

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

Decision maker: Cabinet member adults, health and wellbeing

Decision date: 16 May 2024

Report by: Corporate Director, Community 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 additional grant from the Department of Levelling Up, Housing and Communities (DLUHC) via the Single Homelessness Accommodation Programme (SHAP 5) and the associated grant terms and conditions. This funding was not anticipated and as such was not included as part of the original decision.

To approve the acquisition of a minimum of five 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 additional capital grant of £460,000 for the purpose of purchasing an additional minimum of five properties and a revenue grant of £124,899 for dedicated support workers and associated services;**
- b) Authority for acquisition of the properties and all associated operational decisions needed in respect to the grants in recommendation a) 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;**
- c) Delegates acceptance to the S151 officer (in consultation with the Corporate Director Community Wellbeing) in respect to any future grant funding received from central government that becomes available under substantially the similar conditions as SHAP; and**
- d) Delegates to the Corporate Director Community Wellbeing authority to utilise such grant for the purposes that the grant was provided including that in recommendation b).**

Alternative options

1. Not to proceed with the grant. 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 residents have been identified as having a higher risk of homelessness. This is due to the level of vulnerability amongst the under 25 year old age category and 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 or 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. In 2023 the council secured further SHAP funding to purchase a minimum of 10 properties. This process will be replicated with the additional 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 would be required for a minimum of six months for each young person.

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 whom share a protected characteristic, Specifically those aged under 25 and could also include, but not exclusive to gender and disability 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, Such as under 25's and those who have a disability 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 £460,000 has been awarded by DLUHC. This funding must be spent by 31 March 2025 and will be added to the capital programme by the S151 Officer.
21. Match funding of up to £460,000 has been allocated from the Better Care Fund (BCF).
22. The properties will be procured in accordance with Finance Procedure Rules in relation to valuations (Clause 93)
23. Each property will have an allocated budget of £15,000 for improvement works with a contingency budget of £9,000. 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 £124,899 from DLUHC. This budget will be used for the following;
- To secure 1 post, including mileage costs. The funding is for a period of three years from recruitment.
 - Training budget for staff
 - Costs associated with the purchase of the that are not covered by the capital grant and will include items such as utility bills and council tax.
 - Residents personalised budget. E.G funding to help residents attend training courses on life skills, computer.
26. Breakdown of scheme costs are set out in the tables below to be spent in 2024/25.

Capital cost of project	Acquisition costs	Building Works	Contingency	Total
Purchase of 5 x 1 bed self-contained units	£800,000	£75,000	£45,000	£920,000
TOTAL	£800,000	£75,000	£45,000	£920,000

Funding streams - Capital	
DLUHC Grant	£460,000
BCF Grant	£460,000
TOTAL	£920,000

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
<p>Opportunity to place a further 5 young people at risk of homelessness into accommodation to receive support services within a secure home environment</p>	
<p>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.</p>	<p>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.</p>
<p>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.</p>	<p>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.</p>
<p>Cost of refurbishment works could escalate and cause an overspend if unforeseen problems occur.</p>	<p>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.</p>
<p>Due to the amount of units and timeframe it might not be possible to purchase all of the properties</p>	<p>We currently have 11 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.</p> <p>We are currently in the process of purchasing 10 units under the current SHAP funding and have already completed on 4 and are in the process of buying 2 more.</p> <p>We are continually in discussions with DLUHC and the grant is only drawn down on the successful purchase of each property.</p>
<p>Ongoing maintenance and future refurbishment costs.</p>	<p>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.</p>

Support costs.

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 – consultation was sent out to group leaders for comments with a deadline of 26th April 2024. No political viewpoints 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 19/04/2024
Finance	Karen Morris	Date 23/04/2024
Legal	Sean O'Connor	Date 23/04/2024
Communications	Luenne Featherson	Date 24/04/2024
Equality Duty	Harriet Yelling	Date 23/04/2024
Procurement	Carrie Christopher	Date 29/04/2024
Risk	Jo Needs	Date 22/04/2024
Approved by	Hillary Hall	Date 07/05/2024

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