently living inappropriately in hospitals. It has been identified that RPs current placement is no longer appropriate for her. This option has been discounted.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Olu Idowu Mazer Hussain Liz Moore Jane Sowerby Warrington Ian Fullagar
For more information contact: Background papers: List of appendices:	Karen Brierley 01332 640318 Karen.brierley@derby.gov.uk None Appendix 1 – Implications

IMPLICATIONS

Financial and Value for Money

- 1.1 A valuation has been carried out and the purchase price is in accordance with acceptable variables to the valuation.
- 1.2 The acquisition costs including stamp duty, legal and valuation fees and the costs of alterations to the property will cost no more than £186,150 in total and will be funded from the existing HRA budget for new build and acquisition.
- 1.3 An internal financial appraisal has been conducted in order to assess the scheme's viability from the Council's perspective. For the development to break even on a cumulative revenue basis by year 40 based over a 50 year debt repayment period it requires RTB receipts of 30% of the development costs to be applied and a 30k contribution from the HRA.
- 1.4 If RTB is exercised this will change the financial appraisal of the development.
- 1.5 We are now required to pay a higher rate of Stamp Duty on acquisitions since the changes to SDLT rates introduced in April 2016.

Legal

- 2.1 The property will be subject to the usual due diligence throughout the Conveyance.
- 2.2 The report does not identify whether or not, as a specifically adapted property, it is proposed or intended to have the property formally designated as exempt from the provisions of the right to buy. It is recommended that consideration should be given to this issue to provide clarity for the user at the point of access to the property

Personnel

- 3.1 None directly arising from this report.

IT

- 4.1 None directly arising from this report.

Equalities Impact

- 5.1 The acquisition and alterations to the property will provide RP with non institutional accommodation with greater access to her family and the ability to develop independence and social skills within a suitable environment.

Health and Safety

- 6.1 None directly arising from this report.

Environmental Sustainability

7.1 None directly arising from this report.

Property and Asset Management

8.1 The acquisition will bring a property type of high demand within the Council stock.

Risk Management

9.1 None directly arising from this report.

Corporate objectives and priorities for change

- 10.1 This acquisition promotes the Council's strategic priorities including:
- Protecting vulnerable children, young people, adults and older people
 - Enabling individuals and communities
 - Improving housing, supporting job creation and regenerating the city
 - Delivering our services differently