

To: City Executive Board
Date: 16 Oct 2017
Report of: Head of Housing Services
Title of Report: Lucy Faithfull House

Summary and recommendations	
Purpose of report:	The report seeks approval to demolish Lucy Faithfull House and to agree that officers investigate the viability of making the site available to the Council's housing company (OCHL) for development.
Key decision:	Yes
Executive Board Member:	Councillor Mike Rowley, Housing Councillor Ed Turner, Finance and Asset Management
Corporate Priority:	Meeting housing needs An efficient and effective Council
Policy Framework:	None.
Recommendation(s): That the City Executive Board resolves to:	
<ol style="list-style-type: none"> 1. Approve the demolition of Lucy Faithfull House. 2. Authorise officers to investigate the viability of undertaking the development of the site as outlined below with Oxford City Housing Limited (OCHL) as part of its overall development programme. 	

Appendices	
Appendix 1	Risk Register
Appendix 2	Initial Equalities Impact Assessment

Introduction and background

1. Lucy Faithfull House was a homeless hostel constructed on land leased by the Council in 1976, on a 99 year lease.
2. The building comprises of 61 beds, but is poorly configured for modern uses with small single bedrooms, shared bathrooms and kitchens, poor energy efficiency and a large and complicated internal layout. It is also in a poor state of repair.
3. In recent years, the property was operated by English Churches Housing Association, which was then brought into the Riverside Housing Group. In 2010/11, the housing management of the building was still operated by Riverside, but the County Council funded Two Saints Housing Association to provide support services. This funding ceased in Feb 2016 and the hostel decommissioned, as the County re-provided these bed spaces in a dispersed model, with different service providers. Since that time, some of the rooms in the building have been used for short term housing, for working people, under a guardianship model operated by a guardianship/ security company.
4. The full property interest was acquired in August 2017 by the City Council, as freeholder, for £450,000 to reflect the unexpired term of the lease.

Proposal

5. It has not been possible to identify a potential use for the current building that could attract sufficient revenue funding, offer value for money in terms of refurbishment and fully utilise the potential of this sizeable city centre site.
6. On 19th September 2017, the City Executive Board approved the draft Housing and Homelessness Strategy 2018-21 for consultation. Within this, the Council's strategy for rough sleeping and single homelessness is set out. This is based around early intervention and prevention approaches; ensuring suitable accommodation and support for people in housing crisis; and assistance to move-on. This includes a commissioning strategy that recognises the importance of collaborative partnership working, and includes the following:
 - Provision of an assertive outreach service to provide improved prevention, diversion and reconnection work (No First Night Out), with a rapid assessment focus (No Second Night Out) & personalised services (No Living on the Streets)
 - Ensuring a sufficient and appropriate mix of supported accommodation, with appropriate levels of support to match needs
 - Ensuring the provision of an effective pathway of accommodation and specialist housing (including the 'Housing First' model) to help people move on from hostels to permanent settled housing
 - Reducing evictions from supported housing, especially through more work with partners, including mental health services (No Return to the Streets)
 - Working in partnership to support clients to progress through the adult homeless pathway and to maintain settled accommodation with wrap around services, including training and employment initiatives, and effective floating support provision.

7. At the same meeting, the City Executive Board also agreed to recommission new homelessness support services from A2 Dominion, with a new hostel on an alternative site, with Simon House remaining partially open to provide temporary accommodation for homelessness clients for whom the City Council has responsibility, and to fund some additional complex needs provision with the Acacia project.
8. These additional services, in addition to those jointly commissioned between the County Council, Oxfordshire District Councils and the Clinical Commissioning Group; and those services already identified for direct funding by the City Council, are expected to meet the expected needs of Oxford City connected clients going forward, with over 150 bed spaces available in the pathway.
9. As such the Lucy Faithfull House site is not required for hostel provision and the recommended course of action is to undertake a demolition of the building and take the site forward for residential development. Due to competing pressures for the borrowing headroom in the Housing Revenue Account (HRA) to deliver priority regeneration schemes and the continued uncertainty over the impact of Government policy with respect to rent reduction and high value void levy and the ensuing negative impact on the HRA business plan it is considered the best option for the site is for it to be transferred to the Council's housing company to develop alongside the other schemes it is currently taking forward.
10. Some feasibility work has taken place on the site and it is believed that a development of between 40 and 50 apartments may be achievable subject to Planning. The Council would require the company to provide 50% of these homes as affordable housing.
11. Discussions will be held with OCHL to understand both the financial viability of the scheme and implications for the Company's existing development programme. On the assumption that OCHL agree the scheme in principal for inclusion in its development programme they will need to seek funding approval from the Shareholder group and a further report will be made to City Executive Board to outline the loan and associated capital and revenue implications for the Council.

Financial implications

12. The property has been acquired by the Council for the sum of £450,000 and demolition costs are estimated to be circa £300k against a budgetary provision in the Council's General Fund capital programme of £1 million.
13. Any loan provided would be state aid compliant and would be in line with previous loans offered to the housing company which generate a surplus in the General Fund for the Council.

Legal issues

14. There are no additional legal implications arising from this report.

Level of risk

15. Please see Appendix 1.

Equalities impact

16. Please see Appendix 2.

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Background Papers: None