

TOWN & COUNTRY HOUSING TEMPORARY ACCOMMODATION AGREEMENT

Head of Service:	Rod Brown, Head of Housing & Community
Report Author	Arjan de Jong
Wards affected:	(All Wards);
Urgent Decision?	No
If yes, reason urgent decision required:	n/a
Appendices (attached):	

Summary

The Council has a significant number of temporary accommodation units located in the borough, of which more than 50% is owned and managed by Town & Country Housing (TCH). The agreement which covers this arrangement requires updating.

Recommendation (s)

The Committee is asked to:

- (1) Agree that the Council updates and amends the terms of the management of temporary accommodation agreement, with Town & Country Housing (TCH) as outlined in the report.**
- (2) Agree that the Council release the restrictive covenant on 58 Upper High Street in return for a payment from TCH, to be set by the district valuer.**
- (3) To nominate and authorise the Director of Environment, Housing & Regeneration in consultation with the Chair of the Strategy and Resources Committee, to take all necessary actions to implement this Committee's decision as necessary and appropriate.**

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- 1.1 The Council has a statutory duty to assist homeless households under the Housing Act 1996 and Homelessness Reduction Act 2017. If we do not meet our statutory obligations, then the Council will be in breach of its obligations and open to legal challenge.

2 Background

- 2.1 In 2000 the Council looked to transfer the ownership and management of their temporary accommodation portfolio for the purposes of closing the Council's Housing Revenue Account.
- 2.2 After a competitive tender process Town & County Housing (formerly Rosebery Housing Association) were successful and the temporary accommodation properties were sold and transferred, and the temporary accommodation management agreement was entered into. This agreement was revised in 2004.
- 2.3 The management agreement now requires review and amendment with some commercial changes.
- 2.4 In summary the main aspects of the current agreement include the following:
 - 80-year duration
 - Has unit type requirements as follows: 28% studios, 28% 1 bed flats, 14% 2 bed units, 17% 3 bed units and 13% to be flexibly provided.
 - Requires at least 65 units of TA as per an appended schedule - working practice is that they can be swapped for other stock.
 - Units can be added by way of written agreement - this has occurred over the years and has now reached 95.
 - TCH covers all aspects of management and maintenance.
 - Repair standards and response times are included in the agreement.
 - Most properties are owned by TCH, but some are leased to TCH by the Council (such as 33-39 High Street).
 - The Council covers 'lettable' void period.
 - TCH covers 'repair' void period.
 - Void losses are claimed by TCH via invoice quarterly.
 - The Council retains 100% nomination rights.
- 2.5 There are 95 properties within the temporary accommodation (TA) list that TCH are managing for the Council. This includes several blocks plus an additional 16 x flats and 17 x houses which are located in other mixed general needs blocks. 26 of these properties were temporarily turned from general needs to TA during the covid pandemic and have yet to be returned to general needs as was anticipated.

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- 2.6 In the context of the blocks, 1-9, 58 Upper High Street, is the most pressing given it is void and boarded up. Its central location and layout (bedsits) led to serious management issues including anti-social behaviour, incurring damage and significant void loss. It was part of the original transfer that comprised the first 65 homes, acquired from the Council, and there is a restriction on title stating that the property can only be used for the purposes of accommodating homeless households.
- 2.7 TCH offered the property to supported housing providers, in order to try to find an alternative use for the property for the benefit of local people, but no offers were forthcoming. TCH has therefore proposed that disposal is the most appropriate option, and officers agree this is the most sensible solution, given the lack of alternatives and the prohibitive cost of renovation. TCH are currently suffering the void and security costs. Further detail on the covenant release is in the proposal section below.

3 Proposal

- 3.1 This report proposes that the Council accept the updating of the current Temporary Accommodation Management Agreement the Council has with TCH on the following basis:
- the restriction is removed for 58 Upper High Street and the title is removed to enable this. In return the Council will receive a one off payment from TCH set by the district valuer.
 - The new temporary accommodation agreement is revised to a total of 65 properties.
 - 21 of the 26 'covid conversions' are returned back to general needs.
 - 7 conversions have been identified as households whose size reflects the size of their current accommodation and thus their tenancy can switch from temporary accommodation to an assured long-term tenancy.
 - The additional 14 conversions would return to general needs once an appropriate long-term property becomes available. This will be done on a slow 'drip feed' basis due to the slow turnover of tenancies, to ensure there is a minimal uplift in TA costs, to manage the void costs and to ensure that decant costs are not incurred. This process will take several years due to the low number of properties available for re-let.
 - The new agreement is for a period of 80 years.
 - The agreement be generally updated to make it fit for purpose, including removing redundant terms such as data protection and replacing with new such as General Data Protection Regulations (GDPR).
- 3.2 In return for the removal of the restrictive covenant, TCH will pay the Council a one-off sum set by the district valuer.

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- 3.3 TCH has verbally confirmed that as the Large-Scale Voluntary Transfer (LSVT) Registered Provider in both Epsom & Ewell and Tunbridge Wells Borough Council, these are the councils which are the core operating areas for investment. Furthermore, TCH has committed significant investment in its 2024/25 and 2025/26 maintenance programmes on its stock within Epsom & Ewell, some of which has been switched from its other main area of operation.
- 3.4 Officers are satisfied that TCH's proposal to dispose of 58 Upper High Street and remove the restriction is the most appropriate option so long as the Council receives an appropriate sum as set by the district valuer.
- 3.5 As outlined above TCH is currently providing significantly more than the level of TA units in relation to the original agreement, predominantly due to switching a number of units during the covid pandemic – although there is a provision in the current agreement to add more units by mutual consent so there has been no breach of this agreement with the current increased number of 95.
- 3.6 TCH's wish to convert 21 units back to general needs is in line with the operating principles of Registered Providers to predominantly manage general needs stock.
- 3.7 Given the time which has elapsed since the last agreement, it is an opportune moment to amend and update.

4 Risk Assessment

Legal or other duties

4.1 Equality Impact Assessment

4.1.1 Minimising homelessness will have a positive impact on equalities.

4.2 Crime & Disorder

4.2.1 58 Upper High Street is currently void and boarded up.

4.3 Safeguarding

4.3.1 Assisting homeless households to access safe and secure accommodation will have a positive impact on safeguarding.

4.4 Dependencies

4.4.1 The TA budget is closely monitored, reported at monthly Community & Wellbeing meetings and at Community & Wellbeing committee half yearly.

4.5 Other

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4.5.1 None for the purposes of this report.

5 Financial Implications

- 5.1 TCH has offered the Council the opportunity to purchase 58 Upper High Street, but given the prohibitive costs associated with purchase and renovation, this option has been rejected as it is not considered good value for money.
- 5.2 In return for the removal of the restrictive covenant, TCH will pay the Council an appropriate sum, set by the district valuer. This sum will be used to fund the Council's estimated external legal costs for finalising the agreement of c.£6,000, with any remaining balance ringfenced for future re-investment in the housing service.
- 5.3 A decrease in the number of TA units has the potential to slightly increase TA costs in out of borough accommodation in the long-term. However, this cost will be mitigated to some extent by the following:
- Nine of the additional 30 additional TA properties are currently provided at Upper High Street, which has been out of use since late 2023 due to anti-social behaviour as outlined above, so these have in practice already been cut from the TA portfolio.
 - The conversion from TA to general needs will provide a small saving to the Council, as the Council will no longer be required to subsidise the gap between the rent charged and the amount received from the Government and provide greater security for those households currently in occupation of the affected properties.
- 5.4 **Section 151 Officer's comments:** The housing service will need to manage the transition to the new agreement within existing budgets.

6 Legal Implications

- 6.1 The Council and TCH will agree a level of compensation to remove the restrictive covenant as set by the district valuer. The conversion of 21 properties from temporary accommodation to general needs represents a small cost saving as set out in 5.3 and benefits the households by providing settled and secure accommodation.
- 6.2 Members attention is brought to paragraph 3.3 and 3.4 above and that TCH's proposal is not legally binding so the Council is at risk should they fail to honour what they have said to officers and is noted within those aforementioned paragraphs.
- 6.3 **Legal Officer's comments:** Members are invited to note the need to ensure that the decision taken complies with the Council's Best Value duty mindful of the comments set out in paragraph 6.2 above.

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- 6.4 Under the Duty of Best Value, local authorities should consider overall value, including economic, environmental, and social value, when reviewing service provision. That would include the proposed updates to such a agreement as the one outlined in this report.

7 Policies, Plans & Partnerships

- 7.1 **Council's Key Priorities:** The following Key Priorities are engaged:

7.1.1 **Safe & Well:** Work with partners to improve the health and wellbeing of our communities, focussing on particular on those who are more vulnerable.

- 7.2 **Service Plans:** The matter is not included within the current Service Delivery Plan.

- 7.3 **Climate & Environmental Impact of recommendations:** Not applicable.

- 7.4 **Sustainability Policy & Community Safety Implications:**

- 7.5 **Partnerships:** Town & County Housing

8 Background papers

- 8.1 The documents referred to in compiling this report are as follows:

Previous reports:

- None

Other papers:

- None