Agenda Item No. 11

West Wiltshire District Council

Cabinet

12 January 2005

Review of temporary accommodation

1. Purpose

This report sets out the approach being taken to review the Council's temporary accommodation provision and also the steps that are being taken to prepare for disposing of Ethandune.

2. Background

The Council has a statutory responsibility to provide temporary accommodation to people who are statutorily homeless, and in some cases to people who are homelessness applicants pending a decision on their homeless status. In 2003/4 the spotlight was placed on the suitability of bed & breakfast and the Council has now all but eliminated the need for such accommodation.

In recent months, consideration has been given to the future requirement for hostel accommodation in the district and a report was prepared for the Cabinet meeting of 27 October 2004. However this report was withdrawn because the future of the hostels cannot be considered without taking account of the future need for temporary accommodation and an evaluation of how that might best be met.

Hostel provision is only one of a considerable range of options, all of which have their own complexities. The October Cabinet did make the decision in principle to sell Ethandune and this report also sets out the actions being taken in line with that decision.

3. Key issues

Progress since last meeting

- Essential repairs have been assessed and are now being carried out at Ethandune.
- A number of agents have submitted proposals for marketing Ethandune and by the date of the Cabinet meeting one of these will have been selected.
- Investigations have been carried out into the issues relating to a planning application on Ethandune.

- Where possible, the Housing Team are avoiding filling vacancies at Ethandune.
- A procurement project management team has been set up to carry forward the review of temporary accommodation. This has met and a Project Initiation Document has been prepared, including a timetable for the project (see Appendix A).

For many years the primary temporary accommodation option has been the use of hostels. The Council has enough space at its three hostels for around 66 households.

In the last 12 months we have significantly increased the use of Private Sector Leased homes, and we currently use 75 such properties. All forms of temporary accommodation are currently supported by some form of Council subsidy. In the case of the hostels there is also Council capital tied up in the buildings.

For the following reasons the suitability of our current provision needs to be examined:

- The need to provide a reasonable standard of accommodation in the right location
- The accumulation of outstanding repairs at some hostels and the need for significant capital investment
- The need to evaluate the cost effectiveness of having a substantial amount of capital tied up in three buildings
- The need to compare the cost effectiveness of our current method of provision with alternative ways of providing temporary accommodation
- The increased number of single vulnerable people that the Council is expected to house and the suitability of mixing single people with families who have young children.

Disposal of Ethandune: It is very evident that Ethandune provides unsuitable and uneconomic temporary accommodation and that whatever the future route for providing temporary accommodation, it would be hard to imagine Ethandune having a place in it. Following on from the 'in principle' decision to dispose of Ethandune, work can be carried out in preparing for this, including:

- Not filling vacancies at the block
- Essential repair works only to be carried out
- Marketing the property - information relating to this is contained in Appendix B (this is a confidential item and will be considered under part 2 of the agenda)

General issues for the future of temporary accommodation: In deciding on future options for temporary accommodation, key considerations for the Council will be:

- The need to have appropriate accommodation for families and single vulnerable people
- The need to have accommodation in the right location
- The cost effectiveness of provision

- Flexibility to respond to future fluctuations in the level of need
- The need for the different aspects of risk to be managed by an organisation best suited to manage risk

It is highly likely that the review may come up with a fresh approach to homelessness accommodation.

Timetable: this is set out in the Project Initiation Document attached.

Financial implications: It is anticipated that there will be a loss of rental income arising from flats being left vacant at Ethandune. This is estimated to be £3,000 as flats become vacant over the next three months and are not filled. However, there may be a saving as a result of repair works not being carried out on flats as they become vacant. It is possible that the savings on void repairs could balance out the loss of rental income. There will also be costs involved in the planning application for Ethandune, and these are estimated to be between £3,000 and £6,000. Cots of a planning application can be treated as part off set against the capital receipt that would be received

Legal issues: There are no legal implications that flow from the recommendation of this report.

Human rights: There are no human rights implications that flow from the recommendation of this report.

4. Options

Consideration has been given to the following options:

Option	Effects
1. Not to proceed with disposing of Ethandune until the future of temporary accommodation has been resolved	This will delay the sale date and increase the possibility of major repair being required prior to sale. However it will allow us to continue to house people in Trowbridge for a few extra months.
2. To proceed with preparing to sell Ethandune, including putting the property on the market and applying for planning permission. However, sale will not be agreed until the future of temporary accommodation has been determined, and the numbers of people at Ethandune has been reduced in anticipation of its sale.	Will need to gradually reduce the occupation of the flats from now. This will result in some people having to be housed further from Trowbridge than they would like. May result in a period when more single vulnerable people are housed alongside families in Kingsbury Square and Hillside hostels. However we should be able to sell the property and have the capital receipt available sooner.
3. As 2 above but not to apply for planning permission. However, a covenant would be placed on the land	This may safeguard the Council's interest, but may not realise the greatest sale price initially.

stating that development of the rear cannot take place without the Council's approval.	
4. To recommend 2 above plus the disposal of Hillside.	The problems with Hillside are manifold and the case for disposal may appear self-evident. However, the alternatives have not yet fully been explored and without a clear plan for replacement it would be impossible to find alternative accommodation to replace Hillside in the short term. That said, undue delay in resolving the future of the hostel could result in costly repairs being carried out to a building without a future.
5. Continue with the current arrangements.	The known repairs and enhancement required to the current accommodation are costly. It is also arguable that in some cases this type of hostel accommodation is not appropriate for the Council to be housing people in. Finally there is a lot of capital tied up in the hostels that could be better used to provide more suitable accommodation and to deliver other Council priorities.

5. Key decisions

Statement of reason for key decision	This is a key decision because it will involve the withdrawal of a current homelessness facility from Trowbridge and will require alternative accommodation being made available. In some cases families will be expected to take up places in Warminster and Melksham.
Options considered and rejected	Delaying the winding down of Ethandune until alternatives are available in Trowbridge. This is rejected because the delay will result in expensive works being carried out to Ethandune.
Date of implementation (not less than five days after date of decision	17 January 2005

6. List of background papers

None

7. Recommendation (s)

a) That officers carry out preparatory work for disposing of Ethandune as per option 2 above. The sale of the property should not be finalised until it is approved by Cabinet once the outcome of the temporary accommodation review is known.

b) That Cabinet approves the project for reviewing temporary accommodation as per the Project Initiation Document attached at Appendix A and agrees to the setting up of a Project Board including Councillor Fortescue, two other Councillors, Ian Gallin and Graham Hogg.

Plain English Guidance Given

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20 December 2004

List of Appendices

Appendix A Project Initiation Document
Appendix B Marketing of Ethandune – Part 2 agenda item

Appendix A

PROJECT INITIATION DOCUMENT

Project Title: **Review of temporary accommodation for the statutory homeless.**

Date: 22 November 2004

Prepared by: Graham Hogg, Housing Services Manager

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1) **Project definition:** To consider how the Council might best ensure that the right type of temporary accommodation is available to meet the expected needs within the district. In particular the project will need to have regard to:

   a) The need to provide accommodation of the right quality and standards

   b) The need to have accommodation in appropriate locations across the district

   c) The requirements of different client groups for support and the sensitivities of mixing those groups

   d) What type of organisation is best placed to effectively, efficiently and economically manage and/or own the accommodation

   e) The need for future provision to be flexible enough to respond to changes in need

2) **Business case:** Currently the Council owns and manages three blocks of temporary accommodation across the district. It is known that these three blocks do not generate enough rental and service charge income to cover their own revenue costs, nor do they provide a return on what is believed to be in excess of £2.5 million of capital tied up in these properties. Furthermore, considerable investment is required in at least two of the blocks to bring them up to a reasonable standard of accommodation.

   Previous investigations over the last two years have highlighted that these blocks are costly and the sites may have a better alternative use that could free up capital resources to provide more appropriate temporary accommodation and possibly fund other Council objectives. This project to review the provision of temporary accommodation is therefore felt to be very necessary in order to avoid possibly expensive refurbishment of at least two hostel buildings and to minimise the on-going revenue losses. Further work will be carried out on reviewing the business case as the project progresses.

3) **Project Quality Plan:** In planning the quality of the outcomes the Council will need to decide on quality levels for:

   a) Location

   b) Accommodation standards (bed and breakfast is unacceptable)

   c) Support services (support needed for all single teenage mothers) provided by partners

d) Management and maintenance

e) Cost to the residents (housing benefit levels provide one constraint)

f) Mix of clientele at any one location

At present the Council has very few standards and more work will need to be carried out in this area. Consultation with Members, voluntary sector partners and existing temporary accommodation tenants will help formulate the Council's view.

4) Risk Log

Id	**Category of risk**	**Description of risk**	**Effect**	**Likelihood**
1	Commercial	Collapse in property market		
2	Commercial	Need for temporary accommodation less than expected		
3	Commercial	Need for temporary accommodation greater than expected		
4	Commercial	No provider prepared to deliver the service		
5	Commercial	Partnership fails to deliver desired outcome		
6	Commercial	PFI does not run		
7	Commercial	Provider under-performs		
8	Commercial	Revenue costs turn out to be more costly than expected		
9	Financial	Insufficient revenue funding		
10	Legal	Legislative change on temporary accommodation standards		
11	Organisation al	Inadequate client side capacity		

12	Political	Adverse public opinion		
13	Political	Change of Council policy		
14	Political	Failure to obtain planning consents		
15	Political	More urgent call on capital resources		
16	Technical	Serious structural accident at a hostel		
17	Technical	Takes longer than expected to find suitable alternatives		
18	Technical	Unable to obtain suitable alternatives		
19	Technical	Unforeseen site problems		
20	Technical	Unsuitability of future premises		

5) **Project Approach:** At this stage, an approach has not yet been defined - however the current methods of temporary accommodation are described here and some of the possible options are highlighted**.**

   a) **Current approach.** The Council has in the past been very reliant on B&B accommodation. At the time of writing, there are no homeless people housed by the Council in B&B. However, it may be that without adequate alternatives the Council may be compelled to use B&B for vulnerable people and families in an emergency. As at 1/12/04 there were:
      i) 6 households in Ethandune
      ii) 23 households in Hillside
      iii) 22 households in Kingsbury Square
      iv) 10 households in Council run Private Sector Leased homes
      v) 71 households in Sarsen run Private Sector Leased homes
      vi) 10 households who are homeless at home
      vii) 15 in assured shorthold tenancies
      viii) 2 in the women's refuge

      Ethandune consists of self-contained flats; Kingsbury Square has shared bathrooms; and Hillside has shared bathrooms and kitchens.

   b) **Future options** could include selling one or more blocks and:
      - Using the receipt to buy a new purpose built block owned and managed by ourselves

- Using the receipt to grant fund a new purpose built block owned and managed by a housing association
- Using the receipt to buy a new purpose built block owned by ourselves and managed by a housing association
- Using the receipt to provide a grant to a housing association to build or acquire some new or existing flats/ houses around the district so that they could manage and own them but let them exclusively to us as temporary accommodation
- Switching to greater reliance on the type of private sector leased provision that Sarsen have provided over the last twelve months
- Using the receipt to buy an existing housing association building such as unwanted sheltered housing scheme, to be owned by the Council but managed by a housing association
- Using the receipt to buy an existing housing association building such as unwanted sheltered housing scheme, to be owned and managed by the Council
- Using the receipt to buy an existing housing association building such as unwanted sheltered housing scheme, to be owned and managed by a housing association
- Not replacing the hostels with any alternative accommodation, using the capital receipt for another Council purpose and hoping that homelessness levels do not increase and that existing alternatives such as private sector leased properties and homelessness at home are sufficient to absorb all the current 66 hostel units and prevent a return to bed and breakfast use
- Transferring one or more of the existing hostels to the PFI scheme in exchange for a commitment to make some PFI homes available as temporary accommodation for the homeless

c) Ethandune: The Council has in principle agreed to selling this building and work has now started to bring this forward. In the short term the Council can manage without the use of this building by housing people in Warminster, Melksham and PSL homes. However it may not be sustainable in the long term to have no temporary accommodation in Trowbridge.

6) Project Plan

Details	**Costs**	**Date**	**Officer**
Identify essential work on Ethandune		22/11/04	C Waters
First meeting of project board		End Jan	I Gallin
Progress planning permission		20/1/05	C Waters
Set out a timetable for disposing of Ethandune including decanting, applying for planning permission and carrying out essential works.		17/1/05	C Waters and N Smith

Also highlighting costs			
Carry out assessment of future need for temporary accommodation		22/12/04	N Smith
Report to CEO and I Gallin		20/12/04	G Hogg
Report to Cabinet setting out project plan and update on Ethandune		17/1/05	G Hogg
Carry out consultation on expected quality standards involving a PPG		25/01/05	G Hogg and N Smith
Identify cost of current provision		15/1/05	T Gay and N Smith
Investigate costs and possibilities of providing temporary accommodation through alternative routes. Liaise with RSL partners.		28/2/05	G Hogg and J Newitt
Report to Corporate Team		Mid March	I Gallin
Report back to Cabinet with preferred option. Cabinet to agree terms for disposal of Ethandune		6/4/05	G Hogg
Dispose of Ethandune		May 05	C Waters
Start procurement process for preferred option		May 05	Project Team

7) Project Organisation

a) A project board is proposed consisting of Councillor Fortescue, two other members, Ian Gallin and Graham Hogg. The Board will meet initially within two weeks of being set up and then at a frequency agreed by the board.

b) The Project Sponsor will be Ian Gallin.

c) The project will have a Management Team consisting of:

i) Graham Hogg - Housing Services Manager (Project Manager)

ii) Nicole Smith - Housing Needs Manager

iii) Chris Waters - Technical Services Manager

iv) Tracey Gay - Financial Accountant

The team brings together the necessary knowledge of need for temporary accommodation, property and buildings management, procurement and

financial management. The project team will meet every three weeks or more often if necessary.

8) **Controls:** The tasks in the plan above highlighted in grey are key control tasks that will need to be agreed by the project team and will be subject to input and decision by Cabinet and Corporate Team before the project may proceed.

9) **Communication Plan**

   a) Action notes will be kept of all project team meetings

   b) All preferred development partners will be advised that the Council is reviewing temporary accommodation provision, through the PDP meetings

   c) In January and March/April, Corporate Team and Cabinet will be advised of proposals.

   d) Partners and stakeholders will be advised on the options and will receive feedback on any consultation.

10) **External Interfaces**

   a) Potential providers
   - i) Preferred development partners
   - ii) Support providers
   - iii) Property owners
   - iv) Potential PFI bidders

   b) Agencies involved in homelessness
   - i) CAB
   - ii) Action on Homelessness
   - iii) Shelter
   - iv) Amber

   c) Partner Agencies
   - i) Supporting People
   - ii) Social Services
   - iii) Refuge
   - iv) Probation/Stonham

   d) External examples
   - i) Councils who may have advice or experience to pass on
   - ii) RSLs operating in other areas who may have provided solutions