

Capital Funding of Accommodation for Rough Sleepers

Housing Committee Tuesday, 30 November 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 applied to Homes England for grant funding to purchase another 'Move-On' home in the District. A similar report was considered at June Committee and approval was given for the Council to participate in a joint Homes England bid with the three other East Surrey Local Authorities and that the Council could use commuted sums to support the purchase of two properties in the District to provide supported housing for rough sleepers, former rough sleepers and those at risk of rough sleeping.

Shortly before the June Committee meeting, Homes England advised that the total grant available for the East Surrey bid had significantly reduced and given the looming deadline, the East Surrey Partnership collectively decided against pursuing the joint bid at that time. The Partnership has since revised its proposals and a new bid has been submitted.

The current bid will see East Surrey Local Authorities – Mole Valley District Council, Reigate and Banstead Borough Council and Epsom and Ewell Borough Council – bidding with Transform for funding to purchase 7 Move-On properties across the four local authority areas. In this District the partnership will support the purchase of 1 x one bedroom flat.

This report seeks Committee approval to use commuted sums in the form of local authority grant to Transform to support the purchase.

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

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Recommendation to Committee:

That the use of commuted sums of up to £68,000 (representing 25% of the total scheme cost) be approved and given by way of grant to support Transform Housing and Support in the purchase of one property in the District to provide housing with support for rough sleepers, former rough sleepers or those at risk of rough sleeping.

Reason for recommendation:

Committee has previously given approval to participate in the joint Homes England bid and delegated authority to the Head of Legal Services to agree the terms of the necessary nomination and funding agreements. The previous approval was for the use of commuted sums up to a maximum of £50,000 per unit but due to changes to the grant levels from Homes England, it is necessary to increase the level of commuted sum involved to £68,000 if we are to participate in the programme.

The Council's Homelessness and Rough Sleepers Strategy 2019-23 and the Housing Strategy 2019-2023 support the objective 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 several supported housing projects in the District 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 the remainder of the funding from the organisation itself.

Rough Sleeping Accommodation Programme Bid

3. 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 31% of grant funding to secure the purchase of seven properties across East Surrey (one property in Tandridge). The scheme requires a commitment from each council to fund 25% of the purchase of each property in their area, estimated to be up to £68,000 for one unit in Tandridge, with a further 34% of the funding coming from Transform and 13% coming from Surrey County Council health service.
4. The notable increase in grant required since the original funding round and even since the June Committee report is reflective of the significant reduction in Homes England grant available under the scheme. Given the low levels of rough sleeping in Tandridge, the Partnership agreed with Homes England that the current bid would consist of grant funding for one property in the District, rather than two.
5. An affordable rent will be charged for the property and Transform will provide two hours of support per week to the tenant, 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

6. 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 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.
7. 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.
8. The Council currently holds £161,770 in commuted sums. 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.

Other Options Considered

9. In deliberating over whether to participate in the programme because of the increase in grant funding required, a comparison has been made with the level of capital funding needed to deliver a one-bedroom property in the Council House Building Programme. With subsidies currently between £50k - £75k, it is still considered good value for money since the Council will not have to supply resources to identify the property, secure the purchase or do works to the property and will receive 100% nominations as a result.

Consultation

10. No information is known at this time about the location of the purchase other than that it will be in the District and will be suitably located so as to allow for easy access to local services. It is likely the property will be an ex-Right to Buy leasehold flat.

Key implications

Comments of the Chief Finance Officer

11. The money required for this project has been identified as coming from commuted sums and as such does not impact on the Councils revenue budget. However given the current and future financial restraints of the Council it is important that the current provision is not exceeded.

Comments of the Head of Legal Services

12. There are no legal reasons preventing the Committee from approving the recommendations in the report.
13. Local authorities' duties towards homeless people are contained in Part 7 of the Housing Act 1996 (as amended). Local authorities have a duty to secure permanent accommodation for unintentionally homeless people in priority need. Changes introduced by the Homelessness Reduction Act 2017 placed additional duties on local authorities which apply to all eligible applicants irrespective of whether they fall into a priority need category. Local authorities have, as a result, a duty to prevent homelessness for all eligible applicants threatened with homelessness; and a duty to relieve homelessness for all eligible homeless applicants. Housing authorities have a duty to provide or secure the provision of advice and information about homelessness and the prevention of homelessness, free of charge
14. In order to receive the full grant from Homes England the Council must comply with the terms and conditions of the grant funding.

Equality

15. 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.

Climate change implications

16. The purchase will most likely be an existing one-bedroom leasehold flat 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 purchase of the Move-On property in Whyteleafe has demonstrated the robust approach that Transform are taking when identifying a suitable property. The property that was purchased required no additional work to improve its energy efficiency, being double glazed and insulated sufficiently and with an efficient, nearly new boiler.

Appendices

None

Background papers

None

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