

STROUD DISTRICT COUNCIL

HOUSING COMMITTEE

1 FEBRUARY 2022

Report Title	Capital Grant for Temporary Accommodation			
Purpose of Report	This report seeks Committee support to provide a one-off capital grant to Gloucester City Homes, in order for them to purchase and convert a building in Stroud to provide temporary accommodation for single people or couples at risk of homelessness or rough sleeping.			
Decision(s)	The Committee RESOLVES to: a) DELEGATE authority to the Head of Strategic Housing Services in consultation with the Council Solicitor, to enter into legal agreement(s) with Gloucester City Homes to set out the terms applicable to the payment and use of the grant. And This Committee RECOMMENDS to Council: b) that the Temporary Accommodation Capital Grant be added to the Council's Capital Programme			
Consultation and Feedback	This proposal has been discussed at Housing Review Panel and received Panel support. Members of Housing Committee supported a proposal for funding to be allocated to this project in 2019; however, the detail of the proposal has changed since that time. The Dogs Trust and SDC Animal Welfare Team has been approached about the 'pet friendly' aspect of the project and are fully in support.			
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Options	Committee could choose not to support the provision of funding to this project; however, no alternative funding sources exist at this time.			
Background Papers	N/A			
Appendices	None			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	Yes	No	No

1. INTRODUCTION / BACKGROUND

1.1 Project Overview

This project has been prompted by the need to improve and expand the District's temporary accommodation offer to childless households facing homelessness, or who are at risk of

rough sleeping. At present, the temporary accommodation offer for these households is generally bed and breakfast style accommodation provided by the private sector, often in Gloucester; SDC does not currently own or directly commission this type of accommodation.

Background

- 1.2 In February 2019 members of Housing Committee considered and approved a request to purchase the former Salvation Army Minister's House in Acre Street, Stroud, for repurposing as temporary accommodation for homeless households, and the external commissioning of the management of the completed accommodation. At the same time, Members approved a request to utilise HRA properties as temporary accommodation for homeless families.
- 1.3 Shortly after that, the Salvation Army decided that it wanted to dispose of the property on a lease rather than an outright sale. As a result, officers worked with Gloucester City Homes (GCH), a non-profit housing association, to scope and cost GCH taking on the lease, converting the property and then managing the property as temporary accommodation for Stroud residents.
- 1.4 Unfortunately, progress on this ceased when the Salvation Army furloughed their estates staff at the start of the pandemic.
- 1.5 Since that time, the local housing picture has changed, especially as regards single people and vulnerable rough sleepers.

2. MAIN POINTS

- 2.1 The Council Plan at CW2.3 reflects the need to invest in temporary accommodation in order to prevent homelessness:

CW2.3 Prioritise the prevention of homelessness by delivering the Next Steps Accommodation Programme and invest in temporary accommodation and specialist support, including working with partners countywide to develop the specialist housing and support needed
- 2.2 The Housing Advice Team has identified that there is a particular problem with a lack of temporary accommodation provision for single people and childless couples generally, as well as for rough sleepers who have pets, usually dogs, which aren't allowed in the temporary accommodation usually available. As a result, people are forced to part with their animal, either temporarily or permanently, in order to be accommodated. Understandably, a number of people chose to remain rough sleeping rather than give up their pet.
- 2.3 Accordingly, discussions were restarted with the Salvation Army, which has now decided to sell the Minister's House, about Gloucester City Homes purchasing this property for repurposing as temporary accommodation which can allow pets.

- 2.4 At the same time, MHCLG and Homes England launched a bid programme known as RSAP – Rough Sleepers Accommodation Programme. A bid for £280,000 was submitted which reflects the cost of Gloucester City Homes purchasing, converting and providing dedicated support to the property. Unfortunately, the bid was unsuccessful, despite receiving MHCLG support at the outset.
- 2.5 Gloucester City Homes (GCH) has now worked to reduce the capital costs of delivering the project and requires a one-off capital grant of £190,000 from SDC to deliver the project. GCH will be funding the remainder of the costs (£326,000) via their own borrowing.
- 2.6 A grant agreement will be put in place between SDC and GCH to ensure that the accommodation remains as agreed, or if changes are required in future, SDC retains the ability to approve or refuse those changes. In addition, a nominations agreement will be drawn up to allow SDC to put tenants forward to the accommodation.

3. CONCLUSION

- 3.1 The aim is to provide 5 rooms of accommodation over the upper two floors of the house, with communal kitchen, living room and staff office on the ground floor. There is outdoor space in the form of a backyard which could be utilised for exercising dogs.
- 3.2 The accommodation will be used to house homeless single people and childless couples temporarily before they move on into permanent accommodation.
- 3.3 The advantage of this accommodation over the traditional bed and breakfast style accommodation is that the provider, GCH, will be able to work with households to link them into any help and support needed to address any problems, and help make them ready to take on a more permanent tenancy.
- 3.4 Members should note that there is a risk that the Salvation Army will sell the property in advance of the Council decision on funding. If that should be the case, officers will work with Gloucester City Homes to identify an alternative property elsewhere; however, the location and price of the Minister's House is likely to make it difficult to source anything comparable.

4. IMPLICATIONS

4.1 Financial Implications

This report recommends a new capital scheme of £190k to be awarded as a capital grant to a social housing provider to purchase property that would be used as temporary accommodation in the district.

The grant of £190k can be initially funded in part by the existing Homelessness Prevention Reserve of £88k. This was put aside from unused Homelessness Prevention Grant funding in 2017/18 and 2018/19. It is proposed that the remaining funding required of £102k is allocated from the New Home Bonus grant in 2022/23 and this is included with the Medium Term Financial Plan presented at Strategy and Resources in January 2022.

It is expected that the initial investment in the additional temporary accommodation would lead to revenue savings of £18k per year from reduced costs in temporary accommodation

for this cohort. This is largely because although not relatively expensive, our existing bed and breakfast accommodation provision, is higher than is able to be claimed through housing benefit, with SDC paying the difference. As a registered social housing provider, Gloucester City Homes would be able to reclaim a higher level of rent through Housing Benefit.

In order to ensure that this temporary accommodation provision remains available to place homeless households in the district, or those facing homelessness, conditions should be attached to the grant payment.

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4.2 Legal Implications

A grant agreement will need to be entered into which sets out the conditions of payment, use of the grant, any KPIs and the right for the Council to nominate persons to the accommodation. It may be that a separate nominations agreement will be required. Consideration must also be given as to whether to require repayment of the grant if, for example, the property changes use within the agreed grant period, and whether to secure the right of repayment against the property.

Given the purpose of the grant, there should be no reason why the grant will not constitute a lawful subsidy pursuant to the Trade and Cooperation Agreement dated 31.12.20 made between the UK and the EU following the UK's withdrawal from the European Union. The subsidy control system replaced the State Aid regime.

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4.3 Equality Implications

An EqIA is not required because there are not any specific changes to service delivery proposed within this decision.

4.4 Environmental Implications

There are no significant implications within this category.