

Record of Officer Decision

Leonard Stocks Acquisition

Decision Taker and Date Decision Taken:

Chief Executive on 01 November 2024

Summary of Matter or Issue Requiring Decision:

To approve the acquisition of the Leonard Stocks Homeless Hostel.

Decision Taken:

1. For £1 the Council will:
 - a. acquire from Langley House Trust (LHT) the freehold of Leonard Stocks Centre, Factory Row, Torquay, TQ2 5QQ, with title numbers DN92495, DN127386 and DN198718 (the “**Property**”) together with any estate, right and interest LHT may have in adjoining land shown coloured green on the attached plans 1 and 2; and
 - b. take a surrender of that part of the Leonard Stocks Centre with title number DN565544 which LHT hold on long lease from the Council.
2. An agreement whereby the Council manages the property on behalf of LHT will terminate. The acquisition will be subject to the rights of LHT’s clients remaining in occupation under licences.
3. In consideration of the sum of £10, the Council will enter a Deed of Covenant with LHT and Homes England. Under the Deed of Covenant, the Council will assume the responsibilities of LHT under a Deed of Variation of Grant Agreement between Homes England and LHT dated 28 March 2022.
4. Under the Deed of Covenant, the Council covenants that:
 - a. it will notify Homes England of the land transfer within 5 Working Days of its completion;
 - b. it shall not use the Property for any purpose other than as supported housing for individuals that are homeless;
 - c. it will apply to the Land Registry for entry of a restriction in the proprietorship register of the title of the Property;
 - d. it will notify Homes England of any Relevant Event as defined in the Recovery Determination of The Recovery of Capital Grants and Recycled Capital Grant Fund General Determination 2017; and
 - e. it will notify Homes England of any breach of the covenants.
5. Where the Council breaches a warranty and/or a Relevant Event occurs, the Council may become liable to Homes England for the sum of £1,275,00 (“Initial Grant Amount”).
6. Where the Council decides to dispose of the property within 10 years from the date of the land transfer (referred to in 4 a above), the Council may become liable to Homes England for an additional sum capped at £1,307,200 (“Additional Grant Amount”).

Summary of Reason(s) for Decision Taken:

As per the decision taken by Cabinet on the 13 February 2024, Torbay Council wish to acquire the Leonard Stocks Homeless Hostel from the current Landlord, Langley House Trust in order to retain their homeless provision within Torbay.

Following the conclusion of all necessary due diligence by the legal, estates and financial teams it is deemed that the hostel is of satisfactory condition, presents little financial or legal risk and continues to demonstrate a significant opportunity for improvement of the service provision.

The expected benefits of acquiring the site are:

- The Council maintains and enhances its only Homeless provision and remains compliant against legislative duties.
- The Council would be able to utilise some of the income from Housing benefit to offset the operational staffing costs, in line with regulations (subject to agreement).
- There would be potential to use some of the additional income to support the service offer which was identified by a commissioned report in 2022.
- The Council would own the site in its entirety which would afford the Council regeneration and development options in the future should the Council move to a different model of delivery for its homeless provision.
- The Council would be able to influence the positive regeneration of the wider regeneration of Union Square and Temperance Street.
- There could be an opportunity (in the future) around adding solar PV and air source heat pumps. This would help to offset the Council's operational costs of running the building and demonstrate a continuous level of investment. This would also support the council's ambitions towards carbon neutrality.

Summary of Alternatives or Options considered and rejected and Background Papers:

An alternative option would be to do nothing and maintain the status quo with Langley House Trust as the Landlord and Torbay Council as the service provider, however this would pose a significant risk to the continued provision as Langley House Trust have stated they would seek to dispose of the site through other means if Torbay Council are not willing to take on the site themselves.

Details of any conflict of interest and dispensation granted to the Officer taking the decision or by any Member of the Council in delegating responsibility for any specific express delegation:

None

Implementation:

To take effect as of the 4 November 2024

A copy of this decision and any supporting documentation considered by the Officer taking this decision may also be available for inspection by the public at the Council's offices or posted upon payment of any copying and postage charges. Any member of the public wishing to take up either of these options is asked to please ring (01803) 207087 or email governance.support@torbay.gov.uk

Signed: _____ Date: 1 November 2024
Chief Executive