

Subject:	Homeless Move on Accommodation		
Date of Meeting:	16 January 2019 24 January , 2019 – Policy, Resources & Growth Committee		
Report of:	Executive Director – Neighbourhoods, Communities & Housing		
Contact Officer:	Name:	Martin Reid	Tel: 01273 29 3321
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Ward(s) affected:	Patcham		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT**

- 1.1 A successful bid by the Council to Homes England has been made under the *Shared Ownership and Affordable Homes Programme (SOAHP) 2016-21* for the development of a move-on housing scheme to provide medium level support and settled accommodation for vulnerable households typically blocking high support accommodation places in the city.
- 1.2 The proposed scheme is aligned to the development of the former Hollingbury Library (as identified in site map and satellite photographs appended to this report) to comprise 13 self-contained one person units for use as move-on accommodation for those ready for intermediate support. We have a grant allocation identified of £750,000, payment subject to: acquisition; planning permission; start on site; completion. Under the proposed scheme the land will be appropriated for housing provision with the receipt ring-fenced to support the library service in line with the disposal that received consent at Policy Resources & Growth (PR&G) Committee on 9 June 2016.
- 1.3 The proposed scheme links to the City's Strategic Priorities to provide pathways to independence and ensure timely move on to independent accommodation for predominantly older people with complex needs making sure supported accommodation offers solutions appropriate to residents pledged in the Rough Sleeping Strategy 2016.
- 1.4 This report seeks approval for the proposed development and the appropriation of the land and buildings initially for planning purposes and once the development has been completed for housing purposes. The site is currently held within the General Fund. After the second appropriation, it will be held for Part II Housing Act 1985 purposes, (Provision of housing accommodation) and will be accounted for within the HRA. The transfer from the General Fund to the HRA will be at best consideration, with the proceeds ring-fenced to support the library service. A

further report on a final viable scheme will come forward to a future Housing & New Homes Committee and, Policy Resources & Growth Committee for approval following further consideration at Estate Regeneration Members Board.

2. RECOMMENDATIONS:

Housing & New Homes Committee

- 2.1 Agree that the proposed development brings forward supported move on housing.
- 2.2 Recommend that Policy, Resources & Growth Committee approve that the land comprising the former Hollingbury Library site is appropriated for planning purposes and that the Executive Director for Neighbourhoods, Communities & Housing be authorised to appropriate the site for housing once the development is complete.
- 2.3 Recommend that Policy, Resources & Growth Committee approve the transfer of the land & buildings at the former Hollingbury Library site from the General Fund to the Housing Revenue Account for £0.365m, being the best consideration reasonably obtainable.
- 2.4 Recommend the Policy, Resources & Growth Committee approve that the proceeds are ring-fenced to support the library service in line with the disposal that received consent at Policy Resources and Growth Committee on 9 June 2016.
- 2.5 Recommend the Policy, Resources & Growth Committee approve a budget of £0.365m financed by HRA borrowing and Homes England Funding to form part of the HRA capital programme for 2018/19.
- 2.6 Note that a further report on a final viable scheme will come forward to a future committee for approval.

Policy, Resources & Growth Committee agree

- 2.7 That the transfer of the land & buildings from the General Fund to the Housing Revenue Account for best consideration for housing provision at an independent valuation of £0.365m be approved.
- 2.8 That the land comprising the former Hollingbury Library site is appropriated for planning purposes.
- 2.9 That the Executive Director for Neighbourhoods, Communities & Housing be authorised to appropriate the site for housing once the development is complete.
- 2.10 That it be agreed that the proceeds are ring-fenced to support the library service in line with the disposal that received consent at Policy Resources and Growth Committee on 9 June 2016.

- 2.11 Approve a budget of £0.365m financed by HRA borrowing and Homes England Funding to form part of the HRA capital programme for 2018/19.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The vision of the 2016 City Rough Sleeper Strategy is to make sure no-one has the need to sleep rough in Brighton & Hove by 2020.
- 3.2 This proposed scheme formed a bid to Homes England through their Shared Ownership and Affordable Housing Programme 2016-21 (SOAHP). The funding was sought under 'Specialist housing for rent' as a scheme designed to meet the council's Rough Sleeper Strategy 2016 Priority 5 'Pathways to Independence – to support people sleeping rough into regaining their independence'. The bid proposed a specialist service to enable people who are making progress in their recovery journey, to move from high needs hostel accommodation into self-contained move on accommodation grouped in one scheme, with assessed support requirements funded by the council's Adult Social Care service.
- 3.3 Key factors for Homes England in assessing support for schemes are affordability and deliverability. While Homes England have some flexibility regarding changes to the scheme deliverability, the funds must achieve the final drawdown of final grant tranche by the programme end date of March 2021. If the scheme looks unlikely to go ahead then the grant investment risks being lost to the city.
- 3.4 Homes England have the right to request repayment of all the grant if it is not used for the purposes for which it is paid. If the scheme were to change use in the future, for example from supported housing to general needs housing, the council would be required to inform Homes England who would then decide if this requires the grant to be recycled or handed back.
- 3.5 The current proposals for the development will be the third site to be considered to utilise Homes England funding provided for this identified housing need. Housing & New Homes Committee have previously considered proposed use of the former housing officer at Oxford Street for conversion for supported move on accommodation for homeless people to be funded by an earlier application of this Homes England fund ('Homeless Change' grant funding). Conversion of Oxford Street into council owned Temporary Accommodation was the preferred option in that case. An earlier option of purchasing and converting another public sector building for this purpose, also to be funded by Homes England, did not proceed as the site was disposed of to another party.

Proposed scheme mix and service provision: Specialist housing for rent

- 3.6 Homes England have approved funding for a scheme of 13 one person flats. The financial appraisals reflect the proposed use of one flat on the site by the support provider for the provision of 'on site' support to mitigate anticipated resident concerns that may arise concerning potential gaps in support provision should a 'floating support' model be adopted. This can be easily adapted to suit the needs of the proposed service and also for any future uses. There are a number of

successful services operating across the city which are integrated into the community.

- 3.7 The Council's Health & Adult Social Care Commissioning Team will enter a competitive tender process to appoint a Service Provider to provide support and case coordination to residents within the service. Those entering the service will be single adults with support needs and a history of homelessness or rough sleeping. The proposed service will offer safe and secure accommodation to men and women who are recovering from homelessness and who require support. The individuals placed in the service will either be moving on from high support accommodation, because they no longer require this level of support or moving straight from rough sleeping. Referrals to the service will be accessed by an Allocations Panel to ensure that the residents needs are appropriate to the level of support being offered and that they will be able to manage their accommodation.
- 3.8 The supported move-on provision will offer a medium level of support and in the longer term enable people to move on from this service into low support or independent accommodation. It is proposed that the service will be staffed during office hours and will offer an on call service over night for emergencies.
- 3.9 The Service Provider will be commissioned to provide support tailored to the individual service user and to work with partners to ensure the effective communication and co-ordination of this support. The aim of the service will be to enable service users to make empowered and positive choices about their future including involvement in local activities ensuring that the service contributes to the community in a positive way. As individuals recover from homelessness it is our aim to support them to develop the skills to live independently within a community, to manage a home and a tenancy.
- 3.10 As part of the tender process the Service Provider will be evaluated on their experience of managing supported accommodation and their experience of working with local communities. The Service Provider will be expected to link in with the local community ensuring that residents are aware of communication channels should they have any concerns.
- 3.11 This proposed specialist service is to enable people who are making progress in their recovery journey, to move from high support accommodation services into self-contained move-on accommodation grouped in one scheme, with support funded by the council's Health & Adult Social Care Commissioning Service. Health & Adult Social Care have allocated £0.150m from 2019/20 to the specialised supported move-on provision as outlined in the report. This 13 unit scheme will have a positive impact on rough sleeping freeing up desperately needed places in high support accommodation and taking individuals straight from the streets where appropriate.
- 3.12 The flats have been designed as self-contained accommodation, so that in the future they may be let to households on the Housing Register who require permanent accommodation which is in high demand.

- 3.13 The final scheme will look to ensure that any costs to the HRA will be offset by income from the properties.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The alternative options for use of the site include disposal for open market sale or development of the site as council general needs accommodation. Neither of these options would attract the Homes England grant funding. Also, neither would achieve the strategic objective to provide pathways to independence and ensure timely move on to independent accommodation for predominantly older people with complex needs making sure supported accommodation offers solutions appropriate to residents pledged in the Rough Sleeping Strategy 2016.
- 4.2 Financial Services have undertaken some early viability modelling to ensure that if the appropriation of land is approved a viable scheme can be bought back via Estate Regeneration Board to Housing & New Homes Committee at a later date. This modelling has been based on high level scheme costs received from the council's Quantity Surveyor and assumptions about the running costs and expenditure associated with delivering a scheme outlined in the main report. If the appropriation of land is approved value engineering of these costs will be undertaken, as with all projects of this nature, to ensure value for money is achieved.
- 4.3 The options for the homeless move-on project are for the HRA to manage the property with the care provision being commissioned by Adult Social Care or for the HRA to lease the building to the service provider on a short term lease, where the management, maintenance and repairs are provided by the service provider. Under both options the building will revert back to the HRA to use as affordable housing. Results from the modelling at this stage suggest use as Temporary accommodation will not support a viable project. Any change of use at a later date could result in the repayment of some or all of the grant and will need Homes England's prior written approval. This is likely to depend on the timescales involved. Work is still required by officers to ensure that the option pursued is suitable for Housing, Adult Social Care and the housing support service provider.
- 4.4 A further report on a final viable scheme will come forward to a future Housing & New Homes Committee and, Policy Resources & Growth Committee for approval following further consideration at Estate Regeneration Members Board.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 In addition to the community being consulted in the usual manner on proposals through the Planning process we would propose to adopt the same principles of extensive resident consultation as utilised under our New Homes for Neighbourhoods programme.

6. CONCLUSION

- 6.1 The proposals reflect the Council's Rough Sleeper Strategy priorities. In particular the objective to remodel and re-commission supported accommodation for homeless people with support needs. It is therefore recommended that they are pursued.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The report recommends the purchase of this site by the Housing Revenue Account (HRA) and outlines that the priority for this site is to deliver a homeless move-on scheme. Based on the high level financial appraisals carried out to date there are two options which have been considered which both currently deliver a viable move-on scheme. Continued value engineering of the costs will be undertaken alongside updated financial appraisals to ensure that value for money is achieved at each stage of the project.
- 7.2 The Market Value of the site has been confirmed as £0.365m by GVA (independent external valuers). This capital receipt is ring-fenced for the Library Service for re-investment into improving the service delivery as approved by PR&G on 9 June 2016. Forecasts at month 7 are that the General Fund will receive the capital receipt by the end of 2018/19 and approval of recommendations 2.2 and 2.6 will enable this to happen. Grant conditions stipulate that upon acquisition of the land, 40% of the grant would be released towards the cost of the acquisition, with further instalments paid at start on site and practical completion which is Homes England standard practice.
- 7.3 If approved, the budget of £0.365m would form part of the 2018/19 HRA Capital programme, funded by the grant funding received and HRA borrowing. This forms part of the total scheme costs and any future budget requests will be exclusive of this amount.
- 7.4 The grant funding from Homes England is predicated on a move-on supported housing scheme. The grant funding of £0.750m relates to the proposal for 13 units of accommodation so any changes to the number of units in the final scheme will affect the level of grant funding. The council have until March 2021 to complete the build of the scheme in order to receive the full grant allocation. If this deadline is not met, there is a risk that the grant already received will need to be repaid and any future instalments will be forgone. Homes England will then look to reallocate it to another Local Authority. Therefore, any delays in appropriation of the land could significantly impact on the scheme getting planning approval and subsequently starting on site.
- 7.5 Health & Adult Social Care have allocated a budget of £0.150m for 2019/20 to the specialised supported move-on provision as outlined in the report. At this stage the same level of budget is anticipated for future years of the new commission, however this will be subject to council's annual budget setting process.

- 7.6 If the scheme were not to progress as homeless move-on accommodation then other delivery options will need to be pursued, for example, delivery of a project through the New Homes for Neighbourhood Programme and will need to be reported back to committee for approval. Early financial modelling suggests that an affordable housing scheme for this site would be viable, although Homes England grant funding would no longer apply.
- 7.7 Detailed proposals for a final viable move-on scheme will be reported through a future Estate Regeneration Member Board, Housing & New Homes Committee and Policy Resources & Growth Committee.

*Finance Officer Consulted: Monica Brooks
2019*

Date: 3rd January

Legal Implications:

- 7.8 Land appropriation for the purposes of this report means transferring the use of land from one purpose to another. Under S122 of the Local Government Act 1972, the council has the power to appropriate land for planning purposes. Under Section 203 of the Housing and Planning Act 2016 where land is held for planning purposes and work is done in accordance with planning permission, third party rights are overridden. The benefit of appropriating this site for planning purposes is to protect the council from the risk of the development process being stopped once it has started. The rights of third parties whose private interests may be affected by development are protected to the extent that they have a right to compensation. The appropriation for planning purposes will take place immediately Policy Resources and Growth Committee approve the recommendation at paragraph 2.8. Once the site has been developed, the council will need to appropriate the site for housing purposes and it is therefore proposed that the Executive Director Economy, Environment & Culture be authorised to effect the second appropriation by the execution of an "Appropriation Memo".
- 7.9 The letting arrangements under which the 13 self-contained units are occupied will need to be carefully drawn up to ensure that the occupiers do not acquire security of tenure and can be moved on at an appropriate time.

Lawyer Consulted: Liz Woodley

Date: 31/12/18

Equalities Implications:

- 7.10 The delivery of the scheme supports the delivery of both the city's Housing Strategy and Rough Sleeping Strategy creating an opportunity to provide move on accommodation to vulnerable households in the city. This will also have a positive impact on rough sleeping freeing up desperately needed places in high support accommodation.

Sustainability Implications:

- 7.11 The homes delivered will be built to high sustainability and energy efficiency standards, including photo voltaic panels on roofs where feasible.

Any Other Significant Implications:

- 7.12 None identified

SUPPORTING DOCUMENTATION

Appendices:

1. Site Map
2. Site Photograph