

In relation to our proposed budget, I am here tonight to argue for an investment of the majority of the New Homes Bonus into the purchase of property to extend our in house temporary accommodation service, on several grounds, and all costed within our current budget, with no extra expense.

I am confident of my argument, and of the necessity of bringing it.

It was argued by Cabinet in the last Cabinet meeting that ringfencing money to pay down non urgent debt is the most fiscally responsible thing to do; but what I wish to discuss is that fiscal responsibility is far more complicated than simply looking at debt.

At point 3.10 in the Cabinet papers from the meeting on the 13th of this month, we discuss the ongoing pressures of temporary accommodation and homelessness; pressures that are now even more severe due to cuts at a County level, which the Leader has herself acknowledged to the extent of writing a letter to explain what a significant impact these cuts could have, and to insist that it is essential that they are reversed. In light of this, it is even more urgent to consider how we can address our needs for temporary housing and homelessness services long term.

All members of our previous Labour administration are now very experienced Councillors; moreover, the only Councillors within our Chamber who had to make complicated social and fiscal decisions during the first wave of a pandemic. We have known and experienced extraordinarily complicated situations, and have learned local governance to a significant level of detail, due both to commitment and to the circumstances under which we served. That experience has served us well, and has given us insight and understanding that is worth recognising.

The simple narrative is that debt is bad, and that paying it off is good and sensible.

This is true, on one level. But local governance is never that simplistic.

The £549,000 that has come from the New Homes Bonus is significant in many ways. It holds particular significance to me considering that this money has come to us not via largesse, or random allocation; it has come, to a large extent, due to the extraordinary work of Housing. During the period of the Labour administration that this grant allocation covers, Housing brought 252 Empty Homes back into usage; a huge achievement for this area. Contrary to popular belief, Thanet tops the chart in Kent for empty properties being brought back into usage; we are very good at this, and work very hard at it. This has now been recognised as part of the new homes bonus, and the hard work of housing has brought new funding into the Council; and a significant amount at that.

In a moral and fitting sense, it seems only right that the money that Housing have brought into the Council go towards alleviating some of the extraordinary pressure on housing, both financial and otherwise; and this proposal does both.

In using a significant part of the New Homes bonus to extend our in house temporary accommodation service, which was designed and planned to reduce out of area placements and to reduce the costs of using private providers for our temporary accommodation needs,

we would not only be recognising the outstanding work of our Officers directly, but also saving money in a more concrete and ongoing way than simply allocating it to pay down loans that we routinely acquire at a low rate, and that we are already well accustomed to managing.

Every householder knows the logic of this. In not investing further in our in house provision, we are, in effect, choosing to pay private providers for our essential services rather than pay ourselves to provide the same service. Rather than providing for ourselves, and investing, we are promoting reliance on external providers. Our continuing costs in terms of providing temporary accommodation are an ongoing and extraordinary cost; they may not be an accrued debt, but they are a future cost that is ever increasing, and is unlikely to subside as property and rental costs in Thanet rise. While I held the Housing portfolio, Housing were already looking at the potential to expand our in house temporary housing to offset these ongoing costs, and to be able to provide ongoing local support for our residents who are unfortunate enough to find themselves homeless in the current crisis. A potential property to add to our local temporary housing has already been located; and whether it is this property or another, the longer we delay in purchasing property for this purpose, the more we will be paying out in an ever increasing market.

The realities of this situation are stark, and make it clear which the best course of action is.

As reported by the Land Registry, annual property inflation over the past year in Margate alone has topped 14.4%. If, rather than using it to address a social need now, we set this money aside to pay debts that are not yet mature, at a time of historically low interest rates, we will in effect be accruing greater debt due to property price increases.

Add to this the ongoing costs of providing private temporary accommodation not only across this period, but also in the future when this property would be actively working to mitigate those costs, and we are not only accruing further expenditure, but also losing the ability to pay back into the General Fund, both to maintain our stock and expand it, so that in the future no resident need be placed out of area, and suffer the disruption that that entails.

This is not a debt versus spending argument. It is, in fact, a clear demonstration of how to avoid future debt via safe and sensible investment, both in our housing and in the future of our community, especially as modelling of costings has already been done by this Council and established that in house temporary accommodation is cheaper than our current usage of private providers.

That is worth a huge amount to our community, to our residents, and ultimately to us as a Council; and it is both logical and factually supported.

I have seen it argued that it is disrespectful to Officers in putting forward this proposed amendment; I argue the opposite. Not only is this process, I have always respected and consulted with Officers on policy and proposals; so not only do I know this to be a feasible way forward, I also know that in using the majority of the New Homes Bonus for Housing, we are directly recognising the efforts of Officers that brought this funding into Council in the first place, as well as directly serving our residents and reducing the distress that COVID and financial changes have caused to our community.

This is not, and should not be, a political decision. It is a logical, financially sound and socially and fiscally responsible one, and I hope very much that Overview and Scrutiny discuss it in such a way; our residents would want us to, and our ability to make unified decisions based on practicality rather than politics is why we are here and what we were elected for.