



<u>Committee and Date</u>
Council
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<u>Item</u>
Public

Delivery of the Temporary Accommodation Programme

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1. Synopsis

- 1.1. This report requests a more flexible approach to delivering temporary accommodation. It seeks:
- to vary the detail of the acquisition of dwellings to provide one-bedroom units of dispersed temporary accommodation; and
 - that as an interim measure, the Council enters into short-term leases of private accommodation.

2. Executive Summary

- 2.1. On 13 January 2022 Council received a report, "Programme Approach to the Purchase of Temporary Accommodation". This report set out a programme to deliver supported temporary accommodation: both schemes with on-site management and support; and dispersed dwellings.
- 2.2. Due to limited opportunities in the housing market to identify and acquire suitable one- and two-bedroom dwellings, a variation to the approvals contained in the January 2022 report is requested to allow for greater flexibility to deliver small units of self-contained dispersed accommodation. Described as "acquisition and works" scheme, an example would be the acquisition of a three-bedroom house on the proviso that this is converted into two self-contained one-bedroom flats.
- 2.3. In addition, as an interim measure to enable the Council to provide additional temporary accommodation in the short-term, a further flexibility is sought for the Council to enter into leases of existing open market schemes of self-contained and shared

accommodation. The Council would facilitate the provision of appropriate intensive housing management and support.

3. Recommendations

- 3.1. To widen the definition of the temporary accommodation programme in the Council report of 13 January 2022 to include "acquisition and works", thereby allowing the purchase of larger dwellings to be converted into one-bedroom and two-bedroom self-contained dwellings.
- 3.2. Delegate to the Head of Property and Development, in consultation with the Portfolio Holder for Physical Infrastructure, the authority to agree and enter into appropriate short-term property leases.

REPORT

4. Risk Assessment and Opportunities Appraisal

- 4.1. By widening the scope of the temporary accommodation delivery programme to enable "acquisition and works", the main risks are that:
 - Shropshire Towns and Rural (STAR) Housing is unable to source sufficient suitable larger dwellings which can be viably converted into smaller self-contained units; and
 - where dwellings are purchased planning permission for conversion is not granted.
- 4.2. In terms of seeking to mitigate these risks, analysis of properties for sale on the open market and direct approaches (including those offered back to the Council under the Right of First Refusal) shows that at present there are suitable dwellings which have the potential to be converted into self-contained units. In addition, the due diligence process will include STAR Housing seeking pre-planning application advice.
- 4.3. By having the ability to enter into short term leases of suitable self-contained and shared accommodation, on the proviso that the Council ensures occupants are provided with appropriate management and support, seeks to provide an interim solution to the need for suitable supported temporary accommodation. The main risk is the lack of opportunities available to the Council.
- 4.4. Given as this report seeks to widen the delivery options set out in the Council report of 13 January 2022, the original Equality, Social Inclusion and Health Impact Assessment (ESHIA) remains unchanged.

5. Financial Implications

- 5.1. Financial modelling shows that the anticipated total scheme costs, and associated General Fund revenue savings, to deliver self-contained units using an “acquisition and works” approach are in line with those agreed under the original “purchase and repair” model. As previously set out in the 13 January 2022 Council report, each acquisition will be subject to a business case and relevant officer and Portfolio Holder delegations.
- 5.2. Given the Housing Benefit regulations applicable to leased accommodation, it is anticipated that there will not be high revenue savings from utilising private accommodation, however, it will still be more economical than the use of bed and breakfast.

6. Climate Change Appraisal

6.1. Energy and fuel consumption:

- The sustainability and energy performance of accommodation will be reviewed as part of the business case for each individual acquisition. Works costs will reflect the need to meet a lettable standard and will fund upgrades to reduce carbon emissions. The intention is to seek to improve acquired properties so that they reach net zero by 2030. The energy efficiency rating of these properties, post improvement will be reported in line with STAR Housing’s key performance indicators.

6.2. Renewable energy generation:

- Each individual acquisition will be considered for opportunities for renewable energy generation

6.3. Carbon offsetting or mitigation:

- Given the nature and type of accommodation to be delivered under this programme, it is unlikely that there will be opportunities for carbon offsetting or mitigation.

6.4. Climate Change adaptation:

- The scope of any retrofit upgrade will consider the potential need for climate change adaptation to manage the effects of more extreme weather.

7. Background

- 7.1. The Council has a duty to provide interim (temporary) accommodation if, at any point during enquiries surrounding a homelessness application, there is a reason to believe that an applicant may be: homeless; eligible for assistance, and in priority

- need. Where an applicant is owed the main duty, this being an offer of settled accommodation, and is currently accommodated in temporary accommodation the Council has a duty to provide temporary accommodation until such time as the duty is ended, either by an offer of settled accommodation or for another specified reason.
- 7.2. Given that basis for accommodating households under the interim accommodation duty is because the Council has reason to believe that the household is eligible for assistance, homeless and in priority need; and where the main duty is owed, the Council has determined that the household is unintentionally homeless, eligible for assistance and in priority need, this means that single and couple households who are required to be accommodated will be considered to be vulnerable.
- 7.3. The provision of temporary accommodation in the form of supported housing, either with on-site or floating intensive housing management and support, is therefore the most appropriate form of housing the Council can provide to these vulnerable households.
- 7.4. On 13 January 2022 Council received a report, "Programme Approach to the Purchase of Temporary Accommodation". This report set out the rationale and process for delivering a temporary accommodation programme of up to 60 units of accommodation to be held in the HRA, funded by Section 106 commuted sums and borrowing on rental income, and managed by the Council's Arm's Length Management Organisation (ALMO), STAR Housing.
- 7.5. It was agreed that this programme be progressed and that it was to comprise two elements:
- the delivery of supported accommodation schemes for single homeless people who require on-site management and support; and
 - the "purchase and repair" of one- and two-bedroom dwellings across Shropshire to provide a dispersed temporary accommodation scheme.
- 7.6. However, lack of opportunities in the housing market to identify and acquire suitable one- and two-bedroom dwellings is currently providing cause for concern. The Council is competing with other prospective purchasers in a housing market where there is very high demand for one- and two-bedroom units of accommodation. To date only one dwelling has been acquired, with two further dwellings subject to conveyancing.
- 7.7. Therefore, a variation to the approvals contained in the January 2022 report is requested to allow for greater flexibility to deliver one- and two-bedroom units of self-contained dispersed accommodation. An example would be the acquisition of a three-

bedroom house on the basis that this is converted into two self-contained one-bedroom flats. Therefore, allowing the delivery of the dispersed accommodation scheme through both “purchase and repair” and “acquisition and works”.

- 7.8. In addition, although not a demand on capital resources, a further flexibility is sought to enable the Council to provide additional temporary accommodation in the short term. This being for the Council to consider leasing suitable existing open market schemes of self-contained and shared accommodation. Although the Council would not own the accommodation it would still facilitate the intensive housing management and support functions.

8. Conclusions

- 8.1. The proposed additional variations to the original report of 13 January 2022 seek to provide additional flexibility to delivery one- and two-bedroom self-contained dispersed unit and allow for the potential of an interim offer to be sourced whilst the Council is progressing the delivery of its temporary accommodation schemes.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

13 January 2022 Council Report, “Programme Approach to the Purchase of Temporary Accommodation”

Cabinet Member (Portfolio Holder)

Cllr Dean Carroll
Cllr Simon Jones

Local Member

Appendices