



Report to:	Cabinet	12 December 2022
Lead Cabinet Member:	Councillor John Batchelor, Lead Cabinet Member for Housing	
Lead Officer:	Peter Campbell, Head of Housing	

Providing Additional Self-Contained Accommodation for Single Homeless

Executive Summary

1. Whilst levels of rough sleeping are relatively low in South Cambs we do have a lot of single homelessness and we often struggle to find suitable accommodation for some of the most vulnerable who are unable to live in shared accommodation. This results in them spending considerable time in B&B accommodation, which is also unsuitable and an expensive option for the Council.
2. It is proposed that we work with Ermine Street Housing and purchase some self-contained single person accommodation. This will include using up to £350,000 from our homeless prevention grant. Ermine Street will use their existing model for assessing financial viability, and South Cambs will pay Ermine Street the amount required to bridge the gap between actual costs and those required to make the purchase financially viable, using their agreed modelling.
3. Properties will then be leased from Ermine Street to Shire Homes Lettings, our private sector leasing scheme, where they will be let on an assured shorthold tenancy to single people who are homeless or at risk of homelessness and have been referred by the Housing Advice service.

Key Decision

4. No

Recommendations

5. It is recommended that Cabinet supports this proposed scheme to increase the supply of self-contained single person accommodation.

Reasons for Recommendations

6. It is recommended that the arrangement is supported. It uses existing financial resources available for preventing homelessness and will help to reduce use of B&B for vulnerable single people.

Details

7. The Council receives a Homeless Prevention Grant (HPG) each year. For the last two years this has been £508,937.
8. Whilst levels of rough sleeping are relatively low in South Cambs we do have a lot of single homelessness and we often struggle to find suitable accommodation for some of the most vulnerable who are unable to live in shared accommodation. This results in them spending considerable time in B&B accommodation, which is also unsuitable and an expensive option for the Council.
9. We have therefore been working with Ermine Street Housing to help find a solution. We aim to enter into an arrangement where Ermine Street will purchase reasonably priced single person self-contained properties (1 bed or studios), which will then be leased to Shire Homes Lettings. It is usually not possible for Ermine Street to purchase these types of properties within South Cambridgeshire due to the high prices which make them financially unviable. However, Ermine Street will use their existing model for assessing financial viability, and South Cambs will use HPG to pay Ermine Street the amount required to bridge the gap between actual costs and those required to make the purchase financially viable, using their agreed modelling.
10. This meets one of the aims of the homeless prevention grant which is:
To fully enforce the Homeless Reduction Act and contribute to ending rough sleeping by increasing activity to prevent single homelessness.
11. There will be a target of 5-7 properties (depending on individually agreed costs).
12. Maximum amount to use for the scheme - £350,000 (available from HPG).
13. Properties will be leased to Shire Homes Lettings, using their lease agreement, who will actively manage the properties.
14. Potential tenants will be referred from the Council's housing advice service and will include single people who are homeless or are at risk of homelessness.
15. When the property is sold or no longer used for the purpose of this agreement, Ermine Street will repay the grant to the council on the basis of a % profit (% equivalent to the proportion of grant to purchase price).

16. Where the property value has reduced, the Council will be responsible for reimbursing Ermine Street with the same %.
17. For example, where a purchase price is £250,000 and South Cambridgeshire District Council provided a grant of £50,000 this represents 20% of the purchase price. If the property is subsequently sold or valued for £350,000, Ermine Street will repay South Cambridgeshire District Council £70,000.

Options

18. Members could choose not to proceed with this scheme. This is not recommended as it does not address the need to increase options for single homeless people.

Implications

19. In the writing of this report, taking into account financial, legal, staffing, risk, equality and diversity, climate change, and any other key issues, the following implications have been considered:-

Financial

20. Using this accommodation to rehouse single homeless people will provide a saving on Bed & Breakfast expenditure. This is estimated as £xxx [er year

Legal

21. A written agreement between the Council and Ermine Street has been agreed between the parties covering the terms of this arrangement. This has been achieved in consultation with the shared Legal Service.

Risks/Opportunities

22. Risks are minimised by using homeless prevention grant funding, however, this has the opportunity to reduce costs on B&B type accommodation which is both expensive and often unsuitable for vulnerable individuals.

Alignment with Council Priority Areas

Housing that is truly affordable for everyone to live in

23. By letting the properties through our private sector leasing scheme, Shire Homes Lettings, the rents to the tenants will be within the Local Housing Allowance levels, ensuring they are affordable to single people.

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24. The proposal provides a better solution than unsuitable forms of temporary accommodation such as B&B for single homeless households who are vulnerable and in need of a safe home, which will often help them to access other support needs.

Background Papers

None

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