

# Norfolk County Council

## Record of Cabinet Member decision

**Responsible Cabinet Member:**

The Cabinet Member for Commercial Services and Asset Management- Cllr Greg Peck

**Background and Purpose:**

**The Cabinet Member for Commercial Services and Asset Management is asked to approve the purchase of a house in King's Lynn area for use as Semi Independent Accommodation.**

At Policy & Resources Committee on 6 February 2017 there was agreement to allocate £5million capital funding to support the purchasing and renovation of properties that would enable Children's Services to improve the sufficiency of accommodation for 16 and 17-year olds, through having greater control over the quality of semi-independent accommodation and ensuring that young people within semi-independent accommodation are appropriately supported.

**Decision:**

**To approve the purchase of a house in King's Lynn area for use as Semi-Independent Accommodation**

<b>Is it a key decision?</b>	<b>No</b>
<b>Is it subject to call in?</b>	<b>Yes</b>
<b>If Yes – Deadline for Call in</b>	<b>4pm Thursday 19 September</b>

**Impact of the Decision:**

The purchase of this residential property will support the Norfolk Futures Strategy 2018 – 2021 and the "Safer Children & Resilient Families" work stream's focusing on placement choice and a commitment to secure better semi-independence for young care leavers.

**Evidence and reason for the decision:**

The proposed acquisition is in respect of a residential property in the King's Lynn area, the full address is included in an exempt report as is to remain confidential. It is a four-bedroom detached property, located north of King's Lynn.

The building immediately gave a positive impression from a service perspective, having been maintained and upgraded to a high standard, with large rooms and rear garden.

Before making our offers, we checked the local market to compare similar properties in the area to find out what they sold for. Assessment of comparables suggests that overall the proposed acquisition price appears to be an appropriate and justifiable figure in respect of this property.

Given the condition of the property, the scope of additional works needed for service use is relatively limited. The works required would largely be to meet statutory or service standards, such as fire doors and improved alarm systems. In general, the range of conversion works required for this property are much more limited than would usually be required to meet service needs.

A condition survey will be undertaken by Norse prior to exchange of, to identify any significant grounds for concern and as a lead in to programme of works expected.

**Alternative options considered and rejected:**

Several alternative properties were viewed and considered prior to this decision, however they were all discounted due to location, size or the condition of the property.

**Financial, Resource or other implications:**

The purchase price was negotiated and agreed at £313,000.

The County Council will be responsible for its own professional fees which are estimated to be approximately £30,000, including Stamp Duty Land Tax.

In addition, there will be the cost of furnishing and equipping to operate the property, this is estimated to £24,000

It is estimated (using examples from Zoopla website) for a property of this size the annual running cost will be £4500.

**Record of any conflict of interest:** N/A**Background Documents:**

Children's Services Committee, Semi-independent Accommodation & Support for 16–17-year-old Looked After Children, 22<sup>nd</sup> May 2018

Policy & Resources Committee Report - 6 February 2017	
<b>Date of Decision:</b>	<b>11 September 2019</b>
<b>Publication date of decision:</b>	<b>12 September 2019</b>
<b>Signed by Cabinet member:</b>  I confirm that I have made the decision set out above, for the reasons also set out  <b>Signed:       Greg Peck</b>  <b>Print name: Greg Peck</b>  <b>Date:           11 September 2019</b>	
<b>Accompanying Documents:</b> Report of the Executive Director of Finance and Commercial Services Exempt report setting out offer and address	

# Report to Cabinet Member

Item No.

<b>Report title:</b>	<b>Acquisition of House in King's Lynn area for Semi Independent Accommodation</b>
<b>Date of meeting:</b>	<b>Not applicable</b>
<b>Responsible Cabinet Member:</b>	<b>Cllr G Peck Cabinet Member for Commercial Services and Asset Management</b>
<b>Responsible Director:</b>	<b>Simon George Executive Director of Finance and Commercial Services</b>
<b>Is this a key decision?</b>	<b>No</b>
<p><b>Executive Summary/Introduction from Cabinet Member</b></p> <p>Childrens Services Committee have been allocated £5million capital funding which is to be used to secure up to 11 properties in geographical locations across the county, to improve sufficiency of accommodation for 16 and 17-year olds, through having greater control over the quality of semi-independent accommodation.</p> <p>As part of the project, a house in the King's Lynn area has been identified as a suitable property to purchase to meet the requirements of Childrens Services.</p> <p><b>Recommendations:</b>  <b>The Cabinet Member for Commercial Services and Asset Management is asked to approve the purchase.</b></p>	

## 1. Background and Purpose

- 1.1. At Policy & Resources Committee on 6 February 2017 there was agreement to allocate £5million capital funding to support the purchasing and renovation of properties that would enable Children's Services to improve the sufficiency of accommodation for 16 and 17-year olds, through having greater control over the quality of semi-independent accommodation and ensuring that young people within semi-independent accommodation are appropriately supported.
- 1.2 Childrens Services Committee on 22 May 2018 agreed that the allocated capital budget is used to secure properties in geographical locations across the county, through a mix of renovation of existing Norfolk County Council properties and the purchase of further properties.
- 1.3 A project team has been established, led by the Children's Services Service Development Manager (Placements & Sufficiency), working closely with the Corporate Property Team, and overseen by a recently established project group chaired by an Assistant Director in Children's Services. The team are focused on

bringing up to 11 additional semi-independent accommodation units to operational delivery.

## **2. Proposals**

- 2.1 The proposed acquisition is in respect of a residential property in the King's Lynn area, the full address is included in an exempt report as is to remain confidential. It is a four-bedroom detached property, located north of King's Lynn.
- 2.2 The house was identified after a search of potentially suitable houses with four or more bedrooms with two reception rooms in the King's Lynn area, to allow use by up to four young people. This search was based on criteria such as the location and layout of the properties in terms of their suitability for the service requirements, with a focus on their risk profile.
- 2.3 Given the condition of the property, the scope of additional works needed for service use was relatively limited. On the ground floor, there is a reception room which can be used as an office for staff if required; the first floor offers 4 bedrooms. The works required would largely be to meet statutory or service standards, such as fire doors and improved alarm systems. In general, the range of conversion works required for this property are much more limited than would usually be required to meet service needs.
- 2.4 Two Local Members have been consulted on this matter, one confirms they are supportive of the project, the other has made no comment.
- 2.5 A condition survey will be undertaken by Norse prior to exchange of contracts, to identify any significant grounds for concern and as a lead in to programme of works expected.

## **3. Impact of the Proposal**

- 3.1 The purchase of this residential property will support the Norfolk Futures Strategy 2018 – 2021 and the "Safer Children & Resilient Families" work stream's focusing on placement choice and a commitment to secure better semi-independence for young care leavers.

## **4. Evidence and Reasons for Decision**

- 4.1 Given the condition of the property, the scope of additional works needed for service use was relatively limited. On the ground floor, there is a reception room which can be used as an office for staff if required; the first floor offers 4 bedrooms. The works required would largely be to meet statutory or service standards, such as fire doors and improved alarm systems. In general, the range of conversion works required for this property are much more limited than would usually be required to meet service needs.

- 4.2 Before making our offers, we checked the local market to compare similar properties in the area to find out what they sold for. Assessment of comparables suggests that overall the proposed acquisition price appears to be an appropriate and justifiable figure in respect of this property.

## **5. Alternative Options**

- 5.1. Several alternative properties were viewed and considered prior to this decision, however they were all discounted due to location, size or the condition of the property.

## **6. Financial Implications**

- 6.1 The purchase price was negotiated and agreed at £313,000.
- 6.2 In addition, there will be the cost of furnishing and equipping to operate the property, this is estimated to £24,000.
- 6.3 All these costs as outlined will be funded from the capital programme.
- 6.4 The revenue cost of running the property will be met by Children's Services budgets. It is estimated (using examples from Zoopla website) for a property of this size the annual running cost will be £4500.

## **7. Resource Implications**

- 7.1. **Staff:** None
- 7.2. **Property:** Acquisition of freehold
- 7.3. **IT:** None

## **8. Other Implications**

- 8.1. **Legal Implications:**  
None.
- 8.2. **Human Rights implications:**  
None.
- 8.3. **Equality Impact Assessment (EqIA) (this must be included):**  
Childrens Services are responsible for undertaking an EqIA for the project.
- 8.4. **Health and Safety implications**  
None
- 8.5. **Sustainability implications**  
None
- 8.6. **Any other implications**  
None

## 9. Risk Implications/Assessment

- 9.1 Given the nature of the support provided by the Children's Services staff working at the property it is not considered that there is any requirement for an Application for Change of Use from Class C3 (occupation by up to six people living together as a single household) to Class C4 (residential care home).
- 9.2 In the event that NCC had to seek to obtain planning permission on the property and was unsuccessful, there would be costs as the council would seek to mitigate the situation by reselling the property. Set out below are the likely total costs in this scenario:

Item	Cost
<b>Purchase costs previously incurred:</b>	
• Stamp duty	£15,040
• Professional fees (NPS) / surveys	£10,000
• Legal fees	£5,000
<b>Holding costs:</b>	
• Design/Planning fees	£10,000
• Holding costs of security/maintenance	£5,000
<b>Re-sale costs</b>	
• Agents fees	£3500
• Legal fees	£3,000
<b>Total potential loss to NCC of buying/holding/ reselling</b>	<b>£51,540</b>

(Assuming the same sale price was achieved as was originally purchased.)

## 10. Recommendation

- 10.1. The Cabinet Member for Commercial Services and Asset Management is asked to approve the purchase.

## 11. Background Papers

- 11.1. Childrens Services Committee Report - 22 May 2018 [Link](#)  
Policy & Resources Committee Report - 6 February 2017 [Link](#)

## Officer Contact

If you have any questions about matters contained in this paper, please get in touch with:

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