

**TONBRIDGE & MALLING BOROUGH COUNCIL**  
**FINANCE, INNOVATION and PROPERTY ADVISORY BOARD**

**18 September 2019**

**Report of the Director of Central Services and Director of Planning, Housing and  
Environmental Health**

**Part 1- Public**

**Matters for Recommendation to Cabinet - Council Decision**

**1     PURCHASE OF TEMPORARY ACCOMODATION**

**Summary**

**This report updates Members on the purchase of premises for use as temporary accommodation and updates the requirement for temporary accommodation.**

**1.1    Background**

1.1.1   At the Cabinet meeting of 20 March 2018, Members considered a report setting out the need for temporary accommodation and gave approval that a sum of £1.6m be added to the Capital Plan for the purchase of property for temporary accommodation funded from s106 monies (Annex 1).

1.1.2   A property in Tonbridge High Street was purchased in August 2018, and provides 5 one bedroom flats and 1 two bedroom flat. The property is working well in providing suitable temporary accommodation. A post implementation review is contained in Annex 2.

**1.2    Update on need for Temporary Accommodation**

1.2.1   The number of households in temporary accommodation (TA) reached a peak of 61 at the end of August 2019. Numbers vary, but the trend has been an increase over the last year from 28-49 households at the end of any calendar month in 2018/19 to 49-61 households so far in 2019/20.

1.2.2   This increase was anticipated with the introduction of the Homelessness Reduction Act (HRA) and there's a national trend in terms of increasing use of TA. A [survey by the Local Government Association](#) has highlighted the rise in TA use. The number of households in TA is up by more than 70% since 2010 and the burden on councils and their budgets continues to increase.

1.2.3   Sixteen households have been accommodated in the flats we own in Tonbridge High Street, with an average length of stay of 114 days/16 weeks. Six households have been accommodated in Clarion homes used as TA over the last 12 months, with an average length of stay in the Clarion homes used as TA of 149 days/21

weeks. The length of stay in nightly paid provision is much lower, as we use it in a broad range of circumstances (e.g. SWEP (Severe Weather Emergency Protocol) may result in short term placements).

- 1.2.2 The average monthly cost for TA provision during 2018/19 was £35,583 (gross spend). The total annual cost for 2018/19 was £426,019 (gross spend) with a net cost of £157,062 to the Council. The total cost for 2019/20 is anticipated to be £640,000 (gross spend), with a net cost of £250,000 to the Council. The difference between gross and net cost reflects the amount of the rent cost that can be covered by housing benefit subsidy.

### **1.3 Financial and Value for Money Considerations**

- 1.3.1 The aim of purchasing property for temporary accommodation purposes is to both manage and reduce the costs to the Council when compared to nightly paid accommodation. The purchase of the property in High Street, Tonbridge is working well both operationally and financially with a cost saving of circa £50,000 when compared to nightly paid accommodation.
- 1.3.2 There is a balance of around £500,000 of the original budget of £1.6m established for the purchase of temporary accommodation. The intention is to supplement the balance of £500,000 with a further £1.5m giving a sum of £2m to facilitate further purchases of temporary accommodation as a more cost-effective alternative to nightly paid accommodation.
- 1.3.3 The sum of £1.5m can in large part, if not in full, be funded from two sources. Monies held in the business rates retention scheme reserve (£900,000 - £1,000,000) and property fund investment reserve (500,000). The residual balance, if any, to be funded from the general revenue reserve.
- 1.3.4 Under the current operating model for the council owned TA in Tonbridge High Street, the accommodation team provide tenancy management and handle voids (arranging repair works and so on). If this approach was to continue with an increased portfolio there would be an impact on resources. We're considering if existing funds can be used to address this.

### **1.4 Risk Assessment**

- 1.4.1 A full and detailed risk assessment on options for purchasing property will inform the final decision.

### **1.5 Equality Impact assessment**

- 1.5.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

### **1.6 Recommendation**

- 1.6.1 A sum of £1.5m be added to the Capital Plan for the purchase of property for temporary accommodation purposes funded in large part, if not in full, from the two reserves detailed at paragraph 1.3.3.
- 1.6.2 Delegated authority be granted to the Director of Planning, Housing and Environmental Health and Director of Central Services in consultation with the Cabinet Member for Housing and Cabinet Member for Finance to progress the purchase of property for temporary accommodation purposes as outlined in this report.
- 1.6.3 Members to approve the post implementation report contained in Annex 2.

Background papers:

Nil

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