

TONBRIDGE & MALLING BOROUGH COUNCIL
HOUSING AND PLANNING SCRUTINY SELECT COMMITTEE

14 December 2023

Report of the Director of Planning, Housing and Environmental Health

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision

1 SUSTAINABLE TEMPORARY ACCOMMODATION OPTIONS REPORT AND TEMPORARY ACCOMMODATION PROVISION ACTION PLAN

TMBC used funding from the Local Government Association Housing Advisers Programme (HAP) to commission research options to deliver 40 sustainable temporary accommodation units. Consultants at Altair were commissioned to research and report on sustainable TA delivery options and the final report is presented to members for information (Annex 1).

The options report has informed the development of a Temporary Accommodation Portfolio Action Plan (Annex 2) to work towards securing sustainable TA provision for consideration and recommendation to Cabinet to approve for adoption.

1.1 Background

- 1.1.1 The action plan from consultancy advice on Temporary Accommodation (TA) in early 2022 included an action on TA procurement approach as the cost of placing households in TA remains high, primarily due to the ongoing use of nightly paid accommodation for the majority of provision. The consultancy work advised a 'natural level' of TA need to be 80-100 placements.
- 1.1.2 At the time of the TA consultancy report in January 2022 the peak number of households in TA was 164 and in November 2022 had reduced to 97. There are 118 households in TA currently (November 2023) with nightly rates at an average of £50.26 in 2023/4, a 5.2% increase from the average nightly cost of placements in 2022/23.
- 1.1.3 With actions implemented on managing the numbers of households in temporary accommodation our focus is now on managing the cost of TA provision through reducing the cost of each placement to reduce revenue spend.
- 1.1.4 The Housing Portfolio Approach OSG formed in May 2023 with the purpose to carry out work to ensure TMBC makes best use of its assets to support its statutory housing functions and alleviate housing pressures in the borough. The

group aims to oversee a reduction in the net cost of temporary accommodation provision.

- 1.1.5 Altair were commissioned to research and report on sustainable TA delivery options and the final report is presented to Members for information (**Annex 1**). The aim of the project was to research and investigate options for sustainable temporary accommodation provision, specifically developing an initial assessment of options and recommendations for direct delivery, such as commissioning delivery of units on council land using Modern Methods of Construction (MMC), long lease options and property acquisition to secure approximately 40 units of temporary accommodation in borough. The 40 units could be achieved through a combination of options.
- 1.1.6 The Temporary Accommodation Portfolio Action Plan (**Annex 2**) sets out range of actions over the next five years aiming to improve TA provision and reduce revenue expenditure on TA.

1.2 The Council's existing TA portfolio and costs

1.2.1 The Council's TA portfolio currently consists of;

- 6 self-contained units in Tonbridge
- 8 HMO units and 2 houses in Tonbridge
- 7 self-contained studio units at in Maidstone, utilised for 1 bed need households with more complex needs
- 9 Clarion properties (this number fluctuates and can be up to 20 depending on conversion to permanent tenancies, move on options and suitability/availability of new properties)
- Remainder of households placed in nightly paid TA.

1.2.2 Current expenditure of TA provision, primarily through nightly paid provision is summarised in the table below, with spend for last financial year 2022-23 being £1,628,290 with a net cost of £748.14 to the Council:

	Actual			Estimates		Projection		
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2026/28
	£	£	£	£	£	£	£	£
Gross Expenditure	1,840,256	2,174,298	1,628,290	1,550,000	1,400,000	1,442,000	1,470,800	1,500,200
Gross Income	(1,013,596)	(1,217,576)	(880,144)	(823,050)	(743,400)	(765,700)	(781,000)	(796,600)
Saving Target							(300,000)	(400,000)
Net Costs	826,660	956,722	748,146	726,950	656,600	676,300	389,800	303,600

1.2.3 The approach to management of existing provision along with occupancy charges and subsidy for temporary accommodation is an important consideration to ensure rental income is maximised towards meeting the costs of provision to the Council. The housing team are currently developing the approach to management of TA including procurement of a repairs and maintenance contract. It is expected that this will be place for the new financial year. A review of the TA charging policy is also planned and will be carried out jointly between housing and financial services.

1.3 Sustainable Temporary Accommodation Delivery Options – Altair report

1.3.1 This options research project gives the Council insight into delivery options available to meet the need for sustainable temporary accommodation provision and associated costs and benefits.

1.3.2 To be sustainable the Council is seeking to achieve the following:

- In Borough location – sustainable in management and control terms, and for households occupying the provision to sustain and maintain their social, family and employment commitments and responsibilities.
- Enabling more direct management and influence over provision by the Council, with good quality design and ease of access and management of occupancy.
- Energy efficient and low carbon
 - Construction methods, with MMC to be explored, and utilisation of unused sites/brownfield sites
 - Energy efficiency for occupation with low carbon emissions – use of energy efficiency heating and hot water options.

1.3.3 The report sets out the following recommendations to secure sustainable TA in the borough:

- Modular Construction of new homes – explore the option to develop new TA through modular construction. This includes identifying possible sites, modular developers, capital available and any Homes England grant to take forward this option.
- Private Sector Leasing – explore opportunities to lease homes from the private sector on a longer-term basis than the nightly-paid properties. This may be through developing relationships with landlords with local portfolios.
- Partnership working – explore opportunities to partner with a third party to provide new TA units in the borough, including but not limited to:
 - Extending the current partnership working with Clarion Housing

- Partnering with another local registered provider to explore a similar arrangement to the Clarion partnership.
- Social Lettings Agency – engage with local social lettings agencies (including an established Kent agency) to understand if and how a TA offering would work if the Council joined the agency.
- Re-purpose existing stock – identify if there are any existing sheltered accommodation schemes that could be re-purposed for TA. Work with Registered Providers (RPs) in the borough to identify potential assets to re-purpose, such as ex or soon to be ex-sheltered accommodation blocks. Be agile to any future opportunities that arise to re-purpose accommodation within the borough.

1.4 Temporary Accommodation Portfolio Action Plan

1.4.1 The Temporary Accommodation Portfolio Action Plan has been informed by work by the Housing Portfolio Approach OSG and Sustainable Temporary Accommodation delivery options report by Altair. The action plan has short and medium term actions all aiming towards securing more sustainable TA provision, in turn enabling the Council to move away from the current reliance on nightly paid private provision, improve quality and reduce revenue expenditure. In the short-term key actions are to:

- Explore the possibility of modular development in more detail.
- Develop partnership working with Clarion Housing further and engage with other Registered Providers about TA provision.
- Develop and secure management resource for existing council owned TA provision.
- Review the current TA charging policy.

1.4.2 Some initial work relating to modular development has been carried out with soft market testing through contact with a range of modular development firms.

1.4.3 The modular market offers a range of products from single person to family sized units that are fabricated offsite for a shorter installation period. Many providers offer ‘turnkey’ solutions, where they work with the local authority for planning and design stages and deliver fully fitted out units on site. There are also some providers that offer management services.

1.4.4 More detailed consideration of modular delivery will be taken forward and monitored by the Housing Portfolio Approach OSG and include consideration of possible sites for this type of provision along with further engagement with modular providers as appropriate.

1.4.5 Progress on the action plan will be monitored through the Housing Portfolio Approach OSG. The Chair of the OSG (Director of Planning, Housing and Environmental Health) will report progress against the action plan to Management Team and relevant Cabinet Members and into this Committee as required.

1.5 Legal Implications

1.5.1 Statutory functions under the Housing Acts mean we have a need for TA provision for interim placements made under section 188 of the Housing Act 1996 (as amended), and longer-term placements for households accepted as homeless under section 193 of the same Act.

1.6 Financial and Value for Money Considerations

1.6.1 TMBC currently holds £254,343.08 S106 funds to be used for Affordable housing provision, with further contributions in the pipeline and £944,000 capital funding (included in Cabinet decision in January 2023).

1.6.2 S106 pipeline contributions information:

Application	Amount expected	Note
19/00287/FL (2-12 Avebury Avenue)	£229,959	2x payments of £114,979.50.
19/01108/FL (1-4 River Walk)	£441,000	2x payments of £220,500.
20/01392/FL (Former Somerfield Distribution Centre)	Unknown – profit above 17% where the appraisal provides that AH is not viable on the dev.	Viability report to be submitted 28 days after sale of last open market unit.
20/02245/FL (Oakhill House)	£854,334	2x payments of £427,167
21/01542/FL (Rear of 78 to 80 High Street)	£273,479.88 £1,389,000	Upfront payment Up to payment Cap minus upfront cost
21/01911/FL (Land Rear of 182 High Street)	£251,323.42	

1.6.3 Existing budgets and reserves will be explored as the first port of call to meet costs associated with delivery of this action plan, alongside any opportunities for external funding.

1.7 Risk Assessment

1.8 Equality Impact Assessment

1.8.1 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 that would vary between groups of people and protected characteristics.

Additional good quality temporary accommodation in the borough should result in improved services and therefore have an overall positive impact for service users.

1.9 Policy Considerations

- 1.9.1 Development and adoption of the Temporary Accommodation Portfolio Action Plan give structured approach to work relating to temporary accommodation provision and implementing recommendations of the Altair options report.
- 1.9.2 Reducing the use and cost of nightly paid Temporary Accommodation provision is an objective in the Housing Strategy, along with seeking alternative options to ensure a range of provision.
- 1.9.3 Climate Change – The Climate Change Strategy commits to local action on climate change with an aspiration for the borough to be carbon neutral by 2020. Energy efficiency in terms of sustainable temporary accommodation provision is considered within the options report informing the Temporary Accommodation Portfolio Action Plan.

1.10 Recommendations

- 1.10.1 NOTE the report by Altair in Annex 1 and RECOMMEND to Council to endorse it.
- 1.10.2 ENDORSE the Temporary Accommodation Portfolio Action Plan in Annex 2 and RECOMMEND this to Cabinet for approval and adoption.

Background papers:

contact: Eleanor Hoyle

Annex 1 Sustainable Temporary Accommodation
Delivery Report (Altair)

Annex 2 Temporary Accommodation (TA) Portfolio
Action Plan

Eleanor Hoyle

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