

Cabinet Report

Report of Head of Development and Housing

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To: CABINET

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Temporary accommodation provision 2017-2022

Recommendations

- (a) After consideration of comments from Scrutiny Committee, Cabinet approve the approach to temporary accommodation provision.
- (b) That Cabinet recommend to Council the deletion of the current capital budget provision of £920,000 for the estimated costs of purchasing 4 two-bedroom houses in Abingdon.
- (c) That Cabinet recommend to Council the creation of a capital budget of £885,000 to convert the council's two hostels into self-contained units.
- (d) For Cabinet to notify Council that approving recommendation (c) will result in a reduction in the revenue budget of £25,000 per annum.

Purpose of Report

1. To inform Cabinet of the projected demand for temporary accommodation to accommodate homeless households over the next five years.
2. To seek Cabinet approval for the recommended housing option to meet this future demand.

3. For Cabinet to recommend to Council the deletion of the current capital budget provision of £920,000 for the estimated costs of purchasing 4 two-bedroom houses in Abingdon.
4. For Cabinet to recommend to Council the creation of a capital budget of £885,000 to convert the council's two hostels into self-contained units.
5. For Cabinet to notify Council that approving recommendation (c) will result in a reduction in the revenue budget of £25,000 per annum.

Corporate Objectives

6. Actively work to bring forward housing developments where we see gaps in provision.
7. The equality objective to improve physical access to council owned or leased buildings.

Background

8. The council has a statutory duty to assess the housing needs of households who present as homeless to the council. This duty may include the provision of temporary accommodation.
9. The Temporary Accommodation Provision report makes a recommendation on how best to meet the future demand for temporary accommodation in Vale of White Horse.
10. The recommendation follows a review of the current provision of temporary accommodation; a forecast of future demand and an assessment of the available options to meet future demand.
11. This report will be reviewed annually by Officers. The review will identify any variances against forecast and propose any necessary adjustments to temporary accommodation provision.
12. The council owns 19 units of temporary accommodation. There are three houses in Abingdon, a six bed hostel - Tiverton House, Wantage and a ten bed hostel - Elmside, Faringdon.
13. The hostels have shared bathroom and toilet facilities which are not appropriate for housing vulnerable families and individuals. The council has a duty of care towards homeless applicants it places into temporary accommodation.
14. The reconfiguration of the two hostels into self-contained units would result in a reduction of two units at Tiverton House and three units at Elmside.
15. The total number of units available following reconfiguration of the hostels would however remain sufficient to meet current demand. The newly available refurbished houses in Abingdon, together with two rooms at the hostels no longer being used by SODC as part of the strategy, offsets the reduction in units at the hostels.
16. The demand model forecasts that the council will require an additional two units of temporary accommodation to meet newly arising baseline demand over the next five years. This additional demand can be met through increasing the occupancy rates at the hostels.

17. This report considers the options available to meet future demand and makes a recommendation that both hostels are reconfigured into self-contained units, including at least one unit that is wheelchair accessible.

Options

a) Do minimum

18. The council would continue to receive a net rental income of approximately £94,000 from the hostels. This is £25,000 more per annum than achieved by the other options.

19. The hostels would need to be refurbished at an estimated cost of £317,000.

20. The hostels would remain as rooms with shared facilities that are not appropriate for accommodating vulnerable households and would not meet the objectives of the strategy.

21. It is therefore not a viable option for the council to meet its future need for temporary accommodation.

b) Reconfigure only the Wantage hostel into self-contained units. Sell the Faringdon hostel and purchase replacement units.

22. The estimated cost of converting the Wantage hostel into four self-contained units is £322,000.

23. The sale of the Faringdon hostel would generate a capital receipt of approximately £470,000 after the deduction of disposal costs.

24. The estimated cost of purchasing the equivalent seven replacement units in Abingdon, including acquisition costs, would be £1,570,000.

25. The estimated cost of converting the Wantage hostel and replacing the Faringdon hostel units is £1,422,000 and therefore does not represent value for money.

c) Reconfigure only the Faringdon hostel into self-contained units. Sell the Wantage hostel and purchase replacement units.

26. The estimated cost of converting the Faringdon hostel into seven self-contained units is £563,000.

27. The sale of the Wantage hostel would generate a capital receipt of approximately £493,500 after the deduction of disposal costs.

28. The estimated cost of purchasing the equivalent four replacement units in Abingdon, including acquisition costs, would be £940,000.

29. The estimated cost of converting the Faringdon hostel and replacing the Wantage hostel units is £1,009,500 and therefore does not represent value for money.

d) Sell both hostels and purchase equivalent accommodation.

30. The sale of both properties would generate a capital receipt of approximately £963,500 after disposal costs.

31. The estimated cost of purchasing the equivalent number of eleven replacement units in Abingdon, including acquisition costs, would be £2,510,000.
32. The estimated cost of selling both hostels and purchasing an equivalent number of units in Abingdon would be £1,546,500. This would not represent value for money.

e) Reconfigure both hostels into self-contained units.

33. The estimated cost of reconfiguring both hostels into self-contained units would be £885,000. This would include at least one unit that has wheelchair accessibility.
34. Reconfiguration of the hostels is the least expensive option that also meets the council's duty to provide suitable temporary accommodation. It is therefore the recommended option.
35. A transitional plan would be necessary to manage the process of converting the hostels.

Financial Implications

36. The implication for the revenue budget 2017/18 can be met within existing budgets. The implication for 2018/19 from a reduction in the revenue budget resulting from a loss of rental income of £25,000 will come forward as an essential growth bid.

Legal Implications

37. The council will be in an improved position to meet its statutory duties under homelessness legislation to provide suitable temporary accommodation.

Risks

38. A risk is that the forecast demand for two additional units is not realised. This risk is mitigated by using the baseline forecast increase of two units, rather than the upper range forecast of six units. The forecast demand will also be reviewed annually by Officers to make any necessary adjustments in provision.
39. There is also the risk that the cost of reconfiguring the hostels will exceed the estimated budget. This risk will be mitigated by detailed planning and project management by the Housing Needs Manager with oversight from the Head of Housing.

Other implications

40. The management of the additional units can be absorbed within the current resources of the housing needs team.

Conclusion

41. Reconfiguration of the hostels is the least expensive option to meet the forecast demand for temporary accommodation that also meets the council's duty to provide suitable temporary accommodation.

Background Papers

- South Oxfordshire District Council and Vale of White Horse District Council:
A study into future demand for temporary accommodation (Three Dragons)
- Report into the provision of temporary accommodation in South Oxfordshire and Vale of White Horse District Councils (Arcadis)
- Equality Impact Assessment