



# Cabinet report

Date	<b>13 JULY 2023</b>
Title	<b>ACQUISITION STRATEGY</b>
Report of	<b>CABINET MEMBER FOR ADULT SERVICES &amp; HOUSING, PUBLIC HEALTH AND HOMELESSNESS</b>

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## EXECUTIVE SUMMARY

1. This report seeks adoption of an Acquisition Strategy (Appendix 1) to support cost effective delivery of our homeless duty.
2. The councils Corporate Plan 2021-25 highlighted the ambition to address the Islands housing crisis.
3. The Council currently contracts with a number of providers for temporary accommodation and this includes Bed & Breakfast, caravans and leased properties. The number of properties needed is demand led and so is having flexible cost-effective options is important.
4. This report seeks agreement to the draft Acquisition Strategy subject to any final amendments agreed by the Cabinet member

## RECOMMENDATION

5. Option 1: To agree the Acquisition Strategy as attached and delegate authority for minor amendments to the Chief Executive in consultation with the Cabinet Member for Adult Services & Housing, Public Health and Homelessness to conclude and final amendments.
6. Option 2: To delegate to the Portfolio Holder, S151 and Director of Adult Social Care and Housing Needs the ability to progress schemes in line with the Strategy.

## BACKGROUND

7. Since the onset of the pandemic the Island has recently faced a housing crisis like never before. Over 80% of private rented stock has become unavailable for long term lets and approximately 15,000 households struggle to accommodate themselves in the local housing market.
8. Those on the lowest incomes and highest needs struggle to afford current market rents and this has resulted in an increase in families and individuals presenting themselves as homeless.
9. The Council currently contracts with a number of providers for temporary accommodation and this includes Bed & Breakfast, caravans and leased properties. The number of properties needed at any time of year is demand led and so is having flexible cost-effective options is important.
10. There is an increasing need for temporary accommodation and due to a reduction in availability the Council is having to find alternative options need to be cost effective. The Acquisition Strategy seeks to address this by creating an approach for the Council to purchase properties and directly provide temporary accommodation.
11. The Acquisition Strategy sets out the justification for purchasing properties specifically to address the housing need for temporary accommodation. It also sets out the criteria which will be applied to properties purchased and the financial criteria that each property will need to meet.

## CORPORATE PRIORITIES AND STRATEGIC CONTEXT

12. One of the key areas for action within the Corporate Plan 2021-25 is “Provision of affordable housing for Island residents”.
13. The Island has faced a significant housing crisis since the pandemic with over 80 per cent of its private rented stock becoming unavailable for long term lets. Approximately 15,000 households struggle to accommodate themselves in the local housing market. Those on the lowest incomes and highest needs struggle to afford current market rents and prices, well below the Government’s accepted standard definition of affordable housing.
14. The Strategy has set the following as an indicator of progress in addressing the homelessness:
  - The number of temporary housing units delivered (annual measure);

### Provision of affordable housing for Island Residents

15. The Housing Strategy ‘vision’ is “To enable everyone living on the Island to have a place they call home” Six strategic priorities underpin this vision which in turn shape the desired outcomes in the action plan to prioritise key actions and expected outcomes.

- Strategic priority 1: New housing supply – Ensuring the right supply and mix of new homes and increasing affordable housing delivery through the efficient use of land and capital resources including those the council owns or has control of.
  - Strategic priority 2: Housing affordability – Defining “affordability” on the Island through detailed and on-going research of both incomes and housing costs to inform both planning and housing policy going forward.
  - Strategic priority 3: Private sector housing – Ensuring that the private housing sector provides enough good quality market housing through support for developers and landlords and, where necessary, robust quality control and regulation.
  - Strategic priority 4: Partnerships – Enabling housing associations and our other partners to build more new affordable homes for Island residents while maintaining their current homes to a high standard.
  - Strategic priority 5: Homelessness and housing need – Reducing homelessness and rough sleeping through effective prevention work and building a new homeless pathway through property solutions and wrap-around services.
  - Strategic priority 6: Special housing needs and vulnerable people – Ensuring that specialist accommodation is available for vulnerable people including primarily extra-care housing for older people and people with disabilities.
16. The key activity is to deliver and facilitate a programme of 100 homes per year through Council led activity over the life of the strategy, and these should mainly be affordable homes. The acquisition of properties will indirectly support the delivery of this objective.

#### Responding to climate change and enhancing the biosphere

The council has set a target to achieve net zero emissions:

- in its business and delivery of services by 2030;
- across the school estate by 2035; and
- as an island by 2040.

17. This strategy proposes the acquisition of existing property and therefore there will be limited opportunities to address emissions.

#### Economic Recovery and Reducing Poverty

18. Whilst the strategy does not have a direct impact on reducing the numbers of residents, and especially children, who are living in poverty (particularly those living in absolute poverty), it will have an indirect impact as the homes provided will be for temporary accommodation and support them accessing affordable housing in the future.

#### Impact on Young People and Future Generations

19. The decisions the Council makes now not only affect current residents, but may have long term impacts, both positive and negative, on young people and future generations.
20. The acquisition of temporary accommodation will support families living in good quality homes and opportunities are being developed between our services as corporate parents to address the needs of care leavers. The provision of good quality homes improves the life chances of children and young people.

## CONSULTATION

21. Internal consultation has been carried out but there is no statutory duty to consult.

## SCRUTINY COMMITTEE

22. The Acquisition Strategy is being considered by Policy & Scrutiny Committee for Neighbourhoods and Regeneration on 6 July 2023 and due to timing their comments cannot be included in this report but will be reported verbally at the meeting.

## FINANCIAL / BUDGET IMPLICATIONS

23. The Acquisition Strategy sets out the formal financial assessment criteria which properties will go through a to ensure that they do not have a negative impact on the Councils overall financial position.
24. The purchase and management of properties for temporary accommodation will enable revenue budgets to be better managed.

## LEGAL IMPLICATIONS

25. Under the Local Government Act 1972 local authorities can acquire property for use as temporary accommodation within its General Fund.
26. A local authority can hold up to 199 homes and may borrow prudentially through the General Fund for these. Once the 200 homes threshold is reached a local authority must open an Housing Revenue Account and may borrow prudentially to continue to acquire or build homes.

## EQUALITY AND DIVERSITY

27. The council as a public body is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
28. It is not considered that the Acquisition Strategy will have any direct adverse implications to any of the protected characteristics groups as these services operate within protocols to ensure equal access to services.

## PROPERTY IMPLICATIONS

29. There are direct implications associated with the day to day repair and longer-term maintenance of properties. Both capital and revenue issues relating to property will be taken account of in the financial assessment.
30. Property related Health & Safety Compliance issues will be managed and monitored by the Housing Team so that there are no breaches.

## OPTIONS

31. The options considered by the Cabinet are:
32. Option 1: To agree the Acquisition Strategy as attached and delegate authority for minor amendments to the Chief Executive in consultation with the Cabinet Member for Adult Services & Housing, Public Health and Homelessness to conclude and final amendments.
33. Option 2: To delegate to the Portfolio Holder, S151 and Director of Adult Social Care and Housing Needs the ability to progress schemes in line with the Strategy.
34. Option 3: To seek changes to the acquisition strategy and request that a revised draft is brought back to Cabinet for consideration at a later date.
35. Option 4: Not to adopt an Acquisition Strategy

## RISK MANAGEMENT

36. If the Council does not adopt this strategy it will need to rely on the market to provide it access to accommodation for homeless families and individuals. This will leave it open to market fluctuations in cost and availability.
37. In addition, purchase of property in the absence of a strategic approach which is evidence led results in ad-hoc acquisition that may not provide accommodation to support need.

## EVALUATION

38. The Island has an increasing demand for temporary accommodation and by adopting this strategy it will increase the number of properties for which it has direct control and help to manage the financial implication of a demand-based budget.
39. The Acquisition Strategy forms the steppingstone to address the Council's aspirations to address the housing issues on the Island.

## APPENDICES ATTACHED

Appendix 1 – Acquisition Strategy

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