

Enquiries to:
Wendy Bolton

Direct Dial: 024 7637 6000

Direct Email:
committee@nuneatonandbedworth.gov.uk

Date: 27th August, 2019

Dear Sir/Madam,

Cabinet – 4th September, 2019

At the meeting of Cabinet to be held on 4th September, 2019, under the Constitution – Part 4B – Access to Information Procedure Rules Paragraph 15 – General Exception, the Cabinet will be asked to make the following urgent.

TEMPORARY ACCOMMODATION PROVISION

Yours faithfully,

Brent Davis

Executive Director - Operations

To: Members of Cabinet

Councillor J.A. Jackson	(Finance & Civic Affairs (Leader))
Councillor N.J.P. Phillips	(Planning, Development & Health (Deputy-Leader))
Councillor I.K. Lloyd	(Arts & Leisure)
Councillor J. Sheppard	(Central Services & Refuse)
Councillor C. Watkins	(Housing & Communities)

Cabinet/Individual Cabinet Member Decision

Report Summary Sheet

Date: 4th September 2019

Subject: Temporary Accommodation Provision

Portfolio: Housing & Communities

From: Director – Housing, Communities & Economic Development

Summary:

This report presents a proposal to enter into a contract for the provision of temporary accommodation in the Private Rented sector.

Following the implementation of the Homelessness Reduction Act 2017 (HR Act 17), the Council has experienced a significant increase in those presenting as homeless and, those are entitled to be temporarily accommodated.

Whilst the Council is undertaking a number of initiatives to deliver additional affordable homes for rent within the borough, demand is outstripping supply. This means that the Council must look for ways to provide additional high quality temporary accommodation. To this end, discussions have taken place to identify opportunities within the private rented sector. It is therefore proposed to enter into contract with a Social Enterprise to deliver such accommodation.

Cornerstone Partnership is a Social Enterprise, specifically aimed at delivering housing solutions for some of the most vulnerable in our society. Informal references from other statutory organisation indicate that Cornerstone are highly ethical and flexible in their approach, assisting the Local Authority to deliver their statutory duties. The proposal is for Cornerstone to deliver around 20 furnished, self- contained 2 bed homes and / or flats for an initial period of 18 months. Cornerstone will target empty properties to purchase, thus assisting with the reduction of the numbers of empty homes within the borough. Although the Council House will be available during September 2020, the 18 month timeframe will allow the appropriate 'de-commissioning' of the HRA temporary properties and an appropriate timescale for

moving families into the Council House.

The Head of Financial Services has confirmed that this proposal, based upon 20 properties, will mitigate the subsidy loss to the General Fund by approximately £180,000 for a full financial year.

Recommendations:

- 2.1 That Cabinet approve the establishment of the contract, detailed at Section 4 of this report.
- 2.2 That subject to the approval of the recommendation at 2.1, the report be marked not for call in due to the timescales involved to put in place the contract and realise the provision of accommodation.

Options:

1. To accept either recommendations
2. To reject the recommendations and identify other avenues for exploration.

Reasons:

The Council, as a Statutory Housing Authority is legally required to provide suitable temporary accommodation for homeless households. This proposal allows the Council to increase appropriate homelessness provision whilst reducing the financial burden upon the General Fund.

Consultation undertaken with Members/Officers/Stakeholders

Consultation has taken place with the;

- Portfolio Holder Housing & Communities;
- Head of Finance
- Executive Director, Resources

Subject to call-in:

No

Ward relevance:

All

Forward plan:

No

Delivering Our Future Theme:

- 1 – Transformation
- 2 - Collaboration
- 3 - Investment

Delivering Our Future Priority:

T1 – Priority 3 - **Housing and Communities** - *enabling housing development to match our aspirations for the Borough; building homes, investing in safe, empowered, sustainable communities.*

T2 – Priority 2 – *We will work with our partners and businesses, suppliers*

T3 Priority 2 – **Maximising funding** – *identifying and securing funding opportunities, being creative, maximizing income streams.*

Relevant statutes or policy:

The Suitability of Accommodation (England) Order 2012
Homelessness Reduction Act 2017

Equalities Implications:

No direct equal opportunity implications.

Human resources implications:

None

Financial implications:

The proposal will reduce the financial burden upon the General Fund by approximately £180k per full financial year.

Health Inequalities Implications:

Suitable accommodation promotes increased health and wellbeing.

Section 17 Crime & Disorder Implications:

None

Risk management implications:

Failure to reduce expenditure for the General Fund will require additional savings against services in future years.

Environmental implications:

None

Legal implications:

As the Housing Authority, the Council has a duty, as amended by the Homelessness Reduction Act 2017, to accommodate homeless individuals and households. Temporary accommodation must be of a high standard. The Suitability of Accommodation (England) Order 2012 defines the suitability of that temporary accommodation, in terms of location, conditions and cost. The additional provision as part of this contract will ensure that the Council is compliant with this legislative requirement.

Contact details:

Dawn Dawson – Director, Housing, Communities & Economic Development

Tel. 02476 376408

Jane Grant – Strategic Housing Services Manager

Tel: 02476 376483

AGENDA ITEM NO.

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Cabinet - 4th September 2019

**From: Director – Housing, Communities and Economic
Development**

Subject: Temporary Accommodation Provision

Portfolio: Housing and Communities (Cllr C. Watkins)

Delivering Our Future Theme: 1, 2, 3

Delivering Our Future Priority: 3, 2, 2

Notice has been given to the Chair of Internal Overview and Scrutiny Panel that a decision needs to be taken as a matter of urgency due to the requirement to reduce General Fund expenditure, by a rate of £3,500 per week or £15k per month.

1. Purpose of Report

1.1 To seek Cabinet approval to enter into a contract for the provision of temporary accommodation in the Private Rented Sector.

2. Recommendations

2.1 That Cabinet approve the establishment of the contract, detailed at Section 4 of this report.

2.2 That subject to the approval of the recommendation at 2.1, the report be marked not for call in due to the timescales involved to put in place the contract and realise the provision of accommodation.

3. Background

3.1 Following the implementation of the Homelessness Reduction Act 2017 (HR Act 17), the Council has experienced a significant increase in those presenting as homeless and, those are entitled to be temporarily accommodated.

3.2 Item 7 of the Agenda for this meeting, entitled 'The Homelessness Reduction Act – One Year On', details the impact and implications of HR Act 17. Item 9 of the Agenda for this meeting, entitled 'General Fund and Housing Revenue Account Quarterly Budget Monitoring

Report – Quarter 1 2019/20 Update’ gives further detail relating specifically to the financial impact upon the General Fund. Paragraph 5.1 identifies the potential increased costs compared to the budgetary provision for 2019/20. This has arisen because the Housing Benefit subsidy system does not reimburse Councils for the full cost of providing temporary accommodation.

4. Body of Report

- 4.1 There is a consistently growing need for affordable housing within the borough, as referenced in Section 3 of this report to alleviate the levels of homelessness. The Council has undertaken to increase the supply of affordable housing and has, alongside other initiatives, delivered additional Council homes via its new build programme and its acquisitions strategy.
- 4.2 The demand is thus far outstripping supply, with Right to Buy also having an impact on stock numbers, and so the Council has been delivering increased numbers of high quality, appropriate temporary accommodation. A small number of Housing Revenue Account (HRA) properties are currently in use as temporary accommodation, although it should be noted that this in turn reduces the amount of properties available for those on the waiting list and or waiting to move on from temporary accommodation.
- 4.3 It is clear that new ways of delivering high quality temporary accommodation must be identified and so, discussions have taken place to identify opportunities within the private rented sector. It is therefore proposed to enter into contract with a Social Enterprise to deliver such accommodation.
- 4.4 Cornerstone Partnership is a Social Enterprise, specifically aimed at delivering housing solutions for some of the most vulnerable in our society. The Partnership have been working in Coventry over the last 2 years, delivering more than 70 homes for temporary accommodation. Informal references from other statutory organisation indicate that Cornerstone are highly ethical and flexible in their approach, assisting the Local Authority to deliver their statutory duties.
- 4.5 The proposal is for Cornerstone to deliver around 20 furnished, self-contained 2 bed homes and / or flats for an initial period of 18 months. Cornerstone will target empty properties to purchase, thus assisting with the reduction of the numbers of empty homes within the borough. Although the Council House will be available during September 2020, the 18 month timeframe will allow the appropriate ‘de-commissioning’ of the HRA temporary properties and an appropriate timescale for moving families into the Council House. The Council will enter into a rental agreement for these properties with Cornerstone which will be at a significantly lower cost than the Council is currently paying for private B&B accommodation (which can sometimes be up to £100 per night).

- 4.6 Additionally, Cornerstone are keen to explore mechanisms to increase the levels of private rented stock available at Local Housing Allowance (LHA) levels. These would be provided for long term allocation, thus allowing the Council to discharge their statutory duty and increase the amount of affordable accommodation available within the borough.
- 4.7 Cornerstone are also extremely active in relation to supporting other private sector landlords to make their properties available to the Council at an affordable level. Cornerstone have confirmed their desire to work with the Council with the purpose of understanding the feasibility to develop a Social Lettings Agency. It is further anticipated that should the feasibility project prove viable, Cornerstone will become a key partner to lead in this arena.
- 4.8 The Head of Financial Services has confirmed that this proposal, based upon 20 properties, will mitigate the subsidy loss to the General Fund by approximately £180,000 for a full financial year. Cornerstone are already acquiring properties in the borough so the Council should have properties available to them very quickly.
- 4.9 In terms of procurement implications, rental property is outside scope for procurement regulations so there is no requirement to follow a procurement process, although the Council will clearly want to ensure that Value for Money is being achieved.

5. Conclusion

- 5.1 The impact of the HR Act 17 has been significant for the Council, both in terms of the levels of homelessness and financial pressure upon the General Fund. Subsidy loss for the financial year 2018/19 was £800k with temporary accommodation placements up by 140 compared to the previous year. This proposal will reduce the financial pressure on the Council by approximately £180,000 for a full financial year.
- 5.2 From a customer's perspective, the lack of long term affordable accommodation has meant an increase in the length of time spent in temporary accommodation. It is therefore imperative that the Council continues to ensure the provision of appropriate and affordable temporary accommodation. Improved provision assists with health and wellbeing of the whole household. This proposal will provide a dignified and affordable option for those who unfortunately find themselves homeless.

6. Appendices

None

7. Background Papers (if none, state none)