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| DECISION-MAKER: | CABINET | | |
| SUBJECT: | TEMPORARY ACCOMMODATION – LEASE AGREEMENT | | |
| DATE OF DECISION: | 17 SEPTEMBER 2024 | | |
| REPORT OF: | COUNCILLOR FRAMPTON- CABINET MEMBER FOR HOUSING | | |
| <u>CONTACT DETAILS</u> | | | |
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| STATEMENT OF CONFIDENTIALITY |
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Appendix 1 of this report contains information deemed to be exempt from general publication based on Category 3 of Paragraph 10.4 of the Council's Access to Information Procedure Rules. This includes details of commercial terms which have not yet been agreed between parties and which if disclosed, could put the Council or other parties at a commercial disadvantage.

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| BRIEF SUMMARY |
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Southampton City Council (SCC) has a duty under the Housing Act 1996 (as amended) and the Homelessness Reduction Act 2017 to secure temporary accommodation for homeless households in certain circumstances, for example, whilst homelessness enquiries are undertaken or until suitable accommodation can be found under the main housing duty.

The report advises Cabinet of the proposals to lease a property made up of 24 self contained units of accommodation for use as emergency accommodation for a 3 year period. The site would provide 16 studio flats for use as emergency nightly paid accommodation and 8 studio flats for use as temporary accommodation. The proposal aims to meet the current demand for emergency and temporary accommodation.

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| RECOMMENDATIONS: |
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| | (i) | <p>To approve the proposal to enter into a lease for this property to use it for homeless households for a 3 year duration subject to the following conditions:</p> <ul style="list-style-type: none"> a) A property inspection has been carried out by SCC and compliance information will need to be requested and reviewed accordingly b) The Valuation and Assets team will be instructed to review the proposed terms of the lease agreed to date and will liaise with the property owner as required. c) Once proposed terms have been agreed The Valuation and Asset Team will instruct legal services to review any documentation required. d) Clarification is sought in relation to insurance of the building. e) Following consultation that Cabinet approves delegated powers to the Executive Director of Growth and Prosperity following consultation |
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| | | <p>with the Executive Director for Enabling Services to finalise the terms of the deal for the lease.</p> <p>f) That Cabinet approved delegated powers to the Executive Director of Growth and Prosperity to carry out any further functions or activities needed to conclude this arrangement.</p> |
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REASONS FOR REPORT RECOMMENDATIONS

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

1. Option 1 – Do Nothing

If we do nothing then our spend on emergency accommodation will continue to increase and could exceed that of previous years and not provide value for money.

DETAIL (Including consultation carried out)

2. The number of homeless households approaching the council as homeless has increased by 64% since 2019- 2020 and by 14% in the last 12 months. This combined with an unprecedented period of economic disruption has unsurprisingly led to increasing numbers of households being accommodated by Southampton City Council in temporary accommodation.

Because of the heightened demand, this means that the Council has needed to increase its use of emergency accommodation which includes bed and breakfast and nightly paid accommodation. This comes as a significant cost to the council.

3. Nationally the most common length of time for households with children to be in temporary accommodation was for 2 to 5 years accounting for 26.3% of households with children. For Southampton, the most common length of time was for 1 to 2 years accounting for 35% of households with children.

Nationally the most common length of time for single households to stay in temporary accommodation was less than 6 months, accounting for 37.5% of single households. For Southampton, single households' length of time in temporary accommodation is typically 1-2 years at 36%.

As per the Homelessness (Suitability of Accommodation) Order 2003, it is unlawful for councils to accommodate families (including single pregnant women) in B&B / Hotel accommodation that is not self-contained for over a period of 6 weeks. However, the difficulties in accessing longer term accommodation are lengthening the time families spend in emergency and temporary accommodation.

This presents significant risk of legal challenge and is an area that is closely monitored by the DLUHC. In January 2023, the council had over 20 households with children in bed and breakfast accommodation over 6 weeks which exceeded our legal threshold. This has now been significantly reduced.

Since the beginning of 2023, SCC has increased its usage of nightly paid accommodation which are self contained accommodation units. Although these

units can address the demand we have, the cost of these units is expensive and not a cost effective solution.

Therefore by considering the option of this property this would provide the Council with emergency accommodation at a reduced unit price which could provide savings to the local authority until we are able to progress longer term alternative temporary accommodation solutions.

Consideration also needs to be given for the social impact that providing good quality accommodation to households during a very turbulent time of change can have across other teams within SCC and the support that they may need.

Currently our supply of emergency accommodation is on a spot purchase basis which has been that way for many years. In early July 2024 we saw the number of households in emergency accommodation rise to 200 households which is the highest it has been. During the summer period we continue to see a limited amount of accommodation available in the city and having guaranteed access to a provision which will provide good quality accommodation for homeless households is essential.

The property owner initially proposed leasing the property for emergency accommodation some time ago. Recent renewed contact has led to discussions regarding a dual-purpose use: emergency and temporary accommodation. This adaptation would yield an additional eight units of temporary accommodation, offering households a secure interim living environment while they transition to permanent housing.

This particular property is centrally located with excellent transport connections throughout the area. Exclusive use of the entire building affords us complete control over occupancy, a luxury not typically afforded by other emergency accommodation properties, which are often shared with other local authorities.

This arrangement will enable us to establish eight additional units of temporary accommodation for longer-term placements until households are permanently housed. A dedicated, self-contained property for emergency accommodation will expedite the relocation of households from unsuitable placements, such as hotels, compared to circumstances where such a property is unavailable.

As part of the Homelessness Prevention Transformation Programme which aims to fundamentally transform the delivery of homelessness services by the Council.

The initiative focuses on:

- **Proactive and Preventative Approaches:** Shifting from reactive measures to proactive strategies to prevent homelessness before it occurs.
- **Enhanced Access to Information and Support:** Providing easier access to comprehensive information, advice, and guidance.

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| | <ul style="list-style-type: none"> • People-Centric Services: Prioritising the needs of individuals and families, ensuring they remain at the heart of all service delivery. • Staff Training and Support: Investing in staff development to support the transition and ensure effective implementation. <p>Additional initiatives to address the immediate need for temporary accommodation, will include:</p> <ul style="list-style-type: none"> • RTB receipts: Leverage Right to Buy (RTB) receipts to purchase properties for temporary accommodation. • Utilisation of VOID properties: Seek permission to use decanted VOID properties as temporary accommodation. This will require a policy change and agreement to allocate VOID property repair resources to these decanted properties. <p>These combined measures will help reduce the demand on services and minimise the length of stay and numbers of households in emergency/ temporary accommodation.</p> |
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RESOURCE IMPLICATIONS

Revenue

4. The financial implications of the proposal are set out in Appendix 1.

Property/Other

5. The property visually appears to be of good quality but will require a surveyor's inspection to confirm its suitability. The Valuations and Estates Team is aware of the property and has confirmed that their role would be to negotiate the final terms, draft a report of agreed terms providing the necessary information to enable legal officers to prepare a lease.

The owner of the property would be responsible for the following:

- All property maintenance both internal and external, including general wear and tear;
- In the event of deliberate damage caused to the property by a household, the property owner will submit a quote to SCC detailing the necessary repairs. Subsequently, both parties will collaborate to determine SCC's liability of cost. SCC will subsequently seek to recover these costs from the responsible household
- Responsible for cleaning the entire building, including all emergency accommodation flats and the eight temporary accommodation flats when vacant.
- For insuring the entire building
- Council Tax for the emergency accommodation units will be the responsibility of the owner and the temporary accommodation units will be the responsibility of the occupants (subject to agreement).
- They will be responsible for taking the bookings for the emergency accommodation placements and booking the household in.

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| | <ul style="list-style-type: none"> • All of the emergency accommodation units will be fully furnished • Linen and towels for the emergency accommodation units will be provided and changed once a week. • Is responsible for payment of the following utilities electric, water, sewer, telephone and internet <p>The Council will be responsible for:</p> <ul style="list-style-type: none"> • Reporting any repairs that they become aware of • Covering the cost of deliberate damage to a property once agreed by both parties • For the council tax of the 16 units of emergency accommodation and the 8 temporary accommodation units if unoccupied • The decision of who all the units are allocated to is the decision of the Council at all times. • Responsible for the management of the 8 temporary accommodation units including tenancy management and rent collection. • Notifying the owner when a unit of temporary accommodation is going to become void. <p>If approved, the next steps will involve developing a detailed schedule outlining the responsibilities of all parties involved.</p> |
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Temporary Accommodation Units

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| 6. | Temporary accommodation units will be leased under non-secure tenancies, mirroring our successful Hugg Homes model used for over five years. To effectively manage rental income, these properties must be integrated into the NEC Housing System for monitoring by the Home Seekers Letting Team. |
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LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report

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| 7. | <p>The Council has a duty under the Housing Act 1996 (Part VII), as amended, to ensure that accommodation is made available for homeless applicants who are owed a full housing duty by the Council.</p> <p>Where the Council determines under the provisions of the Housing Act 1996 Part VII (as amended) that a person/household is eligible for assistance, homeless, in priority need and not homeless intentionally, it has a duty to secure suitable accommodation (unless it refers the applicant to another authority under the local connection provisions): s193(2), s206(1).</p> <p>The suitability of accommodation is governed by s210 of the 1996 Act, a number of statutory instruments made under that provision (SIs 1996/3204, 2003/3326 and 2012/2601) and by the Homelessness Code of Guidance for Local Authorities. When discharging its housing duties under Part VII, the Council must, so far as reasonably practicable, secure that accommodation is available for the applicant's occupation in their own district: s208(1) of the 1996 Act.</p> |
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| | The Homelessness Reduction Act 2017 places a duty on Local Authorities to intervene at an early stage to help prevent homelessness and take reasonable steps to relieve homelessness for all eligible applicants, not just those in priority need. |
| RISK MANAGEMENT IMPLICATIONS | |
| 8. | The current owner of the property required an urgent decision on whether SCC are in a position to proceed with the proposal as the company were planning to let the flats to students and they would need to notify potential residents that they were unable to proceed if SCC decided to lease the property. SCC have agreed in principle to proceed with progressing the matter which is subject to contract and the property satisfying our requirements. |
| 9. | While there's a potential for unoccupied periods, given the current 200 households in emergency housing, full occupancy is highly probable. This property would be a priority for allocation. The only exception would be if the property becomes uninhabitable due to damage or necessary repairs. |
| 10. | There is a risk that the property may not be needed for the full three-year lease term. However, this risk is mitigated by a break clause allowing SCC to terminate the lease after one year with three months' notice. |
| 11. | The current suggested proposal is that SCC will be required to meet the cost of repairs following a deliberate act caused by an occupying household resulting in damage to the building. The potential financial liability (which is not able to be covered under the council's insurance arrangements) A collaboration process between both parties will need to be established with a view to seeking an agreement whereby the maximum sum that the council would be liable for in respect of any one incident is capped and/or a maximum sum in any one period. |
| POLICY FRAMEWORK IMPLICATIONS | |
| 12. | The policy is in accordance with the relevant Policy Framework policies and supports the aims of the Homelessness & Rough Sleeping Strategy. |

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| KEY DECISION? | No |
| WARDS/COMMUNITIES AFFECTED: | |
| <u>SUPPORTING DOCUMENTATION</u> | |
| Appendix 1 | |

Documents In Members' Rooms

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| 1. | None |
| Equality Impact Assessment | |
| Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out. | No |
| Data Protection Impact Assessment | |

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| Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out. | | No |
| Other Background Documents | | |
| Other Background documents available for inspection at: | | |
| Title of Background Paper(s) | Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable) | |
| 1. | None. | |
| 2. | None. | |