

For Decision

Agenda Item: 11.1
Date of Meeting: 22/01/25

To: The Management Committee
From: The Director
Subject: Proposal for Supported Accommodation Unit

1. Introduction and Purpose

- 1.1 We have one remaining supported accommodation unit with 3 occupants (maximum capacity is 4). Now that we have demutualised and become a charitable registered housing association, it is now possible to look at another option for the unit.
- 1.2 The purpose of this report is to seek Committee's approval to explore leasing the unit to either Glasgow City Council or to the Care Provider, Quarriers.

2. Background

- 2.1 Some time ago Committee made a decision about the future of the two supported accommodation units; due to constitutional/legal considerations it was decided that the two units should be wound down.
- 2.2 This decision was reached on the understanding that the units would continue to run whilst there were residents living there or until a suitable solution could be found. Committee agreed that the matter had to be handled sensitively and wished to avoid any distress to existing residents, where possible. To achieve this it was agreed that if vacancies arose in the units they would not be filled. However, the existing residents could continue to live there.
- 2.3 Following the occupancy levels at 100 Peat Road falling to 2, a proposal was approved by Committee (October 2018) to do some reconfiguration works to the unit which would see it change from a 6 apt bungalow to a 4 apt bungalow with minimal internal disruption. This would have then enabled the 2 remaining occupants to become joint tenants and hold a Scottish Secure Tenancy Agreement.
- 2.4 Unfortunately before the works could proceed, 1 of the occupants passed away. Subsequent discussions with the Care Provider led to us being advised they would start looking for suitable alternative accommodation

for the remaining occupant. It was reported to Committee at the start of 2024 that the occupant was being relocated and the unit was handed back to us on 6th February 2024. The intention is to convert the property to 2 x 3 apt semi-detached bungalows. As reported at the time due to other pressing priorities within the Technical Services Team, this work would not be undertaken in the foreseeable future. We are also looking at the feasibility of using the property as a pilot for net zero measures.

2.5 We have one remaining unit at 70 Househillwood Road with 3 occupants.

3. Proposal for 70 Househillwood Road

3.1 Previously being a fully mutual housing co-operative we could not enter into lease agreements with third parties. It was a requirement that only members could occupy our properties and membership could not be granted to an entity.

3.2 Now that we have become a charitable registered housing association we are able to enter into lease agreements. As there are 3 remaining occupants in the unit, who could potentially be there for some time to come, the plan to “wind down” the unit is not as feasible as it once was, now that the option of exploring leasing the unit to the Council or the Care Provider is possible.

3.3 Committee may recall that we “inherited” two temporary furnished flats (TFFs) as part of the second stage transfer of the properties in Nitshill from GHA. GHA had a lease agreement with GCC to provide 2 properties in Nitshill for homelessness cases. We were required to continue with the lease agreement with GCC in order to achieve the transfer of the GHA properties in Nitshill. Under the TFF lease agreements, the Council is responsible for finding the tenants for the 2 properties and are required to pay us the rent regardless of whether the properties are occupied or not. So, we have a guaranteed rental income even if the properties were to lie empty for months at a time. We retained the responsibility for repair and maintenance.

3.4 If we were to lease to the Council or the Care Provider, as a minimum we would want the same conditions in place. They would be responsible for finding the occupants and would be responsible for covering any rent loss due to voids/vacancies in the unit. We could also look into transferring the responsibility for repairs and maintenance to the Council/Care Provider.

3.5 I have had an initial discussion with our solicitor about the possibility of leasing the unit as a way forward and she has advised that it would make sense, now that the barrier to leasing to a third party has been removed.

During our discussion I had asked whether there could be any risks or pitfalls to entering into a lease agreement. It was concluded that there weren't any real risks and actually there was more benefits to going down the route of leasing than continuing with the original plan to "wind down" the unit. Risk is considered in the next Section.

3.6 As it was our decision to "wind down" the units, we had to accept that we would incur the rent and service charge loss once any vacancies arose. It was decided that it was not appropriate to expect the remaining occupants to make up the difference in the shortfall in rent and service charges. We have also had to pay the council tax on the vacant rooms. We have been absorbing these costs for quite some time now.

3.7 At this time I am looking for Committee's approval to explore with the Council or the Care Provider about leasing the unit at 70 Househillwood Road. If initial discussions prove successful, I will update Committee and seek formal approval to lease the unit. Throughout the process I will liaise with our solicitor, who will draft the lease agreement for us or will review and advise on any draft lease suggested by the Council or Care Provider.

4. Risk

4.1 The risks associated with the proposal to lease the unit at 70 Househillwood Road to the Council or the Care Provider have been considered as follows:

Risk Category	Mitigating Measure
<p>Financial:</p> <ul style="list-style-type: none"> • Potential for rent/service loss when voids in unit • Rents and service charges are not adequate to meet costs 	<p>Propose to include in any lease agreement that the lessee is responsible for the rent and service charges regardless of whether rooms are occupied or vacant.</p> <p>Current rent and service charges are adequate and are reviewed annually to ensure our costs are being covered.</p> <p>A further review of the rent and service charges will be carried out in advance of any lease being entered into and will take account of any relevant terms of the lease agreement.</p>
<p>Governance:</p> <ul style="list-style-type: none"> • Lack of clarity in lease terms and responsibilities 	<p>Our solicitor will advise us throughout the process and will draft the lease agreement</p>

	or as a minimum review and advise on any draft agreement suggested by GCC or the Care Provider.
Legislative and Regulatory: <ul style="list-style-type: none"> Fail to meet legal or regulatory requirements including HMO compliance 	<p>Same as for risk under Governance</p> <p>We will determine whether we should retain responsibility for repairs and maintenance which would enable us to be assured we are HMO compliant. Alternatively robust terms and conditions will need to be added to the lease agreement about R&M responsibilities, ensuring compliance with HMO requirements and providing us with appropriate evidence of this.</p>

5. Delivery of our Strategic Objectives

Area	Related Strategic Objective(s)
Proposal to enter into a lease agreement with GCC or care provider.	<p>5) Build and contribute to effective partnerships</p> <p>6) Use resources efficiently and effectively</p>

6. Application of our Core Values

Area	Related Core Value(s)
Proposal to enter into a lease agreement with GCC or care provider.	<ul style="list-style-type: none"> Accountable and Compliant Efficient and Responsible

7. Compliance and Assurance

- 7.1 The approach we are undertaking in relation to the proposal to lease our supported accommodation unit to the Council or Care Provider including taking legal advice, will ensure we have met our legal and regulatory requirements as follows.

Compliance Source	Details
The Standards of Governance and Financial Management for RSLs	Standard 4 - The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.

	<p>Guidance 4.1 – The governing body ensures it receives good quality information and advice from staff and, where necessary, expert independent advisers, that is timely and appropriate to its strategic role and decisions. The governing body is able to evidence any of its decisions.</p> <p>Guidance 4.4 – The governing body identifies risks that might prevent it from achieving the RSL’s purpose and has effective strategies and systems for risk management and mitigation, internal control and audit.</p>
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7.2 Evidence Bank

Evidence	Assurance Exercise Location
<ul style="list-style-type: none"> Report for 22/01/25 meeting 	<ul style="list-style-type: none"> Regulatory Standard 4 – Guidance 4.1 and 4.4

7.2.1 Committee is reminded that our Assurance Exercises are available in the Committee Log-in Area of our website, which Committee can access at any time.

8. Summary and Decision Sought

8.1 Following a Committee decision some time ago to wind down the two supported accommodation units we have, we have one unit left with 3 occupants (maximum capacity is 4). The original decision was based on the fact we were a fully mutual housing co-operative and were unable to lease properties to entities.

8.2 Now that we are a housing association, there is an alternative option for the remaining unit which is to lease it to Glasgow City Council or the Care Provider.

8.3 Background information is provided at Section 2. The initial proposal for Committee’s consideration is set out in Section 3.

8.4 Risk is considered at Section 4.

8.5 Section 5 shows how the proposal to lease the unit links to the delivery of our strategic objectives.

- 8.6 Section 6 shows how the proposal to lease the unit links to the application of our core values.
- 8.7 Section 7 sets out how we comply with Regulatory Requirements.
- 8.8 Committee is asked to consider the proposal to lease the unit and to give approval on the following basis:

Approval to explore with the Council or the Care Provider about leasing the unit at 70 Househillwood Road. If initial discussions prove successful, The Director will update Committee and seek formal approval to lease the unit. Throughout the process the Director will liaise with our solicitor, who will draft the lease agreement for us or will review and advise on any draft lease suggested by the Council or Care Provider.