

Subject:	Temporary Accommodation Project	Status:	For Publication
Report to:	Full Council	Date:	25 th September 2019
Report of:	Director of Economic Development	Portfolio Holder:	Communities and Customers
Key Decision:	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	No	Attached: No
Biodiversity Impact Assessment	Required:	No	Attached: No
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1.	RECOMMENDATION(S)
1.1	For Members to note the contents of the report.
1.2	Members to approve the necessary commissioning of services and expertise to support the above project as detailed within this report, along with the criteria for selecting the properties to acquire.

2. PURPOSE OF REPORT

- 2.1 To inform Members that the Council intends to spend up to £355,000 to purchase, repair and refurbish 3 empty properties to be used as affordable supported temporary accommodation within the Council's administrative boundaries. The mandate to spend the money in the area stated comes under the auspices of planning obligations and the Section 106 agreements which required the sums to be paid to the Council for prescribed purpose.
- 2.2 To commission the services and expertise necessary to support the above project as detailed within this report, along with the criteria for selecting the properties to acquire.

3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following corporate priority:
- **A proud, healthy and vibrant Rossendale:** our priority is to ensure that we are creating and maintaining a healthy and vibrant place for people to live and visit.

4. RISK ASSESSMENT IMPLICATIONS

- 4.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:
- There is a risk that the lack of technical expertise within the Council will lead to delays; however the Council will seek to commission assistance where appropriate.
 - There is the possibility of delays in identifying and acquiring stock within suitable timescales, therefore only willing sellers will be considered as enforcement work can take well over a year.
 - Demand may not warrant all three properties, however it is expected demand will exceed supply in the medium term. If issues arise in the future the properties can be disposed of and the receipt/s recycled to similar projects.
 - Future rent changes to 'specified accommodation' are likely in the medium or long term

but these can't be mitigated for until known, the Service Assurance Team has been consulted regarding current Housing Benefit rules.

5. BACKGROUND AND OPTIONS

- 5.1 The Council sometimes receives commuted sums in lieu of the onsite provision of affordable housing through planning obligations under Section 106 of Town and Country Planning Act 1990.
- 5.2 There is currently no temporary supported accommodation suitable for families in the borough or the locality of East Lancashire except for 1 house that the council owns. There had previously been supported accommodation located in Burnley which could accepted small numbers of families, however this facility closed in 2018. There is a Lancashire County Council contract to provide dispersed accommodation for families due to be provided, However this is short term and will end in 2021 with no plans for the medium to long term
- 5.3 The provision of emergency accommodation for homelessness families and couples is a significant issue, with some households needing to be placed into Bed and Breakfast type accommodation for short periods of time, and this is very expensive and not legal to do so for longer than 6 weeks. Therefore the Council wishes to access more properties that can be used to support families appropriately.
- 5.4 The properties are proposed to be Social Rented with appropriate service charges normally expected in this type of 'specified accommodation' which are cost neutral. The residual rental income from the properties will subsidise the additional support needed to be commissioned for the households in the properties, which would be an additional £4,500 to what is already paid. It is expected that the current property that is already being used for this purpose will be repurposed as a shop once the 3 new dwellings are ready for placements, and the rent will also be received on the current property as a shop. Costs and benefits estimated below, however these are high level estimates, some with wide parameters, for guidance only:

Cost/Benefit	Value	Expenditure Source/Explanation
Initial purchase repair other project costs related to the 3 properties	£300k to £355k	Committed Sum
Repairs, maintenance, renewal of furniture, gas and electricity checks, insurance, housing management	Cost Neutral	Covered by Service Charge
Additional support costs for 2 properties	£4,500 PA	Homelessness Budget
Additional rent income on 2 properties after management costs	£4,900 to £6,500 PA	Based on 75% to 90% occupancy
Saving on nightly paid Temporary Accommodation costs	£25,000 PA	The saving is based on increasing medium term costs based on projected current demand increases
Possible asset appreciation	£8,100 to £9,500 PA	Based on 3% PA and properties worth 90% of initial capital cost
Rental income from current property if used as a shop	£5,200 to £7,400 PA	Based on a low to high expected rental income

- 5.5 Whilst figures in the above are estimates, the benefits to the Council are demonstrable when

compared to the likely costs.

- 5.6 The acquisition and works to the properties is expected to be tendered to a qualified professional who will project manage the work, which will be covered by the overall capital costs. Management of the properties will either be carried out by the Council or tendered to third party, and is likely to be combined with the support.
- 5.7 The acquisition of each property will be ratified by a separate business case and Scheme of Delegation, and the properties will be chosen according to the following criteria:
- The properties must be Class C3 residential dwellings
 - Must be empty/unoccupied for a period of 6 months, or currently empty and expected to be long term empty without intervention from the Council
 - The owner (or agent acting on behalf of the owner, or the executor etc.) must be willing to act reasonably with the Council to transfer the property
 - The properties will be 2 or 3 bedroom houses with at least one 3 bedroom property, ideally two, and be freehold or with a nominal ground rent.
 - The properties will be reasonably close to facilities, services and bus routes in one of Rossendale's main settlement areas.
 - The locations of the properties will be consulted on with the relevant Portfolio Holder, Director and any other officers they deem appropriate.

COMMENTS FROM STATUTORY OFFICERS:

6. SECTION 151 OFFICER

- 6.1 Financial matters are noted in the report. Expenditure will be supported by a robust business case.

7. MONITORING OFFICER

- 7.1 The Section 106 agreements commit the Council to spending the commuted sums on the provision of improvements to empty homes in the Council's administrative area for the purpose of providing affordable housing to those in housing need, as approved by the relevant Development Control Committee. All tender exercises will be conducted in accordance with the Council's constitution.

8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT

- 8.1 Both increasing temporary supported accommodation and bringing empty homes back into use meets the following priorities in the Council's Prevention of Homelessness Strategy 2018-21:
- Priority 2: Working with all partners to ensure vulnerable people are supported in suitable accommodation.
 - Priority 3: Ensure that housing supply best meets housing need.

The proposal complies with the National Planning Policy Framework last updated on the 19th February 2019.

9. CONCLUSION

- 9.1 This report informs members of the intended project to spend up to £355,000 on affordable dispersed temporary accommodation in Rossendale to help meet the Council's priorities of prevention homelessness and returning empty properties back into use.
- 9.2 The report gives authorisation to commission the services and expertise necessary expertise

to support the above project as detailed within this report, along with the criteria for selecting the properties to acquire.