

Medium-term temporary accommodation plan

Council	10th October 2024
By	Ashley Jackson (Head of Housing and Planning)
Cabinet Portfolio Member	Cllr Helen Whitehead, Deputy Leader and Cabinet Member for Housing
Key Decision	Yes
Decision classification	Unrestricted
Ward:	Thanet Villages

Purpose of the Report

This report has two purposes. It follows the report considered by Cabinet on 26th September 2024 which recommended the acquisition of 11 homes being built by the Vistry Group for use as temporary accommodation, subject to the approval of the necessary budget. This paper, therefore, seeks the approval of Council to increase the capital programme and finance the acquisition with additional borrowing supported by the anticipated revenue savings.

Additionally, the paper sets out a wider update for councillors at a crucial point in our ongoing attempts to increase our provision of council-owned temporary accommodation, thus reducing the amount spent by the authority on temporary accommodation.

Recommendation(s):

Council is being asked to:

1. Agree to increase the general fund capital programme by £3.004m, which will be used to finance the acquisition of the 11 properties at Westwood Point. This will be funded with additional borrowing and the revenue impact of this will be offset by savings.
2. Note the wider context of the report and the medium-term position with other temporary accommodation recently secured, or being explored by the Council.

1. Summary of Reasons

- 1.1 Purchasing 11 new-build homes for use as much-needed temporary accommodation in the General Fund will reduce the number of homes that the Council requires for use that are provided by third-party nightly-paid accommodation providers.
- 1.2 It will also ensure that the Council has more accommodation at its disposal that is within the Thanet district, which is also currently an issue when placing people who

are legally homeless with 173 households currently placed in accommodation that is out of the district.

2. Background

- 2.1 A report was recently considered by the Cabinet relating to the acquisition of homes for temporary accommodation. These homes are part of Thanet District Council's accelerated affordable housing development programme, which will see at least 400 new homes, constructed or acquired, by 2027.
- 2.2 Many of these homes in the 400 homes programme are for use in the HRA and, once completed, will assist in reducing the number of households in temporary accommodation through local lettings plans, enabling the Council to allocate 50% of the properties to those on the housing register and 50% to those in temporary accommodation currently.
- 2.3 However, the Council has also acquired homes specifically for temporary accommodation use. In addition to the council's first temporary accommodation project at Foy House in Margate, the council has acquired a property in Truro Road, Ramsgate, six flats in Margate Road, Ramsgate and two properties acquired with part of the Local Authority Housing Fund (LAHF) grant. Indeed, some of those properties have been at Westwood Point, acquired from Vistry and the quality of those homes has been high.
- 2.4 Unlike the council's stock of permanent homes, which is funded within the ring-fenced Housing Revenue Account, temporary accommodation is a statutory general fund cost and all revenue and capital costs fall to the council's general fund.
- 2.5 Thanet District Council has a proactive and interventionist approach in the local market, and developers have become increasingly aware of the Council's interest in the market and reliability for seeing acquisitions through to completion. The Council is now seen as having a vested interest in its local housing market, contributing to the buoyancy of the local economy.

3. Relevant Issues

Westwood Point - 11 homes being acquired from Vistry

- 3.1 Cabinet have approved the acquisition of four no. two-bedroom properties and seven no three-bedroom properties at Westwood Point for the use of temporary accommodation, subject to the approval of the necessary capital budget by full council.
- 3.2 The cost for the 11 homes (4 x 2-bedroom homes and 7 x 3-bedroom homes) totals £2,850,000 plus £132,000 Stamp Duty and £22,000 legal costs. This report therefore recommends the approval of an additional general fund capital budget of £3.004m to fund the purchase. The additional capital budget is required within the current financial year, 2024/25.

- 3.3 Members will recall from recent acquisition reports, that officers have developed a viability assessment tool to assess the viability of individual schemes. This tool is used to inform a 'go/no-go' decision for individual proposals as it is important that each scheme is considered on its own merits.
- 3.4 To be viable, temporary accommodation schemes need to show a surplus almost immediately to prevent an impact on the Council's general fund budget position. The viability assessment of the 11 homes at Westwood Point has been completed and was approved by Cabinet at its meeting on 26 September 2024. Taking into account the cost of the additional borrowing, this project will generate revenue savings for the council from year 2.
- 3.5 The properties will be let in accordance with the recently approved Temporary Accommodation Policy, agreed by Cabinet in July 2024.
- 3.6 Above all, it is important, both for the Vistry Group homes being acquired here and other temporary accommodation in the Council's ownership, that councillors remain aware of the quantifiable benefits to those households that the Council can place in its own accommodation. These include:
- Improved quality of temporary accommodation.
 - Homes that are fully self-contained.
 - Temporary accommodation that is within the district.
 - Affordable rents for the tenant.
 - Lower costs for the council.

8 Truro Road

- 3.7 Cabinet gave permission in March 2024 for the Council to proceed with the acquisition of the former guest house in Truro Road with its seven self-contained rooms. The completion of the acquisition took place on 18th April 2024. Since then a planning application has been prepared and submitted (on 28th August) for the change of use for the building from its use as a former guest house to that of temporary accommodation. Though it had been hoped to occupy the building almost immediately, there have been some unforeseen works that will need to take place in relation to compliance. This means addressing items such as recommendations made in the fire risk assessment (FRA). Of course, the safety of those we place in the building, as well as protecting the asset for the long-term, are principal considerations of the council. The project will still deliver the anticipated savings and provide the security of accommodation to those whom the council is able to house there.

Six properties at Margate Road

- 3.8 These six flats were approved for acquisition by Cabinet in August 2024. The Council has since instructed VWV as external solicitors to achieve completion and the process of acquisition has begun. The homes will be managed by the council's temporary accommodation property officer who will conduct regular inspections and welfare checks on the tenants placed in the properties.

Edgar Road

- 3.9 This building is currently being used as the RISE project's base. RISE is the council's multi-agency rough sleeping project. The project remains a success and works closely with colleagues in other public sector agencies to minimise disruption to those in the local community. The building itself is in need of some fairly prompt repair work to ensure it is habitable in the long-term. This work is being procured currently and some remediation work is being undertaken to ensure that the building is fit for purpose and that it remains safe. The building's long-term future, subject to planning consents, is likely to be for around ten flats that will actually sit in the council's housing revenue account as general needs accommodation to people on the housing register. The homes will therefore be let in accordance with the Council's accommodation policy, including to households moving out of temporary accommodation.

Other options being considered

- 3.10 We are considering whether the temporary use of land offers an opportunity for small schemes built through MMC (modern methods of construction, such as prefabricated pods). The advantage of using this form of design is that, where possible, the pods can be relocated to another site once the 'meanwhile' time comes to an end and a more permanent solution is implemented on the site. Volumetric solutions (where products are brought to site completed internally and externally, simply awaiting connection to utilities) are a growing concept despite the fact that initial take-up by the sector has been slow, leading to the demise of some high-profile providers. A scheme in Ashford being delivered by ZedPods is an example of a site that will work well, following in the steps of other schemes delivered by that organisation in Bristol and Bromley. This is something the Council is exploring, mindful that panelised solutions (where a product is brought to site effectively flat-packed) might need to be considered given how tight some of Thanet's roads are.
- 3.11 The council is also considering other options for further temporary accommodation schemes on land and in buildings it already owns, using the approved funding for the 2025/28 capital programme. Viable proposals will be presented to Cabinet for approval as they are identified and assessed.

Additional issues

- 3.12 The Council employs a temporary accommodation property officer, whose role is to manage the temporary accommodation properties in its ownership. The officer checks on the wellbeing of those placed in the homes, assists tenants in completing forms for housing benefit or the applications for the housing register etc and can also signpost with other organisations providing specialist advice if wider or more specialist support to assist vulnerabilities is required. Though the officer assists with all tenants in temporary accommodation, even those placed out of the district, the main focus of their work is on those properties owned by the Council. The cost of this role is factored into the viability assessments for new temporary accommodation projects. As the portfolio grows it may become necessary to employ one or more further temporary accommodation officers.
- 3.13 With the existing acquisitions in place, subject to approval of the budget to support the acquisition of the Vistry homes, the number of council-owned properties for use as temporary accommodation, once completions have followed on all of the above,

will total 34 homes. The complexity of managing temporary accommodation means that one officer for every 30-50 homes is considered to be necessary to ensure effective management.

- 3.14 Empty homes often crop up in conversations about temporary accommodation. The council's strategic housing team does liaise with the private sector housing team to discuss possible options in this regard and bringing back empty homes into use. However, the system for acquiring these homes is relatively draconian unless negotiation can be undertaken. Often the homes are in serious states of disrepair too, so it is not true to say that the homes are readily available and can be quickly occupied. These would often be time consuming and expensive to bring forward. However, it does remain on the Council's radar.

4. Recommendation from Cabinet

- 4.1 Cabinet approved the acquisition of 11 homes at Westwood Point for use as temporary Accommodation, subject to the approval of the necessary capital budget by full council.

5. Alternative Options

- 5.1 The Council could choose not to approve the additional capital budget recommended, however the purchase of the 11 Vistry homes would not then be possible. The homes are ready for occupation now and the budget is required within the current financial year to complete the acquisition. Not proceeding would represent a missed opportunity at a time when the Council has circa 300 households in temporary accommodation.
- 5.2 Additionally, not taking these homes would mean that the Council is at financial risk from paying out for nightly-paid accommodation providers for longer. The scheme represents not only the opportunity to have more control over the accommodation provided, but also the chance to obtain an income from these homes as well as the savings not paid out to the third-party accommodation provider.
- 5.2 One other option would be for council to approve part of the recommended budget enabling the acquisition of at least some of the 11 homes. However, again, with the careful thought and planning that will go into the way these homes are managed in-house by the Council, these will be good quality homes for those who need them most. Taking all 11 properties will help to ensure the more efficient management of these homes.
- 5.3 Other options for temporary accommodation will be considered and any ideas that councillors have will also be gratefully received.

6. Consultation

- 6.1 There is no public law or statutory duty to consult in relation to the decision sought in this report.

7. Corporate Implications

7.1 Finance and Resources

7.1.1 The table below details the current capital programme budget for temporary accommodation and the required adjustment:

Financial Year	Current Capital Programme Budget	Additional budget requirement (borrowing)	Proposed Revised Capital Programme Budget	Spent, committed or allocated as at 31/08/2024	Proposed remaining budget
2024/25	£2.2m	£3.004m	£5.204m	£2.03m	£3.174m
2025/26	£2.4m	-	£2.4m	-	£2.4m
2026/27	£2.4m	-	£2.4m	-	£2.4m
2027/28	£2.4m	-	£2.4m	-	£2.4m

7.1.2 As opportunities arise the Council utilises financial modelling to assess the cost of any new proposal versus the cost of current temporary accommodation with a third party. The model then provides a financial forecast that determines if a new TA scheme is viable or not.

7.1.3 In order to facilitate current proposed purchases the Capital Programme budget for temporary accommodation needs to be increased by £3.004m of borrowing to facilitate the Vistry purchase of 11 units. This acquisition has been put through the model and the revenue impact of the required borrowing is affordable.

7.1.4 The Council has spent, committed or allocated £2.03m to the end of August 2024.

7.1.5 The Council has also appointed CIPFA to provide advisory services which includes an element regarding the most efficient financial mechanism for delivering future temporary accommodation. This consists of a review of the financial model being used and advice around housing benefit being claimed for Council owned properties.

7.2 Legal and Constitutional

7.2.1 Council is being asked to approve an increase of £3.004 M to its Capital Programme to be funded by borrowing to support the purchase of 11 housing units. These will support the Council to meet its duties to homeless people in the Thanet area.

7.2.2 In accordance with the provisions of section 1 of the Local Government Act 2003, the council may borrow money for any purpose relevant to its function or for the purposes of the prudent management of its financial affairs. Section 3 of the same Act provides that a local authority must determine and keep under review its borrowing limit, how much money it can afford to borrow.

7.2.3 The revenue and capital budgets form part of the Council's budget framework and in accordance with the provisions of the Council's constitution these are matters for Full Council to decide.

7.3 Council Policies and Priorities

7.3.1 This proposal supports the Council Corporate Statement 2024-2028

- To deliver the housing we need

7.4 Risk

7.4.1 Any acquisition or development activity has inherent risks. Officers work hard to identify and manage risk at each stage of projects and a monthly steering group that looks at the Council's new-build and acquisitions programme highlights these risks as officers horizon scan in the light of political, economic, social, technological, legislative and environmental factors. The acquisition project will have a risk register that is reviewed throughout the lifecycle of the project by the Housing Strategy & Projects Team. Risks around acquisition activity are sought to be mitigated through regular review and the appointment of professional expertise to provide legal due diligence, and accredited valuation advice to ensure value for money, in terms of the cost of the project.

7.5 Climate Change and Biodiversity

7.5.1 The new homes are being designed to a strong EPC B standard for energy efficiency, helping to reduce the cost of hot water and space heating for residents and reducing carbon emissions from domestic heating.

8. Equality, Equity and Diversity Implications

8.1 Cllrs are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.

8.2 Protected characteristics: age, sex, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.

8.3 This report relates to the following aim of the equality duty: -

- To eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act.
- To advance equality of opportunity between people who share a protected characteristic and people who do not share it
- To foster good relations between people who share a protected characteristic and people who do not share it.

8.4 An Equalities Impact Assessment has been completed in respect of this proposal. The new homes will be let in line with the council's allocations policy, which has had an Equalities Impact assessment completed, attached to this report at **Annex 1**

9. Crime and Disorder Implications and Community impact

9.1 The housing department does handle issues relating to Anti-Social behaviour. Despite often being described as 'low-level crime', existing evidence suggests it can result in a range of negative emotional, behavioural, social, health and financial impacts. People's understanding of what constitutes anti-social behaviour can be very different and can affect people in very different ways. For some people it means living next door to nuisance neighbours, for other people it's about litter and dog fouling or graffiti on the street. Often it can include people acting in an aggressive, intimidating or destructive manner.

9.2 The Community Safety department and the Tenant and Leasehold team have policies and procedures to deal with issues which arise due to ASB. As previously stated these homes will be managed carefully in order to ensure a community feel is created and that the area is a nice place to live.

10. Subject History

10.1 The proposal to acquire 11 homes at Westwood Point, constructed by Vistry Group has been previously considered at the overview and Scrutiny Panel on 17 September 2024 and at the Cabinet on 26 September 2024.

10.2 Links to these reports are below:

- [Overview and Scrutiny Panel report - 17 September 2024](#)
- [Cabinet report - 26 September 2024](#)

Report Author(s) Contact: Ashley Jackson, Head of Housing & Planning
telephone: 01843 577280
email: ashley.jackson@thanet.gov.uk

Appendices

Annex 1 - EQI

Report Sign Off

Legal Ingrid Brown (Head of Legal and Democracy & Monitoring Officer)

Finance Matthew Sanham (Head of Finance and Procurement)