

CAPITAL FUNDING OF ACCOMMODATION FOR ROUGH SLEEPERS

Housing Committee Tuesday, 29 June 2021

Report of: Alison Boote, Executive Head of Communities

Purpose: For Decision

Publication status: Unrestricted

Wards affected: All

Executive summary:

The Council, in partnership with Transform Housing and Support (Transform) has the opportunity to apply to Homes England for grant funding to purchase two further 'Move-On' homes in the District. The bid will see East Surrey Local Authorities - Mole Valley District Council, Reigate and Banstead Borough Council and Epsom and Ewell Borough Council - make a joint bid with Transform for funding to purchase 8 Move-On properties across the four local authority areas, with each local authority committing to grant fund 25% of the scheme cost.

In Tandridge the homes would take the form of 2 x one bedroom flats, to provide supported housing for former rough sleepers and those at risk of rough sleeping in the district. This report seeks Committee approval to proceed with the joint bid and to use commuted sums in the form of local authority grant to Transform to support the purchases.

This report supports the Council's priority of: Creating the homes, infrastructure and environment we need

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Recommendations to Committee:

It is recommended to Members that:

- A) approval be given to participate in a joint Homes England bid with the 3 other East Surrey Local Authorities in partnership with Transform Housing and Support for funding from the Rough Sleeping Accommodation Programme;
- B) use of commuted sums of up to 25% of the total scheme cost, subject to a maximum of £50,000 per unit (total £100,000) be approved and given by way of grant to support Transform Housing and Support in the purchase of two properties in Tandridge to provide housing with support for rough sleepers, former rough sleepers or those at risk of rough sleeping; and
- C) authority to be delegated to the Head of Legal Services to agree the terms of the necessary nomination and funding agreements in support of the proposal should the bid be successful.

Reason for recommendation:

Both the Council's Homelessness and Rough Sleepers Strategy 2019-23 and the Housing Strategy 2019-23 support the objective of the provision of additional social and affordable housing to meet housing need within the District. The Council, aside from undertaking its own programme of house building, also supports the work of housing associations in providing social and affordable housing, for general needs or housing with support, which is vital to the Council in its work to meet local affordable housing need.

Introduction and background

1. The Government ('MHCLG') has invited local councils, working closely with delivery partners including registered providers of social housing, to submit proposals and bids for future years of the Rough Sleeping Accommodation Programme (RSAP). RSAP's objective is to provide Move-On Homes, available as long-term assets, and accompanying support services to achieve a sustainable reduction in rough sleeping. This funding programme is a continuation of the Government's manifesto commitment to end rough sleeping.
2. Transform already have a number of supported housing projects in Tandridge together with experience of providing high quality support and housing to rough sleepers and people with a history of homelessness. They are a registered provider and a registered charity with more than 50 years experience in the sector. Under the first phase of the Move-On programme in Tandridge, Transform purchased a one-bedroom flat in Whyteleafe using £30,000 of capital grant funding from the Council (approved by this Committee in March 2020), £50,000 of Homes England grant funding and private funding from the organisation itself of [£152,000].

3. This Committee granted approval in March 2020 for funding for the first phase and as a result Transform have recently completed the purchase of a one-bedroom flat in Whyteleafe under the scheme.

Rough Sleeping Accommodation Programme Bid

4. Homes England have indicated that they would support a joint bid from the East Surrey local authorities, in partnership with Transform, to realise up to 50% of grant funding to secure the purchase of eight properties across East Surrey (2 properties per local authority area). The scheme would require a commitment from each council to fund 25% of the purchase of the properties in their area, estimated to be up to £50,000 per unit in Tandridge, with the remaining 25% being funded by Transform itself.
5. The notable increase in grant required since the original funding round is not reflective of the housing market, which has remained relatively stable but reflective of the reduction in Homes England grant rates available under the scheme and a lower contribution than previously from the registered provider.
6. An affordable rent will be charged for the properties and Transform will provide two hours of support per week to tenants, via a dedicated keyworker who will promote and encourage independent living skills. Funding for this support will come from Homes England who recognise the importance of long-term certainty for the programme. They have confirmed that funding for support services will be available through to the end of the financial year 2023/24. Future funding for support costs thereafter will be subject to future spending rounds and local prioritisation, and in line with national and local plans for tackling homelessness and rough sleeping. Should revenue funding cease in the future, the Council will work with Transform to explore other means of funding or revert the flats to general needs social housing.

Budget

7. In previous financial years the Council has included within its annual budget framework funds to support housing associations in the provision of social/affordable housing (Housing Enabling – General). There is no budget approved for 2021/22 so it is proposed that should the joint bid to Homes England be successful, the local authority grant be taken from commuted sums for affordable housing and be subject to a legal agreement securing nomination rights in favour of the Council.
8. Commuted sums are monies set aside for the provision of affordable housing, arising from residential developments that were unable to provide on-site affordable housing and have instead paid a sum, in lieu of onsite provision, for the Council to use for affordable housing provision elsewhere in the District.

9. The Council currently holds £761,770 in commuted sums although £600,000 is already committed to the council house building programme. The balance available is therefore £161,770 although further receipts are expected in the next 12 months of £714,000. Payment will only be made on the basis of a purchase that has satisfactory clean legal title.

Climate Change Implications

10. The purchase will most likely be an existing one-bedroom leasehold flats for sale on the open market and therefore scope for any significant contribution to climate change (without action by the freeholder) is limited. Furthermore, Homes England grant conditions require any works necessary for the scheme to be made suitable for affordable housing letting, to not exceed £1500 per property. However, the recent purchase of a Move-On property in Whyteleafe has demonstrated the robust approach that Transform are taking when identifying a suitable property. The property that has been purchased required no additional work to improve its energy efficiency, being double glazed and insulated sufficiently and with an efficient, nearly new boiler.

Consultation

11. No information is known at this time about the location of the purchases other than they will be in the District and are likely to be ex-right to buy leasehold flats.

Key implications

Comments of the Chief Finance Officer

12. There is no direct impact on the General Fund revenue budget from these proposals. The provision of supported housing for former rough sleepers and those at risk of rough sleeping in the district could however benefit the General Fund budget by reducing the future cost of dealing with homelessness were this facility not be available.
13. The Housing General Fund capital budget will be amended to include the expected £100,000 cost which will be financed by the use of commuted sums set aside for the provision of affordable housing.
14. The properties will be owned by Transform Housing and Support who will be responsible for any maintenance costs. The Council will secure nomination rights in perpetuity. Should the properties ever be sold the Council will receive back the appropriate percentage of the value of the property as at the date of valuation.

Comments of the Head of Legal Services

15. The proposed decision is to approve the provision of additional social and affordable housing that will benefit vulnerable residents who have been identified as rough sleeping or at imminent risk of rough sleeping. Section 12 of the Local Government Act 2003 gives the Council powers to invest for any purpose relevant to its statutory functions or for the purposes of prudent management of its financial affairs.

16. There are therefore no legal reasons preventing Members from approving the recommendations in the report. Essentially, this proposed project would form part of ongoing work to provide a service to prevent and mitigate homelessness, as part of the Council's statutory duties.

Equality

17. The homeless population are exceptionally vulnerable to Covid-19. The proposed decision, therefore, represents a measure to meet the needs of people with protected characteristics and therefore mitigate any new inequalities arising as a result of the impact of Covid-19. This decision will help the Council to meet its equalities duties and address known inequalities affecting individuals with protected characteristics, particularly relating to age, and disability. No negative consequences are identified for those who identify with one or more protected characteristics; accordingly, the decision represents progress to eliminate discrimination and advance equality of opportunity.

Appendices

None

Background papers

None

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