

# Decision Pathway – Report



**PURPOSE:** Key decision

**MEETING:** Cabinet

**DATE:** 05 March 2024

<b>TITLE</b>	Accelerating the Transformation of Temporary Accommodation		
<b>Ward(s)</b>	City-wide		
<b>Author:</b> Louise Davidson	<b>Job title:</b> Head of Housing Delivery		
<b>Cabinet lead:</b> Cllr Tom Renhard, Cabinet Member for Housing Delivery and Homelessness	<b>Executive Director lead:</b> Stephen Peacock (Chief Executive)		
<b>Proposal origin:</b> Councillor			
<b>Decision maker:</b> Cabinet Member <b>Decision forum:</b> Cabinet			
<b>Purpose of Report:</b>  To inform Cabinet on the ambition to reduce the cost of temporary accommodation and specialist and supported housing; and to provide an update on work to establish a second housing company operating as a not-for-profit Registered Provider with the potential to increase and accelerate the supply of temporary accommodation and specialist and supported housing for the city.			
<b>Evidence Base</b>			
<u>Background</u>			
<ol style="list-style-type: none"> <li>1. The council has four key priority transformation priorities across Property, Temporary Accommodation (TA), Children’s &amp; Education and Adult Social Care. All are connected by the requirement to supply additional homes to address demand pressures.</li> <li>2. Specialist and supported homes are provided alongside support on a short, medium or long term basis for individuals or households who are homeless and / or have a temporary or permanent care and support need. These homes might be subsidised affordable housing or delivered through exempt rents; they may be a permanent or short-term supply, delivered through new build, acquisition or leasehold arrangements. Appendix A provides a fuller explanation of how delivery of exempt rent accommodation will work to address current cost challenges for the council.</li> <li>3. Over the last 12 months officers have engaged with a range of Registered Providers (RPs) and other specialist housing partners in the city to increase the targeted supply of housing to address this need and is launching a Supported Housing Delivery Plan (SHDP) to direct this delivery.</li> <li>4. The Supported Housing Delivery Plan articulates and quantifies the demand and requirements for new specialist provision for the next five years. The SHDP will be adopted in early March, using the Delegated Authorities awarded to the Executive Director of Growth and Regeneration under Project 1000; the Council’s current Housing Delivery Plan.</li> <li>5. Whilst there is clear interest in delivery and an increase in the pipeline of new schemes to support the three</li> </ol>			

transformation areas, the capacity in the city to meet demand is of concern: RPs are reporting pressures on their own borrowing capacity as they face challenges around the cost of borrowing, investment into their own housing stock and cost inflation in construction.

6. Some of our larger RP partners do not deliver supported housing and some restrict the area of their supported housing services geographically or by client group.
7. There is currently a pipeline of 300 supported housing units planned for the city. Much of this pipeline has emerged over the past 12 months following targeted engagement with the RPs in Spring 2023. There are 8 RPs currently looking to deliver new supported housing provision in Bristol.
8. The reliance on private sector provision to meet TA or other supported housing provision is an underlying factor in the escalating cost of meeting the needs of the City's most vulnerable citizens, linked to both housing benefit rules and market forces.
9. The council's own Housing Revenue Account (HRA) is working with both Adult and Children Services to address some of this specialist housing need. However the HRA does not have an established supported housing specialism to meet the needs of some of the City's most vulnerable clients. Since April 2023 the HRA has met the needs of 74 care leavers and has rehoused 19 vulnerable adults in receipt of care. It has also provided 98 units of Temporary Accommodation. The targeted allocation of its housing stock is making a significant impact in addressing specialist housing needs but this impacts on the allocation of homes to households on HomeChoice who require an affordable, rented home in the city.

#### Increasing capacity for supported housing delivery in Bristol

10. The creation of a council owned not-for-profit Registered Provider has the potential to provide much needed additional capacity to the existing supply by delivering both exempt rent and other models of specialist and supported housing.
11. If the council establishes an RP and directs its activity towards addressing the subsidy loss incurred by placing homeless households in private sector TA, the levels of potential savings would be substantial. A programme of Temporary Social Housing commissioning that replaces the spot and block purchase of TA has the potential to save the council up to £12.2m a year in subsidy loss, would incur £2.6m in support costs, giving a net saving of £9.6m a year (see appendix A for more details).
12. The provision of new exempt rent supported housing for clients with a care requirement via the development of adapted, accessible and specialist housing would also generate significant savings for the council. There are over 400 Adult Social Care customers living in residential care settings who could be better accommodated in supported housing. For example, the council currently supports the costs of accommodating 16 young adults in the Preparing for Adulthood (Transitions) cohort in residential care. A saving of around £935,000 p/a would be made if these young people lived in a supported housing setting (see Appendix A for more details).
13. Accommodating care leavers in a supported housing placement instead of External Supported Accommodation would save the council on average £1,500 per person per week.
14. A council-owned registered provider would deliver significant financial benefits to the council, as well as benefitting the people living in these homes. Households who are homeless and living in supported housing will benefit directly from the support to recover from homelessness and move into permanent housing. Clients living in specialist and supported housing will benefit from having an independent home with targeted personal care and support.
15. The establishment of a second housing company will be underpinned by a strong evidence base around the capacity challenge in the city to meet demand and a robust review of other means to maximise delivery. This work will consider all routes for creating additional capacity for temporary accommodation and specialist and

supported housing and will encompass the HRA, delivery via existing RPs, the creation of a council-owned RP and private sector partnerships. For all of these delivery options, the council will need to be able to determine risks, deliverability, viability and best fit for the types of homes needed to meet the specialist and supported housing pressures in the city.

16. A new council owned RP would have the potential capacity to deliver more than specialist and supported housing. The opportunity to deliver a wide range of tenures and affordable housing products can be explored, for example Rent-to-Buy and discounted intermediate rented and other products aimed at addressing the housing needs of the city's Key Workers, which would complement the affordable homes delivered by the HRA and the council's partner RPs.
17. The new housing company would be aligned to, and complement, the Council's existing housing company, Goram Homes. This sister company would build on Goram Homes' mission to deliver new market sale and affordable homes, by owning / leasing and managing other tenure such as temporary and specialist accommodation. The two companies would work closely together to help us tackle our housing challenges, and respond to cost pressures, and could potentially share services and Board. When Goram was established, Cabinet gave approval to set up two housing companies. The proposed creation of a new council owned RP links naturally to the existing housing company and it is proposed that the second Goram company is used for this purpose.
18. Achieving Registered Provider status will ensure that the new housing company can maximise its impact on significantly reducing council spend on TA and residential placements by Adult and Children Services. It will allow the council to direct new supply and control delivery of TA and supported housing to maximise savings; to control the quality of new provision and to flex supply to meet any changing demands. The new RP will be able to join existing commissioning frameworks or enable the creation of new bespoke partnership working arrangements to address need.
19. Arcadis (the council's strategic partner) will be commissioned to undertake the work set out in paragraph 15 under the auspices of the work of the council's Supported Housing Delivery Board, ultimately reporting into the Corporate Leadership Board. Delivery governance will form part of the first phase of the Arcadis work.
20. It is likely to take the new housing company 18-24 months to achieve Registered Provider status with the Regulator of Social Housing. In the meantime, the new company will be able to work with a partner RP provider in the city to accelerate delivery of exempt rent accommodation. It will also work with the council to establish clear routes to new delivery including funding strategies and prioritisation of delivery activity.

#### **Cabinet Member Recommendations:**

That cabinet:

1. Notes the potential benefits of a council-owned not for profit RP and the ambition to take all appropriate steps to establish a company to help address the need to deliver specialist and supported housing in the city and to potentially deliver a wider range of affordable housing products to meet the City's needs.
2. Authorises the Chief Executive, in consultation with all Executive Directors, the Cabinet Member for Housing Delivery and Homelessness and the Deputy Mayor with responsibility for City Economy, Finance and Performance to progress the development of a Full Business Case for the establishment of a company to be approved in accordance with the decision pathway.

#### **Corporate Strategy alignment:**

1. HC1 Housing supply: Ensure the affordability, availability, diversity and sustainability of housing for all. This includes accelerating home-building in the city to at least 2,000 homes each year, with at least 1,000 affordable, by 2024. Build and retain new social housing; review the system for allocating social housing;

provide more supported and extra-care housing for those who need it; pursue a 'living rent' in the city; and ensure there are strong long-term plans for the council's own housing stock and the use of land in the city.

**City Benefits:**

1. Meet the housing and support needs of needs of homeless families and vulnerable adults and young people in line with Children and families Act (2014) including SEND Code of Practice, The Care Act (2014), the Mental Health Act (1983) (2007). Bristol City Council allocation scheme complies with the requirements of Parts VI and VII of the Housing Act 1996 (as amended) regarding the allocation of accommodation: guidance for local housing authorities in England 2012 and allocation of Housing and Homelessness (Eligibility) (England) Regulations 2006, SI 2006/1294 as amended and with regard to the Equalities Act 2010.
2. Increase the availability of provision which meets BCC's high aspirations young people in BCC's care, delivering in line with the assessed needs to achieve agreed outcomes.
3. Opportunity to increase the capacity in the affordable housing sector around supporting housing for people with complex needs and temporary accommodation.
4. Opportunity to widen the range of affordable housing options in the city.

**Consultation Details:**

1. BCC Shareholder Group
2. Corporate Leadership Board 22 January 2024
3. Internal officer and member consultation
4. Extensive Discussion with Goram Homes
5. Supported Housing Delivery Board

**Background Documents:**

1. [Goram Business Plan 2024/25](#)
2. Transformation Mandates
3. [Project 1000: Housing Delivery Plan](#)

<b>Revenue Cost</b>	£75,000	<b>Source of Revenue Funding</b>	Transformation Funding 24/25
<b>Capital Cost</b>		<b>Source of Capital Funding</b>	
<b>One off cost</b> <input checked="" type="checkbox"/>	<b>Ongoing cost</b> <input type="checkbox"/>	<b>Saving Proposal</b> <input type="checkbox"/>	<b>Income generation proposal</b> <input type="checkbox"/>

**Required information to be completed by Financial/Legal/ICT/ HR partners:**

**1. Finance Advice:** This report seeks approval to spend £75k on a review to establish the viability and affordability of a second company, in addition to Goram, that will be a not-for-profit Registered Provider to address the shortage of Temporary Accommodation in Bristol. Subsidy Loss caused by Temporary Accommodation is a significant and growing pressure on Council budgets, a programme of Temporary Social Housing commissioning would significantly reduce these pressures.

The initial £75k costs are an approximation of the likely funding required by Arcadis to deliver the work described in the Report at paragraph 15. The requirement will be reconsidered should the actual costs prove high with funding expected to come from the 2024-25 Transformation budget.

**Finance Business Partner:** Ben Hegarty, Finance Business Partner Growth and Regeneration, 26 February 2024.

**2. Legal Advice:** The current proposal to establish a second housing company will require a robust and viable business case. A full business case is to be produced and presented for approval in accordance with the decision pathway.

**Legal Team Leader:** Eric Andrews; Team Manager; 22 February 2024

**3. Implications on IT:** I can see no implications on IT in regard to this activity.

**IT Team Leader:** Alex Simpson – Lead Enterprise Architect 13 February 2024

**4. HR Advice:** At this stage there are no HR implications evident, but HR advice should be sought throughout the lifecycle of the project to ensure any impact on the workforce is carefully considered in line with BCC HR policy and process.

**HR Partner:** Celia Williams, HR Business Partner – Growth and Regeneration 13 February 2024

<b>EDM Sign-off</b>	John Smith, Interim Executive Director Growth and Regeneration	22 February 2024
<b>Cabinet Member sign-off</b>	Cllr Tom Renhard, Cabinet Member for Housing Delivery and Homelessness	26 February 2024
<b>For Key Decisions - Mayor's Office sign-off</b>	Mayor's Office	26 February 2024

<b>Appendix A – Further essential background / detail on the proposal</b> Background to the key Transformation Workstreams and their Housing Cost challenges:	<b>YES</b>
<b>Appendix B – Details of consultation carried out - internal and external</b>	<b>NO</b>
<b>Appendix C – Summary of any engagement with scrutiny</b>	<b>NO</b>
<b>Appendix D – Risk assessment</b>	<b>NO</b>
<b>Appendix E – Equalities screening / impact assessment of proposal</b>	<b>YES</b>
<b>Appendix F – Eco-impact screening/ impact assessment of proposal</b>	<b>YES</b>
<b>Appendix G – Financial Advice</b>	<b>NO</b>
<b>Appendix H – Legal Advice</b>	<b>NO</b>
<b>Appendix I – Exempt Information</b>	<b>NO</b>
<b>Appendix J – HR advice</b>	<b>NO</b>
<b>Appendix K – ICT</b>	<b>NO</b>
<b>Appendix L – Procurement</b>	<b>NO</b>