

Report to:	EXECUTIVE CABINET
Date:	23 March 2022
Executive Member:	Councillor Brenda Warrington - Executive Leader
Reporting Officer:	Sarah Threlfall – Director of Transformation
Subject:	VULNERABLE PERSONS ACCOMMODATION
Report Summary:	The report seeks to set out a framework for securing a pipeline of accommodation for our most vulnerable residents. It proposes that the Council agrees mechanisms for securing accommodation directly to meet a growing need for accommodation for our vulnerable young people and those currently housed in temporary accommodation.
Recommendations:	<p>That in principle subject to the necessary governance for each individual decision demonstrating value for money and any other legal and financial considerations, the Executive Cabinet are asked to:</p> <ul style="list-style-type: none"> (i) Approve the acquisition of long leasehold / freehold interest of property. (ii) Approve that capital investment from future estimated commuted S106 contributions is made to allow the acquisition, adaptation and fit out of appropriate properties in Tameside. (iii) Approve the Framework and Policy for Planning Obligations Commuted Sums and Monitoring Fees as set out at Appendix 1 (iv) Approve that long-term leases (usually 10 year with a break clause at five years) with private landlords or social landlords can be entered into utilising existing revenue budgets (v) To consider where appropriate that the Director of Finance recommends to Council the use of reserves or borrowing to match homes England grants for an appropriate building. (vi) Agree that the authority enters into an agreement with Greater Manchester to participate in the Greater Manchester House Project at a cost of £206k over 3 years. (vii) Agree that the authority enters into a contract with Jigsaw Housing Group to provide 30 additional placements for young people through the Jigsaw Supports services for a period of 12 months. (viii) seek to repurpose existing estates and land for the accommodation of vulnerable young people and for those in temporary accommodation (ix) Agree to create a budget of £200,000 from the Transformation Fund to undertake feasibility studies in existing estate to create additional accommodation options
Corporate Plan:	The Corporate plan sets out a commitment to nurture and grow our young people and specifically to increase access, choice and control in emotional and mental self-care and wellbeing. The report

sets out proposals to support the delivery of these objectives.

Policy Implications:

The report proposes that the Council adopt a more proactive approach to securing a pipeline of accommodation for our most vulnerable residents with a focus on young people, particularly care leavers through the use of targeted investment of commuted section 106 sums and prudential borrowing.

Financial Implications:

**(Authorised by the
statutory Section 151
Officer & Chief Finance
Officer)**

Childrens Social Care team have savings proposals in the 2022/23 budget of £3.250m linked to the reduction in placement costs. The recommendations within this report will support the delivery of these savings.

Recommendation (ii) – Proposes that the Council accepts commuted sums in lieu of affordable housing on site Section 106 Agreements on a case by case exceptional basis. This will be additional funding stream to the Council that to date has not been received. This should be done where it has been demonstrated that there is a better outcome for the delivery of affordable housing to meet the housing needs of the Council off site. The Council will recover existing officer costs that have been incurred (full cost recovery basis) on the related project management and delivery associated with such provision from any commuted sums received. The Council does not currently recover these costs

Recommendation (vii) would provide additional accommodation and support for young people, it is proposed that this scheme is funded from the external residential placement budget, the scheme once fully operational would realise estimated £46,000 annual saving as outlined in 3.13.

Recommendation (vii) expansion of the Threshold contract for a further 30 places would cost £246k, as outlined in section 2.7 of this report, as opposed to the current average cost of semi-independent of £1.249m providing average costs saving of £1.050m. The savings realised from the placement budget could be utilised to pay for the increased threshold costs where it cannot be met from existing homelessness budgets.

Should the Council be able to find suitable accommodation, working with a Registered Provider, a new property such as the example outlined in 2.11 of this report could provide annual savings of up to £0.5m, with a one off contribution from reserves of £0.36m.

Legal Implications:

**(Authorised by the
Borough Solicitor)**


This report sets out a case and overarching strategy to dealing with one of the Borough and Council's biggest challenges. In accordance with the current legal and financial framework, ind

Risk Management:

Risks around appropriate financial prudence and contract management will be managed through appropriate due diligence for each proposed scheme and set out in the relevant governance. All proposed schemes will have a financial business case which will be signed off by the Director of Finance who will ensure that all financial tests and been met and will be subject to legal advice ensuring that all legal tests have been met.

Background Information:

The background papers relating to this report can be inspected by contacting Sarah Threlfall, Director of Transformation

 Telephone: 0161 342 4417

 e-mail: sarah.threalfall@tameside.gov.uk

1. BACKGROUND

- 1.1 The Council needs to identify additional accommodation suitable for vulnerable young people (primarily care leavers) and other vulnerable households for whom current provision of temporary housing is not sufficient.
- 1.2 As the number of Children Cared for in the Borough has increased so too has the number requiring support and accommodation as they transition into adulthood. Currently, many of those young people are supported through Children's Services Semi-Independent Placements. However, the opportunity exists to support these young people to transition into independence more effectively through a combination of additional commissioned services for young adults and by making available a range of accommodation opportunities with varying levels of support. To enable this response to growing need to be as effective as possible the Council is seeking to develop these accommodation solutions directly or through directly managed arrangements with Partners where the Council has control rather than relying only on the existing supported housing provision in the Borough.
- 1.3 This particularly acute issue for vulnerable young people is aligned to a more general need to reduce the Council's rising costs on homelessness temporary accommodation and the need to find satisfactory and sustainable solutions to the lack of provision for the most vulnerable requiring support with immediate housing need.
- 1.4 This report sets out proposals to use funding available to the Council along with opportunities that S106 Affordable Housing contributions can make, along with leasehold and freehold acquisitions with private investors to acquire property for use as affordable housing in a range of locations across the Borough, The report also proposes that on occasion (where it meets the specific needs of care leavers) property may be secured outside of the Borough's boundaries.
- 1.5 The overall aim of each solution noted is to show how this range of interventions can contribute to reducing the number of placements into semi-independent commissioned Childrens accommodation and B&B accommodation and therefore improve outcomes for these individuals and households, enabling them to transition into adulthood and independence effectively and reduce the associated costs to the Council.

2. THE CASE FOR CHANGE

- 2.1 Currently many of our vulnerable young people and homeless households are placed in temporary accommodation which is not meeting their needs and which is putting significant financial pressure on the Council. A number of time limited, exceptional measures are required to transition to a more stable position whereby better use of existing stock and reduced demand meet requirements.
- 2.2 Local authorities have duties and powers to assist young people who are leaving and have left local authority care. As a corporate parent to all children in care and care leavers all parts of a local authority, including a housing authority, must have regard to the need:
 - (a) to act in the best interests, and promote the physical and mental health and well-being, of those children and young people;
 - (b) to encourage those children and young people to express their views, wishes and feelings;
 - (c) to take into account the views, wishes and feelings of those children and young people;
 - (d) to help those children and young people gain access to, and make the best use of, services provided by the local authority and its relevant partners;
 - (e) to promote high aspirations, and seek to secure the best outcomes, for those children and young people;

- (f) for those children and young people to be safe, and for stability in their home lives, relationships and education or work; and,
- (g) to prepare those children and young people for adulthood and independent living.

2.3 Children's services authorities have a duty to 'former relevant' care leavers in terms of accommodation if there are no other options available and the welfare of the care leaver requires it (section 23C(4c) of the Children Act 1989).

2.4 By investing in alternative provision, we could better meet the need of the most vulnerable and deliver significant cost savings as set out below.

Current Costs

2.5 The Council currently has a budget of £2.9m in Children's Social Care to fund the cost £2.1m of young adult care leavers who are 18+. The Council have a budgetary pressure of £0.9m in relation to housing these care leavers who have no suitable accommodation to move onto. As of 28 February 2022, there were 58 care leavers aged 18+ in Semi-independent provision. The average cost of the provision per Care Leaver at this date was £968 per week. A number of the Care Leavers are in Semi-independent provision due to the lack of move on accommodation and do not require the support that is in place. A number of this cohort have been identified as ready to move on into Threshold Provision; as this type of accommodation would better suit their needs. Each case would need to be assessed on an individual basis for the needs of each Care leaver. There is also a significant financial benefit in utilising a Threshold type provision as the accommodation costs are recovered by the Registered Provider (Registered Provider) via Housing Benefit (HB). The support costs paid for by TMBC to the Registered Provider are minimal compared to the current costs of Semi-Independent Placements; see detail below.

Threshold

2.6 The current Threshold Project delivers 15 accommodation units with support for young people aged 18+, including care leavers, provided by the Registered Provider. It is proposed that the authority enter into an agreement with Jigsaw Homes to provide accommodation and support for our young care leavers through 30 additional places for a period of twelve months. This will deliver significant cost savings, estimated to be around 1.2 million per annum.

2.7 Through this service young people will be provided with suitable accommodation and a range of support services as they transition into adulthood and independence. The value of the contract will be up to £245,700 for a period of 12 months and the contract will be paid in blocks of provision for 5 individuals at a time. The service will provide accommodation and support to young people with education, benefits, and other support needs. It is proposed that the support will be reviewed on a regular basis and if providing the right support for our young people could be extended. The average tenancy is expected to be around 6 months and the service will work with young people to find appropriate, permanent move on accommodation when a young person is ready.

2.8 The authority will need to provide accommodation for 30 other young people in semi-independent provision and a number of young people due to turn 18 for whom provision is not in place. There is also a need to identify additional suitable accommodation for 16 to 18 year olds who are in our care and are transitioning into independence. The proposed expansion of this project with 30 additional units specifically for care leavers would reduce cost from an average weekly cost of £986 to £157 per week in threshold resulting in a financial savings of £829 per week per care leaver.

Additional Proposed Accommodation

- 2.9 The Threshold project clearly identifies the benefits that can be achieved, in both the outcomes for the care leaver and financial savings, when accessing provision away from the external semi-independent placement market. One of the key barriers to this is the availability of suitable property within the borough.
- 2.10 It is proposed to that the Council work with a Registered Provider to look to secure suitable properties for 18+ care leavers. The proposal would be that the Registered Provider would purchase a property and be able to gain grant contributions from Homes England (HE) of £30k per unit aimed at the unlocking affordable properties in borough.
- 2.11 It is proposed that the Council would match the HE grant with an equivalent grant. The purpose of this would be to reduce the borrowing costs for the Registered Provider, which would be repayable in the event that the property was no longer used for it intended purpose. This grant in turn would mean the amount of rent they would need to charge to recover costs could be lower and the Council would work with the Registered Provider to ensure these are affordable for our care leavers, who in some instances would be eligible for low housing benefits (HB).
- 2.12 The example below set out in the table 1 below is a potential scenario working with a Registered Provider to identify suitable property for 18+ care leavers. The Registered Provider would purchase the property with grant contributions from Homes England (HE) of £30k per unit, which would be matched by the Council. The example below is for a property of 12 one bedroom units.
- 2.13 As with Threshold, the accommodation costs would be covered by either the care leaver, if in employment, or through HB. The Council costs included are for the support, these would need to be specified by the service to inform costs, however in the example they are on the same basis as Threshold, The calculation takes in consideration the lost opportunity costs of interest for the grant, and an agreement to pay the Registered Provider up to 5% of the rent amount per year to cover any void periods should the properties be vacant.

This example project with 12 units with Threshold type support specifically for care leavers will result in a financial savings of £813 per week per care leaver.

Table 1 – Financial Impact of investment in a new 12 place provision.

Current Cost to TMBC for Twelve 18+ Care Leaver in Semi-Independent Accommodation				
	Per Day	Per Week	Per Year	12 People per Annum
Average cost of 18+ Care Leaver Semi-Independent Accommodation	£141	£986	£51,397	£616,769
Potential Cost to TMBC for Twelve 18+ Care Leavers in Proposed Accommodation with Threshold Type Provision				
	Per Day	Per Week	Per Year	12 People per Annum
Average cost to TMBC of 18+ Care proposed accommodation	£25	£173	£9,002	£108,020
Saving to LA for 12 Care leavers placed in proposed accommodation units when compared with 12 Care leavers placed in Semi Independent Accommodation				508,749

Table 2 – Overall Impact on 18+ placement cost from Expanded Threshold and a new 12 place unit.

Currently 58 Young People in Semi-independent Provision as at 28/02/2022*					
	No. of Care Leavers	Cost Per Day	Cost Per Week	Cost Per Year	Total for 58 Care Leavers per Year
Average cost of 18+ Care Leaver Semi-Independent Accommodation	58	£141	£986	£51,397	£2,981,048
2022/23 Budget for 18+ Care Leavers in Semi-Independent Provision					£2,088,430
2022/23 Current Budgetary Pressure					-£892,618
Potential Savings for Threshold and New Accommodation	No. of Care	Cost Per Day	Cost Per Week	Cost Per Year	Total for 58 Care Leavers per Year
TMBC Threshold Costs Only per YP	30	£22	£157	£8,190	£245,700
TMBC Potential Saving	30	£119	£829	£43,207	£1,296,221
Proposed Accommodation	12	£25	£173	£9,002	£108,020
TMBC Potential Saving	12	£116	£813	£42,396	£508,749
Total Potential Savings					£1,804,970
Potential Budget Required	No. of Care	Cost Per Day	Cost Per Week	Cost Per Year	Total for 58 Care Leavers per Year
18+ Semi Independent	16	£141	£986	£51,397	£822,358
Additional Threshold Provision	30	£22	£157	£8,190	£245,700
Proposed Accommodation	12	£25	£173	£9,002	£108,020
Total Budget Required					£1,176,078
Cost Saving (A)					£892,618
Budgetary Saving (B)					£912,352
Total Cost Avoidance (A + B)					£1,804,970

GM House Project

- 2.14 Furthermore it is proposed that the joins the three year pilot of the GM House Project. This is a GM collaborative initiative, it is proposed Tameside, working in a cluster with Stockport, joins the project. The House Project is a model developed through DfE Innovation Programme and operates in 13 local authorities. It works with young people leaving care to better support them in their own accommodation to prepare them for adult life. It is an alternative to more expensive services currently spot purchased through frameworks
- 2.15 The pilot is small, covering only 5-6 young people a year for the pilot and will be part of a range of options of accommodation and support for our young people. A further benefit of the scheme the care leaver will be able to remain in the property and there are no further moves for the care leaver unless they chose this for themselves. The model allows for scalability if the project is successful. Tameside will incur the following costs Year One £61,900 nil £74,400 in Year two and £69,400 in Year three, additional year one costs of £50,000 have been waived for this project, however if Tameside delay this cost may not be waived for future projects.
- 2.16 The model is that the collaborative will work with the young person to find a property and support them in the accommodation. The cost of the accommodation would be met by the

Council until the young person reaches 18 and then they would become responsible for the rent and running costs, paid for either through employment or benefits, the average weekly cost of £240pw.

- 2.17 The scheme offers value for money and widens our offer to care leavers in line with our sufficiency statement. It is proposed that the project reports annually on effectiveness and is reviewed in 18 months to consider whether expansion of the project is advisable. .
- 2.18 Placing four young people from semi-independent placements into the service at 17 and 8 months would yield a modest saving and the project would break even. Once all 6 placements are made an annual saving of £46,000 would be realised. The main risk with the scheme is finding suitable accommodation for the care leaver to rent.
- 2.19 Data which compares the way in which accommodation needs are met for these young people in other localities suggests we have a shortage of independent provision and alternative options such as Foyer provision. It is proposed that as part of the work to secure additional provision, the Council will look at the option of establishing a Foyer model in the Borough.
- 2.20 For other key vulnerable groups, primarily homeless families, the Council is short of temporary accommodation options and is having to utilise B&B placements across the Borough. This is difficult for households who have been placed in such accommodation as well as financially costly to the Council. The number of households presenting as homeless and therefore requiring accommodation is increasing year on year meaning an alternative option is needed.
- 2.21 During the period of Covid19, the use of B&B and homeless presentations has increased significantly. Both homeless today and triage cases have been steadily increasing throughout the pandemic and are not showing any signs of lessening.
- 2.22 Sadly, the social isolation and lack of support networks caused by placements in B&B's can often damage the chances of a successful stay and the opportunity to demonstrate to future landlords that a tenancy is possible. This often means a person is not deemed to be tenant ready and therefore skipped for a permanent offer, leaving them to remain in B&B which is a costly expense for the Council.
- 2.23 The proposals in this report set out a proposed mechanism for securing property to meet the need for this additional provision in the market through a combination of borrowing, seeking access to grant subsidy and where possible the use of commuted S106 sums for affordable housing.
- 2.24 All property secured as set out in this report would be used for one of the following purposes
 - (a) 16 to 18 Transition Accommodation for Cared for Children
 - (b) Accommodation for 18+ year old care leavers (with and without additional support needs)
 - (c) Temporary accommodation for the homelessness service
 - (d) General let accommodation as permanent move on from transitional support (this would allow us to back fill the transitional support accommodation)
 - (e) General let accommodation as move on from Temporary Accommodation.
- 2.25 The Council has growing need and a shortfall in available property for each of these categories of need. Current provision is expensive and does not deliver optimum outcomes. At the point at which any property becomes surplus to requirements the authority will dispose of such property, either through the ending of lease or partnership arrangements or the sale of assets.
- 2.26 All individual properties would be subject to a business case in its own right, setting out the financial parameters and the proposed route for securing that property (purchase,

partnership, letting etc). Each arrangement would be subject to agreement through an Executive Decision.

3. SECURING ADDITIONAL PROVISION

- 3.1 Utilising S106 contributions and working with external partners who may access grant subsidy will allow the Council to acquire more suitable accommodation for any clients who require temporary accommodation. An increase in the number of units owned by and in the control of the Council will give clients who are homeless a more settled future as they will be able to remain in the accommodation until more permanent, accessible accommodation can be secured for them which would result in cost savings for the Council. The framework and Policy for such S106 arrangements are set out at **Appendix 1**.
- 3.2 All open market development is required to contribute to the provision of affordable housing through either on-site delivery of affordable housing or by way of a financial contribution and sometimes a mixture of the two, which are secured through a S106 Agreement. These are generally referred to as S106 contributions and are required to be spent on affordable or supported housing within the Council's area. The spend criteria and affordable housing definitions are embodied in National Planning Policy Framework).
- 3.3 This report proposes that the financial contributions 'commuted sums' for affordable housing will be pooled to be spent on facilitating the delivery of additional affordable housing and/or supported housing in Tameside.
- 3.4 It is proposed to use S106 contributions to assist in securing housing for rented tenures, for use solely by households whose housing needs are not being met by the market, due to affordability of the household and availability. The acquired dwellings would remain as affordable housing in perpetuity.
- 3.5 It is proposed that property would be used for Temporary Accommodation, General Needs and supported Housing. The property/ies being acquired would be used for the immediate occupation for those in urgent need of temporary accommodation with priority initially to be given to vulnerable young people in need of accommodation.
- 3.6 It is proposed to use a combination of prudential borrowing (where a viable cost saving business case exists) and commuted section 106 monies to develop a range of affordable housing schemes throughout the Borough including those developed by Registered Providers and Housing Trusts. S106 contributions are proposed to be used in conjunction with the Registered Provider's own funds and Homes England grants as a 'top up' fund wherever possible. Where this does not prove possible but a clear cost saving business case exists for a scheme, the Council will use prudential borrowing to fund the purchase of property to a maximum of 130 units.
- 3.7 In each case a business case will be approved via an Executive Decision, which must meet the following tests:
 - (a) That the proposals will deliver cost savings to the organisation over the course of the proposed delivery
 - (b) That there is a clear and deliverable exit strategy which ensures that the organisation is not left with a long term financial liability through the identification of the clear exit strategy
 - (c) That the appropriate procurement and contracting processes have been followed

4. RE-PURPOSING EXISTING ASSETS

- 4.1 In addition to developing earmarked schemes with Registered Providers and Housing Trusts as well as directly purchasing a number of units the Council is proposing to utilise some of its own surplus estate and land to bring on stream additional accommodation for the Borough's

most vulnerable residents.

- 4.2 A number of properties have been identified which are surplus to the Council's current requirements but are suitable for providing specific accommodation for vulnerable young people.
- 4.3 It is proposed that these units are included in the pipeline of additional accommodation to be developed to provide much-needed homes for our young people transitioning into independence.
- 4.4 To deliver this more detailed feasibility studies will need to be delivered and enable works undertaken. It is proposed that an investment pot of £200,000 be agreed from commuted sums/ investment fund to be repaid from savings delivered through reduced accommodation costs. Cabinet are asked to agree to the delivery of feasibility studies and necessary investment on an invest to save basis.

5. KEY CONSIDERATIONS

- 5.1 Surveys and feasibility studies needing to be undertaken before committing to the purchase or lease will be in place before any purchase. This will include development of an operational management plan that covers attendance/supervision, fire risk and security.
- 5.2 Housing will only receive Housing Benefit income when rooms are occupied. Currently we have in excess of 80 households in B&B. We therefore are aware of the number of units we need to purchase / lease thereby maximising the income potential.
- 5.3 Covering Voids – Although the Council will be responsible for void periods, these are expected to be minimal. As demonstrated in previous data the levels of households requiring temporary accommodation has been growing year on year. For Specified Accommodation voids can be accounted for in the rent calculation, as well as intensive housing management, high levels of wear and tear, furniture replenishment (but not the initial purchase).

6. RECOMMENDATIONS

- 6.1 As set out at the Front of the report