

CABINET – 14 OCTOBER 2009

DECISION UNDER SECTION A.2 OF THE SCHEME OF DELEGATION TO OFFICERS – LEASE OF 84-86 SUSSEX ST TO THE UNIVERSITY OF WINCHESTER

REPORT OF HEAD OF LANDLORD SERVICES

Contact Officer: Richard Botham Tel No: 01962 848421

RECENT REFERENCES:

None

EXECUTIVE SUMMARY:

Under the Council Constitution, decisions made under Section A.2 of the Scheme of Delegation to Officers (use of Chief Executive's emergency delegated powers) should be reported to Cabinet or the appropriate Committee as soon as practicable after the decision was taken.

Following consultation with the Leader and the Chairman of Principal Scrutiny Committee, the Corporate Director (Governance) acting in the absence of the Chief Executive, authorised the lease of 84-86 Sussex St to the University of Winchester for a 44 week period with effect from 21 September 2009 for the reasons set out in the attached note.

Special Consent from the Secretary of State was required for the disposal (even though it was at a market rent) as the property is held within the Housing Revenue Account. This was received the day after the request was submitted which enabled the proposal to proceed.

RECOMMENDATIONS:

That the decision made under Section A.2 of the Scheme of Delegation to Officers, as detailed in the appendix, be noted

Appendix 1 - Decision under A.2 of the Scheme of Delegation to Officers

Appendix 2 - Lease Valuation - Exempt

Decision under A.2 of the Scheme of Delegation to Officers

Date 14 September 2009

Proposed Lease of 84-86 Sussex Street to the University of Winchester

Introduction

This paper outlines the background to the recommendation to lease the vacant Sussex Street hostel to the University for the next academic term.

Recommended

That the City Council agree the lease of 84-86 Sussex Street for a 44 week period with effect from 21 September 2009 to the University of Winchester, for a total sum as detailed in the exempt appendix.

That the Chief Executive use his emergency powers to authorise the above recommendation, recognising the urgent need of the University to secure student accommodation ahead of the commencement of the academic term.

Background

In recent months, the Council has seen a significant fall in demand for hostel accommodation, partly as a result of the impact of choice based lettings (hostel licensees have been successful in bidding for permanent accommodation) and as a result of the effectiveness of homeless prevention work by the Council and its partners.

This has resulted in one hostel (84-86 Sussex St) becoming surplus to immediate requirements. With income well below targets (which were based on near to full occupancy), the Council needs to give consideration to the future use of the building and will be discussing options for making best use of the asset with our housing partners in accordance with the Council's Housing Strategy. However, based on current demand, we clearly have an overprovision and run a very real risk of the units at Sussex St remaining empty for the foreseeable future.

In the last week, the Council has been approached by the University of Winchester, who are facing a major accommodation crisis with significant oversubscription from new students for accommodation in the city. In writing to students to explain the problem, the university said:

"The University of Winchester has this year received an unprecedented number of applicants for accommodation. We have not increased the number of students starting at University in this academic year from the last and we also increased the number of bed spaces available to 1st year students by 40 spaces. Despite these factors we still have a shortfall in accommodation. One of the other factors causing this is a reduction in the number of students withdrawing from their place between the date of the A levels and today. This is due to a national shortage in University places and the national economic situation which is impacting on available jobs."

They have viewed the units at Sussex St and have now made a formal request to lease the building at a market rent as detailed in the exempt appendix for the next 44 week academic term (by which time their current building programme should catch up with student demand). This would more than cover the lost rent to the HRA for the same period.

This request provides the Council with an opportunity to make good use of an asset in the short term, cover lost income from the reducing demand as well as providing reasonable time to complete a detailed review of options for the future use of the building. It also provides much needed assistance to a partner organisation.

The Sussex Street hostel is an old building, partly below ground, which is both expensive and difficult to maintain to a satisfactory standard; and the building contains many internal stairs which makes it difficult for disabled service-users as well as parents with babies/toddlers. The Council's other hostel facilities at Lent Hill Court, Stanmore and Brittany House in Wickham are more modern and more easily accessible buildings which will provide the Council with 14 units of temporary accommodation to meet the foreseeable demand.

Consultation

This proposal has been subject to consultation with Cllr George Beckett (leader), Cllr Coates as the Portfolio Holder for Housing, Cllr Chamberlain as Chair of the Principal Scrutiny Committee and with Cllr Learney, all of whom have expressed their support. A further note on the proposal has been circulated to members of the Principal Scrutiny Committee and the Social Issues Scrutiny Panel as well as ward members, requesting comments and feedback by today's date. One representation has been made, raising concerns about current high demand on the city's Nightshelter and problems they have in supporting users to move on to suitable accommodation. However, the Nightshelter works with a number of agencies to find suitable supported accommodation for its users and it would be rare for this to result in a placement in one of the Council's hostel units. The remaining units at other hostels will be sufficient to meet this demand in the foreseeable future. Andrew Palmer, Head of Strategic Housing will be responding directly to this representation with further information on this issue. No other objections or comments have been received.

Decision

I confirm my agreement to use the powers in the Scheme of Delegation to Officers in the Constitution (paragraph A.2) and subject to special consent from the Secretary of State authorise the grant of a lease of 84-86 Sussex St for a 44 week period with effect from 21 September 2009 to the University of Winchester, for a total sum as detailed in the exempt appendix.

Signed
Stephen Whetnall

Stephen Whetnall
Corporate Director (Governance) acting in the absence of the Chief Executive
14 September 2009