

CONFIDENTIALITY

The contents of the appendix to this report qualifies as exempt information under section 100(A)(4) and paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as it is “*information relating to the financial or business affairs of any particular person* (including the authority holding that information)”

and

2) In relation to the “exempt” information, it has been determined that the public interest in maintaining the exemption outweighs the public interest in disclosing the information because disclosure would adversely affect the authority’s ability to manage its commercial financial and business affairs.

Accordingly, it is proposed that the appendix shall remain exempt.

Subject: Rough Sleeper Accommodation Programme Bid - Transitional Housing Scheme
Report to: ELT 4 May 2022
Housing and Neighbourhoods Committee 19 May 2022
Council 23 June 2022
Report by: Nicola Turner, Housing Director

SUBJECT MATTER

This report provides an update on the Council’s delivery of a Transitional Housing Scheme and the bid for funding via the Rough Sleeping Accommodation Programme which has been submitted for capital and revenue funding to deliver the scheme. The Transitional Housing Scheme will provide a self-contained home and support for up to two years for rough sleepers and those at risk of rough sleeping who have low or medium support needs to enable them to transition to settled accommodation.

Recommendations:

That Council :

- 1. Approve, subject to a successful application for grant funding, the expenditure and the borrowing set out at paragraph 4.4 of the Confidential Appendix to deliver the Transitional Housing Scheme**

1. INTRODUCTION

- 1.1 On 30 July 2020, Council approved the Rough Sleeping Strategy and Action Plan 2020. The action plan included an action in relation to the provision of additional supported housing for rough sleepers with low support needs or those at risk of rough sleeping who have never held a tenancy. This form of supported housing is referred to within this report as the Transitional Housing Scheme which will also meet the needs of rough sleepers with medium support needs. It forms an important part of the pathways approach ensuring there is a range of

supported accommodation available to meet a range of needs. As part of this pathway approach, the Council secured capital and revenue funding via Homes England and the Department of Levelling Up, Housing and Communities (DLUHC) Rough Sleeping Accommodation Programme (RSAP) to deliver a Housing First scheme of five homes to meet the needs of rough sleepers with high/complex needs.

- 1.2 Subsequently to the approval of the strategy, the Council submitted a bid for capital and revenue from the RSAP to deliver the Transitional Housing Scheme by acquiring 17 properties from a Registered Provider. As a result of the completion of a number of additional surveys of the properties, it became clear that the scheme could not be delivered within the timescales or grant funding available. Whilst the Council sought to find a suitable alternative option to deliver the scheme, looking at three other options, none were deliverable.
- 1.3 As the need for the scheme remains, the Council continued to identify options to deliver the Transitional Housing Scheme. On 13 April 2022, a bid for capital and revenue was submitted for twelve homes across two sites. This report provides details of the Transitional Housing Scheme and seeks the necessary approvals to deliver the scheme, should the bid be successful.

2. CURRENT POSITION

- 2.1. The most recent RSAP funding round provides for longer timescales for delivering the properties with revenue funding available to 31 March 2024, with the option, subject to a review, of revenue funding being extended to 31 March 2025. Several options were considered to deliver the Transitional Housing Scheme, but the option of a dispersed scheme providing accommodation of different sizes and types was considered the most suitable, whilst also providing for a location within Great Yarmouth which is near to services.
- 2.2. The bid submitted seeks capital and revenue funding to deliver twelve homes. Six homes will be acquired from a private developer who is currently undertaking conversion works of a former House in Multiple Occupation into two buildings each providing:

- 2 x 1 Bedroom Flats – approximately 45m²
- 1 x 2 Bedroom House – 79m²

The ground floor flat and house being provided in each building will share a rear courtyard. The scheme has full planning permission and the developer has accepted the Council's conditional offer to purchase all properties, to an agreed price and specification once complete, subject to member approval of this report and grant funding being secured.

As the properties sit within two buildings, there will be a phased handover of the two buildings. Inclusion of two x two-bedroom homes allows the scheme to meet the needs of rough sleepers who want to share or who are an adult family reflecting the needs of the rough sleeping cohort. When not required by a two-person household, these properties will be used as a one-bedroom property for one person.

The seller is open to working with the Council in relation to the finishing of the properties so there will be an element of control with regards to the end specification that will allow for consideration of ongoing maintenance and the needs of the intended occupiers. The appraisal includes a cost for a surveyor to inspect the properties during the works.

The Confidential Appendix provides pictures of the properties along with floor plans for the completed homes.

- 2.3 The remaining six homes will be provided as a new build option, utilising a modular form of construction to provide speed of delivery. In considering the options, the Council has had initial discussions with a modular company which has specialised in delivering modular homes

which meet the needs of single homeless people as they are compact, cleverly designed space that whilst small at 24m², provide a safe and practical home considered acceptable to Homes England and utilised elsewhere in the country by other Local Authorities. The homes are delivered to site fully complete with fixtures, fittings and furniture. The homes would all be single storey. See Confidential Appendix for photo of completed homes and floor plan for this modular provider. Alternative modular options will also be considered.

- 2.4 Suitable sites for the modular homes are being considered – including areas of underused car parks within the General Fund. Following member approval of this report, the location of the site will be finalised and site investigations will commence to inform a full planning application.
- 2.5 To meet grant funding deadlines if successful, the planning application will need to be approved and groundworks to prepare the site for installation of the homes commenced by 31st March 2023.
- 2.6 The Council will seek to procure an external provider to deliver the support which is integral to the Transitional Housing Scheme. The external provider will provide the required expertise as well as provide resilience and allow for cover of absence.

3 FINANCIAL IMPLICATIONS

- 3.1 The Confidential Appendix provides full information on the capital and revenue costs of the scheme and the breakdown of grant and borrowing required to deliver the scheme.
- 3.2 The cost of borrowing will be met from rent, which will be at an Affordable Rent capped at the Local Housing Allowance rate of £92.00 per week. The appraisal shows the cost of borrowing and ongoing repairs and maintenance can be sustained from the rental income, although there is no allowance for supervision and management costs reflecting the provision of a dedicated support worker who will support the residents.
- 3.3 The revenue funding sought will fund a dedicated support worker at both locations with the bid seeking funding for in 2022/23 and 2023/24. There is no ongoing revenue funding for the scheme after 31 March 2024, but subject to a review, this funding may be extended by DLUHC and Homes England for a further year. However, the grant conditions require that in relation to the six homes which will be acquired from the private developer, they are available to meet their intended purpose of meeting the needs of rough sleepers for 30 years. The applicable timescale for the new build homes is 60 years. There are a number of mitigations for this risk:
 - Identification of additional funding streams for support from April of financial year in which RSAP funding ends – such as the Rough Sleepers Initiative Fund (subject to a further bidding round opening in 2025) or use of the Council’s Homelessness Prevention Grant. Conversion to a social rent would allow an Enhanced Housing Management charge to fund the required support but this would create a call on the General Fund to subsidise the scheme as a lower rent will meet less of the debt servicing costs and repairs and maintenance expenditure.
 - Sale of the homes to the 4 x 1 one-bedroom flats and 2 x 2 bedroom to the Housing Revenue Account to become general needs homes.
 - Retention of the six modular homes within the General Fund as temporary accommodation – the grant would then be ring fenced and used to deliver other affordable housing through a Replacement Agreement subject to agreement with Homes England.

4 RISK IMPLICATIONS

- 4.1 The RSAP grant funding requirements are based on milestones for completing the acquisition of the homes, starting works on the modular homes (Start on Site) and all works being complete allowing occupation (Practical Completion). If the submitted dates are missed and an extension cannot be agreed there is a risk that the Council will not be able to claim some or all of any approved grant funding. To mitigate this the delivery programme for the acquisitions and new build parts of the scheme will be carefully monitored to ensure remedial action can be taken to address any actual or expected programme slippages.
- 4.2 The acquisition of the six properties from the developer is, currently, more deliverable than the modular homes due to the requirement to secure planning permission. As the bid contains one part which is delivered through acquisition of homes and part which is new build, Homes England and DLUHC will consider the deliverability, strategic fit and value for money of each of these options separately, although they form part of one scheme. Should only one scheme be successful the revenue grant award will be prorated accordingly.
- 4.3 The delivery of the modular homes as stated above is subject to the submission of a planning application that may or may not be approved. The Council will determine the planning application as the Local Planning Authority in accordance with the requirements of the Local Plan and national planning guidance only. Prior to submitting the bid, informal advice was sought as to the suitability, subject to planning, of the site. If planning is not successful, there will be an element of abortive costs associated with preparing the plans, other professional fees such as architects and carrying out necessary site surveys and investigations.
- 4.3 This report seeks approval to deliver the six new build homes as modular or in an alternative way if it is not possible to deliver the homes using a modular option. Whilst it is not expected that this will be required, if the bid is successful, the Council will need to deliver those parts of the scheme which are grant funded via RSAP or return the funding allocation. This approval allows the Council to explore other delivery options if this will ensure the delivery timescales (and financial parameters) of the grant funding can be met.
- 4.4 The grant funding, if successful, requires the new build (modular) homes to start on site by 31st March 2023 which is ambitious. It would be at the discretion of Homes England and DLUHC whether to grant an extension which allows the start to slip into the following year. If an extension was not agreed, the funding would not be able to be claimed for start on site or practical completion. In this instance there would again be abortive costs. All twelve homes will need to be complete by the timescales set out in the bid, if the practical completion dates are missed, and extensions are not agreed, the final grant payment may be unpaid. The project costs include a project manager to ensure that the progress of delivery of the scheme is carefully monitored to allow earlier identification of issues which will impact achievement of bid timescales and appropriate mitigating action to be taken. This risk, cannot, however be fully mitigated against.
- 4.5 There is the possibility that the Council will be awarded grant funding however, one or both of the identified schemes, for any number of reasons, will be unable to proceed. As before, work to remain aware of other options which could be a potential alternative to one of the two which form part of the bid will continue and alternatives will be considered if necessary.
- 4.6 Should only one scheme of six proceed, a smaller Transitional Housing Scheme will still provide a meaningful addition to the provision of housing on offer to rough sleepers and those at risk of rough sleeping and provide a critical element of the pathway approach that is being implemented.

- 4.7 Should the Council be unable to secure a suitable external organisation to deliver the support service and manage the homes, the Council will deliver the service itself, utilising the revenue grant funding to meet the costs of this service.

5 LEGAL IMPLICATIONS

- 5.1 The Council is able to provide homes and hold them within the General Fund. The Council will use the homes to discharge its homelessness duties under Part VII of the Housing Act 1996. The six properties to be purchased will be acquired in accordance with the requirements of the Property Acquisitions and Disposal Policy.
- 5.2 The Council can enter into a management agreement with a third party to manage the homes, but the Council retains legal management responsibility. The Council will issue non-secure tenancies to residents to occupy the homes within the Transitional Housing scheme.
- 5.3 The recent Housing First Scheme that is currently being delivered required grant funding and acceptance of the Homes England Rough Sleeper Accommodation Programme terms and conditions. This already signed agreement will also apply and extend to any funding awarded for the Transitional Housing Scheme.

6 CONCLUSIONS

- 6.1 A Transitional Housing Scheme is required to meet the needs of rough sleepers, those in hostel accommodation and those at risk of rough sleeping who have lower support needs to access stable, self-contained housing with support. The Transitional Housing Scheme will provide the occupiers with a period of up to two years where they will be supported to gain the skills to sustain a tenancy allowing an effective move on to settled independent living. The homes detailed within this report are necessary and suitable in the implementation of the scheme.

7 BACKGROUND PAPERS

- Rough Sleeping Strategy and Action Plan 2020 – Policy and Resources Committee 28 July 2020
- Acquisition of Property for Transitional Housing - Policy and Resources Committee 22 September 2020 and Council 29 September 2020
- Acquisitions and Disposals Policy – Council 23 February 2021
- Acquisition of Property for Transitional Housing Scheme – Housing and Neighbourhoods Committee 8 November 2021 (confidential report)

Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?

Area for consideration	Comment
Monitoring Officer Consultation:	Through ELT
Section 151 Officer Consultation:	Through ELT
Existing Council Policies:	N/A
Financial Implications (including VAT and tax):	At section 3 and in the Confidential Appendix

Legal Implications (including human rights):	Included in section 5
Risk Implications:	Included in section 4
Equality Issues/EQIA assessment:	The Transitional Housing Scheme will meet a particular need for supported accommodation for rough sleepers and those at risk of rough sleeping. Residence within the scheme will have a positive impact on their physical and mental health – both of which are none to be adversely impacted by rough sleeping.
Crime & Disorder:	The new homes will be designed and built to minimise properties vulnerability to crime.
Every Child Matters:	Not applicable