

OUTLINE STRATEGIC BUSINESS CASE

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| Directorate | Community and Wellbeing |
| Scheme Name | Acquisition Fund for Housing Provision |
| Budget Holder | Hayley Crane |

Project aims and objectives:

Scheme description and demonstration of links to corporate priorities and savings plans.

The aim of this proposal is to establish a £5m fund to enable the council to develop the critical housing provision we need in the county. The council faces an increasing demand for social housing provision, there is a lack of local provision to meet this need, as such people are being placed in temporary accommodation which isn't fit for purpose, and has significant additional costs.

STRATEGIC CASE

The Council Plan core strategy - Place – states 'We will protect and enhance our environment and ensure that Herefordshire remains a great place to live. We will support the right housing in the right place and do everything we can to improve the health of our rivers'

The Councils Herefordshire Homelessness Prevention and Rough Sleeping Strategy 2020-2025, which aligns with the Central Government policy in the Homelessness Reduction Act (HRA) 2017, focusses on

- Prevention - early identification
- Intervention - access to appropriate housing & support services
- Recovery - tenancy sustainment opportunities and support are provided

These statutory obligations impose a resource and financial burden on the Council that has increased by almost 100% over the last 2 years. The table below shows the numbers of accommodation units per month being 'sourced' by the council to support homeless families. In March 2022 the council housed 74 families, in March 2024 this rose to 141 families.

| | Jan-22 | Feb-22 | Mar-22 | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 |
|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Temp | 44 | 42 | 40 | 40 | 45 | 48 | 43 | 42 | 44 | 44 | 39 | 43 |
| B&B | 29 | 28 | 27 | 32 | 29 | 32 | 29 | 37 | 35 | 40 | 45 | 43 |
| Total | 73 | 70 | 67 | 72 | 74 | 80 | 72 | 79 | 79 | 84 | 84 | 86 |

| | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 |
|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Temp | 49 | 54 | 55 | 57 | 62 | 59 | 59 | 59 | 63 | 66 | 66 | 71 |
| B&B | 44 | 42 | 48 | 57 | 58 | 52 | 66 | 71 | 71 | 82 | 88 | 87 |
| Total | 93 | 96 | 103 | 114 | 120 | 111 | 125 | 130 | 134 | 148 | 156 | 158 |

| | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 |
|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Temp | 72 | 70 | 68 | 59 | 56 | | | | | | | |
| B&B | 76 | 75 | 74 | 79 | 85 | | | | | | | |
| Total | 148 | 145 | 142 | 138 | 141 | | | | | | | |

In 2023/ 24 Housing Solutions spent £3,415,832.27 on accommodation solutions, which comprised £3,030,030.55 on Travelodge/ B&B style accommodation and £385,801.72 on private sector rental accommodation.

Due the relatively limited supply of this type of accommodation and an ever increasing demand, the costs of securing these places continues to rise, a Travelodge room now costs an average of £90 per night, however this fluctuates depending on what events are going on in the County at any one time e/g. the races, a football match, when costs can rise to £120 per night. The demand for homeless accommodation is constant throughout the year as can be seen below, which also shows the equivalent costs per bed pa.

2023-24 demand summary

| | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | Jan-24 | Feb-24 | Mar-24 | totals |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| temp | 57 | 62 | 59 | 59 | 59 | 63 | 66 | 66 | 71 | 72 | 70 | 68 | 772 |
| b&b | 57 | 58 | 52 | 66 | 71 | 71 | 82 | 88 | 87 | 76 | 75 | 74 | 857 |
| totals | 114 | 120 | 111 | 125 | 130 | 134 | 148 | 154 | 158 | 148 | 145 | 142 | 1629 |

| costs | per/bed pa | |
|-------|------------|-------|
| temp | 3,030,031 | 3,925 |
| B&B | 385,802 | 450 |
| total | 3,415,832 | |

The council also currently hold a waiting list with 1975 households registered for accommodation.

The council currently have the following units to accommodate our street homeless,

- Whitecross Road (WXRH) Hub: 8 single rooms (shared facilities) & 4 self-contained flats
 - Staffed Monday-Friday (9-5) by support staff
- RSAP/Light Touch Support: 10 units of self-contained accommodation in Hereford (currently none elsewhere in the county)
 - Not staffed. Floating support offered by WXRH staff
- Hope Scott House: 14 single (ensuite) rooms & 2 self-contained pods
 - Currently staffed sporadically by HSH's own self-employed staff
- Pomona Place and Bridge House: Approx. 30 units of supported accommodation
 - Support provided by CCP, with staff on site 24/7 at Pomona and Monday-Friday at Bridge
- 4 emergency pods
 - Support provided by Rough Sleeper Outreach Tea

Whilst this appears to be a comprehensive offer, it does still leave gaps. None of the above accommodation is available as 'direct access' and all persons presenting go through an application and interview and referral process, which can span over a period of time, before being housed. People are not moved into these accommodations on the day of application, which increases hardship.

Prior to the winter shelter opening, HC had 21 people sleeping rough. During the operation of the shelter, there was a 90.4% reduction in rough sleeping – with over 80% of those people being supported to move into appropriate accommodation. Since the shelter has closed, cases of rough sleeping have risen, partly due to blockages within the current pathway – something that is being addressed – but even without the process blockages, there would still be some people sleeping rough because our current services do not have the capacity to meet the needs of some of our rough sleepers.

Establishing a fund will enable the council to respond to opportunities to acquire and develop further stock to meet this demand, and decrease costs spent on temporary accommodation.

Estimated costs and funding sources:

| | 2024/25 | 2025/26 | 2026/27 | Future Years | Total |
|---|--------------|--------------|---------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Capital cost of project | | | | | |
| Acquisition and Development Fund | 2,500 | 2,500 | | | 5,000 |
| construction | | | | | |
| TOTAL | 2,500 | 2,500 | | | 5,000 |
| Funding sources | | | | | |
| PWLB | 2,500 | 2,500 | | | 5,000 |
| | | | | | |
| | | | | | |

| | | | | | |
|------------------------------------|--------------|--------------|--|--|--------------|
| TOTAL | 2,500 | 2,500 | | | 5,000 |
| Revenue budget implications | | | | | |
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| | | | | | |

Benefits and risks:

The anticipated benefits and risks of the proposed project plus risks of not going ahead with the scheme.

A high level viability and RAG risk register is attached to this document.

The benefits and risks are summarised below

Benefits

- Provides the Council greater control over its Homelessness Service delivery
- Enables better use of resources and offers cost avoidance savings.
- Enables a better, more proactive, service to be delivered, reducing delays in housing people and providing a central focus for the service.
- Enables the 'currently closed' winter shelter site to be reconfigured as an assessment centre with immediate need shelter accommodation.
- Provide the Councils with an income producing asset, with the ability to 'let out' surplus accommodation to partner organisations, and which could be sold off to generate a surplus at some point in the future.

Risks

- The projects that are brought forward don't generate the income required to repay the borrowing. However, full business cases will be developed and scrutinised prior to a cabinet member decision to proceed.
- Failure to identify sites/ buildings that can come forward to meet the demand. We are proactively seeking to identify relevant sites and develop associated business cases.
- The operation will require internal resource, it is anticipated the current resource will be deployed to deliver the revised service.

Not Going ahead with the proposals.

The expected outcomes of not going ahead with the fund, are a status quo situation,

- The council will continue to be exposed to market forces and thus incur even higher service budget overspends as the numbers of people presenting and costs of private sector accommodation continue to increase exponentially.
- The delays in housing people will remain due to the lack of immediate accommodation solutions.
- The council will have to continue to rely on referrals to third sector parties to deliver solutions.

