

NON EXEMPT

HAVANT BOROUGH COUNCIL

CABINET

01 July 2020

Brent House – A Request for Grant Funding

**Report Author: Head of Housing & Community
Engagement**

FOR DECISION

**Portfolio: Planning, Regeneration and Communities
Deputy Leader Cllr Tim Pike**

Key Decision: Yes

1.0 Purpose of Report

- 1.1. This report is submitted to Cabinet for approval to agree the additional grant funding required for the Brent House refurbishment in accordance with the approved Affordable Housing Developers' Contributions process outlined in Cabinet report 12th October 2016 (see Appendix B).

2.0 Recommendation

- 2.1. Cabinet is recommended to approve the grant request of £103,000 to fund the balance required to ensure the viability of the scheme. The grant award will be subject to the grant payments being made to Two Saints on a monthly basis for the length of the refurbishment project and an agreed Nominations Agreement being agreed to.

3.0 Executive Summary

- 3.1. A grant request has been received from Two Saints (see Appendix A) to support the refurbishment of Brent House. £330,000 of the funding has been identified from existing funds held by the council (Affordable Housing Development Contributions see Appendix B and Homelessness Reduction Act Prevention grant). The limit for authorised spend through delegated approval on the AHDCs is up to £150,000, approval is required for the additional 103k from Cabinet. The scheme is not viable without the full amount being awarded.

4.0 Additional Budgetary Implications

- 4.1 None.

5.0 Background and relationship to the Corporate Strategy and Directorate Business Plans

- 5.1 Brent House is a building located in Middle Park Way Leigh Park and owned by Vivid Housing Association (formerly known as First Wessex). It has been accessed by Havant Borough Council for the placing of homeless households, to whom we have a legal duty to provide temporary accommodation, for over 20 years. Over time the property has fallen into disrepair and support provided to the residents has reduced in line with County funding being cut, resulting in management issues and anti-social behaviour. Vivid approached the Council and advised that they no longer wished to continue to supply this supported accommodation to the Council and their intention was to sell. Vivid requested that we move all the existing tenants to enable them to sell with vacant possession. Discussions were held between Vivid and Two Saints, with Two Saints agreeing to purchase the property subject to discussions with HBC around continued requirements for the building. It is important to note that Brent House is the only source of temporary accommodation in the borough apart from 5 units specifically for single people, we have no other provision for families and are wholly reliant on the private rented sector and B&B.
- 5.2 Officers met Two Saints on site and agreed ways in how the building could be best used to support single people and small families facing homelessness. At this point Two Saints carried out a financial appraisal and were hopeful they could cover the whole cost of purchase and refurbishment with a small grant of £50- £80k contribution from HBC towards refurbishment costs. Two Saints was also intending to approach the Homes England for a grant. No grant was available as the building had already been grant funded back in the 1980s by the HCA. As the purchase progressed, detailed surveys by Two Saints revealed considerable unanticipated costs in relation to the roof and asbestos issues. This increased cost and no access to grant funding from the HCA left Two Saints with a shortfall, hence, their grant application to HBC.
- 5.3 In January 2020 Full Council approved the adoption of the Homelessness and Rough Sleepers Strategy and Action Plan 2019-24. The four key priorities are :-
- ***To ensure all our customers are provided with appropriate advice, assistance and support to enable them to address their housing needs and to lead independent lives***
 - ***Consider more sustainable housing solutions for those facing homelessness and on the Housing Register***
 - ***Prevent and Relieve homelessness by working in partnership with statutory and voluntary sector agencies to identify the threat of homelessness at the earliest opportunity, and work together to ensure appropriate support services are accessible.***
 - ***To understand the needs and requirements of those rough sleeping and sofa surfing in the borough and provide sustainable solutions.***

The refurbishment of Brent House will support all of these key priority areas.

5.4 Since the loss of the use of Brent House as temporary accommodation with effect from late 2017 (nominations were gradually reduced over a period of time), the Council's reliance on the use of bed and breakfast has increased which in turn has led to increase in costs as shown below:

2017-18 number placed = 58 at a cost of £144,767

2018-19 number placed = 78 at a cost of £190,000
2019-20 number placed = 110 at a cost of £296,000

Whilst some of the monies we pay out on B&B is recoverable through HB, we have to point out that this is an initial cost that we have to bear and it is not always repaid – applicants don't make their claims for HB satisfactorily or stays are so short that there isn't the opportunity to make claims. We allow for a potential 50% income return on budget spent.

As well as the rising costs of B&B there is also the pressure from the MHCLG to reduce the numbers going into B&B; keeping families out of B&B for six weeks or longer; and reducing the number of out of area placements that we make. Plus, in Brent House applicants will receive more direct and consistent support than they would in B&B to enable them to sustain accommodation for longer, thus reducing the number of re-approaches. Then there's the improved health and welfare benefits of people getting better access to joined up services through the support being provided which will not only improve their lives but also reduce spend on other services like health, social care, and even policing if ASB/offending behaviours are also improved also.

5.5 The refurbishment of Brent House for use as quality temporary accommodation for homeless household supports the Corporate Strategy's aims of supporting the most vulnerable in our communities and the Service Business Plan states that a Homelessness Strategy and Action Plan will identify sustainable and suitable accommodation options within borough for those facing homelessness.

6.0 Options considered and reasons for the recommendation

6.1 Benefits to the wider community if the property is refurbished

- The people who will live at Brent House will be Havant Borough Council residents.
- The building being empty has an impact locally as it is becoming an eyesore and a target for anti-social behavior. Bringing the building back into management will provide a consistent approach as Two Saints will be both the landlord and support provider, which will also benefit the wider community.
- Off the Record provide drop in services in an adjoining building and Two Saints have an established relationship with them.
- Two Saints also attend the Partnership Action meetings with police and community safety teams as well as having good relationships with local faith and church groups.
- There will be ongoing consultation as part of the project implementation plan to engage with the local shops and neighboring houses about the proposed changes.

Benefits to HBC:

- Access to this project would mean that the Council could provide suitable temporary emergency accommodation within the borough and reduce the number of households being placed into B&B outside of the area for longer than the recommended 6 weeks. There will be support and a

partnership approach to ensure households are supported to move on to longer term tenancies.

- To reduce the numbers of people going into B&B is a key priority for the Government and HBC has been criticised for having such high numbers since the closure of Brent House. Discussions with the MHCLG around Brent House have been very positive. A partnership approach to this has been identified within the Homelessness and Rough Sleepers Strategy and Action Plan as a priority.

6.2. Options for funding the project:

- Developers Contributions (ring fenced for Affordable Housing) collected through Planning obligations; the combined total currently stands at £937,655.00 and there has been no opportunity to spend, despite promoting the options amongst our partner Registered Providers. stock.
- HRA Prevention Pot- allocated by MHCLG, 20/21 £ 182,300.00 (for spend on homelessness prevention and relief)
- Flexible Homeless Support Grant, 20/21 £306,009.00 (for spend on homelessness prevention and relief)

Developers' contributions are ring-fenced for the provision of affordable housing. It is expected that the Council will continue to collect Developers' Contributions as a result of planning policies, and the continued submission of major planning applications.

Where the Council accepts a financial contribution in lieu of on-site provision of affordable housing this will be secured through a legal agreement under s106 Town and Country Planning Act 1990.

The developer will usually require a covenant from the Council to spend the affordable housing contribution only for the provision of affordable housing in accordance with the agreement and, if asked, to return it to the developer if it has not been spent within a specified period (usually between 5 and 10 years). In a couple of cases we are fast approaching the time limit and could risk losing this funding. The process approved for spending this fund was detailed in a report (Appendix B) to Cabinet in October 2016

As per the attached report, delegated authority would extend only to sites, projects and support services which fall within the following parameters. Any applications for funding which fall outside of the scope of the delegated authority will be referred to Cabinet for approval :-

Total expenditure on any one project may not exceed £150,000; however, should a viable project be identified, and funds are available, an additional report will be submitted to Cabinet.

The AHDCs Cabinet report states delegated authority is only extended to £150,000 for any one project.

The Flexible Homeless Support Grant 20/21 of £306,009 is already partly committed through the Homelessness Strategy and Action Plan 2019-2024, for year one and anticipates additional pressures following on from Covid 19, so it recommended that the Brent House is not funded through this route.

The HRA Prevention Pot 20/21 of £182,300 was an additional unexpected grant received based on the need for HBC to reduce its placements into B&B – this grant would support this priority if awarded to Two Saints for Brent House.

The request from Two Saints for the project is £435,000.

The £182,000 HRA prevention pot plus a £150,000 from the AHDCs leaves a shortfall of £103,000 of the requested amount from Two Saints, hence the request to Cabinet. The risk of not funding 100% is likely to mean the scheme is not viable for Two Saints to progress.

7.0 Resource Implications

7.1 Financial Implications

7.2 Early discussions between HBC and Two Saints produced an initial estimate of costs and therefore the potential grant required; these were predicated on a high-level estimate of basic refurbishment. Subsequent surveys of roof, drain, asbestos, acoustic and topology issues, carried out by Martin Ralph (based in Havant), have revealed a requirement for additional works (see Appendix A for cost breakdown).

7.3 A total of £435,000 has been requested by Two Saints to support the refurbishment of Brent House. As the Council would have 100% nomination rights to the accommodation for the use as temporary accommodation for homeless households the Council can utilise the £182,000 HRA Prevention grant awarded by the MHCLG in April 2020 for the specific use of reducing the use of B&B. A further £150,000 from the AHDCs under delegated approval (see Cabinet report Appendix B) means that there is a shortfall of £103,000. This report is seeking approval from Cabinet to use the AHDCs' to cover the shortfall. This will still leave £684,655 in the AHDCs fund ring fenced for future spend on affordable housing.

8.0 Human Resources Implications

8.1 None

9.0 Legal Implications

9.1. An agreed Nominations Agreement will be drafted to ensure that the Council has 100% nomination rights to the scheme on completion.

10.0 Risks

10.1. The Council has a statutory duty under the Homelessness Reduction Act to ensure that temporary accommodation is provided to those facing homelessness. Currently, the Council has no access to such accommodation other than B&B which is often out of the area. Whilst this accommodation is not appropriate long term it is also very costly so there is a risk to increased spend as well as inappropriate placements. The Homelessness Code of Guidance states that households should not be placed into B&B accommodation for longer than 6 weeks – currently HBC is unable to comply with this as there are limited opportunities to move households out of B&B whilst Brent House remains closed.

10.2. The scheme is not viable if funding is not awarded and the opportunity to have full access to 29 units of temporary accommodation within the borough will be lost.

11.0 Appendices:

Appendix A Grant Request Application

Appendix B Affordable Housing Developers' Contributions Cabinet report.

Agreed and signed off by:

Monitoring Officer: ()

S151 Officer: ()

Director: ()

Portfolio Holder: ()

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