

NOTICE OF MOTION

APPROVED BY COUNCIL ON 14 DECEMBER 2017

COUNCIL OWNED SHORT TERM HOMELESSNESS ACCOMMODATION

This Council resolves:

1. To request that a report be brought to Housing & New Homes Committee on the business case modelling for a “spend to save” purchase of emergency/temporary accommodation by the council and that this modeling:
 - (i) Estimates revenue savings on current expenditure of private provision;
 - (ii) Estimates the capital appreciation *and rental income* that would flow to the council through ownership of Emergency accommodation;
 - (iii) Explores the potential to offer greater support to residents of emergency accommodation from any savings achieved;
 - (iv) Should take into account and continue to build on the work already in progress on the feasibility of temporary housing options, in addition to the existing HRA purchasing policy;
2. That after consideration and approval of the report by the Housing & New Homes Committee any recommendations be referred to the Policy, Resources & Growth committee, such as recommendations on policy changes and delegated powers.

Supporting information:

- 1) In 2016/17, £0.571m in Housing Benefit was used to cover the cost of Emergency Accommodation landlord charges in the city; and £16.66m in Housing benefit payments were used to cover temporary accommodation costs. (<http://bit.ly/2AdZ9pi>)
- 2) Given cheap borrowing rates, right to buy receipts and prospective rental income it is likely to prove cost effective for the Council to acquire buildings (e.g. via Public Works Loans Board and Right to Buy funds) to directly provide short term homelessness accommodation rather than use private providers. Current PWLB rates are just over 2% for a 30 year loan.
- 3) Investment in emergency/temporary accommodation can allow the council to save on future revenue. Reports on a similar initiative from Shepway Council detailed that providing 12 units of temporary accommodation in-house would save £0.186m per year and produce ‘a far superior housing solution’ with ‘long term capital asset value’ (<http://bit.ly/2zQm4I7>)
- 4) Initial modelling suggests rental income would generate a surplus which could be used to provide much-needed support services for residents, who are often at crisis point. Current private Emergency/Temporary Accommodation providers, such as Baron Homes and Helgor Trading, are not contracted to provide such support services.

