

Rother District Council

Report to	-	Council
Date	-	4 May 2021
Report of the	-	Cabinet
Subject	-	References from Cabinet Meetings

The Council is asked to consider recommendations arising from the Cabinet meeting held on 29 March 2021, as set out below and to note that there were no recommendations to Council arising from the Cabinet meetings held on 1 March or 8 April 2021.

CABINET – 29 March 2021

CB20/119. THE PURCHASE OF ACCOMMODATION FOR TEMPORARY USE BY HOMELESS HOUSEHOLDS

In September 2019, Cabinet approved the allocation of £3m to purchase accommodation for temporary use by homeless households. To date, the Council had 81 households in temporary accommodation (TA) which was funded from the Revenue Budget, as well as nine households funded by the Rough Sleeping Initiative (RSI). Grant funding had been received to contribute towards additional costs however, it was anticipated that the amount received would not meet the Council's costs. A deficit of £25,500 was expected by the end of 2020/21 and there was no indication that additional funding would be forthcoming. The budget for 2020/21 was £1.1m offset by £508,000 from housing benefit leaving a net cost of £592,000.

Cabinet was apprised of the properties owned by the Council and offers accepted on properties across the District to accommodate homeless people and families. The Council would also continue to use approximately 30 privately owned and well-managed TA establishments. Appendix A to the report illustrated the number and types of households the Council had placed in TA between April 2020 and February 2021. As a result of COVID-19, the Council was unable to predict the future demand for TA and it was possible that the levels of homelessness might reduce in the short to medium term. Members noted that the Council was not duty bound to provide single people with self-contained accommodation; the Council would commission proper management and support services to assist with this cohort.

Appendix B to the report illustrated the average net cost of TA through private providers, per size of household. The average stay was 51 days for single people/childless couples at a cost of £1,700 (£12,000 annually) and 66 days for families at a cost of £2,500 (£14,000 annually).

A financial assessment of income and costs associated with the Council purchasing TA had been completed. Projections had been

verified in consultation with neighbouring local authorities delivering similar schemes. It was estimated that £5.7m would be required to purchase 35 different properties (combination of houses and flats) with an overall net cost avoidance of just under £160,000 per annum.

The TA Investment Strategy and Risk Register at Appendices C and D respectively to the report outlined the types of properties the Council intended to purchase and associated risks. In-house and external specialist expertise would be required to oversee property management, repair and refurbishment functions. External consultancy would be monitored in consultation with the Cabinet Portfolio Holders for Housing and Finance and Performance Management. Currently, the Council did not have the resources, expertise or tools to manage all aspects of properties directly; this would be kept under review as the portfolio of properties grew. A service specification was being established to commission a property management service to manage existing and future purchases.

During the discussion, it was clarified that improved energy efficiency measures were a primary focus for the Council when purchasing and retrofitting properties for TA. Environmental innovation funding initiatives / grants were actively being sourced to assist with the installation of energy efficiency measures in all Council properties.

Cabinet was supportive of the recommendations proposed and agreed that purchasing property would provide the Council with more control over the quality of TA and ensure greater control of revenue costs. It would also allow the Council to develop the skills and expertise required to grow a larger portfolio of properties for the future.

RECOMMENDED: That the:

- 1) amended Temporary Accommodation Purchase Strategy be approved;
- 2) Head of Housing and Community be given authority to purchase property for the use as temporary accommodation for homeless households up to a total value of up to £6 million to be funded from borrowing, in consultation with the Portfolio Holders for Housing and Finance and Performance Management; and
- 3) Capital Programme be amended accordingly.

(Cabinet Agenda Item 6)

CB20/120. **FINANCIAL STABILITY PROGRAMME**

Achieving financial stability for the Council was one of the key objectives within the draft Corporate Plan which was currently out for consultation. To support the objective of financial stability and ensure organisational focus was maintained, it was proposed that a Financial Stability Programme (FSP) be established to manage the programme

of work, in turn this would be overseen by a Board of key Members and officers.

The report provided an overview of the key areas required to deliver savings and income over the next five years and how progress would be managed. In preparation for the creation of the FSP, Heads of Service met with relevant Cabinet Members to review budgets and discuss services. Four themes had been identified to achieve reduced revenue spend and increased income:

- **Devolution:** To devolve discretionary services to the Parish and Town Councils. It would be essential to create a dedicated team to undertake this work which was anticipated could take a minimum of two years to complete.
- **Invest to Save:** To invest in digitalisation (including artificial intelligence technology) and business processes of which some key projects were underway or ongoing.
- **Service Prioritisation:** It was proposed that a combined target for Invest to Save and Service Prioritisation be set for each service area. This was allocated on an arbitrary 10% discretionary spend. Set targets would drive the Council to identify projects and income generating ideas in order to minimise the amount of service reductions required.
- **Income Generation:** A number of income streams had been identified and required investigation. It was proposed that a small team be established to support service areas with this work.

The Assistant Director Resources advised that it would be sensible to establish an Invest to Save fund to meet any one-off costs required to secure an ongoing revenue saving/income. It was proposed that delegated authority for spend approval of up to £750,000 be granted to the Chief Executive in consultation with the Cabinet Portfolio Holder for Finance and Performance Management. Members would be kept abreast of approved expenditure.

Appendix A to the report identified the proposed timetable for the first year of the FSP and key activities. It was proposed that between April 2021 and August 2021, each service area supported by the finance team conducted its own initial review based on work streams identified in Appendix B to the report and produced a proposal report for the Financial Stability Board (FSB) to consider. Quarterly progress reports would be reported to the FSB and Cabinet. As a result of income generation opportunities and the redirection of staff into priority areas, Cabinet was reassured that compulsory redundancies were not envisaged.

RECOMMENDED: That up to £750,000 be earmarked from releasing existing reserves for Invest to Save projects and that the Chief Executive be given delegated authority to authorise expenditure against this reserve in consultation with the Cabinet Portfolio Holder for Finance and Performance Management.

Cabinet also **RESOLVED:** That:

- 1) a Financial Stability Programme be established, supported by a Financial Stability Board of key Members and officers;
- 2) the approach and process to achieving financial stability as set out in this report be approved; and
- 3) two dedicated officer teams to deliver the work themes for devolvement and income generation be established.

(Cabinet Agenda Item 7)

Councillor D.B. Oliver
Leader of the Council