

# Independents *for* Herefordshire



**Date:** 11 May 2026

## **Political Group Consultation Response: Proposal to Use One-Off Government Revenue Funding to Purchase 4 One-Bedroom Flats for Temporary Accommodation**

Independents for Herefordshire support the objective of improving the quality of temporary accommodation and reducing the council's dependence on costly nightly-paid and bed and breakfast accommodation. We recognise the potential advantages of bringing more temporary accommodation into direct council ownership, particularly where that can improve outcomes for homeless households and reduce long-term spending pressures.

However, we do **not** believe that the proposal, as presented through the consultation material, contains sufficient financial and operational detail to justify unqualified support in its current form.

We are particularly concerned that members were asked to comment on a proposal of significant value without being provided with a clear and complete summary of:

- the total acquisition cost;
- the expected annual income and savings;
- the ongoing management and maintenance costs;
- the assumptions underpinning the claimed payback period;
- the operational model for repairs, voids, and tenant management;
- the risks associated with ownership and long-term asset management.

While officers have stated that the estimated payback period is around **20 years**, and while this is not necessarily unusual in housing-related public sector investment, members should not be asked to accept that figure without proper breakdown and testing. It is true that similar investments by local authorities and housing providers are often appraised over **20 to 30 years**, especially where they are intended to reduce the use of expensive temporary accommodation and leave the authority with a retained asset at the end of the period. However, that does not remove the need for a robust local business case based on realistic assumptions and transparent sensitivity analysis.

Independents for Herefordshire therefore propose that any support for this decision should be **subject to the following amendments and assurances**.

### **Requested amendments and conditions**

#### **1. That the final decision report include a full financial appraisal showing:**

- purchase price and all acquisition costs;
- furnishing, legal, survey and setup costs;
- expected rental income and service charge recovery;
- expected savings from reduced use of B&B, hotel and other nightly-paid accommodation;

- annual staffing, repairs, maintenance, compliance and management costs;
- void, arrears and bad debt assumptions;
- lifecycle and major works assumptions;
- the basis on which the stated payback period has been calculated.

2. **That the financial case be expressed in net terms, not simply gross avoided cost**, so members can clearly see the true annual benefit after all ownership and management costs are taken into account.

3. **That the business case include sensitivity analysis** showing the effect on payback and value for money if:

- void periods are longer than forecast;
- maintenance and repair costs exceed expectations;
- occupancy is lower than assumed;
- the reduction in external temporary accommodation costs is less than projected;
- benefit recovery is slower or lower than anticipated.

4. **That the report explicitly benchmark the proposal against similar local authority temporary accommodation acquisitions**, including whether a circa 20-year payback period is in line with comparable schemes elsewhere and under what assumptions.

5. **That the report set out why these four one-bedroom flats represent the best available use of the one-off funding**, compared with:

- alternative homelessness prevention activity;
- leasing or other access arrangements;
- purchase of other unit types;
- use of existing capital budgets instead of capitalising this one-off revenue grant.

6. **That the council provide a clear property management plan** covering:

- day-to-day housing management;
- repairs and maintenance responsibilities;
- emergency and out-of-hours arrangements;
- void turnaround;
- safeguarding and tenancy support arrangements;
- officer capacity and caseload implications.

7. **That the council confirm the full due diligence process for the purchase, including:**

- independent valuation;
- building survey and condition survey;
- compliance checks;
- any block-level liabilities or shared responsibilities;
- any known future capital repair risks.

8. **That a formal post-implementation review be required** at 6 months, 12 months, and annually thereafter, reporting:

- actual occupancy levels;
- actual costs and income;
- actual savings against the business case;

- repair and management pressures;
- the extent to which the properties have reduced reliance on B&B and nightly-paid accommodation;
- any lessons for future acquisitions.

9. **That future acquisition proposals include a clearer needs analysis** showing how the size and type of property being purchased matches the council's actual temporary accommodation demand profile and highest-cost pressures, particularly where one-bedroom units may not always be the most effective solution for families.

### **Independents for Herefordshire group position**

We are prepared to support the proposal **in principle**, because purchasing good-quality accommodation for direct council use may represent a better long-term approach than continued reliance on expensive and often unsuitable emergency accommodation.

However, our support is conditional on the final report being strengthened in the ways set out above. A 20-year payback period may be acceptable in this policy area, but only where it is evidenced transparently, benchmarked properly, and supported by a credible plan to manage the assets effectively and contain long-term risk.

This proposal may well prove to be a prudent investment, but members should not be asked to rely on broad assurances where a detailed financial and operational case ought to be available.

*Councillor Liz Harvey*

Group Leader – Independents for Herefordshire  
Herefordshire Council

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Submitted on behalf of the Independents for Herefordshire