Part A: Report to the Chief Executive

Grant of a lease for Poppyfield House and Willow House

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30th November 2026

Reason for Decision
This report seeks approval in principle to grant Regenda Homes a 99-year lease at a peppercorn rent for Poppyfield House and Willow House and to delegate authority to the Director of Adult Social Care, in consultation with the Director of Legal, to approve and complete the final lease documentation once terms have been agreed by both parties.

The primary purpose of this proposal is to support delivery of previously approved Adult Social Care savings and transformation objectives whilst enabling the Council's assets to be managed through appropriate housing management arrangements.

Executive Summary

The absence of suitable housing management arrangements on council assets is currently preventing Willow House from being brought into operational use and limiting opportunities to maximise the effectiveness of accommodation-based care and support services. As a result, Adult Social Care is unable to fully realise planned savings associated with reducing reliance on higher-cost care arrangements, including out-of-borough placements.

The proposal will enable Willow House to operate as Supported Living accommodation through a regulated housing provider, allowing identified residents to be accommodated within Oldham rather than remaining in more costly alternative provision. This will support both improved resident outcomes and delivery of approved Adult Social Care budget reduction proposals.

The proposal supports the Council's Care Act duties to promote wellbeing and shape a sustainable care market by increasing the availability of specialist supported living

accommodation within the borough. It enables individuals to live in ordinary housing with support, promotes independence and reduces reliance on more restrictive and higher-cost residential and out-of-borough placements.

In addition to supporting Adult Social Care objectives, the proposal addresses the current absence of formal housing management, tenancy management, repairs, maintenance and compliance arrangements for both properties. Regenda Homes, as a Registered Provider, would assume responsibility for landlord functions, including housing management, repairs, maintenance, compliance and insurance. This would ensure both properties are operated in an appropriate way, while enabling the Council to retain the freehold ownership of the assets.

The arrangement will also remove ongoing property-related liabilities and costs from the Council, generating recurring savings through the transfer of responsibility for repairs, maintenance, utilities, insurance and other property expenditure. It will bring Willow House back into beneficial use, support a more sustainable future for Poppyfield House and reduce operational and regulatory risks associated with the current arrangements.

The proposal is therefore considered to provide the most effective and deliverable option for achieving Adult Social Care savings targets, improving accommodation-based support for vulnerable adults, reducing Council liabilities and ensuring both assets are managed by an experienced and regulated housing provider.

Recommendations

The recommended option (option 4) is to agree in principle to issue a peppercorn lease for 99 years to Regenda Homes, who are a Registered Provider under the Regulator of Social Housing (RSH), to enable them to take on the landlord functions for Poppyfield House and Willow House. Under the terms of the lease Regenda Homes will be granted full liability for costs, compliance, repairs and insurance during the 99 year period.

The recommendation also seeks approval to delegate final sign off of the lease to the Director of Adults Social Care, in conjunction with the Director of Legal once both parties have agreed to the terms. This is to expedite the implementation and bring Willow House back into use, which supports the Adult Social Care savings targets for 2026-27.

NOT FOR PUBLICATION by virtue of Paragraph (3) Information relating to the financial or business affairs of any particular person (including the authority holding that information) of Part 1 of Schedule 12A of the Local Government Act 1972 and it is not in the public interest to disclose the information because the report contains commercially sensitive information about a provider.

Pre-scrutiny meeting 19th November 2026
Leaders' consultative meeting 30th November 2026

Grant of lease for Poppyfield House and Willow House

1 Background to Poppyfield House

1.1 Poppyfield House is a council owned asset located at Sunflower Grove, Chadderton, OL9 0JQ (Chadderton Central Ward). The property can house six residents with office space and an additional bedroom for sleep-in staff. The property is located on a cul-de-sac with two other buildings on, one of which is Willow House (subject to this report) and the other being Mimosa House which Regenda Homes are responsible for from a housing perspective, with MioCare delivering a Supported Living[1] care model on site.

1.2 Poppyfield House is currently occupied by six residents, with the care delivered by Future Directions under a Residential model for Complex Needs.

1.3 Poppyfield was originally a health contract novated to the council alongside the rest of the Learning Disability Reform Grant funding in April 2011. Poppyfield was designated to operate as a 'step down' residential facility for residents from Calderstones (hospital), now known as Merseycare, intended initially as a two-year period. Residents of Poppyfields have dual diagnosis of Learning Disabilities and Mental Health, with forensic support initially provided but subsequently removed from the contract as people's needs stabilised.

1.4 Having reviewed the current needs of residents in the scheme, a new commissioning model is now required. The contract with Future Directions is currently on a fully block model, with a rolling contract with six-month break clause in place. A review of the commissioning arrangements in place has confirmed that the commissioning model should move towards a Supported Living Model, which would provide better value for money for the council and offer more independence to residents who would be able to hold their own tenancy - this will better reflect the current ASC Operating Model, which focuses on strength based approaches and independence.

1.5 Leasing the property to a Registered Provider would transfer responsibility for housing management, repairs, maintenance, compliance and insurance, enabling the property to operate under an appropriate supported housing model and reducing operational risks for the Council.

[1] Supported living is a flexible care model that promotes independence as people live in a home (for example a flat or a shared house) with tailored, personal support. It allows individuals with disabilities, mental health challenges, or age-related needs to live autonomously while receiving the exact amount of daily assistance they require. This care is commissioned through ASC commissioning frameworks and contracts for the care element remain the responsibility of ASC. This differs from a residential care settings such as a care home, where the care provider are responsible for both the property and the care delivery. In Oldham, our approach to Supported Living is for the housing to be provided by a Registered Provider, to ensure that service delivery and tenancy agreements sit under the regulation of the Regulator of Social Housing (RSH).

2. Background to Willow House position

2.1 Willow House is council owned asset located at Sunflower Grove, Chadderton, OL9 0JQ.

2.2 The property can house six residents with office space and an additional bedroom for sleep-in staff.

2.3 Willow House is currently vacant, having previously operated as a Mental Health Respite facility. The property has been identified for use as supported living accommodation for people with complex needs. This would enable individuals currently placed outside the borough to be supported within Oldham, improving outcomes and supporting delivery of Adult Social Care transformation objectives.

2.4 MioCare have been identified to deliver care on site at the property under their Teckal arrangement with the council and adult social care.

2.5 Residents have been identified but the absence of housing management arrangements is significantly delaying this opportunity as there is no facility to offer tenancy agreements. Expectations of residents and their families who are awaiting moves to the scheme (some from out of area) are being managed and there is an ongoing impact to the ASC planned savings for the current year until the home can be made operational.

2.6 In relation to the asset and housing management of the property, the proposed use sits within the context of the conditions of use as 'Exempt Accommodation' providing supported housing for vulnerable adults. The property is currently vacant and is fully funded through Council budgets with no income stream or providing any benefit to the residents of Oldham. The Council have no ability to provide the housing management services required to operate this property. Leasing the property to Regenda Homes would remove all liability from the Council, making an annual saving on budgets of approximately £11,810 in utilities, business rates, repairs and insurance and allow the building to be operated in a compliant manner and removing all risk from the Council. In the current vacant state, the property could be considered as more of a liability than an asset for the Council.

3. Valuation of Willow House and Poppyfield House

3.1 Independent valuation advice has been obtained and has informed the Council's consideration of the proposed lease arrangement.

4. Projected Willow House Savings

4.1 Financial modelling demonstrates that the proposal supports the delivery of agreed Adult Social Care budget reduction proposals and provides better value than current arrangements.

5. Background to housing position

5.1 The Council remains a stock-holding authority and therefore retains housing regulatory responsibilities. Following a 2025 inspection by the Regulator of Social Housing, the Council is operating under an improvement plan. Any option that expanded direct landlord responsibilities would need to be considered in this context.

5.2 Experience from the Council's existing housing management arrangements at Holly Bank demonstrates the complexity of maintaining separate housing management and repairs functions. Consideration has therefore been given to whether a single landlord model would offer operational and regulatory advantages for Poppyfield and Willow House.

6. Alternative option(s) to be considered*)*

6.1 Option 1: Do Nothing - Maintain the current position with no formal housing management arrangement in place.

6.2 Maintain the current position with no formal housing management arrangements in place for either property.

6.3 This option would not address the current inability to bring Willow House into operational use, nor would it support the transition of Poppyfield House to a more appropriate supported living model. It would leave the Council responsible for ongoing housing-related risks and liabilities and would not support delivery of Adult Social Care transformation objectives.

6.4 **Benefits**

No change to existing arrangements.

6.5 **Risks**

- Willow House remains vacant and unavailable for use.
- Continued operational and regulatory risks associated with the current arrangements
- does not support Adult Social Care service transformation objectives.

6.6 Option 2: Issue Council Tenancies Without Housing Management function in place

6.7 Issue tenancies directly through the Council whilst retaining responsibility for housing management, repairs, maintenance and compliance functions.

6.8 Benefits

- could facilitate occupation of willow House
- allows the council to retain direct control of housing management arrangements

6.9 Risks:

- introduces additional landlord responsibilities and regulatory obligations.
- requires specialist housing management expertise and ongoing operational capacity.
- does not provide a sustainable long-term solution for managing the properties.

6.10 Option 3: Procure a Housing Management Function on the Open Market and Move Properties into the HRA

6.11 Undertake a procurement exercise to appoint an organisation to provide housing management services while the Council retains ownership and landlord responsibilities.

6.12 Benefits:

- provides access to specialist housing management expertise.
- retains the properties within direct Council ownership and control.

6.13 Risks:

- procurement and mobilisation timescales would delay implementation.
- delays utilisation of Willow House and implementation of revised service models
- the council would retain ongoing landlord responsibilities and associated regulatory obligations.

6.14 Option 4: Agreement to grant a lease of 99 years on a peppercorn rent to Regenda Homes for both properties, with liability for running costs, repairs and insurance transferred as part of the lease.

6.15 Grant a 99-year lease at a peppercorn rent to Regenda Homes, enabling them to assume responsibility for housing management, repairs, maintenance, compliance and insurance arrangements.

6.16 Regenda Homes are uniquely positioned to deliver this proposal as they already manage the neighbouring supported living scheme, have established housing management arrangements in place, and have experience of supporting similar resident groups.

6.17 Benefits:

- Enables Willow House to become operational as supported living accommodation.
- Supports Adult Social Care transformation and market-shaping objectives.
- Improves opportunities for vulnerable adults to live independently within their local communities.
- Transfers housing management responsibilities to an experienced and regulated Registered Provider.
- Reduces ongoing operational and regulatory risks for the Council.
- Provides a deliverable solution that can be implemented within the required timescales.

6.18 Risks

- the council would grant a long leasehold interest in the properties.
- appropriate lease protections will be required to safeguard the future use of the assets and protect the Council's interests.

6.19 Summary of Options Assessment

Having considered all options, Option 4 is considered to provide the most effective balance of resident benefit, service delivery, risk management and deliverability. It supports the Council's Care Act duties, enables appropriate use of both properties, and places housing

management responsibilities with an experienced Registered Provider whilst allowing the Council to retain the freehold ownership of the assets.

7. Recommended Option

7.1 **Option 4** is the recommended option. The Council will retain the freehold ownership of Poppyfield House and Willow House whilst granting a long lease to Regenda Homes, an established Registered Provider with existing experience of delivering housing management services for similar supported living schemes within Oldham.

7.2 This option provides the most balanced and deliverable solution, enabling both properties to operate within an appropriate supported housing model while transferring responsibility for housing management, repairs, maintenance, compliance and insurance to an experienced and regulated provider. It will support the re-opening of Willow House, facilitate the development of a more sustainable supported living model at Poppyfield House, and contribute to the delivery of Adult Social Care transformation objectives.

7.3 The proposal will help address gaps in local accommodation-based support, enable more people to live independently within their communities, and support vulnerable adults to remain closer to family and support networks. It also reduces ongoing operational and regulatory risks for the Council by placing landlord responsibilities with a specialist housing organisation.

7.4 Regenda Homes are uniquely placed to deliver this arrangement given their existing management of neighbouring supported living provision on the same site, established local partnerships, housing management expertise and regulatory oversight by the Regulator of Social Housing.

7.5 Approval is sought in principle for the lease arrangement, with final completion subject to agreement of detailed lease terms, satisfaction of all legal requirements, completion of any necessary subsidy control assessments, and the inclusion of appropriate safeguards to protect the Council's interests and the future use of the properties.

7.6 Implementation and Mobilisation

Subject to approval of the lease and completion of the legal documentation, Regenda Homes will commence mobilisation activity to enable Willow House to become operational as a supported living service.

7.7 Mobilisation activity will include:

Milestone	**Indicative Timescale**
Approval in principle	November 2026
Completion of Lease and Mobilisation Commences	December 2026 - January 2027
Housing Management and Tenancy Arrangements Established	January 2027
Willow House Operational	End January 2027
Phased Resident Moves Commence	February 2027
Full Occupancy Achieved	End March 2027

8 Consultation

8.1 Although both properties are located within Chadderton Central Ward, the residents who live in Poppyfield or who will be coming to live at Willow House are from across the whole borough.

8.2 Discussions have taken place with both the commissioned care providers involved in the current and planned arrangements (Future Directions and MioCare). Both currently operate within properties managed by Regenda Homes either in Oldham (MioCare) or in neighbouring authorities (Future Directions) so ongoing relationships are already in place.

9 Financial Implications

9.1 The proposal is expected to reduce ongoing property-related liabilities and support delivery of approved Adult Social Care budget plans. Detailed financial information is contained within Part B of this report due to commercial sensitivity.

Paula Buckley, Finance Manager

10 Legal Implications

10.1 The Housing Act 1996 section 166A (14) provides that a local housing authority shall not allocate housing accommodation except in accordance with their allocation scheme. Tied to the lease there should be a binding agreement to ensure the allocation of places by Regenda complies with the Council's Housing Allocation Policy.

Bryan Boese – Solicitor

10.2 By virtue of section 123 of the Local Government Act 1972, the Council has the necessary statutory powers of disposal in relation to the granting of leases.

10.3 On disposal of its land under section 123, the Council is under a statutory obligation to obtain the open market value of the interest and best consideration that can reasonably be obtained, unless the consent of the Secretary of State is obtained or an exemption applies. Generally, best consideration will be achieved by offering the land for sale subject to open competition. In cases where land has not been exposed to the open market, it is considered prudent for an independent surveyor's valuation to be obtained and/or other appropriate market testing.

10.4 If publicly owned land is disposed of at less than best consideration, the local authority is potentially providing a subsidy to the purchaser. The fact that a disposal is in accordance with the Consent does not affect the position on subsidies.

10.5 Where a land transaction would, under the subsidy control regime, mean that a local authority is deemed to have given a subsidy to an "enterprise", then it will be necessary for that authority to undertake the subsidy control principles assessment. The report author would need to undertake a subsidy control screening to determine whether this would amount to a subsidy.

10.6 It is recommended that the terms for the lease include any additional matters suggested by the legal officer action for the Council which are in the Council's best interests.

Rebecca Butterworth, Solicitor

10.7 Approval can be granted subject to agreement of the final lease terms by Legal Services and Corporate Estates and the terms should include appropriate provisions relating to use of restrictions, repair obligations, compliance requirements, break provisions, insurance, termination rights and reversion of the assets to the Council and of course satisfactory compliance with all the requirements raised in the legal comments.

Alex Bougatef – Director of Legal Services, Monitoring Officer.

11. **Procurement Implications**

11.1 There are no immediate procurement implications

Tom Pyne – AD Procurement, Contract Management and Social Value

12 Equality Impact, including implications for Children and Young People

12.1 The proposal is expected to have a positive impact on adults with disabilities, learning disabilities and mental health needs by increasing access to appropriate supported accommodation, promoting independence and enabling people to live closer to their support networks and communities.

13 **Key Decision**

13.1 Yes

14 **Key Decision Reference**

14.1 HSC-15-26

15 **Appendices & Background Papers**

15.1 N/a.

Approved by the Chief Executive following consultation with the political group leaders who were in attendance as follows:- Councillors: Decision made under the authorisation contained in Section 9C (5) Delegations of Specific Officers of Part 3 (Responsibility for Functions) and Section 3.6 of Part 4 (Executive Procedure Rules) of the Council Constitution for the Chief Executive to take emergency decisions in respect of the Council's executive functions.
Signed: Shelley Kipling, Chief Executive Dated:
Date of Leaders' Consultative meeting:
Summary of feedback from the political group leaders