



NORTHAMPTON
BOROUGH COUNCIL

CABINET AGENDA

Wednesday, 19 August 2020

via Zoom:

<https://www.youtube.com/user/northamptonbctv>
6:00 pm

Members of the Cabinet:

Councillor: Jonathan Nunn (Leader of the Council)

Councillor: Phil Larratt (Deputy Leader)

Councillors: Mike Hallam, Tim Hadland, Stephen Hibbert, Brandon Eldred, Anna King and James Hill.

Chief Executive

George Candler

If you have any enquiries about this agenda please contact
democraticservices@northampton.gov.uk or 01604 837722

PORTFOLIOS OF CABINET MEMBERS

CABINET MEMBER	TITLE
Councillor J Nunn	Leader
Councillor P Larratt	Deputy Leader
Councillor M Hallam	Environment
Councillor B Eldred	Finance
Councillor T Hadland	Regeneration and Enterprise
Councillor S Hibbert	Housing and Wellbeing
Councillor A King	Community Engagement and Safety
Councillor J Hill	Planning

SPEAKING AT CABINET MEETINGS

Persons (other than Members) wishing to address Cabinet must register their intention to do so by 12 noon on the day of the meeting and may speak on any item on that meeting's agenda.

Registration can be by:

Telephone: (01604) 837722
(Fax 01604 837057)

In writing: Democratic and Member Services Manager
The Guildhall, St Giles Square, Northampton NN1 1DE
For the attention of the Democratic Services Officer

By e-mail to democraticservices@northampton.gov.uk

Only thirty minutes in total will be allowed for addresses, so that if speakers each take three minutes no more than ten speakers will be heard. Each speaker will be allowed to speak for a maximum of three minutes at each meeting. Speakers will normally be heard in the order in which they registered to speak. However, the Chair of Cabinet may decide to depart from that order in the interest of hearing a greater diversity of views on an item, or hearing views on a greater number of items. The Chair of Cabinet may also decide to allow a greater number of addresses and a greater time slot subject still to the maximum three minutes per address for such addresses for items of special public interest.

Members who wish to address Cabinet shall notify the Chair prior to the commencement of the meeting and may speak on any item on that meeting's agenda. A maximum of thirty minutes in total will be allowed for addresses by Members unless the Chair exercises discretion to allow longer. The time these addresses take will not count towards the thirty minute period referred to above so as to prejudice any other persons who have registered their wish to speak.

KEY DECISIONS

 denotes the issue is a 'Key' decision:

- Any decision in relation to the Executive function* which results in the Council incurring expenditure which is, or the making of saving which are significant having regard to the Council's budget for the service or function to which the decision relates. For these purpose the minimum financial threshold will be £250,000;
- Where decisions are not likely to involve significant expenditure or savings but nevertheless are likely to be significant in terms of their effects on communities in two or more wards or electoral divisions; and
- For the purpose of interpretation a decision, which is ancillary or incidental to a Key decision, which had been previously taken by or on behalf of the Council shall not of itself be further deemed to be significant for the purpose of the definition.

NORTHAMPTON BOROUGH COUNCIL

CABINET


Your attendance is requested at a Special Meeting to be held
via Zoom: <https://www.youtube.com/user/northamptonbctv>

on Wednesday, 19 August 2020

at 6:00 pm.

George Candler
Chief Executive

AGENDA

- 1. APOLOGIES**
- 2. MINUTES**
(Copy herewith)
- 3. INTENTION TO HOLD PART OF THE MEETING IN PRIVATE IF NECESSARY**
- 4. DEPUTATIONS/PUBLIC ADDRESSES**
- 5. DECLARATIONS OF INTEREST**
- 6. ISSUES ARISING FROM OVERVIEW AND SCRUTINY COMMITTEES**
- 7. FINANCE MONITORING TO 30 JUNE 2020**
(Copy herewith)
- 8. HOUSING ACQUISITION OPTIONS**
 (Copy herewith)
- 9. EXCLUSION OF PUBLIC AND PRESS**

THE CHAIR TO MOVE:

“THAT THE PUBLIC AND PRESS BE EXCLUDED FROM THE REMAINDER OF THE MEETING ON THE GROUNDS THAT THERE IS LIKELY TO BE DISCLOSURE TO THEM OF SUCH CATEGORIES OF EXEMPT INFORMATION AS DEFINED BY SECTION 100(1) OF THE LOCAL GOVERNMENT ACT 1972 AS LISTED AGAINST SUCH ITEMS OF BUSINESS BY REFERENCE TO THE APPROPRIATE PARAGRAPH OF SCHEDULE 12A TO SUCH ACT.”

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NORTHAMPTON BOROUGH COUNCIL

CABINET

Wednesday, 22 July 2020

PRESENT: Councillor Nunn (Chair); Councillor Larratt (Deputy Chair); Councillors Eldred, Hadland, Hallam, Hibbert and King

1. APOLOGIES

None.

2. MINUTES

The minutes of the meeting held on 10th June 2020 were agreed and signed by the Chair.

4. DEPUTATIONS/PUBLIC ADDRESSES

None.

5. DECLARATIONS OF INTEREST

None.

6. ISSUES ARISING FROM OVERVIEW AND SCRUTINY COMMITTEES

None.

7. FINANCE MONITORING TO 31 MAY 2020 AND UPDATED IMPACT FROM COVID-19

Councillor Eldred, as the relevant Cabinet Member, submitted his report and noted a current overspend relating to Covid-19 of £2.541m and explained that the full allocation of funds from central government had not yet been released. The appendix attached to the report highlighted areas that had been impacted by Covid-19 and Councillor Eldred advised that a further report would be brought to Cabinet in August which would be more refined and take into account underlying cost pressures and recent government announcements on additional funding. £35.1m had been distributed via BEIS (Business Energy and Industrial Strategy) grants to 2,917 local businesses; approximately 200 further businesses in Northampton were potentially eligible for assistance and work was ongoing to contact them. Councillor Eldred noted recommendation 2.3 of the report which sought to increase the Councillor Community Fund expenditure by £2,000; this would allow the Council to help community and other smaller groups that did not qualify for any government grants and had missed out on summer fundraising activities. This scheme would run for 3 months, starting in August.

Councillor Stone expressed concern around the wellbeing of employees during the pandemic and asked Cabinet to be mindful of staff capacity issues and how best to support staff. She congratulated the council for their efforts in housing rough sleepers during the pandemic but lamented the loss of council funds to do so; she stated that the money should have come from central government. Councillor Stone further expressed concern around recommendation 2.3; she believed that a proper assessment should precede allocation of funding. Councillor Stone also suggested that the additional funding may result in staff reductions.

Councillor Eldred noted that the budget had been free of staff cuts for 2 years and that there were no plans to reduce staff levels for the remainder of the Council's life. He commented

that the Small Grants Panel convened very infrequently; elected members knew best which community groups in their wards would be most in need of financial assistance. He further noted that the Council had received £20,000 to assist with housing rough sleepers and additional funding was expected

Councillor Hibbert confirmed that “additional strands of funding” relating to housing had been announced by the government and assured Members the Council would be applying for them.

Councillor Eldred expressed his gratitude and thanked his fellow Cabinet Members and officers for their continued support and hard work during the pandemic.

RESOLVED:

Cabinet:

- 2.1 Noted the contents of the report and noted that future reports will set out the actions being taken by Corporate Management Board (CMB) to address issues arising.
- 2.2 Note the financial impacts of the COVID-19 pandemic on the general fund for the financial year 2020/21 as set out at appendix 1.
- 2.3 Approved an increase to the Councillor Community Funds expenditure, by £2,000 per councillor.

8. PRIVATE SECTOR HOUSING ASSISTANCE POLICY

Councillor Hibbert, as the relevant Cabinet Member, submitted his report and explained that the charges specified in recommendation 2.1 (b) would not be paid by an applicant but would form part of the grant approval. The updated Private Sector Housing Assistance Policy also included several discretionary grants alongside mandatory grants which would provide a broader range of financial assistance to those in need.

Councillor Smith expressed her pleasure that additional support would be available for those who needed it. She advised that communication between agencies would be vital and that this would need to be embedded within the new unitary authority. Councillor Smith asked that the new scheme be communicated so that potential applicant and their carers were aware of their options, and sufficient support given in applying for the scheme.

Councillor Hibbert noted that NPH had a separate fund for disabled grants; this scheme was aimed at disabled tenants in private accommodation. He advised that the main agencies in Northampton were aware of the scheme and that the Housing Department were happy to help assist with applications.

The Private Sector Housing Manager thanked Councillor Smith for her comments and advised that an officer in the department worked closely with Northampton General Hospital dealing with the discharge process. The 15% charge related to the discretionary activities the Housing Department would undertake so there was a need to act as a contractor would. This scheme would cover all other social rented accommodation, as well as private rented accommodation.

RESOLVED:

Cabinet:

- 2.4 Approved the Private Sector Housing Assistance Policy with effect from 1 August 2020; and
- 2.5 Approves the Grant Agency Service's charges of:
 - (i) 15% of the value of the works (plus VAT) where the works are specified, procured and supervised to completion; and
 - (ii) £250 (plus VAT) where assistance is provided by the Council to support an application that is subsequently not progressed.

9. GUILDHALL - ROOF REPLACEMENT

Councillor Hadland, as the relevant Cabinet Member, submitted his report and explained that the roofs were leaking in several places, causing damage to the historic fabric of the building; the report set out the mechanism for ensuring they were repaired, as well as improvements to allow for easier access to the roofs for future repairs and maintenance.

RESOLVED:

Cabinet:

- 2.1 Approved the roof works to the Guildhall roof pursuant to paragraph 3.3.4 of the report;
- 2.2 Delegated authority to the Economic Growth and Regeneration Manager, in consultation with the Borough Secretary and Cabinet Member for Regeneration and Enterprise to appoint a contractor for the Guildhall roof replacement works following the completion of a tender process; and
- 2.3 Approved the appointment of a legal advisor if specialist construction law advice is required

10. GUILDHALL - PIPE/ASBESTOS WORKS

Councillor Hadland, as the relevant Cabinet Member, submitted his report which sought approval for necessary works to the Guildhall's boilers and Building Management System.

RESOLVED:

Cabinet:

- 2.1 Delegated authority to the Economic Growth and Regeneration Manager, in consultation with the Borough Secretary, Chief Finance Officer and Cabinet Member for Regeneration and Enterprise to appoint the contractor for the Guildhall boiler and associated works following the completion of the tender process; and
- 2.2 Approved the appointment of a legal advisor if specialist construction law advice is required

11. REVIEW OF PUBLIC SPACES PROTECTION ORDER (PSPO) 2017

Councillor King, as the relevant Cabinet Member, submitted her report and explained that public consultation had taken place from 17th December 2019 to 10th March 2020; recommendations were based around responses which would form the new PSPO. An Enforcement and Operational Plan was also being considered which would better utilise Wardens and other enforcement agencies alongside the Police.

Councillor Stone stated that Neighbourhood Wardens and Park Rangers were the best officers to enforce the policies recommended in the report as their roles combined community engagement, education and enforcement, but believed that there were capacity issues within those departments. She expressed concern around people spitting, especially given the nature of transmission of Covid-19, and people riding bicycles on footpaths.

Councillor King advised that the Council were making strides with regard to encouraging residents to live a more active lifestyle and pushing a green agenda but noted that enforcement relating to cycling on footpaths was a power that the Police had so it could not be included in the PSPO. She advised that spitting was included in the PSPO and suggested that further communication could be looked into.

Councillor Larratt noted that Northamptonshire County Council had a map of cycleways around Northampton which showed a need for development, however this was not being pursued. He further noted that maintenance of cycleways was an area of concern. He questioned whether there was a way of devolving cycle enforcement from the Police to the Council.

Councillor King confirmed that work had started with the Legal Department with regard to delegation of powers for cycling on pavement; this would form part of the Enforcement and Operational Plan.

RESOLVED:

Cabinet:

- 2.1.1 Resolved to make a PSPO which prohibits only the activities recommended in paragraphs 3.2.6, 3.2.8, 3.2.11, 3.2.17, 3.2.20, 3.2.23 and 3.2.27 and 3.2.30 of the report for a period of three years, after taking into account the results of the recent public consultation.
- 2.1.2 Delegated to the Borough Secretary, in consultation with the Chief Executive, the authority to draft a PSPO including only the prohibitions recommended by the paragraphs described at 2.1.1 so as to ensure the enforceability of those prohibitions included in the final Order which will be made in accordance with the same resolution.
- 2.1.3 Resolved to delegate to the Borough Secretary the authority to comply with all legal steps and processes required by Chapter 2 of Part 4 of the Anti-Social Behaviour, Crime and Policing Act 2014 for the Council to make a PSPO in accordance with the resolution at paragraphs 2.1.1 and 2.1.2 above
- 2.1.4 Delegated to the Chief Executive authority to enforce a PSPO made in accordance with the resolution at paragraph 2.1.1 and to authorise appropriately trained persons to issue fixed penalties of £100 to any person committing an offence under section 67 of the Act.

12. PUBLIC SPACES PROTECTION ORDER (PSPO) - MARBLE ARCH

Councillor King, as the relevant Cabinet Member, submitted her report and advised that the

PSPO had been highly beneficial in assisting the Police and Neighbourhood wardens tackle antisocial behaviour in the area.

RESOLVED:

Cabinet:

- 2.6 Delegated the Chief Executive to undertake a 12 week statutory public consultation in the terms set out in Appendix 4 on the proposal to renew the Public Spaces Protection Order (Appendix 1 of the report) that allows the gating of the public highway known as Marble Arch that runs from Ash Street to Barrack Road.
- 2.2 To receive a further report, following completion of the statutory public consultation, to consider any representations received and, if appropriate seek approval of the renewal, for a further 3 years, of the Public Spaces Protection Order.

The meeting concluded at 6:44 pm

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Appendices:
1



CABINET REPORT

Report Title	Finance monitoring to 30 June 2020
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	19 August 2020
Key Decision:	NO
Within Policy:	YES
Policy Document:	NO
Directorate:	Management Board
Accountable Cabinet Member:	Cllr B Eldred
Ward(s)	N/A

1 Purpose

To update Cabinet on the latest financial monitoring reports including:

- Revenue – any significant issues requiring action and details of the actions being taken.
- Budget risks, including any unachievable savings.
- Budget changes and corrections
- Capital – progress on key projects
- Capital appraisals and variations requiring approval or approved under delegation.

2 Recommendations

- 2.1 That Cabinet notes the contents of the report and notes that future reports will set out the actions being taken by Corporate Management Board (CMB) to address issues arising.
- 2.2 That Cabinet supports a request being made to Council in September 2020, to further increase the HRA Budget funded through borrowing by £50m.

3 Issues and choices

3.1 Report background

- 3.1.1 This report is the second financial monitoring report of 2020/21 and reports the forecast position as at the end of June 2020, period 3 of the financial year.

3.2 Key financial indicators

Budget area	Variation from budget	
	General fund	Housing Revenue Accounts (HRA)
	£m	£m
Controllable service budgets	1.434	0.195
Debt financing and corporate budgets	0	0
Total	1.434	0.195

3.3 General fund revenue budget

- 3.3.1 The overall general fund revenue budget is currently forecasting an overspend of £1.434m. The main pressures which make up this forecast overspend are set out below:

- 3.3.2 The **Economy, Assets and Culture** service is currently forecasting a £2.166m overspend. This overspend is predominantly associated with losses of income as a result of the COVID-19 pandemic. The most significant of these is a forecast loss of car park income of £1.767m. Almost all car park income in the year to date has been foregone, and it is anticipated that income will not return to its pre-COVID-19 levels for the rest of the year. The Council are expecting some government grant to offset this lost income. The details of this grant are not yet known, but a prudent estimate has been included in these figures.

Other income losses relate to rental income in relation to business closures (£0.217m), a loss of income due to closure of the market and reduced number of traders following re-opening (£0.123m), and smaller losses of income in relation to events, CCTV, the Bus Station and the Guildhall (£0.175m).

These pressures are partially offset by savings on staffing budgets across the service and reduced expenditure on NNDR totalling £0.115m.

- 3.3.3 The **Housing and Wellbeing** service is forecasting an overspend position of £1.122m for the year. Demand for temporary accommodation has resulted in a forecast pressure of £0.400m and a corresponding pressure of £0.200m due to an increase in bad debt relating to temporary accommodation. This forecast also now includes the costs relating to the provision of accommodation for Rough Sleepers as a result of the COVID-19 pandemic of £0.275m. There is pressure in the Private Sector Housing service due to a reduction in civil penalties, licences and disabled facilities grant administration income of £0.220m as a result of the COVID-19 pandemic. Other small variances make up the remaining £0.027m.
- 3.3.4 The **Planning** service are forecasting a £0.255m overspend position. This is associated with an anticipated reduction in land charges income (£0.036m) and planning income (£0.120m) as a result of COVID-19 disrupting normal business. The Council are expecting some government grant to offset this lost income. The details of this grant are not yet known, but a prudent estimate has been included in these figures. In addition, there is also a £0.100m pressure in the Planning Policy area due to the risk on an Article 4 policy.
- 3.3.5 The **Chief Finance Officer** service is reporting an underspend of £1.882m. However, this is due to the unbudgeted £2.797m of funding received from Central Government for COVID-19 related costs pressures. This funding is currently centralised but will be allocated out across the services to cover some of the impacts of COVID-19.

Excluding this grant income, this area has a pressure of £0.915m. There are pressures of £0.300m in relation to potential additional external audit costs; £0.360m in relation to the Benefits area mainly from overpayment recovery reductions; £0.155m in relation to Business Rates scheme changes caused by the COVID-19 policy updates and £0.075m in relation to additional IT working from home costs. Other small variances make up the remaining £0.025m.

- 3.3.6 The **Customers and Communities** area is reporting an underspend of £0.146m. This includes an underspend of £0.307m in the Environmental Services area, largely due to the uptake of the chargeable green waste project exceeding its target as well as pension contribution costs being lower than budgeted, which has mitigated the additional costs of providing the waste service through this difficult period. This is partially offset by pressures in the Licensing area (£0.051m); the Commercial Services area (£0.032m); the Environmental Protection area (£0.007m); and the Museums area (£0.019m) which are mainly due to losses of income as a result of COVID-19 disrupting normal business. There is also a small pressure in the Leisure Contract area caused by a delay in signing a new lease agreement with Northampton Leisure Trust resulting in a loss of budgeted income (0.050m).
- 3.3.7 There were other smaller variances forecast in the **Chief Executive area** and the **Borough Secretary** service area, with a combined underspend of £0.081m due mainly to staff savings and vacant posts.
- 3.3.8 Corporate Management Board (CMB) are actively seeking options and actions to manage and mitigate the impact of the risk of an overspend in 2020/21.

3.4 HRA revenue budget

- 3.4.1 The Housing Revenue Account is currently forecasting a £0.195m pressure. This includes £0.500m pressure on rental income primarily due to a combination of pre-

COVID-19 budget assessment of new build units coming on to the rental stream and the subsequent re-phasing of new build schemes following the COVID-19 pandemic. It is offset by forecast savings on expenditure budgets of £0.292m

3.5 General fund capital programme

3.5.1 The approved General Fund Capital Programme is currently forecast to spend up to the latest budget of £13.7m. There have been a number of in-year changes since the previous Cabinet Report and these are detailed in the table below.

3.5.2 It is expected that the current COVID-19 situation will significantly impact the programme going forwards. In particular through:

- Availability of contractors and delays to start times
- Increased cost of materials
- Possible impact of supply chain issues for materials
- Extended periods of construction due to social distancing which could slow down building work and fitting out of premises.

The impact is currently unknown but will be continually assessed by services and the Finance Team with regular reports back to Cabinet and CMB on progress which will highlight any significant issues identified.

3.5.3 There is a further £59.6m of schemes in the Development Pool awaiting approval. Any further additions to the approved capital programme, including any strategic property purchases, will be subject to the development of a robust business case. In line with the Financial Regulations, any proposed additions to the programme greater than £0.25m and / or requiring additional funding from council resources, will be brought to Cabinet for approval.

Reference	Scheme Title	£k	Comments
BA276	Guildhall Roof Architect Fees	30	This is part of a larger scheme in relation to the roof which totals £500k. The balance for the scheme remains in the development pool and will be subject to further approvals before any work can commence.
BA277	Billing Brook Lakes Phase 2	70	Landscaping work to the site. Funded by s106.
BA278	St Michaels Car Park Lift Refurbishment	220	Refurbishment of lifts 1 & 2. This scheme has been transferred from the Development Pool.

3.6 HRA capital programme

3.6.1 The HRA capital programme for 2020/21 totals £69.117m, of which £49.409m is to be managed on behalf of the Council by Northampton Partnership Homes (NPH) through a programme of planned investment and new build development.

- 3.6.2 Some of the New Build programme is experiencing slippage during 20/21, and this is currently anticipated to be in the region of £1.7m. Neighbourhood Programmes are currently anticipating £2.3m slippage due to COVID-19, however the contractor is committed to accelerating the programme where possible during 20/21. Landscaping works are accelerating and progressing well resulting in budget being brought forward from the 2020/21 programme of £1m.
- 3.6.3 There are a number of new opportunities arising to acquire homes through an extension of the 'Buy Back Scheme' both from individual home purchases and blocks of homes from developers. In addition there is the possibility of developing new sites along with the acquisition of land/development sites to enable an increase in housing stock capacity.
- 3.6.4 Cabinet are being asked to endorse a request (Recommendation 2.2) to Council in September 2020 to increase the HRA Budget, funded through borrowing. This will enable schemes and opportunities to be developed, with each business case being approved by Cabinet on its merits and viability. Existing policy and delegations exist to extend the 'Buy Back Scheme', provided budget and funds remain available.

3.7 Choices (options)

- 3.7.1 Cabinet is asked to note the reported financial position and agree the recommendations at 2.1 and 2.2. There are no alternative options, other than not to agree the recommendations.

4 Implications (including financial)

4.1 Policy

- 4.1.1 The Council agreed a balanced budget for the capital programme and revenue budgets for both the general fund and the HRA in February 2020. Delivery of the budget is monitored through the budget monitoring framework.

4.2 Resources and risk

- 4.2.1 This report informs the Cabinet of the forecast outturn positions for capital and revenue, for both the general fund and HRA, as at the end of June 2020. It also highlights the key risks identified to date in delivering those budgets.
- 4.2.2 All schemes included in the capital programme, or put forward for approval, are fully funded, either through borrowing, internal resources or external funding arrangements.

4.3 Legal

- 4.3.1 There are no direct legal implications arising from this report.

4.4 Equality and health

- 4.4.1 There are no direct equalities and health implications arising from this report.

4.5 Consultees (internal and external)

- 4.5.1 Heads of Service, budget managers and Corporate Management Board (CMB) are consulted as part of the budget monitoring process on a monthly basis.

4.6 How the proposals deliver priority outcomes

- 4.6.1 Regular financial monitoring is a key control mechanism and contributes directly to the priorities of sustaining “effective and prudent financial management” and being “an agile, transparent organisation with good governance”.

4.7 Environmental Implications

- 4.7.1 There are no direct environmental implications arising from this report.

4.8 Other Implications

- 4.8.1 There are no other implications arising from this report

5. Background papers

- 5.1 Cabinet and Council budget and capital programme reports February 2020.

Stuart McGregor, Section 151 Officer, 01604 838347

NORTHAMPTON BOROUGH COUNCIL – COVID-19 COSTS/PRESSURES/GRANTS

The following provides an update to information reported to Cabinet on 22 July 2020 and directly relates to the impacts of the COVID-19 pandemic.

COST PRESSURES

1. HOUSING

The Housing Service, along with the Council's ALMO, NPH, had worked hard to alleviate pressures from Temporary Accommodation during 2019/20 to reduce the risk of overspends in 2020/21.

The Government requirement to provide temporary accommodation for rough sleepers saw the contracting with two hotels to provide 80 rooms for accommodation. As this scheme comes to an end, whilst it has provided positive outcomes for a traditionally hard to reach group of people, it is likely to see a block unanticipated pressure on the temporary accommodation budget. The scheme so far has cost in the order of £0.295m including accommodation, staffing and PPE. A specific Government grant of £0.021m has been received toward this cost.

There are also unavoidable costs of those who were initially accommodated under temporary accommodation legislation, but found not to be entitled going forward, could not be moved on during the 'lockdown'.

Due to a combination of factors from accommodating rough sleepers who do not wish to return to their prior position, unavoidable costs and an expectation of an increase in homelessness post lockdown, along with reduced income from enforcement and licensing. It is estimated that there will be pressure (possible overspend) on this service area in a range of between £0.750m to £1.500m during the year.

2. ECONOMY ASSETS and CULTURE

The pressures for this service area are primarily income related, from the risk of loss of income from commercial tenants, through to the loss of revenue income from car parking. The Council has a modest commercial property portfolio, primarily to support regeneration and the local economy, however the income is used to support services

The Council as with many businesses is suffering from fixed property costs and a reduction / loss of income. At present the Council car parks have had charges suspended, to assist key workers with free parking in specific areas and to assist those businesses still trading. The Council continues to suffer costs such as business rates, utilities, insurance and maintenance. Parking income is considered to be a perishable income, if it is not earned on a specific day / week it cannot be recovered at a future date.

The current assumption is that the Council will have lost already c£1.200m with an anticipated reduction continuing throughout the year. The Council will also lose income from the lack of 'movements' on which payments are based in respect of the bus station. The total pressure is considered to be between £1.5m to £2m dependent on how transition works and no second peak to the pandemic.

As the market was also impacted, there is an estimated likely loss of income to the Council of £0.123m from this.

There is also an impact on the Facilities Team and Museums Service from loss of income for room hire, wedding and events and paying back deposits. Many prospective hirers are also awaiting to understand how the restrictions impact before progressing with future bookings.

3. CORPORATE COSTS

As a result of the pandemic the Council, along with other organisations, was obliged to 'disperse' its staff and enable working from home, where practicable. Along with many organisations the Council had a good and robust business continuity plan, however like many at the outset of 'lockdown' the plan assumed that there would be some capability to utilise some office/equipment capacity in another building or via a partner. There were therefore unbudgeted costs in acquiring additional ICT equipment and mobile phones to enable core key services to function whilst alternative solutions were developed and implemented. The Council has also had to acquire commercial versions of telephone and video conferencing, the latter and the additional volume working 'off site' also required an upgrade to the Council's IT infrastructure and in particular bandwidth, at speed. The costs of IT, telephony and conference facilities is currently estimated to be £0.075m. This was lower than anticipated due to innovative and swift work by ICT teams to enable more 'desk based' equipment to become mobile and so avoid the need to procure a large volume of laptops to enable 'home working'. However as some providers of teleconferencing provided initial free access to some services, the Council must now consider which are necessary and so may need to purchase these in the short term.

As some services that cannot function remotely continue to operate within the Guildhall, additional regular deep cleaning costs are being incurred, along with protective screens being installed in public customer service areas.

There is a general corporate cost in respect of the acquisition of the appropriate PPE requirements to enable frontline and core services to operate in an appropriately safe manner for both staff and the public. At present the costs incurred are around £0.050m. Further costs are likely to be incurred to facilitate some form of return to office in the near future.

4. CUSTOMERS & COMMUNITIES

This service area has responsibilities for parks and public spaces and has seen material costs in securing children's play areas and supporting social distancing, as well as direct support to the community. As the Government starts to ease restrictions, new requirements and proposals are coming forward that are likely to see further cost pressures around public spaces and facilities.

This service is also anticipating a reduction in income through lower licensing activity.

With some additional costs – cleansing and recycling due to additional agency costs, sickness to keep Environmental Services functioning during the pandemic.

5. PLANNING

As a result of the restrictions in place, large new developments are not coming forward, resulting in a reduction in both Development Management and Building Control income from those applications. However, small scale and householder developments are continuing to be submitted, and the return to work on a number of existing building sites has seen a significant increase in the number of discharge of condition and Building Regulations applications needing

to be processed. The net impact on overall budgets is likely to be in the order of a £0.200m to £0.300m pressure. Land searches volumes have seen some volume changes.

6. CHIEF FINANCE OFFICER

The CFO area encompasses the corporate finance costs, audit fees etc. The distribution of over £32m to local businesses of BEIS Grants is very welcome to assist with the local economy, along with the Business Rates reliefs being changed after bills were issued for 2020-21, providing over £34m of Business Rate Relief to the Retail, Hospitality, Leisure sector and Small Business Rates Relief. However, there is cost to administering both of these schemes, along with rebilling over 8,500 recipients of the Council Tax Reduction Schemes (CTRS). Some additional 'administrative funding' has been provided by Government, however, the funding provided is less than the costs incurred.

As the pandemic struck at the end of March, it will be considered to have had a detrimental impact on asset valuations and other investments which had been valued prior to the pandemic as part of the financial year end routine, there is likely to be cost to revisit those items and the impact on 2020/21, with a probable increase in audit fees of around £0.300m for these impacts and the grant processes.

Challenges around cashflow could also see reductions in 'interest earned' on deposits and the need to borrow to cover cashflow.

If Cabinet approve the additional funding for direct distribution by councillors to community groups, there will be a further cost of £0.090m. It is proposed that this scheme be designed to reduce administration costs and with time limits to seek to push funds out by the end of September 2020. It is likely to be in the form of two £500 grants and four £250 grants to be awarded by each ward councillor to appropriate groups within their locality.

GOVERNMENT GRANTS

The Council has received two forms of funding, grant to support its services and costs and also specific grant to be administered on behalf of Government.

Government Administered Grants

The Council has received funding from the Department of Business Economy, Investment and Strategy (BEIS) to distribute to specific business within the Retail Hospitality Leisure (RHL) Sector and businesses in receipt of Small Business Rate Relief (SBRR).

The Council received initially, £37.374m of 'funds', of which it is expected that grants under Scheme One will require £34.550m. Under the new Scheme Two – Discretionary Scheme, the Council has been allocated £1.727m which will be drawn from the initial cash provided of £37.374m.

At the time of this report, the Council will have paid out over 2,700 grants worth over £33m in respect of BEIS Grants Scheme One, with a further 262 grants worth £1.714m in respect of Scheme Two – Discretionary Fund.

The Council has also received £1.861m to fund the Govt initiative to reduce all residual Council Tax bills for those in receipt of locally funded Council Tax Reduction Scheme (CTRS), by £150 at any point during 2020/21.

Government Grant Funding to the Council

The Council has received three tranches of funding to support the costs of Covid both on the Council and the delivery of its core services.

Tranche One:	£0.120M non ringfenced funding [From Govt. first £1,6Bn]
Tranche Two:	£2.239M non ringfenced funding [From Govt. second £1.6Bn]
Tranche Three:	<u>£0.437M</u> non ringfenced funding [From Govt. third distribution £0.5Bn]
TOTAL:	£2.797M

Ringfenced 1:	£0.021M toward Rough Sleeper costs
Ringfenced 2:	£0.200M 'opening high streets safely' funding [MHCLG/EU]
Ringfenced 3:	£0.170m BEIS grant admin costs funding

Note: The forecast makes a prudent assumption in respect of further funding from Government in respect of loss of income through normal fees and charges. The details and method of recovering this grant has yet to be published

Appendices

1



NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	Housing acquisition options
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	19 August 2020
Key Decision:	Yes
Within Policy:	Yes
Policy Document:	No
Directorate:	Housing and Wellbeing
Accountable Cabinet Member:	Councillor Stephen Hibbert
Ward(s)	All

1. Purpose

- 1.1 The purpose of this report is to ask Cabinet to consider the outcome of the housing acquisitions pilot and authorise the purchase of more homes, through the Housing Revenue Account, in order to help reduce the use and cost of temporary accommodation, increase the supply of supported housing for people who have been sleeping rough and add to Northampton's stock of council homes.

2. Recommendations

- 2.1 It is **recommended** that Cabinet:
- (a) Notes the outcome of the housing acquisitions pilot and the lessons learned (attached to this report as Appendix A);
 - (b) Approves the extension of this scheme to acquire more homes;
 - (c) Approves the expansion of this scheme to include homes that will meet the needs of people who have been sleeping rough and are rehoused through the Government's rough sleeping move-on initiatives;

- (d) Approves the expansion of this scheme to include any suitable homes (not just those that were previously owned by the Council) and notes that the acquisition of blocks of similar homes can reduce the maintenance cost risks;
- (e) Agrees that, although this scheme will continue to utilise a Target Operating Model which is based on agreed formulae and ceilings on purchase and repair costs, the acquisition of homes to meet specialist requirements may be approved by the Director of Housing and Wellbeing, in consultation with the Chief Finance Officer and Northampton Partnership Homes, when those acquisitions are forecast to remain affordable within the Housing Revenue Account model; and
- (f) Delegates to the Borough Secretary the powers (including, but not limited to, any variation required to be made to the Management Agreement between Northampton Borough Council and Northampton Partnership Homes dated 5 January 2015) that may be necessary in order to implement any Cabinet approvals arising from this report or past Cabinet reports in connection with the alleviation of the costs of temporary accommodation.

3. Issues and Choices

3.1 Report Background

Use and cost of temporary accommodation

- 3.1.1 Throughout 2019/20, the Council and Northampton Partnership Homes (NPH) worked hard to reduce the use and cost of temporary accommodation (TA).
- 3.1.2 Despite the best efforts of all partners, high levels of homelessness and the lack of suitable housing available (Council owned and private rented) has resulted in an increase in the number of households in TA
- 3.1.3 Although the Council has minimised its use of Bed & Breakfast accommodation and reduced, by 11%, the nightly charges paid to housing suppliers for more than 90% of the self-contained, nightly-purchased TA it is currently using, there is still an urgent need to reduce the number of households living in this type of TA.
- 3.1.4 Based on these lower nightly charges, the net cost (to the Council) of providing homeless households with self-contained, nightly-purchased TA – taking into account how much the Council is charged by the supplier and how much it charges the households who live in the TA – is as follows:

SIZE OF PROPERTY	NIGHTLY RATE	NET COST OF THE ACCOMMODATION TO NORTHAMPTON BOROUGH COUNCIL *		
1-bedroom	£34.00	£83 per week	£360 per month	£4,316 a year
2-bedroom	£40.00	£85 per week	£368 per month	£4,420 a year
3-bedroom	£46.00	£112 per week	£485 per month	£5,824 a year
4-bedroom	£52.00	£83 per week	£360 per month	£4,316 a year
5-bedroom	£58.00	£125 per week	£542 per month	£6,500 a year

* This assumes that the Council is able to collect 100% of what it charges. It does not take into account bad debts (resulting from households' non-payment of rent) or the amount of Housing Benefit that the Council pays to homeless households but is unable to recover from Government through the Housing Benefit subsidy system.

Housing acquisitions pilot scheme

- 3.1.5 One of the methods that the Council has used to reduce the number of households living in nightly-purchased TA is through the purchase of former council homes in order to add to the Council stock managed by NPH and let them to the households that have spent longest in this type of TA.
- 3.1.6 During the pilot scheme, NPH worked closely with the Council to purchase 24 former council homes sold under the Right To Buy. Most of them have been let, as 'direct lets' to homeless households that have spent longest in expensive, nightly-purchased TA; this has ended the Council's homelessness duty.
- 3.1.7 The rent charged for these homes is an 'affordable rent' (up to 80% of the market rent) but 'capped' at Local Housing Allowance (LHA) rates.

Lessons learned from the purchase of former council homes

- 3.1.8 The review of the housing acquisitions pilot scheme (see **Appendix A**) has demonstrated the benefits of the Council buying good quality homes that can be let to applicants on the Housing Register, including households living in TA.
- 3.1.9 It also identified some important lessons that were learned from the pilot scheme, including the following:
- The importance of being clear, from the outset, about the size and types of the homes that are required / not required;
 - The benefits of setting upper limits, from the outset, on the cost of purchasing, repairing and refurbishing the homes;
 - The importance of keeping the scheme simple;
 - The benefits of purchasing newly constructed homes (which offer reduced maintenance costs and do not require refurbishment) and homes that are not former council homes where there is an opportunity to acquire a number of homes of a similar nature or there is a specific need in a particular area; and
 - The importance of the scheme being adequately staffed to ensure that all of the properties are acquired, repaired and let within as short a timescale as possible.

Increasing the supply of supported housing for rough sleepers

- 3.1.10 In response to Dame Louise Casey's sudden "Everyone In" instruction for local housing authorities to provide housing for rough sleepers and people living in dormitory-style nightshelters "by the weekend", the Council acted swiftly to close Northampton's Nightshelter and Winter Shelter and 'block book' a total of 85 rooms, in two hotels, for a period of 12 weeks from 27 March 2020.

- 3.1.11 When the Government subsequently asked local housing authorities to ensure that as few rough sleepers as possible return to the streets, the Council extended its use of the two hotels until the end of June 2020 and then moved the remaining rough sleepers from the hotels into one of the University's halls of residence.
- 3.1.12 As part of its plan to increase the supply of supported housing available for rough sleepers, the Council has asked Homes England and the MHCLG to provide it with sufficient capital funding to purchase 30 one-bedroom homes and six houses in multiple occupation (HMOs).

3.2 Issues

Current housing developments

- 3.2.1 The Council is taking full advantage of the lifting of the Housing Revenue Account (HRA) borrowing cap and investing in new build developments and the regeneration and redevelopment of older and inefficient housing stock.
- 3.2.2 During the past year, Cabinet has approved four large housing schemes (Roof Gardens, The Clock House, Beaumont House and Riverside House) which, between them, will deliver more than 300 new council homes.
- 3.2.3 Although further large-scale housing developments are also being actively sought and considered, the development and construction timescales for these schemes mean that these new council homes will not become available for use for at least 18 months. It is necessary, therefore, to expand the Council's stock with built homes.

Number of homeless families living in nightly-purchased TA

- 3.2.4 As at 17 July 2020, there were 194 families living in nightly purchased TA:
- 134 were in a two-bedroom home
 - 53 were in a three-bedroom home
 - 7 were in a four-bedroom home
- 3.2.5 It is proposed that a mix of family-sized homes is purchased. Depending on their availability, this may include the acquisition of 40 - 60 two-bedroom homes, 20 – 30 three-bedroom homes and a number of larger family homes.

Meeting the housing and support needs of rough sleepers

- 3.2.6 On 24 May 2020, the Government announced its plan to invest in the provision of 6,000 new long-term supported homes for those rough sleepers who have been brought off the streets during the COVID-19 public health emergency. 3,300 of these new homes will be delivered, it has pledged, during the first year.
- 3.2.7 Although discussions with Homes England and the MHCLG are ongoing, the Council has requested capital funding to support its purchase of 30 one-bedroom homes and six 5-bedroom HMOs for rough sleepers and former rough sleepers.

- 3.2.8 The Council has asked for sufficient capital funding to enable it to charge the tenants of the 30 one-bedroom homes a social rent. It is also seeking capital funding of 30% - 50% of the cost of purchasing and refurbishing the six HMOs that, on completion, will be managed by the single homelessness charity, NAASH.
- 3.2.9 NPH has confirmed that, based on its research of the local housing market, there is a sufficient flow of suitable one-bedroom homes coming onto the market for the Council to complete the purchase of 30 one-bedroom homes within the upper cost limit that was applied during the housing acquisitions pilot scheme.

3.3 Choices (Options)

Option 1 (recommended)

- 3.3.1 Cabinet can choose to support the extension of the housing acquisitions scheme.
- 3.3.2 This option is recommended because it increases the Council's housing stock, extends the range and type of homes that may be acquired and helps the Council to reduce the use and cost of TA and meet the housing needs of rough sleepers.

Option 2 (not recommended)

- 3.3.3 Cabinet can choose to do nothing.
- 3.3.4 This option is not recommended because there is an urgent need to add to the Council's housing stock in order to reduce the use and cost of TA and increase the amount of supported housing for rough sleepers.
- 3.3.5 If Cabinet does not extend the scheme, this may have an adverse effect on the Council's finances, and potential funding from Homes England and the MHCLG may be lost. This will undermine everyone's efforts to reduce the use and cost of TA and prevent rough sleeping.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 The action that the Council is proposing to take is in line with Council policy and reflects the priorities in the Corporate Plan 2019-21.

4.2 Resources and Risk

- 4.2.1 The net Temporary Accommodation budget for 2020-21 is £1.027M and net expenditure is currently forecast to be in the region of £1.427M.
- 4.2.2 Acquiring additional homes to provide homeless households with permanent homes or TA is likely to reduce the cost pressure in 2020/21 and in future years.
- 4.2.3 Investment in suitable properties to provide rough sleepers with move-on accommodation will meet their housing needs and reduce the revenue costs.
- 4.2.4 A request to increase the Council's HRA borrowing cap and associated HRA Capital Programme will be presented to Council in September 2020, with individual scheme business cases presented to Cabinet, for approval, as they arise.

4.2.5 It is important that all housing acquisitions are capable of funding themselves through the charging of appropriate rent in order to ensure that the HRA sustainability is maintained, both in terms of debt servicing and maintenance costs.

4.3 Legal

4.3.1 Pursuant to Part 1 of the Localism Act 2011, the Council has the power to do anything that individuals generally of full capacity may do, provided that the said activity is performed to an established criteria one of which is that the activity must be for the benefit of the Council, its area or persons resident or present in its area.

4.3.2 In the Cabinet Report entitled "Housing Revenue Account (HRA) Budget, Rent Setting 2020/21 and Budget Projections 2021/22 to 2023/24" Cabinet approved pursuant to paragraph 2.4 "*a further £500,000 in 2019-2020 budget by bringing forward the amount proposed from 2020-21 within the HRA capital programme*". It is noted having considered the appendices, that whilst cost savings were achieved 10 out of the 24 properties acquired with the additional funds, fell outside of the parameters established within the cost envelope developed by Finance. For the purposes of good governance and compliance with the Constitution, the Council must be satisfied that, as part of any decision to expand the pilot programme, steps must be taken to ensure that the budget framework is strictly adhered to and monitored and that any financial framework developed should allow for the additional costs of any specialist requirements to be factored in. It is further recommended that in pursuance of good governance and compliance with the Constitution that a documented scheme be formally established.

4.4 Equality and Health

4.4.1 The action that is proposed in this report will help to improve the housing conditions and life chances of people with protected characteristics, including homeless people, people with disabilities and families with children. They will therefore have a positive impact on Equality and Diversity.

4.4.2 Tackling homelessness and reducing the use and cost of TA are part of the Council's commitment to improving communities and our town as a place to live. In doing so, the Council will have due regard to its Public Sector Duty and continue to work to tackle discrimination and inequality and help create a fairer society.

4.5 Consultees (Internal and External)

4.5.1 The action proposed in this report has been developed in consultation with the Housing Advice & Options Service, the Revenues & Benefits Service, the Finance Team, NPH, Homes England and the MHCLG.

4.5.2 An Overview & Scrutiny Working Group has reviewed the way in which the Council has used the 'Buy Back' arrangements to reduce its use of temporary accommodation, and it is undertaking a pre-scrutiny review of the Council's decision to extend and expand the housing acquisitions scheme.

4.5.3 The findings and recommendations of the Overview & Scrutiny Working Group will be shared with Cabinet before it makes its decision.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 The action that is proposed in this report will help the Council to deliver the following priority outcomes in the Corporate Plan 2019 – 2021:

- More homes, better homes
- Reduce the overall cost of temporary accommodation
- Tackle, prevent and reduce homelessness
- Improve the health and wellbeing of local people
- Provide value for money services
- Use public resources effectively

5. Next steps

- 5.1 If the recommendations are approved, NPH will start purchasing the homes as soon as Full Council has agreed to increase the Council's HRA borrowing cap and associated HRA Capital Programme in September 2020.
- 5.2 Progress will be closely monitored by a multi-disciplinary group (comprising representatives from Housing, Finance, Legal and NPH) that will meet regularly to oversee the successful implementation of the housing acquisitions scheme.

Appendices

Appendix 1 – Review of pilot scheme involving the purchase of 24 former council homes to reduce the Council's use of temporary accommodation

Background Papers

Temporary Accommodation Action Plan 2019/20 (April 2019)

Phil Harris
Director of Housing and Wellbeing

APPENDIX A

Review of a pilot scheme involving the purchase of 24 former council homes to reduce the Council's use of temporary accommodation

1. Introduction

- 1.1 Throughout 2019/20, the Council and its housing management company, Northampton Partnership Homes (NPH), worked hard to reduce the use and cost of temporary accommodation (TA).
- 1.2 Although the Council has minimised its use of Bed & Breakfast accommodation and reduced, by 11%, the nightly charges it is paying to housing suppliers for more than 90% of the self-contained, nightly-purchased TA it is currently using, there is an urgent need to reduce the number of households living in this type of TA.
- 1.3 To increase the supply of homes that can be let to homeless households in TA, the Council has been working closely with NPH to purchase 24 former council homes that have been sold under the Right To Buy as a pilot housing acquisitions scheme.
- 1.4 Two of these homes will be adapted and let to council tenants who have special needs and require disabled facilities that cannot be provided in their existing homes. When they have moved, their homes will be let to homeless families.
- 1.5 It was also agreed that, of the other 22 homes being purchased, 21 will be allocated as 'direct lets' (ending the Council's homelessness duty) to homeless households that have spent longest in expensive, nightly-purchased TA and 1 will be let as TA.
- 1.6 The rent charged for these 24 homes will be an 'affordable rent' (up to 80% of the market rent) but 'capped' at Local Housing Allowance (LHA) rates.

2. Pilot Scheme

- 2.1 By 8 June 2020, NPH had completed the purchase of 23 of the 24 former council homes, including 1 of the 2 properties earmarked for adaptation and 1 let as TA.
- 2.2 18 of the 23 properties purchased are already occupied by homeless households and another 4 are due to be occupied by homeless households by 31 July 2020
- 2.3 To simplify and accelerate the home buying process, the Finance Team produced a model 'investment appraisal' which included a 'cost envelope' (financial model ceiling) in terms of financial viability. This cost envelope incorporates all of the costs, including the purchase price, legal costs and any repairs and maintenance required.
- 2.4 The purpose of the housing acquisitions pilot scheme was to assess the financial models and the speed with which properties can be acquired, repaired, refurbished and let. The pilot also sought to understand the cost/benefit of the Council owning property for use as TA.

3. Review of the Scheme

3.1 The review of the pilot scheme sought answers to 7 questions:

Question 1: Are properties being acquired within the cost envelope (financial model ceiling) and is the cost envelope at an adequate value?

Yes, 14 of the 24 homes acquired were within the cost envelope and, of those that were not, 6 were less than £6k above the envelope. One home (a 5-bedroom house) has not been allocated an envelope but was acquired within the cost envelope of a 4-bedroom home. It was noted, during the pilot, that there are available properties within the market to meet many of the Council's needs.

Question 2: Is the cost envelope being applied to the 'total cost' of bringing the property into use (including the purchase price, legal costs and any repairs and maintenance) without costs drifting to other budget areas and increasing the total cost above the envelope?

Yes, the cost envelope is being applied to the total cost.

NPH has explained that the higher than expected repairs costs are due to the fact that certain works (including asbestos removal, re-wiring and heating) are not always picked up during the initial survey and until NPH takes possession of the property and can carry out a more invasive survey. It was noted, during the pilot, that there is benefit in purchasing new properties and that the overall cost envelope needs to recognise the higher 'risk' associated with 'purchase and repair' acquisitions.

Question 3: Do the properties being acquired meet the needs of the service in terms of location, size, number of bedrooms and type (houses, flats, maisonettes, etc)?

Yes, the 24 homes comprise: 4 x 1-bedroom flats; 4 x 2-bedroom flats; 2 x 2-bedroom houses; 11 x 3-bedroom houses; 1 x 3 bedroom maisonette; 1 x 4-bedroom house; 1 x 5-bedroom house.

Question 4a: Is the overall timescale (from first knowing about the property to it becoming occupied) reasonable and appropriate?

Of the 22 homes that are either occupied or are due to be occupied by the end of July 2020, it has taken between 125 days and 316 days to identify a suitable property, buy it, carry out any repairs and let it. The average is 198 days (28 weeks); 6½ months. It was noted, during the pilot, that the overall lead time from identification to occupation was longer than expected and needs to be streamlined for the next phase.

Question 4b: Is the acquisitions timescale (identifying a property, survey, offer, conveyancing and completion) reasonable and appropriate?

Of the 23 homes that have been purchased to date, it has taken between 55 days and 228 days to complete. The average is 129 days (18½ weeks); 4½ months. It was noted, during the pilot, that the acquisition process is streamlined and adequately resources for the next phase.

Question 4c: Is the voids timescale (from identifying repairs/maintenance on completion of the purchase to making the home suitable for occupation) reasonable?

Of the 22 homes that are either occupied or are due to be occupied by the end of July 2020, it has taken between 48 days and 189 days to complete the repairs and make the properties 'ready to let'. The average is 72 days (10 weeks). It was noted that the voids timescale was longer than expected and needs to be reduced for the next phase.

Question 4d: Is the letting timescale (from the 'ready to let' date to the date the homeless household is occupying the property) reasonable and appropriate?

Yes. A suitable tenant is identified approximately 2 weeks before each property is due to become 'ready to let'. They normally move in on the day that the property is 'ready to let'.

Question 5: Are the properties that have been acquired being let to the families that are living in the highest cost TA (resulting in the maximum reduction in the cost burden to the Council) and, where there are exceptions, has the Director of Housing and Wellbeing been consulted and approved the exceptions.

Yes. To date, there has been no need for any exceptions.

Question 6: Are the families that have been in TA longest being actively considered for other housing options, including the private rented housing?

Yes, they are being considered for all housing options.

Question 7: Is progress reported to the Director of Housing and Wellbeing in a timely manner and is the scheme meeting customers' needs?

Yes, NPH reports progress on a weekly spreadsheet.

4. TA Cost Reduction

- 4.1 As explained earlier in this report, 2 of the 24 former council homes are being purchased and adapted to meet the needs of existing council tenants who require family homes with disabled facilities. When these families move into the adapted homes, the homes they vacate will be let to homeless families that are living in TA.
- 4.2 If these 2 properties are disregarded for the purpose of the calculations, the purchase of the 22 former council homes will afford the Council the opportunity to avoid nightly-purchased TA costs of around £2,170 per week.

5. Lessons learned from the Pilot

- 5.1 The review has demonstrated the benefits of the Council buying good quality homes that can be let to homeless households living in TA.
- 5.2 It also identified some important lessons that were learned from the pilot scheme, including the following:
- The importance of being clear, from the outset, about the size and types of the homes that are required / not required;
 - The benefits of setting upper limits, from the outset, on the cost of purchasing, repairing and refurbishing the homes;
 - The importance of keeping the scheme simple and focused on the approved target need list;
 - The benefits of purchasing new homes (perhaps within a higher upper limit) and properties that are not former council homes; and
 - The importance of the scheme being adequately staffed to ensure that all of the properties are acquired, repaired and let within as short a timescale as possible.

6. Opportunities for Further Property Purchases

- 6.1 On behalf of the Council, NPH has reviewed the local housing market to establish whether or not there is a sufficient supply of suitable family homes available, within the existing cost envelopes, to support a second round of property purchases.
- 6.2 During its review of the local housing market, NPH identified suitable properties and rejected certain types of property as being unsuitable: apartments in blocks in which the Council does not hold the freehold; Victorian properties with cellars; properties that have parking issues / shared areas that could cause management problems; properties sold at auction.
- 6.3 It should also be noted that, although the Council's acquisition of existing properties can help meet its needs, this does not increase the overall housing stock in the area. For this reason, the preference must be to seek new builds in order to increase the overall number of homes available.

7. Next Steps

- 7.1 It is recommended that:
- The lessons learned from this pilot are embedded in the housing acquisitions process and the Council continues to acquire further homes to meet its current and emerging needs in order to increase its overall housing stock and reduce the cost associated with the provision of TA;

- Cabinet is asked to endorse the widening of the housing acquisitions scheme to include properties that were not previously owned by the Council. (This remains within the existing policy, but was originally aimed primarily at 'buy backs'.); and
- The Council actively seeks to acquire batches of new homes or new build blocks of flats in order to eliminate the costs associated with refurbishment and the void time associated with repairs and maintenance.

Phil Harris
Director of Housing and Wellbeing