

Report to Cabinet

22nd November 2018



By the Cabinet Member for Community and Wellbeing

Part exempt – see appendix

DECISION REQUIRED

Additional Temporary Accommodation Options – Copnall Court - Saxon Weald Lease

Executive Summary

The council is proposing to lease nine units of accommodation from Saxon Weald to be used as temporary accommodation for homeless households. This proposal would reduce the council's reliance upon bed and breakfast which would improve the outcomes for homeless families and reduce the council's expenditure on bed and breakfast accommodation.

The council has a statutory duty to provide interim accommodation for people in urgent need of housing. The council owns and manages 70 units of accommodation and in addition, leases a further six units from Stonewater Housing Association. Demand for short-stay accommodation has risen sharply in the past 12 months and this is anticipated to continue. The introduction of the Homeless Reduction Act (HRA) has highlighted the need to work proactively with households at risk of homelessness, this new way of working has added to the service households are now able to access.

Section 1.3 below demonstrates the increase in demand for bed and breakfast accommodation. Households placed in bed and breakfast accommodation are required to pay rent by their own means or through housing benefit payments. The amount that can be recharged is capped at the single room local housing allowance rate of £138.46 per week and covers approximately a third of the cost to secure a placement.

The use of bed and breakfast accommodation is therefore placing a significant financial burden on the council. The predicted annual net cost for supplying this bed and breakfast accommodation will be in the region of £300,000 during 2018/19.

The council is proposing to lease nine units of accommodation from Saxon Weald to be used as temporary accommodation. The units are new build properties and benefit being modern, energy efficient and in a central accessible location within the district. The proposal would see the council lease the units from Saxon Weald for a period of ten years and return them in a habitable and compliant condition after this period.

Using these properties as temporary accommodation will enable the Council to keep households owed a homeless duty closer to support networks, children's schooling and

employment that might otherwise be jeopardised if bed and breakfast accommodation is secured outside the Horsham District.

This approach will help to provide a rapid response to an urgent need for additional suitable temporary accommodation demand now.

Recommendations

Cabinet is asked to:

- i) Approve the proposal to lease nine flats at Copnall Court, Broadbridge Heath from Saxon Weald to let as temporary accommodation to homeless households as an alternative to bed and breakfast accommodation often outside the Horsham District.
- ii) Approval for the signing of the lease to be completed by Delegated Authority the Head of Legal Services in consultation with the Cabinet Member for Community and Wellbeing.

Reasons for Recommendations

- i) To support the council to meet its statutory responsibility to provide short-stay temporary accommodation. The current level of temporary accommodation does not meet current levels of demand.
- ii) Securing accommodation within the district will enable the council to meet its statutory housing duties at a lower cost than the current alternative of placing households in bed and breakfast accommodation. Local accommodation will also keep households closer to employment, children's schooling and social and support networks.

Background Papers

None

Wards affected: Broadbridge Heath

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Background Information

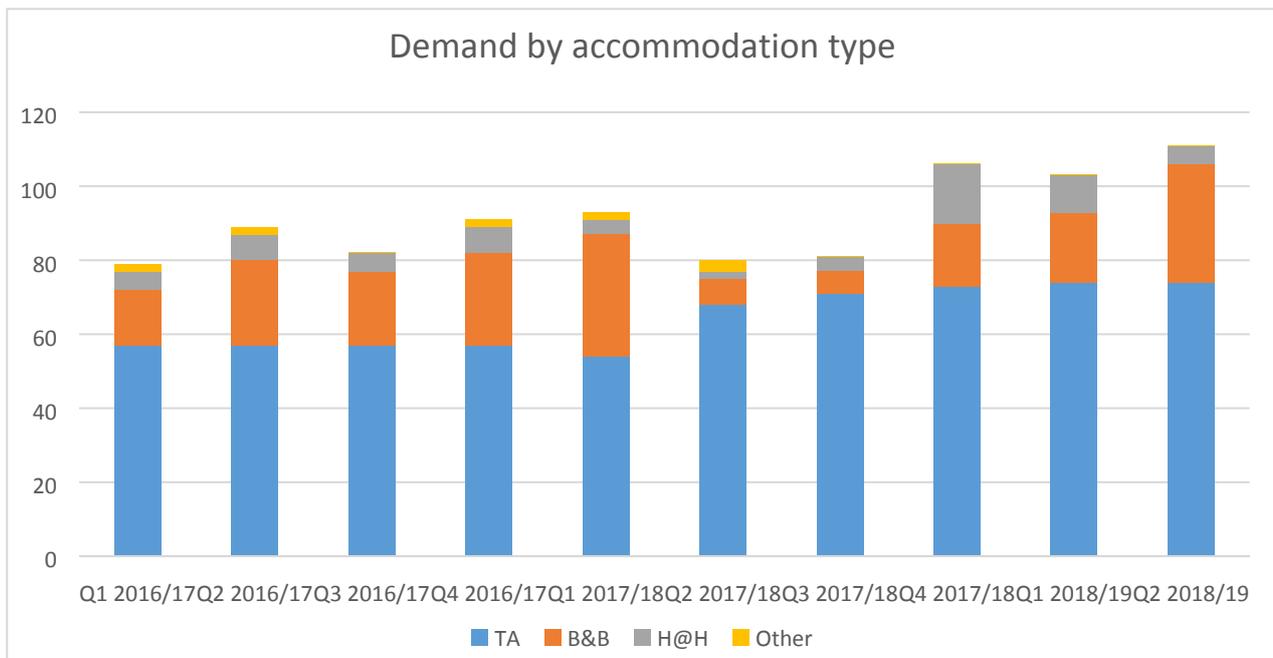
1 Introduction and Background

- 1.1 The purpose of this report is to request cabinet approval the proposed lease on nine flats from Saxon Weald. The annual cost of the lease is detailed within the exempt appendix.
- 1.2 Horsham District Council has a statutory duty to provide short stay temporary accommodation to all applicants who are deemed to be, eligible, homeless and in a priority category under the homelessness legislation. In order to meet this duty it has its own stock of temporary accommodation and leases a block of flats from a Registered Provider. These units total 76 and are split as follows:

	Flats	Houses
Studio / bedsits	8	0
One bedroom	32	0
Two bedroom	23	0
Three bedroom	3	10

However, demand is significantly outstripping supply and Bed and Breakfast (B&B) establishments are increasingly being used to deal with the growing pressure of homelessness. Keeping families in B&B accommodation can often be unsuitable for long periods and can be of great strain for those involved.

- 1.3 The graph below demonstrates the how the current demand is being met and shows an increase in reliance on bed and breakfast accommodation since Q3 2017/18.



- 1.4 The reduction in use at the end of quarter two in 2017/18 was in response to the handover of seventeen units of accommodation at Burstow Court, Horsham. Since the end of quarter three we have seen a marked increase in demand for bed and breakfast accommodation.
- 1.5 The cost of providing bed and breakfast accommodation is expected to be in the region of £300,000 for the 2018/19 financial year. This is the net cost after income collected through housing benefit payments or rent from households not in receipt of housing related benefits.
- 1.6 The Council has secured planning permission to develop two further sites as temporary accommodation in Peary Close, Horsham and Rowan Drive, Billingshurst. These are estimated to be ready for occupation summer and winter 2019 respectively.
- 1.7 A review of our affordable housing position was approved by Cabinet November 2017 and noted the unlikely need for additional temporary accommodation beyond those units proposed at Peary Close and Rowan Drive. Since the report there has been a sustained increase in demand for homeless services which has been further compounded by the extension of service households are now entitled to as a result of the implementation of the Homeless Reduction Act (HRA).
- 1.8 Given the pressures we are facing now it is proposed that we consider alternative methods to access additional units of accommodation that could be used as temporary accommodation.

2 Relevant Council policy

- 2.1 Leasing accommodation from Registered Providers is nothing new, the Council already has an arrangement with Stonewater (Registered Provider) for six units in Pulborough. This arrangement has been in place since 2004. Leasing accommodation from Registered Providers supports the Council's statutory responsibility to provide accommodation for households in housing need. The Council has a shortfall of accommodation, which means that there is often no alternative but to rely upon expensive bed and breakfast accommodation.

3 Details

- 3.1 The Council currently manages 76 units of temporary residential property throughout Horsham District. This is used to discharge the Council's statutory duty pursuant to Part VII of the Housing Act 1996 (as amended). The demand for homeless accommodation has continued to increase following the implementation of the Homeless Reduction Act 2018, as the duties towards homeless households are expanded.
- 3.2 In addition to the increase in demand and expanded duties towards homeless households, the turnover rate of households in our temporary accommodation has slowed down. At the end of July the average number of weeks spent in all forms of temporary accommodation was 44 weeks, this compares to 37 weeks for the same period for July 2016/17.

- 3.3 The proposal would see the Council agree a ten year lease with Saxon Weald to rent six one bed flats and three two bed flats at Copnall Court, Broadbridge Heath
- 3.4 The alternative net cost of providing nine households with bed and breakfast accommodation for a year is approximately £80,000. It is expected that this proposal will reduce the Councils bed and breakfast annual expenditure. The full cost and savings of this proposal are detailed within the exempt appendix.

4 Next Steps

- 4.1 Approval of proposal to lease the nine units of accommodation from Saxon Weald for a period of ten years. The proposed start date of this lease will is expected to be the beginning of December 2018.

5 Outcome of Consultations

- 5.1 The Director of Corporate Resources and S151 Officer support this proposal.
- 5.4 Community and Wellbeing Policy Development Advisory Group were appraised of the concept to lease accommodation from registered providers at the meeting held 29 October 2018 and supported the concept on the basis that it provided a better outcome and was more cost effective alternative to bed and breakfast accommodation.

6 Resource Consequences

- 6.1 The analysis of cash flows in the appendix shows providing temporary accommodation in this way will have a positive financial impact for the Council of approaching £50,000 a year throughout the 10 year period, after allowing for potential exit costs and voids. The risks of Horsham District Council not needing this type of temporary accommodation are low.

7 Legal Consequences

- 7.1 The Council has several and specific powers to acquire property by agreement to discharge its housing functions including S17 Housing Act 1985, Section 120 Local Government Act 1972 and the general power of competence in section 1 Localism Act 2011.

8 Risk Assessment

- 8.1 The proposal would see an increase in the number of temporary accommodation units available to the Council to meet its homeless obligations.
- 8.2 The Council has been reliant upon bed and breakfast accommodation to meet demand for homeless accommodation consistently since 2007. It is not anticipated that demand will reduce during the period of this proposed lease but if it does and properties are at risk of being vacant, the Council will work with neighbouring District, Borough and County Council colleagues to also enable them to temporarily reduce their reliance upon bed and breakfast accommodation.

9 Other Considerations

- 9.1 The proposal improves the outcomes for households being provided with homeless accommodation.
- 9.2 The provision of self-contained accommodation will help reduce crime and disorder by providing accommodation and support services for some of the more vulnerable people in the district.
- 9.3 The use of self-contained accommodation can promote rights under Article 8: Right to respect for private and family life.

10 Exempt Appendix

- 10.1 Heads of terms drawn up in agreement between the council and Saxon Weald. These heads of terms will form the basis of the lease agreement.
- 10.2 Financial analysis of the proposal which evidences the costs, savings and financial impact to the council.