

WAVERLEY BOROUGH COUNCIL

EXECUTIVE - 3 NOVEMBER 2009

Title:

**SOCIAL HOUSING GRANT :
AFFORDABLE HOUSING FOR HOMELESS YOUNG PEOPLE
[Portfolio Holder: Cllr Keith Webster]
[Wards Affected: All]**

Note pursuant to Section 100B (5) of the Local Government Act 1972

An annexe to this report contains exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in Paragraph 3 of the revised Part 1 of Schedule 12A to the Local Government Act 1972, namely;-

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Summary and purpose:

Step-by-Step is a charitable housing organisation, which provide housing, training and support for young homeless people. Waverley has worked with this organisation for a number of years, primarily in respect of preventing homelessness and also making referrals of young people to their accommodation.

This report recommends making a capital grant of £100,000 from the Council's affordable housing programme to support the development a new, purpose-built town centre housing project in Aldershot. This will provide housing, advice and training facilities for homeless young people aged 16-25. This is a multi-agency initiative supported by a number of local authority partners.

Support services to residents will be provided by Step-by-Step and the new building will be developed by Sentinel Housing Association. A capital grant from Waverley Borough Council will entitle the Council to nomination rights for 3 places in the scheme.

How this report relates to the Council's Corporate Priorities:

This report relates to two of the Council's Corporate Priorities namely: **Improving Lives** – Improving the quality of life for all, particularly the more vulnerable within our society; and **Subsidised affordable housing** – Working for more affordable housing to be built and managing council housing well.

Equality and Diversity Implications:

The Step by Step service provides individual advice and motivation, insistence on clear standards of acceptable behaviour, professional help with drug or alcohol problems and the provision of a range of training schemes for homeless young people aged 16-25. The proposal is consistent with the Surrey Children and Young People's Plan 2009/10, which aims (amongst other things) to secure appropriate housing and support for care leavers, young offenders and young people with learning difficulties (Outcome A5).

Resource/Value for Money implications:

The resource implications relate to the application of capital resources held by this Council, which are designated to support the development of affordable housing. Council resources are being sought to top-up a grant from the Homes and Communities Agency

(HCA), along with other funding from Step-by-Step itself, Sentinel Housing Association and other local authorities.

Legal Implications:

The Council will enter into an appropriate Nomination Agreement, should the grant funding be approved.

Background

1. Dealing with the housing needs of young people can create some the greatest challenges to Waverley's Housing Options team. Since April 2009, 16 young people aged 16-17 have approached the Council for homelessness advice. In the previous year we had 33 such approaches.
2. The Council already works with Step-by-Step who manage three Supported Lodgings Placements for Waverley. These placements are full and there is likely to be a need to commission more. Whilst Supported Lodgings has helped the Council deal with this client group to a degree and will continue to do so, it is useful to have as wide a range of supported housing for young single homeless people as one type of accommodation is not suitable for all.
3. Waverley is also able to refer young people to a supported housing scheme at the Wey Forward Project in Ash (4 nominations). There is also an informal arrangement to refer 2 cases at anyone time to Guildford YMCA. However, the demand for such schemes outstrips supply and the greater the range of accommodation options the more likely Officers will be able to secure sustainable housing for this vulnerable and often challenging client group.
4. Working in partnership with other boroughs and districts in commissioning supported housing schemes provides economies of scale and value for money. With the impact of the recession and the increased tensions this can cause in homes there is likely to be an increasing level of young people being made homeless.
5. The Government has set a target that homeless young people should not be placed in bed and breakfast accommodation after 2010. Although the proposed scheme will not be ready by then, the three nominations will provide a vital resource to enable the Council to continue to meet this requirement into the future.

New Supported Housing Proposal

6. Step-by-Step is a well regarded specialist housing and support provider based in Aldershot. It considers that it is vital to replace its out-dated accommodation and build on its successful operating model. Step-by-Step is proposing to reconfigure and consolidate its operations by developing a new purpose built housing, training and support scheme in the centre of Aldershot. They will then release the four current locations from which they operate – bring revenue savings through more efficient use of staff resources on one site. The proposed development comprises:
 - Advice and support services for homeless and disadvantaged young people
 - Meeting and interview rooms
 - Training and IT facilities
 - 30 self-contained bedrooms with additional staff sleep-in accommodation
 - catering facilities; dining room; lounge; laundry; bathrooms etc.

7. Although the new development is located in Aldershot, it is not far from Farnham and has good transport links. There are few such facilities in Waverley and, at present, no plans for such a venture in the Borough. It is therefore considered a good opportunity for the Council to secure supported accommodation for young single people. The Council has worked with Step-by-Step in recent years to secure accommodation for homeless young single people.

Funding Package

8. This is a significant scheme and will cost in the region of £3,386,333 to complete.
9. As the Development Agent, Sentinel Housing Association will be bidding for grant funding from the HCA. At present competition for HCA grant is fierce, with the most competitive bids standing the best chance of success. A package of funding from a range of other local authorities will enable Step-by-Step to submit an attractive bid to the HCA.
10. Step-by-Step will be drawing on its own resources and using private finance. It is also approaching other neighbouring local authorities for grant-aid to help fund the development. However, £100,000 of subsidy is required from the Council to fund the balance of the scheme (see Exempt Annexe 1). This works out at a subsidy from Waverley of £33,330 per unit.
11. It is difficult to find similar schemes that have been built recently to make realistic comparisons. However, there have been no such schemes in Waverley and the usage that the Council could make of three nominations to this project are very valuable – both to the Council as a homelessness authority having to secure accommodation for vulnerable young single homeless people; and to the individuals themselves.

Financial Implications

12. In the past, the Council has made capital grant available to Registered Social Landlords to support the provision of new affordable housing – which is a Corporate Priority of the Council. The Council has powers to make available grant to RSLs under the Local Government Act 1988 Section 25.
13. Waverley currently has some £3m of funds which have come from commuted sums and historic capital receipts. Previous Council administrations have earmarked this capital to assist with the provision of more affordable homes in the borough. Part of the £3 million is a S106 receipt of £255,000. Part of this sum could be used to support this project.

Conclusion

14. A contribution of £100,000 from Waverley would support the development a new building, which will be available to meet the needs of young homeless people. Combined with private finance, Step-by-Step's own resources, the HCA grant and funding from other partners, the project represents good value for money for the Council.
15. Waverley would be entitled to three nomination rights to this scheme if a capital grant is made available.
16. Securing accommodation for young single homeless people is always a challenge. This initiative represents an excellent opportunity to provide affordable housing with

support for this particular needs group, which is a priority for the Surrey Childrens and Young People's Plan 2009/10.

Recommendation

It is recommended that the Executive approve making a grant of £100,000 from earmarked housing capital resources to Step-by-Step to support the development of a new supported housing building for homeless young people.

Background Papers

- Correspondence from Step-by-Step
- Surrey Children and Young People's Plan 2009/10

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