

Title of report: Grant acceptance and purchase of accommodation to address gaps in homelessness pathway provision

Decision maker: Cabinet Member, Adults, Health and Wellbeing, Councillor Carole Gandy

Decision date: Thursday 2 November 2023

Report by: Cabinet member adults, health and wellbeing;

Classification

Open

Decision type

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

Wards affected

(All Wards);

Purpose

To accept a grant from the Department of Levelling Up, Housing and Communities (DLUHC) via the Single Homelessness Accommodation Programme (SHAP) and the associated grant terms and conditions.

To approve the acquisition of a minimum of ten properties from the open market within a defined budget and to allow officers, following appropriate consultation and due diligence, to proceed with the acquisitions.

Recommendation(s)

That:

- a) The Cabinet Member accepts the Department for Levelling Up, Housing and Communities capital grant of £910,000 for the purpose of purchasing a minimum of ten properties and a revenue grant of £478,615 for dedicated support workers and associated services;
- b) Authority for acquisition of the properties and all associated operational decisions including authority to award contracts for improvement works and the negotiation of the lease to a housing provider be delegated to the Corporate Director Community Wellbeing.

Alternative options

1. Not to proceed with the purchase. The option is not recommended as the council has a number of statutory duties to meet in relation to the accommodation of vulnerable groups such as homelessness and children that the council are responsible for as a Corporate Parent.

Key considerations

2. As a local authority the council has a statutory duty to house those who are unintentionally homeless and are in priority need and a duty to understand and plan to meet local housing need.
3. Following discussions with Herefordshire Council Children's Services, the Department for Levelling Up, Housing & Communities (DLUHC) and Homes England the following sub-categories of homeless presentations have been identified as having a higher risk of homelessness due to the level of vulnerability amongst the under 25 year old age category. They are young people who were:-
 - a. Released from custody or HMP;
 - b. Released from hospital or other institute;
 - c. In or have been in the 'Looked after Care' system;
 - d. No fixed abode and were rough sleeping in the twelve months before presenting;
 - e. Actually rough sleeping when presenting; or
 - f. Evicted from the council's temporary accommodation provision
4. A total of 101 young people across these sub categories have either been accommodated in temporary accommodation and/or are sleeping rough over a 3 year period.
5. In dialogue with DLUHC and Homes England a grant funding bid was submitted and secured for Single Homeless Accommodation Programme (SHAP) funding. The grant is to enable the council to address the gaps in homelessness for vulnerable young people (age 18-25) at risk of experiencing homelessness or rough sleeping. The government has made the unprecedented commitment to end rough sleeping. SHAP funding is part of this commitment, with the aim to increase the supply of good, specialist supported accommodation and housing led approaches. The properties will be self-contained accommodation suitable for young people, disabled people and/or people with accessibility issues, subject to the market value.

6. Revenue grant has been secured to provide support workers who will focus on developing the young person's skills for independent living, supporting them to manage their accommodation, develop financial management tools, attend appointments and become tenancy ready.
7. The council were successful in securing DLUHC Rough Sleeping Accommodation Programme grant funding in 2022 to acquire 6 properties for homelessness, the properties were purchased off the open market and a full repairing lease was entered into with a Registered Provider for the maintenance and management of the properties. This process will be replicated with the SHAP funding. This is not at a cost to the council.
8. In order for the young person to stabilise, receive support and bid on Home Point to secure permanent accommodation, it is estimated that the SHAP provided accommodation will be required for a minimum of six months for each young person, pursuant to a tenancy agreement.

Community impact

9. The council has expressed an ambition within County Plan 2020-2024 to protect and improve the lives of vulnerable people and to reduce the number of people in Herefordshire identified as homeless and to develop its own housing stock. Ensuring that children in care, and moving on from care, are well supported and make good life choices.
10. The council's Delivery Plan 2020-2024 embraces the principle of no 'second night out' and 'housing first' through developing a model of delivery that prevents homelessness.
11. The council has a collective responsibility to promote the life chances of looked after children and care leavers and these properties will provide accommodation for a minimum of ten young people including care leavers who could potentially return to sleeping rough.
12. These properties will enable transitional housing which is a stepping stone towards independent living and reduces the risk of homelessness and rough sleeping reoccurring in young people.

Environmental Impact

13. The proposal for the council to advance the delivery of housing in the County and have at least an element of control over design/retrofit helps deliver the council's Environmental Policy commitments and aligns to the following success measures in the County Plan 2020 - 2024:
 - a. Reduce the council's carbon emissions – seeking high levels of sustainability and energy efficiency in the construction and operating costs of new homes delivered.
 - b. Work in partnership with others to reduce County carbon emissions – working with partners to minimise our carbon footprint in terms of methods of construction and in seeking the use of local materials and labour wherever possible.
 - c. Improve the air quality within Herefordshire – supporting the development, where appropriate, of car free schemes in new developments and making provision for safe cycling and walking spaces.
 - d. Increase the number of short distance trips being undertaken by sustainable modes of travel; walking, cycling, and public transport and promoting access to sustainable modes of transport in the master-planning of larger scale developments.

14. The properties will be centrally located and would therefore allow individuals the opportunity to either walk or use public transport to move around. This in return would help to reduce the carbon emissions and go some way to improving air quality. It will also help sustainable modes of transport.
15. Purchasing the properties will have a minimal environmental impact as they are already built. Through the refurbishment, improvements to the energy efficiency of the properties will be made wherever possible.

Equality duty

16. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority 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.
17. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a decision to purchase and refurbish properties for a vulnerable cohort we believe that this decision will support the council in discharging its equality duty in particular advancing equality of opportunity for this cohort many of which share a protected characteristic. It will have a positive impact on our equality duty.
 18. In the County Plan 2020 – 2024 the council has expressed an ambition to protect and improve the lives of vulnerable people and to reduce the number of people in Herefordshire identified as homeless, and to develop its own housing stock. The purchase and development of this property as supported living accommodation would contribute to achieving these ambitions.
 19. The purchase of the property will add to the County's housing stock and will be affordable in perpetuity allowing future households who share protected characteristics to have access to appropriate accommodation. The decision will support the council in discharging its equality duty.

Resource implications

20. A Capital grant funding of £910,000 has been awarded by DLUHC. This funding must be spent by 31 March 2025 and has been added to the capital programme by the S151 Officer.
21. Funding of up to £402,278 has been allocated from the Better Care Fund (BCF).
22. Section 106 monies will be used to contribute towards the purchase of the properties. This relates to planning application P153511/O – Proposed outline consent (including details of access) for the erection of up to 38 dwellings on land adjacent to the B4222, Lea, Ross on Wye. The section 106 agreement dated 14 September 2016 requires the monies to be used for the delivery of a flood attenuation system in Lea or to the extent that the monies are not required for his purpose,

towards the provision of Affordable Housing in the Ross on Wye Housing Market Area. The monies were received on 8 June 2021 and need to be spent by 8 June 2026. The flood alleviation scheme has been delivered in Lea and therefore, in accordance with the section 106 agreement, these monies can be used to deliver the affordable housing being proposed.

23. Each property will have an allocated budget of £15,000 for improvement works with a contingency budget of £6,000. The procurement of the building improvement works will be in accordance with the council's contract procedure rules.
24. The rental income received is expected to meet all future on going revenue costs for the premises, which includes the housing management and maintenance of each property. However, this will not have an immediate impact on the council as a housing provider will be secured to manage the units on behalf of the council following improvement works on a full repairing lease.
25. A revenue budget has been secured totalling £478,615 from DLUHC. This budget will be used for the following;
 - a. To secure 2.5 posts, including mileage costs. The funding is for a period of three years from recruitment.
 - b. Training budget for staff
 - c. Costs associated with the purchase of the properties which are not covered by the capital grant and will include items such as utility bills and council tax.
 - d. Residents personalised budget. E.G. funding to help residents attend training courses on life skills, budgeting and ITC.
26. Breakdown of scheme costs are set out in the tables below.

Capital cost of project	Acquisition costs	Building Works	Contingency	Total
Purchase of 10 x 1 bed self-contained units	£1,600,000	£150,000	£60,000	£1,810,000
TOTAL	£1,600,000	£150,000	£60,000	£1,810,000

Funding streams - Capital	
DLUHC Grant	£910,000
BCF Grant	£402,278
S106 Income	£497,722
TOTAL	£1,810,000

Legal implications

27. Section 120(1) Local Government Act 1972 provides a specific power to acquire by agreement, any land inside or outside its area for the purposes of any of its statutory functions or the benefit, improvement or development of its area. Section 9 Housing Act 1985 permits a Council to provide housing accommodation and Part 7 Housing Act 1996 sets out the Council's duties in relation to providing accommodation to those that are homeless. In addition, section 1 of the Localism Act 2011 conferred a power of competence on the council to do anything that any individuals may generally do.

28. The council may use these powers in support of reasonable and accountable decision making to deliver services in an innovative and collaborative way, amongst other things to promote social and economic wellbeing, sustainable economic growth and development, equality, inclusion, and improve the quality of the local environment.
29. The properties will be procured in accordance with Finance procedure Rules in relation to valuations (Clause 93) and any associated contracts in relation to works will be procured in accordance with the Council's contract procedure rules.

Risk management

Risk / opportunity

Mitigation

Opportunity to place 10 young people at risk of homelessness into accommodation to receive support services within a secure home environment

Failure to spend DLUHC funding by 31 March 2025 will result in the grant offer being retracted and any funds drawn down against the project needing to be returned. This could have an impact on future bids, reputation and relationships with partnering organisations.

Approval to purchase the accommodation is refused. This will have an implication on the council's homelessness budget due to further cost of temporary accommodation and could return young people to the streets.

Cost of refurbishment works could escalate and cause an overspend if unforeseen problems occur.

Due to the amount of units and timeframe it might not be possible to purchase all of the properties

Ongoing maintenance and future refurbishment costs.

Support costs.

On approval of the decision to purchase the properties, negotiations with property agents can start immediately to ensure the funding is spent. This will be managed at service level. The capital element of this fund is managed by Homes England. They have very clear points where drawdown can be requested. This will all be tracked and monitored through the Homes England Investment Management System at service level.

Approval is sought for the purchase to reaccommodate individuals from temporary accommodation or off the streets, therefore reducing revenue on support costs and alternative accommodation costs.

A full inspection of each property will be undertaken with a Property Surveyor and an estimate of costs will be sought. The works will be monitored on a regular basis through update meetings. This will ensure the budget is not overspent. This will be managed at a service level.

We currently have 14 months to purchase the properties. The council recently purchased six units through grant funding from DLUHC which was completed on time and was a great success.

We are continually in discussions with DLUHC and the grant is only drawn down on the successful purchase of each property.

This will be managed via a full repairing lease by an approved provider. The properties will be refurbished before handover and a condition survey will be undertaken prior to hand over to the provider.

36 months will be funded through revenue grant received from DLUHC and then delivered in house through the council's

Housing Solutions Team. If we do not recruit to the posts then the funding may have to be returned to DLUHC.

Consultees

Cabinet member adults health and wellbeing

Cabinet member community services and assets

Local ward members

Political group consultation – took place on 22nd September and all members in attendance support the decision and no political review points were offered

Appendices

None.

Background papers

None identified.

Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published		
Governance	John Coleman	Date 29/09/2023
Finance	Karen Morris	Date 27/09/2023
Legal	Emma-Jane Brewerton	Date 02/10/2023
Communications	Luenne Featherstone	Date 22/09/2023
Equality Duty	Harriet Yellin	Date 20/09/2023
Procurement	Lee Robertson	Date 21/09/2023
Risk	Jo Needs	Date 20/09/2023
Approved by	Hilary Hall	Date 18/10/2023

Please include a glossary of terms, abbreviations and acronyms used in this report.