

CONFIDENTIAL

Approval of funding from Brownfield Housing Fund Rounds 2 and 3

This confidential Appendix a contains information of the type defined in paragraph 3 of Part 1 of Schedule 12A Local Government Act 1972 (as amended) as it contains information relating to the financial and business affairs of the Council and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information

1.0 Neville House, Gargrave, Skipton

- 1.1 This site is a former Elderly Persons Home (EPH), which was previously run by Health and Adult Services. The EPH was closed in 2023 and has remained empty since then. The site also has a pair of semi-detached houses, which were previously used for training purposes and are also currently empty.
- 1.2 The proposal is for the current structures on the site to be demolished, and replaced with a scheme of 16 affordable homes, which will be a mix of 10 homes for social rent and 6 for shared ownership. These properties will go into the Housing Revenue Account. The mix of property types will consist of 4 x 1 bedroom flats, 3 x 2 bedroom bungalows, 7 x 2 bedroom houses and 2 x 3 bedroom houses
- 1.3 Financial Implications: The total project cost is as follows.

| | |
|----------------------------------|-------------------|
| Acquisition | £595,000 |
| Capital works | £2,654,200 |
| Demolition | £400,000 |
| Fees | £144,084 |
| Contingency @ 10% of build costs | £265,420 |
| Total Costs | £4,058,704 |

- 1.4 The project will be funded through a mix of borrowing, Brownfield Housing Grant, Homes England Grant, Shared Ownership receipts and Capital Receipts. The Brownfield Housing Grant amounts to £224,000 and is based on an agreed intervention rate of £14,000 per property for Round 2 applications. The funding mix is set out as follows:

| | |
|-------------------------------|-------------------|
| Borrowing | £1,144,704 |
| Brownfield Housing Fund Grant | £224,000 |
| Homes England Grant | £1,520,000 |
| Shared ownership receipts | £680,000 |
| Capital Receipts | £490,000 |
| Total Funding | £4,058,704 |

1.5 Performance Output

| | Output | Benchmark | Pass/Fail |
|-------------------------------|-----------|-----------|-----------|
| 40 Year Net Present Value (£) | £2,728.10 | 0 | PASS |
| Payback Year | 39 | 40 | PASS |
| 40 Year IRR% | 6.31% | 6.29 % | PASS |

2.0 Temporary Accommodation, Scarborough Town

2.1 These are 3 properties that are owned by the Council, which are currently empty. There are 2 properties on West Square (3 and 6), which were formerly leased out to tenants as Guest House accommodation. The former tenants moved out of these properties a number of years ago and they have remained empty since. The Hanover Road property consists of a former retail unit on the ground floor and former residential accommodation above. There is separate access to the residential accommodation.

2.2 The proposal is to convert the properties into self-contained temporary accommodation for homeless households. This will consist of 5 x 1 bedroom flats and 3 x 2 bedroom flats. As temporary accommodation, the properties will go into the General Fund.

2.3 Financial Implications: The total project cost is as follows.

| | |
|----------------------------------|-------------------|
| Capital works | £925,000 |
| Fees (@ 20%) | £185,000 |
| Contingency @ 10% of build costs | £92,500 |
| Total Costs | £1,202,500 |

2.4 The project will be funded through a mix of Borrowing, Brownfield Housing Grant and Capital Receipts. The Brownfield Housing Grant amounts to £200,000 and is based on an agreed intervention rate of £25,000 per property for Round 3 applications. The funding mix is set out as follows:

| | |
|-------------------------------|-------------------|
| Borrowing | £405,000 |
| Brownfield Housing Fund Grant | £200,000 |
| Capital Receipts | £597,000 |
| Total Funding | £1,202,500 |

2.5 Performance Output

| | Output | Benchmark | Pass/Fail |
|-------------------------------|---------|-----------|-----------|
| 40 Year Net Present Value (£) | £162.50 | 0 | PASS |
| Payback Year | 38 | 40 | PASS |
| 40 Year IRR% | 6.10% | 6.10% | PASS |

3.0 Former HMO conversion, Scarborough:

- 3.1 The property is a former House in Multiple Occupation (HMO), which the Council acquired in October 2024 for use as temporary accommodation for homeless households. The building had been previously used by the Council for placing people in temporary accommodation. The Council acquired the ownership to ensure that we could retain the building for this purpose, with the intention of undertaking a programme of improvements to bring the building up to our required standards.
- 3.2 Approval to acquire the building and undertake a programme of works was granted by the Assistant Director for Property, Commercial and Procurement in August 2024 at a total project cost of £487,000
- 3.3 The proposal is for the building to be completely refurbished and the layout to change from previously providing shared accommodation to now providing 8 x 1 bedroom self-contained flats and 1 bedsit with shared facilities.
- 3.4 Financial Implications: The original estimate for the works costs was based on the assumption that the property would be refurbished to the minimum standards to enable it to be used as temporary accommodation on the same basis as previously. However, subsequent discussions with Housing Needs identified the need to change the layout to self-contained accommodation where possible, in order to improve the quality of the accommodation offer and minimise any potential management issues. In addition, a full range of surveys has been undertaken, which has identified that a more intensive range of works will be required to bring the building up to the required standard. The total project cost now amounts to £872,575
- 3.5 The total project cost includes acquisition of the building (this has already been expended), refurbishment costs, fees and a 10% contingency on the build costs. The breakdown of the costs is as follows.

| | |
|------------------------------------|-----------------|
| Purchase price of building | £230,000 |
| Capital works | £486,480 |
| Fees @15% of capital works | £107,469 |
| Contingency @ 10% of capital works | £48,646 |
| Total Costs | £872,575 |

- 3.6 The project will be funded through a mix of borrowing, Brownfield Housing Grant, Homelessness Grant and Capital Receipts. The Brownfield Housing Grant amounts to £225,000 and is based on an agreed intervention rate of £25,000 per property for Round 3 applications. The funding mix is set out as follows:

| | |
|-------------------------------|-----------------|
| Borrowing | £458,475 |
| Brownfield Housing Fund Grant | £225,000 |
| Homelessness Grant | £10,000 |
| Capital Receipts | £179,100 |
| Total Funding | £872,575 |

3.7 Performance Output

| | Output | Benchmark | Pass/Fail |
|-------------------------------|--------|-----------|-----------|
| 40 Year Net Present Value (£) | 69.40 | 0 | PASS |
| Payback Year | 40 | 40 | PASS |
| 40 Year IRR% | 6.60% | 6.60% | PASS |

4.0 St Marys Avenue, Hemingbrough

4.1 The property is currently a block of flats with 8 x 1 bedroom flats located in the village of Heminbrough, which is approximately 5 miles from Selby. The property was originally purchased by Children and Young Persons Service to be used as accommodation for children of unaccompanied asylum seekers. However, it was found to be not fit for that purpose, due to the flats being too small, and unviable to convert so agreement has been made by Property Services for the building to be used by Housing.

4.2 The proposal is for the current building to be demolished as the flats in the building are too small to meet the required standard. Internal conversion of the building was considered. However, this was not a feasible option, due to the nature and fabric of the building. The new building will provide 4 x 1 bedroom flats and 2 x 2 bedroom flats. The properties will go into the Housing Revenue Account and will be social rented flats.

4.3 Financial Implications: The total project cost is as follows.

| | |
|-----------------------------|-------------------|
| Capital costs | £845,000 |
| Demolition | £14,000 |
| Fees @ 20% of capital costs | £169,000 |
| Total Costs | £1,028,000 |

4.4 The project will be funded through a mix of borrowing, Brownfield Housing Grant, Homelessness Grant and Capital Receipts. The Brownfield Housing Grant amounts to £150,000 and is based on an agreed intervention rate of £25,000 per property for Round 3 applications. The funding mix is set out as follows:

| | |
|-------------------------------|-------------------|
| Borrowing | £200,220 |
| Brownfield Housing Fund Grant | £150,000 |
| Homes England Grant | £308,400 |
| Capital Receipts | £369,380 |
| Total Funding | £1,028,000 |

4.5 Performance Output

| | Output | Benchmark | Pass/Fail |
|-------------------------------|--------|-----------|-----------|
| 40 Year Net Present Value (£) | £33.95 | 0 | PASS |
| Payback Year | 37 | 40 | PASS |
| 40 Year IRR% | 6.10% | 6.10% | PASS |