

Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Cabinet
Date: 26 June 2023
Reporting officer: Daniel Killian, Director (Housing)
Subject: Solohaus Pods

Purpose and summary of report:

To inform Cabinet of a donation recently made to the Council of eight Solohaus pods, which are designed to assist single homeless people, that will be used to complement the Council's existing Rough Sleeping Service provision

Recommendations:

1. Cabinet acknowledge and accept the donation of eight Solohaus pods from the Hill Group.
2. Cabinet delegates authority to Director (Housing) in consultation with the Director (Corporate Services) as Section 151 Officer, Monitoring Officer and Cabinet Member for Housing Services to identify a garage site to accommodate the location of the SoloHaus pods and undertake all necessary legal arrangements related to this.
3. Cabinet authorises the Director (Corporate Services) to recognise the assets within the council's financial records and adjust General Fund and Housing Revenue Account revenue budget provisions accordingly, as proposed in section 5 of this report.

Key Implications:	
Item	Implications
Legal	Legal implications are set out in Section 4 of this report.
Finance and Value for Money	Financial implications are set out in Section 5 of the report.
Corporate Plan	#1 – People – Deliver an ambitious and diverse programme of building – increase the supply of high-quality market and affordable housing. #1 – People – Safeguard residents – put in place a package of housing measures and creative interventions that support the most vulnerable. #3 – Progress – Develop an entrepreneurial culture – deliver on commercial opportunities to generate an income and provide social impact
Climate Change	SoloHaus Pods have a standard EPC Rating of C and a CO ₂ emission rate, primary energy rate and fabric energy efficiency above the targets required under Part L of the building regs.

Criterion under Building Regs Part L	Building Regs Part L target	Solohaus actual
CO2 emission rate	23.34 kgCO ₂ /m ² (per year)	8.17 kgCO ₂ /m ² (per year)
Primary Energy rate	124.66 kWhPE/m ²	86.93 kWhPE/m ²
Fabric energy efficiency	67.0 kWh/m ²	51.2 kWh/m ²

1. Background

- 1.1 In May 2022, Cabinet delegated authority to Director (Housing) in consultation with various officers to form an Investment Partnership with a house builder to help accelerate affordable housing delivery within the Borough.
- 1.2 Following a robust tender exercise in September 2022, Hill Group were selected as the successful partner and since this time, officers have worked on setting up the Limited Liability Partnership (LLP) including the Members agreement, formally known as Gravesham Community Investment Partnership (GCIP) which was incorporated in February 2023.
- 1.3 As set out in the Members agreement for the partnership, the Investment Team must produce an investment plan within six months of forming the partnership to outline potential delivery over a defined period, and a significant amount of work has been undertaken on this, with a review having just concluded on all council owned assets to understand opportunities for development and regeneration.
- 1.4 The team is now working through each site in more detail and an update on the activity of GCIP will be presented to Cabinet in the autumn of this year to formalise the Investment Business Plan.

2. Social Value and Solohaus

- 2.1 As part of the tendering exercise to form the Investment Partnership, potential contractors were asked to outline how they would achieve social value locally if they were to be successful with their tender, to which Hill Group provided a comprehensive suite of initiatives that could be realised locally and gave an example of how they had worked with local authorities to tackle homelessness both from a financial and social outcome point of view.
- 2.2 To mark Hill's 20th anniversary they formed Foundation 200, established to help tackle the homeless crisis and help people rebuild their lives with a commitment to build and gift 200 free purpose-built homes; an innovate approach to the homelessness crisis and Hill's way of giving back to the community it works in and is committed to in the longer term.
- 2.3 To cement the newly formed partnership and to mark its commitment to the Borough, Hill have offered to donate eight Solohaus Pods to help tackle homelessness within the Borough.
- 2.4 Solohaus homes are safe, welcoming spaces built to the highest standards of sustainability, efficiency and safety with a 60-year life span. They were designed alongside homelessness charities and stakeholders to inform design, layout, light and storage. The homes are designed for single occupation and come fully furnished and equipped ready for someone to move in to. More information about

Solohaus can be found in Appendix 1 and Appendix 2 sets out the resident benefits, design benefits and construction features.

- 2.5 Assuming Cabinet accept the gift of the eight Solohaus Pods, they would be used to complement the Council existing homelessness accommodation in Wrotham Road as move on accommodation, and they will be used as the next step in the person becoming independent and being able to secure a tenancy in the private sector in the future. This in turn will free up much needed bedspace in the existing accommodation for those found to be sleeping rough in the Borough.

3. Next Steps

- 3.1 On the basis that Cabinet accept the gift, the Council would need to identify suitable land on which the scheme could be developed. Due to specified use of the pods, it is important that any potential site is centrally located, part of an existing and established community and has good transport links with nearby facilities. This is to ensure that those seeking to rebuild their lives have access to on-going support and services nearby.
- 3.2 For other local authorities that have developed this model, most have used garaged sites within the Council's ownership and two sites registered as Housing Revenue Account assets have already been identified and are currently being considered for viability. Ward Members have also been consulted and for both sites, supportive of the potential development.
- 3.3 Once the site has been agreed, Hill Group will take forward the scheme and complete all the necessary site investigations, due diligence and submission for planning permission. Once planning permission is obtained, Hill Group will prepare the land for development and await delivery of the pods, as they are constructed off-site. Once the scheme is completed, it will be handed back to the Council to manage tenant move in and on-going support for the occupants. Once planning permission is granted, it is understood to take approximately 12 weeks to complete the scheme to handover.

4. Legal Considerations

- 4.1 In order to release the chosen site for this development the current occupiers of any of the garages will need to be given notice. If they do not vacate the garages then we will need to undertake possession proceedings to recover them, where goods or belongings are left in the garage we may need to consider serving further notices either under the Local Government Act 1982 or the Torts (Interference with Goods) Act 1977 depending on whether the goods appear to be abandoned and whether they may have any value.
- 4.2 In order to avoid claims that valuables were stored in the garages and have been lost or misappropriated it will be important to document anything that is removed, ideally with photographs.
- 4.3 As the garage sites are a HRA asset and the proposed use would not be a HRA function consideration has been given to whether to appropriate the site or instead put in place a lease between the HRA and the General Fund. As it is possible for the development to be effectively reversed to avoid having to appropriate the site twice it would seem more efficient to put in place a lease. Terms for the lease would need to be agreed and it would need to be excluded from the security provisions in the Landlord and Tenant Act 1925 in order to avoid creating a permanent lease of the site.

- 4.4 Although the risks associated with the Lease are low because it is between two parts of the authority the formalities should still be observed to avoid unintended consequences in the future.

5. Financial Considerations

- 5.1 Due to their specified use as temporary accommodation, the pods would be an asset owned by the Council's General Fund. The total capital value of the eight pods is £456,000 based on their fair value (each pod has a retail value of £57,000).
- 5.2 It is anticipated that the pods would be treated as donated assets for accounting purposes and shown on the council balance sheet under Property, Plant & Equipment. The accounting treatment will be confirmed once further information on any conditions attached to the donation are known.
- 5.3 The Hill Group will cover any defects to the pods in the first year after installation. Once installed, the council will be responsible for the operating costs of the pods, including any repairs and maintenance requirements.
- 5.4 The Hill Group have provided a maintenance schedule of projected annual running costs to operate the pods. Although many items are cyclical and vary in frequency e.g. replacement of different kitchen appliances, replacement of doors and windows as well as various annual services. For the purposes of this report average costs per annum have been calculated for 8 pods. A 10% contingency factor has then been applied to give a total projection of £5,700 for annual running costs.
- 5.5 To accommodate eight pods, a site with around 16 garages would need to be identified. Such a site would generate around £15,500 income annually for the council, with £10,230 (66%) of this income recognised in the General Fund and £5,270 recognised in the Housing Revenue Account. This income would be lost from both the General Fund and the Housing Revenue Account.
- 5.6 The pods will, however, provide a new supply of temporary accommodation to the council and reduce the reliance on nightly paid and private sector accommodation. It has been estimated that placing eight single people into temporary accommodation would cost the council approximately £123,200 per annum. It is important to note that whilst it would cost the Council this amount to place eight single people into temporary accommodation, it is not necessarily what will be saved due to the wider pressures on temporary accommodation and the increasing demand for it.
- 5.7 The ongoing financial/budgetary implications of the Solohaus Pods scheme is as follows.

Solohaus Pods - Net General Fund and HRA impacts		
Item	General Fund £	HRA £
Rental income foregone	10,230	5,270
Annual running costs	5,700	
Total initial budgetary impact	15,930	5,270
Potential Temporary Accommodation expenditure savings	(123,200)	
Total potential ongoing budgetary impact	(107,270)	5,270

- 5.8 Initial tax advice sought suggests that as the pods have been freely given there is no liability in relation to VAT or SDLT.

5.9 Ongoing utility costs such as energy and council tax will be the responsibility of the tenant.

6. Conclusion

6.1 The creation of a dedicated and council-controlled move on pathway for former rough sleepers will have a such a wide reaching positive impact, as not only will it benefit those who are ready to take the next steps in become independent, but it also increases availability of bedspaces within existing rough sleeper accommodation locally, whilst also assisting the council in reducing temporary accommodation spend.

6.2 As the scheme progresses, there will be a further update to Housing Services Cabinet Committee outlining in more detail how the scheme will be managed and supported.

7. Appendices

7.1 The following documents are to be published with the report:

7.1.1 Appendix 1 – The Haus Collection 2022

7.1.2 Appendix 2 – Benefits of Solohaus

8. Background Documents

8.1 There are no background documents.

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Secondary Implications	
Risk Assessment	Click here to start typing
Data Protection Impact Assessment	<i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i>
	<p>a. Does the project/change being recommended through this paper involve the processing of personal data or special category data or criminal offence data? A definition of each type of data can be found on the Information Commissioner's Office website via the above links. Click here and type Yes or No</p>
	<p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice? Click here to start typing</p> <p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at gdpr@medway.gov.uk. Click here to start typing</p>
Equality Impact Assessment	<p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer. Click here to start typing</p>
	<p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer. Click here to start typing</p>
	<i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i>
Crime and Disorder	Click here to start typing
Digital and website implications	Click here to start typing
Safeguarding children and vulnerable adults	Click here to start typing