

# Report

Report to:	<b>Housing and Technical Resources Committee</b>
Date of Meeting:	<b>24 April 2024</b>
Report by:	<b>Executive Director (Housing and Technical Resources)</b>

Subject:	<b>Proposed Partnership with Social Bite</b>
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## **1. Purpose of Report**

1.1. The purpose of this report is to:-

- ◆ update Housing and Technical Resources Committee on discussions with Social Bite to develop an innovative approach to meeting the accommodation and support needs of single homeless households.
- ◆ seek approval to lease a site at Harriet Street Rutherglen to Social Bite to establish 15 units of supported accommodation at a nominal rent of £1.

## **2. Recommendation(s)**

2.1. Housing and Technical Resources Committee is asked to approve the following recommendations:-

- (1) approve the principle of the Council granting a 5 year lease with option to extend for a further 5 years of site at Harriet Street Rutherglen to Social Bite, for Social Bite to establish 15 units of supported accommodation at a nominal annual rent of £1, as summarised in this report; and
- (2) delegate authority to the Executive Director of Housing and Technical Resources, in consultation with the Head of Administration and Legal Services, to conclude legal agreements relating to the proposed arrangements with Social Bite.

## **3. Background**

3.1. Discussion between Housing and Technical Resources and Social Bite commenced in early summer of 2020, exploring the option of a partnership approach to meeting the accommodation and support needs of homeless households. Social Bite approached the council as a charity organisation who were able to front fund the proposal of a homeless village, providing modular housing in line with similar models across the country.

3.2. The proposal is based on a model which has operated successfully in Edinburgh since 2017, whereby Social Bite provide temporary accommodation for homeless people through an innovative partnership with the city council. The council provided an unused piece of land in Granton and Social Bite contributed funding for labour and materials to develop the site, which at the time was forest land. The site was developed to provide 20 wooden cabins referred to as Nest Homes, each containing bedroom, kitchen, shower room and living area.

- 3.3. Social Bite also partnered with Hillcrest Housing Association who provide a housing management service and Cyrenians who provide on-site housing support, in a similar way to South Lanarkshire's current arrangements for 1<sup>st</sup> Stop and Supported accommodation, with partners such as The Salvation Army and Blue Triangle.
- 3.4. This project was called The Village and is designed to provide a highly supportive community with emphasis on encouraging and nurturing peer support alongside professional housing support services.
- 3.5. The physical site used in Edinburgh lends itself to this with each tenant having their own homely environment, including a small section of outdoor space attached to their home to develop as they wish and to enjoy. There is also a community facility with sufficient space for all residents to gather to eat, socialise and participate in a wide range of social, health and wellbeing activities. This model offers the ability for residents to enjoy their own space and build independent living skills with all the facilities to deliver necessary support for the period required while developing independent living skills.
- 3.6. The Village model has proved successful with very positive feedback from those who have spent time within this temporary accommodation model.

#### **4. South Lanarkshire Council Context**

- 4.1. Discussion with Social Bite coincided with the council's development of a Temporary Accommodation Strategic Plan. This involved consideration of the optimum portfolio of temporary accommodation in the context of national developments such as the revised Unsuitable Accommodation Order and updated Code of Guidance for Homelessness, which included new temporary accommodation standards to be achieved.
- 4.2. The majority of accommodation utilised to meet the needs of homeless households within South Lanarkshire meets required standards. The vast majority meeting the Council's more stringent optimal standard, which is for temporary accommodation to be ordinary homes within ordinary communities.
- 4.3. At that time, the only exception to this was accommodation at Lindsay House, assessed as at risk of failing to meet expected standards due to the deteriorating condition of the property, its scale and level of shared facilities. A range of interventions aimed to address this, including reduction in population accommodated, however, events took over and due to repeat flooding and disproportionate costs to continue to operate, the service closed fully in December 2023.
- 4.4. Housing and Technical Resources had anticipated Lindsay House would operate until a replacement Supported Accommodation service was identified to relocate the service. Therefore, unexpected earlier closure has left a shortfall in supported accommodation.
- 4.5. Housing Services Temporary Accommodation Strategic Plan demand analysis, based on 2022/23 level of need for supported accommodation, reflects supply requirement of 64 units of supported accommodation. Current provision is at 36 units.
- 4.6. It is recognised that this is a spend to save project, as need for temporary accommodation has significantly increased in line with the spike in homelessness demand resulting in unprecedented use of unsuitable B&B accommodation, at

projected cost of around £100,000 for 2023/2024, more than double the allocated annual budget, a stark contrast to previous years which have seen a significant underspend. This also contributes to wider issues including regulatory risk utilising accommodation considered unsuitable as response to homelessness, ongoing risk of breaching the unsuitable accommodation order and risk to ability to accommodate and meet basic statutory duty.

## **5. Proposal**

- 5.1. Following detailed discussion with Social Bite, the proposal is for the development of 15 units of accommodation to be delivered at Harriet Street, Rutherglen. It is proposed that the site which is owned by the Council, within general services, will be leased to Social Bite, based on a 5-year lease agreement with the option to extend for a further 5 years at a nominal rent of £1 per annum. It is considered that the project would make a significant contribution to addressing the shortfall of supported accommodation noted at section 4.5 above. This approach would also compliment other solutions, such as a growing Housing First outreach support model, and do so within a suitable location for the project to settle into and work with local partners with a view to adding value to the local area.
- 5.2. Social Bite will provide 15 high quality, carbon neutral cabin homes, which come with a 60-year lifespan testament to the quality of materials and design. The council will have exclusive access for the purpose of using the units to provide temporary accommodation to homeless individuals for a weekly rental fee in line with temporary accommodation rents which will come to the council. This proposal brings value for money, whereby Social Bite will also provide annual grant funding to support the project.
- 5.3. The council will cover operational costs related to maintaining, letting, and managing the site, thus minimising the lease costs for the accommodation.
- 5.4. Subject to the Committee's decision, the Council will appoint a 3<sup>rd</sup> sector partner to manage the Council's involvement in the project, which will be dealt with separately in accordance with the Council's standard procurement arrangements, this will include collection of rental income. This income will cover rental costs payable by the Council to Social Bite for use of the accommodation and a percentage will be re-invested in the project covering running costs, as set out in detail at Appendix 2. As part of the legal agreement between Social Bite and the council, the arrangements will include opportunities whereby Social Bite, through their charity organisation, will promote employment and educational opportunities, supporting community wealth and connect the project to local services within the community.
- 5.5. Social Bite will retain ownership of the modular housing units for removal from site at the end of the lease period, in line with the lease agreement.
- 5.6. The costs associated for this new village partnership include design and consultancy work, preparatory ground works to a Council owned site, infrastructure, and siting of 15 individual cabins. Beyond development, ongoing service costs have been calculated with input from Finance and Benefit and Revenue Teams, though these will be refreshed ahead of any future go live date to take account of uplifts.
- 5.7. The site which has been identified at Harriet Street, Rutherglen is zoned for residential use in the Adopted South Lanarkshire Local Development Plan (site plan included at Appendix 1). The site is considered suitable to achieve the model that both the Council and Social Bite wish to deliver, ensuring that occupants can access

amenities but also have privacy to tackle any complex support needs and be out with the public eye.

- 5.8. Meantime, site investigations are progressing. To date, no concerns have been identified based on information held or from initial desk top surveys, however, more detailed investigation is underway to confirm site suitability taking account of industrial history of general area, utility requirements and costs to develop site to required condition ready for placement of cabin accommodation.
- 5.9. Since initial discussions began, demand for homeless services has significantly increased over the last year, resulting in reliance on reserves to meet service costs in the last year and same projected forward.
- 5.10. The business case for this new village has been based on an appropriate rent level for supported accommodation, taking account of housing benefit applicable level, and rent collection assumptions, occupancy and turnover rates, rent due to Social Bite for use of the cabin accommodation, management and support service provider costs. Also, allowing for recurring Social Bite contribution (return on rent collected) to support the project. All associated operational costs can be accommodated within the existing homeless budget.
- 5.11. A key consideration in the business case for progressing this partnership approach is the Council's requirement for increase in supply of supported accommodation and exclusive opportunity within this model to attract significant external funding, not available through any other route, therefore reducing costs of what is a necessary site development for the council.

## **6. Next Steps Proposed**

- 6.1. Housing and Technical Resources will continue to support Social Bite with preparing applications for Planning Permission and Building Warrants with the assistance of colleagues across Council services.
- 6.2. In the usual way, these applications will be subject to statutory publicity, consultation and decision-making processes. Subject to the Committee's decision, a cross-service project group will be established, to include housing, legal, procurement and finance services, to take forward the necessary contract and commercial activities with Social Bite.
- 6.3. Once the formal processes are completed, and full approval has been provided, an update report will be brought to a future committee meeting for noting, which will include project timelines and handover dates.

## **7. Employee Implications**

- 7.1. There are no employee implications arising from this proposal, however employees from a range of council services will work to put in place the necessary contractual, procurement and service arrangements.

## **8. Financial Implications**

- 8.1. Appendix 2 sets out the projected costs for project delivery and subsequent ongoing operating costs.
- 8.2. This includes the breakdown of the estimated project delivery costs of £3.357m. Social Bite costs are anticipated at £1.677m for the supply of cabins, furnishings, site works and associated fees. Social Bite have also committed to annual grant funding to support the project. Council costs are anticipated at £1.680m for site works and

associated fees. The Council's share of project delivery costs will be funded through the Homelessness Service.

8.3. Appendix 2 also provides the breakdown of the estimated ongoing operating costs. These are estimated at £0.552m per annum. Anticipated rental income and service charges from service users is anticipated totalling £0.263m. In addition, Social Bite will provide an annual contribution of £0.088m. This reduces the net ongoing cost to the Council to £0.201m per annum. This will be funded from within the existing Homelessness revenue budget and is a significant reduction compared to the arranged £0.500m operating costs for Lindsay House in recent financial years. The financial benefit from this will be utilised for ongoing financial pressures within the Homelessness Service.

8.4. Given the current condition of the proposed site, and the current absence of alternative uses for it, it is considered that the proposed lease will enable the Council to secure Best Value in respect of this use of the site, especially when the nature of the proposal is considered, the non-financial benefits and how it will contribute to the health and social wellbeing of the area.

## **9. Climate Change, Sustainability and Environmental Implications**

9.1. The proposal, if agreed, would deliver 15 units of accommodation in the form of modern and comfortable, sustainable with a 60-year lifespan, carbon neutral, highly insulated modular homes.

## **10. Other Implications**

10.1. There will be community interest in any site identified and requirements around consultation in due course.

10.2. The Project will assist the council and partners in meeting the accommodation and support needs of homeless households, therefore meeting statutory homeless duties.

10.3. Social Bite bring community wealth opportunities by having the modular housing designed and built within South Lanarkshire and will bring employment and educational opportunities to our customers as a result of our partnership and their charity status.

## **11. Equality Impact Assessment and Consultation Arrangements**

11.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.

**Stephen Gibson**

**Executive Director (Housing and Technical Resources)**

8 March 2024

## **Link(s) to Council Values/Priorities/Outcomes**

- ◆ Accountable, effective, efficient and transparent
- ◆ Ambitious, self-aware and improving
- ◆ Fair, open and sustainable.

**Previous Reference**

- ◆ None

**List of Background Papers**

- ◆ None

**Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

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Appendix 1 – Site Plan

Appendix 2 – Project Costs