



City of Westminster

Cabinet Member Report

Decision Maker: Councillor David Boothroyd, Cabinet Member for Finance and Council Reform

Date: 10 July 2024

Classification: Part Exempt

The accompanying appendix is part exempt from disclosure by virtue of the following Paragraphs of schedule 12A to the Local Government Act 1972:

The appendix of this report be confidential pursuant to paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to financial or business affairs.

Title: Acquisition of Hopkinson House, 88 Vauxhall Bridge Road, London SW1V 2RW

Wards Affected: Vincent Square

Key Decision: Yes

Financial Summary: The expenditure for the acquisition of will be met from the Temporary Accommodation acquisitions budget within the approved Capital Programme.

The spend approval for the building refurbishment will be the subject of a separate Cabinet Member decision.

Report of: Gerald Almeroth, Executive Director of Finance and Resources

1. Executive Summary

- 1.1. Terms have been agreed for the acquisition of the freehold interest in Hopkinson House, 88 Vauxhall Bridge Road, London, SW1V 2RW on a subject to contract, vacant possession and Council approval basis only.
- 1.2. The property will be purchased by the Council's Capital General Fund (Temporary Accommodation Acquisitions Budget) and the intention is to convert the building for use as temporary accommodation (TA).
- 1.3. A detailed financial analysis of the proposal is set out in the confidential Appendix to this report.

2. Recommendations

That the Cabinet Member for Finance and Council Reform:

- 2.1. Approves the acquisition of the freehold interest in Hopkinson House, 88 Vauxhall Bridge Road, London SW1V 2RW (subject to legal due diligence) for the price detailed in the confidential Appendix.
- 2.2. Approves spend from the Temporary Accommodations acquisitions budget to meet the cost of this purchase.
- 2.3. Delegates authority to the Executive Director of Finance and Resources to agree the terms of the purchase contract, following legal due diligence, and complete the acquisition at the approved figure.

3. Reasons for Decision

- 3.1. The Council has a statutory obligation to provide housing for those in housing need. The Council has an ongoing programme of temporary accommodation acquisitions to meet increasing demand within Westminster. This programme was recently accelerated with an extra allocation of £85 million approved by Cabinet on 13 February 2023 for inclusion in the Capital Strategy, and the subsequent approval by the Strategic Director for Housing and Commercial Partnerships of a December 2023 recommendation to further resource the programme team and streamline the acquisition process.
- 3.2. This acquisition aligns with the objectives of the wider programme and should deliver a minimum of 33 extra in-borough temporary accommodation units. It will also prevent the potential permanent loss of this longstanding social housing asset to the private housing sector.

4. Background

- 4.1. Hopkinson House is a large 4 storey Victorian building located at the junction of Vauxhall Bridge Road and Osbert Street within the St Vincent Square conservation area. It is believed to have been constructed around 1906 as a philanthropic home for gentlewomen. More recently it provided the nurses accommodation for

Westminster Hospital. The property was acquired in 2011 by housing association Look Ahead and has subsequently been used to accommodate a variety of vulnerable adult cohorts in a hostel setting.

- 4.2. The building is broadly arranged in 'U' shape, with a frontage to the full length of Osbert Street and smaller return frontages to Douglas Street and Vauxhall Bridge Road. There is an enclosed courtyard garden to the rear (southeast side of the building). Internally, the accommodation is arranged over basement, ground and 3 upper floors.
- 4.3. The lower ground floor of the building comprises a mix of office space, meeting rooms and back of house spaces. The ground floor comprises an office area/reception and 12 self-contained flats. The first floor comprises a further 15 self-contained flats and the second and third floors comprise a total of 36 bedrooms with shared kitchen and bathroom facilities.
- 4.4. The current arrangement of the accommodation is summarised in the table below:

FLOOR	AREA GIA	DESCRIPTION	PLANNING DESIGNATION
Lower Ground	5,521 sq ft	Offices, meeting rooms and back of house	Mix Use Class C2 and Use Class E (offices)
Ground	6,822 sq ft	Reception/office area and 12 self-contained flats	Use Class C2
First	6,628 sq ft	15 self-contained flats	Use Class C2
Second	7,016 sq ft	21 bedrooms and shared bathrooms/kitchens	Use Class C2
Third	7,048 sq ft	15 bedrooms and shared bathrooms/kitchens	Use Class C2
Total	35,035 sq ft	63 Residential Units	

- 4.5. The current owner of Hopkinson House, Look Ahead, took the decision to dispose of the building in late 2022. This decision was largely a consequence of the high cost of bringing the accommodation up to a fully compliant and decent homes standard.
- 4.6. The Council's development team undertook a feasibility study into the various development options for the site during 2023. This considered several options including the existing use, affordable housing, private residential, hotel use, student halls and a mix of these uses.
- 4.7. In early 2024, the Council reviewed the site as an opportunity for the provision temporary accommodation as part of the Council's programme of temporary accommodation acquisitions. The site presents an opportunity to provide a minimum of 33 flats for TA use, subject to a reconfiguration and refurbishment of the interior of the building. The conversion to TA units will require planning consent for a change of use from Use Class C2 to Use Class C3 although pre-application planning advice for this is favourable.

- 4.8. Terms were eventually agreed with Look Ahead in early June 2024 for a purchase of their freehold interest. Further details on the negotiation process and pre-purchase due diligence are set out in the confidential Appendix.

5. Financial Implications

- 5.1. The purchase price was subject to a financial appraisal which considered potential temporary accommodation cost savings that could be generated from the acquisition post refurbishment. This appraisal demonstrates that the Council is achieving good value for money at the agreed purchase price and that the Council has complied with its fiduciary duty to the council taxpayer under s120 of the Local Government Act 1972. More details are contained in the confidential Appendix.
- 5.2. The purchase will be funded from the TA acquisitions budget included in the Capital Strategy approved by Full Council in March 2024. It is assumed that GLA grant will be available to partially fund the acquisition. There is a residual TA acquisitions budget of £110m over the next 2 years with a focus on acquiring in-borough sites to support the most vulnerable.
- 5.3. SDLT relief should be available on the purchase under the Registered Provider Public Subsidy exemption.

6. Legal Implications

- 6.1. The Council has a duty under Housing Act 1996 (Part VI) to have a scheme for determining priorities in allocating housing accommodation. The duty under Housing Act 1996 (Part VI) allocation scheme must be framed so as to secure that reasonable preference is given to specified groups.
- 6.2. When discharging this duty, the Council must, so far as reasonably practicable, secure that accommodation is available for the applicant's occupation in their own district: s208(1) of the 1996 Act.
- 6.3. Section 206 Housing Act 1996 states that a local housing authority may discharge their housing functions under Part 7 of the Act only in the following ways—
- a. By securing that suitable accommodation provided by them is available
 - b. by securing that he obtains suitable accommodation from some other person, or:
 - c. by giving him such advice and assistance as will secure that suitable accommodation is available from some other person
- 6.4. The Council has several and specific powers to acquire property by agreement to discharge its housing functions including Section 120 Local Government Act 1972 and the general power of competence in section 1 Localism Act 2011.
- 6.5. Section 1 of the Local Government Act 2003 (“LGA 2003”) provides the Council with power to borrow money for any purpose relevant to its functions under any

enactment, or for the prudent management of its financial affairs. Section 2 of the LGA 2003 requires the Council to comply with its self-determined borrowing limit determined under section 3 of the LGA 2003.

- 6.6. In addition, section 12 of the LGA 2003 provides the Council with power to invest for any purpose relevant to its functions under any enactment, or for the purposes of the prudent management of its financial affairs.
- 6.7. In acquiring land, the Council must have due regard to its fiduciary duties by ensuring that it is satisfied that the purchase price paid is reasonable in the light of the particular facts and circumstances.
- 6.8. In discharging its functions to homeless persons, the council must also have due regard to the Public Sector Equality Duty in s149 Equality Act 2010. S.149 Equality Act provides that the Council must, in the exercise of its functions, have due regard to the need to—
 - a. eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b. advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c. foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
 - d. Therefore, PSED must be considered of those requiring a duty to be housed and any evaluation as to suitability of those properties to be acquired will need to be taken with this in mind.
- 6.9. The acquisition of the Property will be subject to satisfactory legal due diligence, to include a review of title and ownership, searches of land and seller in order to ascertain relevant liabilities and encumbrances connected with the Property. The results of the legal enquiries, and any associated risks, will be reported to the relevant Council officers, as per this report, and will be considered prior to any decision to enter into contracts.
- 6.10. Further legal implications are as per the confidential Appendix.

7. Carbon Impact

- 7.1. The Strategic Asset Management Plan (SAMP) for Housing is currently being renewed. In completing this renewal, the Council's carbon objectives will be considered and a plan to work towards these objectives set out. Part of this work will be reviewing the standards to which TA homes are refurbished to identify ways to reduce their carbon footprint. These standards will be applied to the refurbishment of Hopkinson House.

8. Equality Act 2010

- 8.1. The purpose of this acquisition is to provide temporary accommodation for Westminster residents in need, including vulnerable groups. The proposal is therefore fully aligned to the requirements of the Equality Act 2010.

9. Ward Member Consultation

9.1. The ward Councillors have been consulted on this report on 4 July 2024.

If you have any queries about this report or wish to inspect any of the background papers, please contact Gerald Almeroth galmeroth@westminster.gov.uk

For completion by the **Cabinet Member for Finance and Council Reform**

Declaration of Interest

I have no interest to declare in respect of this report



Signed: _____ Date: 10 July 2024

NAME: **Councillor David Boothroyd**

State nature of interest if any

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(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendations in the report entitled **Acquisition of Hopkinson House, 88 Vauxhall Bridge Road, London SW1V 2RW** and reject any alternative options which are referred to but not recommended.



Signed: _____
Councillor David Boothroyd, Cabinet Member for Finance and Council Reform

Date: 10 July 2024