



LEADERS DECISION RECORD

Service Reference Number	MR-014-2025
Decision Maker The Leader	
<p>Delegated Authority</p> <p>The Leader exercising delegated powers pursuant to s.3 Part A of the Council's constitution in conjunction with:</p> <ol style="list-style-type: none"> Executive Minute from the Housing Growth Plan report to Cabinet on 27 January 2025: <i>'Delegated authority is granted to the Assistant Director of Neighbourhoods and Housing, in consultation with Portfolio Holder for Housing and Regeneration, to acquire s.106 homes, new build turnkey opportunities or other land-led opportunities or existing properties – either through RTB buyback process or those generally available on the market, including properties to be used by the Council for providing temporary accommodation – subject to viability and within the agreed five-year HRA Capital Programme.'</i> Executive Minute from the Temporary Accommodation Acquisitions Programme report to Cabinet on 23 September 2024: <i>'To provide in principle approval for investment in the purchase of suitable properties on the open market which may be utilised to assist the Council to meet its duties to provide temporary housing, subject to either a clear business case being established for so doing within the quarterly Capital Programme meetings or applying grant funds.'</i> 	
<p>Decision:</p> <p>That the Assistant Director (Housing and Neighbourhoods) be authorised to purchase the 'Trees B&B' (132 Sunny Bank, Hull, HU3 1LE) and the adjacent 4-bedroom house (134 Sunny Bank, Hull, HU3 1LE) for the purpose of the provision of temporary housing to those who are priority homeless through HRA funds.</p> <p>To authorise the Assistant Director (Housing and Neighbourhoods) in consultation with the Assistant Director of Legal Services & Partnerships to procure a works contract to deliver the development and refurbishment of the 'Trees B&B' into individual units of accommodation, either through the Council's contract with Kingstown Works Limited, or should capacity not enable this, through an appropriate Framework Contract utilising a grant funding contribution of £235,920 and Right to Buy receipts.</p>	

Reasons for the Decision:

The Council faces significant challenges in providing adequate housing for individuals and families to whom it owes statutory homelessness duties, compounded by nationwide housing emergencies.

Recent trends have led to an increased reliance on Bed and Breakfast and hotel accommodation, resulting in substantial budget overspend experienced by the Council, similar to issues faced by local authorities across the country.

There is an urgent need to establish a long-term strategic response to meet the Council's housing obligations in a planned and sustainable manner. This includes the statutory duty to reduce reliance on placing families with children in Bed and Breakfast and hotel accommodation for extended periods.

While the Council has previously relied on grant funding to lease accommodations, there is a pressing need to transition away from this leasing model. By acquiring properties, the Council can grow its portfolio of Council-owned temporary accommodation, thereby allowing for self-contained units to be offered to families in a cost-neutral manner.

Acquiring The Trees B&B and the adjacent 4-bedroom house allows the Council to address immediate temporary accommodation needs effectively while also aligning with long-term strategic goals.

Commissioning the required works to the property will support the Council to meet its obligations to people who are in priority homeless need while also adding properties to the Housing Revenue Account to provide for longer term accommodation needs in the city.

Nature of Decision:**Key****Exemptions**

Is the accompanying formal report (or other documentation where applicable) exempt? **Yes**

Reason the report (or other documentation) is exempt:

It contains information relating to the financial or business affairs of any particular person (including the authority holding that information)

Background and Supporting Information:

Full formal report submitted.

Equalities Impact Information:

Does the decision have relevance to equality or affect any group with protected characteristics?

<p>The decision to acquire The Trees B&B and the adjacent 4-bedroom house has significant relevance to equality and will positively affect various groups with protected characteristics, as outlined in the Equality Act 2010. The Council's commitment to providing adequate temporary accommodation directly addresses the needs of vulnerable populations, including families with children, individuals with disabilities, and those experiencing homelessness.</p> <p>By transforming these properties into self-contained units, the Council aims to provide a higher standard of accommodation, which is essential for families and individuals who may otherwise experience the negative impacts associated with temporary placements in shared facilities. This initiative will particularly benefit families with children, as it reduces the reliance on Bed and Breakfast accommodations, which often lack adequate facilities and privacy. Providing self-contained units will promote dignity and stability for these residents, ensuring they have access to safe and suitable housing. By increasing the availability of self-contained temporary accommodation, the Council is taking proactive steps to ensure that all residents, regardless of their background, have equitable access to housing resources. This approach is crucial in addressing the housing needs of marginalised groups who often face systemic barriers in accessing suitable accommodation.</p>	<p>YES</p>
<p>Contact Officer: Luke Fairburn, Strategy & Appraisals Manager, 612404</p>	
<p>Chief Officer Comments</p> <p><u>Comments of the Director of Legal Services and Partnerships (Monitoring Officer)</u></p> <p>The proposal to purchase and refurbish the identified properties to address the need for both temporary housing and add capacity to the Housing Revenue Account properties is noted. The business case for utilisation of Housing Revenue Account funds supported by additional funding from Government Grant, or in the alternative Council House sales appears to be compliant with the legal requirements in relation to the use of Housing Revenue Account and Council House sales requirements. [IA]</p> <p><u>Comments of the Director of Finance and Transformation (Section 151 Officer)</u></p> <p>The Director of Finance and Transformation supports the acquisition of these properties and the subsequent conversion into 10 self-contained units, which will both add to HRA stock and also allow significant savings to be made on the temporary accommodations budget within the general fund - these have been estimated at around £200,000 per annum.</p> <p>A bid to the local authority housing fund has been successfully submitted for the adjacent 4 bedroom house for £236k meaning the net cost to the HRA is estimated at around £130k. Subsequent sale of the property should it no longer be required by the HRA should more than realise this gap. GS</p>	

Comments of the Assistant Director of Organisation Development & Human Resources

The Assistant Director of OD and HR notes this decision. The decision will positively affect various groups with protected characteristics, as outlined in the Equality Act 2010. (SH)

Comments of the Portfolio Holder for Regeneration and Housing

I support this initiative which will assist the Council to address the need for both short term temporary housing in the city and longer term provide much needed additional properties within the Housing Revenue Account.

Scrutiny Comments

This decision was considered by the Communities Overview and Scrutiny Commission at its meeting held on Thursday 13th March 2025. The Commission supported Option 1 as outlined within the report. Ref: Sc8567 [MK].

Exceptional Circumstances

The urgency of this acquisition is primarily driven by upcoming changes to stamp duty rules and capital gains tax, which will significantly increase costs for the seller if the sale is not completed by the end of March. This situation creates pressure for a swift completion, as the seller has explicitly indicated that failure to finalise the sale could lead to her withdrawing from the deal.

The situation necessitates an exception to the normal process, as acquiring The Trees B&B presents a strong business case. Having relied on this property for over 15 years as a source of temporary accommodation, acquiring it would yield direct savings of £104k annually solely from B&B costs. However, if we do not act quickly, the risk of losing this opportunity increases due to the sellers financial concerns and the competitive nature of the current market, where other buyers are also interested.

Thus, we must move quickly to secure this acquisition, which will have a positive impact on the general fund by saving money and addressing our urgent temporary accommodation needs.

Is the decision record currently exempt from publication at the point of decision?	No
If yes, what date can the decision record be made public?	
Reason the decision record is exempt from publication at the point of decision:	

Signature of Decision Maker:	
Signed: Signature confirmed	
Date signed: 17.3.25	
FOR COMPLETION BY THE SCRUTINY OFFICE:	
Date published on CMIS:	18/03/2025
Can the decision be called in?	Yes
Date decision comes into force:	26/03/2025