

Executive

A REQUEST FOR FUNDING FOR TEMPORARY ACCOMMODATION FROM CDC CAPITAL RECEIPTS

3 AUGUST 2009

Report of HEAD OF HOUSING

PURPOSE OF REPORT

This report is to seek approval for a number of schemes using the capital receipts ring fenced for social housing (Homelessness Initiatives) and in line with Cherwell's Temporary Accommodation Strategy 2008-2011

This report is public

Recommendations

The Executive is recommended to:

- (1) Approve a Supplementary Capital Estimate for the schemes detailed below, to be funded from earmarked Capital Receipts set-up from the sale of Temporary Accommodation premises.
 - Capital funding for 365, Warwick Road, Banbury - £74,000
 - An Acquisitions Scheme for temporary accommodation - £430,000 (maximum budget)
 - An Acquisitions Scheme for move on accommodation for young people with high support needs –cost based on tender quotations

Executive Summary

Introduction

- 1.1 Executive approved the Cherwell Temporary Accommodation Strategy in April 2008. This report stated:
The Temporary Accommodation Strategy will allow the Council and its Partners to focus resources and achieve continuous improvement in performance. The aim of the Strategy is to ensure that greater efficiencies are achieved through better procurement of temporary accommodation provision. To achieve the Council's objectives requires the appropriate level of Revenue and Capital Budgets. Any significant financial effects over and above that already incorporated into the Capital & Revenue Budgets will be the subject of further reports. It should be noted that there is £1.8m of Reserves (from the

sale of Cotefield House and other homelessness accommodation) earmarked for Temporary Accommodation.

- 1.2 This report is to request the approval to fund 3 schemes from the capital receipts of £1.8m as part of the delivery of the above agreed strategy.

Proposals

- 1.3 The schemes requiring funding approval are:
- 1.4 **365 Warwick Road, Banbury** – This is land owned by Charter Community Housing. The Council commissioned Sanctuary Housing to replace the current empty and unviable properties on the site with 4 specially designed flexible accommodation units for use as temporary accommodation for homeless households. The project secured funding of £74,000 from the Housing Corporation for 2 of the flats (now the Homes and Communities Agency-HCA) but needs a further £74,000 to make the project viable.
- 1.5 **A scheme to acquire five 2-bedroom properties on the open market for use as temporary accommodation for homeless households to be delivered by Sanctuary Housing.** Sanctuary Housing are now the main provider of temporary accommodation for the District and have recently delivered a similar acquisition scheme for us. Sanctuary are also one of the Council's preferred development partners. The Council has a management agreement with Charter Community Housing to manage all temporary accommodation which provides a solid relationship with a single provider for the delivery and management of this provision. This management agreement also deals with performance management and mechanisms for dealing with under performance. The Council's Temporary Accommodation team will refer households in need of emergency accommodation directly into the properties which are procured. The budget for this scheme will need to be £430,000 based on CDC funding 50% of the costs although it is hoped properties could be purchased below the maximum valued allowed.
- 1.6 **A scheme to provide 6 units of accommodation for use as accommodation for care leavers and other young people with high support needs** – The Temporary Accommodation Strategy also includes a need for provision for young people leaving care who require temporary accommodation before they can take on permanent housing. We have added this scheme to the general needs acquisition scheme which is currently being tendered as an additional future option (subject to funding being agreed). The evaluation criteria for this tender include an assessment of best value in the procurement of these units. We therefore do not have an exact figure for this at this point.

Conclusion

- 1.6 These schemes all help deliver the Temporary Accommodation Strategy. An estimate of how the capital receipts will be spent overall to deliver the units required as part of this strategy is provided at Appendix 1.

Background Information

- 2.1 The capital receipts ring fenced for social housing (homelessness initiatives) total £1,790,738 and were raised from the sale of former hostels Cotefield House, Stoneleigh and the Old Rectory.
- 2.2 The temporary accommodation strategy specifically seeks to use this fund to procure 33 units of temporary housing in Banbury and Bicester. These units are identified in Appendix 1.
- 2.3 This temporary accommodation is to replace poor quality units which have already been or are in the process of being decommissioned.

Key Issues for Consideration/Reasons for Decision and Options

- 3.1 The Council has a statutory duty to ensure that applicants who are eligible for assistance, homeless through no fault of their own and who fall within a priority need group have suitable accommodation until a home becomes available. Although the Council has reduced the number of homeless households through prevention work there will be continue to be a need to provide accommodation which is good quality, affordable and well located as to reduce the negative impacts of homelessness.

The Council's Temporary Accommodation Strategy has been recognised by the Department of Communities and Local Government as an example of good practice and providing excellent value for money in the procurement of Temporary Accommodation.

The following options have been identified. The approach in the recommendations is believed to be the best way forward

- | | |
|-------------------|--|
| Option One | To fund the schemes outlined above in order to deliver the temporary accommodation |
| Option Two | Not to fund the schemes outlined above in which case consideration will need to be given to how temporary accommodation is to be procured in future in line with the temporary accommodation strategy. |

Consultations

The Temporary Accommodation Strategy went through a full consultation process.

Implications

(Financial, Legal and Risk and other implications e.g. Equalities, Human Resources, Data Quality and Environmental where relevant)

- Financial:** The financial effects are contained within the body of the report, but essentially this proposal is to use existing earmarked Capital Receipts for the purpose they were initially intended when it was set-up and approved by

Executive through the Temporary Accommodation Strategy

Comments checked by Eric Meadows, Service Accountant (01295 221552)

Legal:

It is critical to ensure that funding Sanctuary provides best value for money for the Council and that the performance of Sanctuary is managed and nominations secured on a contractual basis

Comments checked by Liz Howlett, Head of Legal and Democratic Services 01295 221686

Risk Management:

Not having a sufficient supply of affordable temporary accommodation leaves the Council at risk of having to use poor quality and expensive provision such as bed and breakfast accommodation.

Comments checked by, Rosemary Watts Risk Management and Insurance Officer 01295 221566

Equal Opportunities:

Procurement of this accommodation will provide access into housing for some of the District's most vulnerable residents, ensuring we are able to provide accommodation that helps to negate some of the negative impacts of homelessness.

Comments checked by Claire Taylor, Community and Corporate Planning Manager 01295 221563

Wards Affected

All

Corporate Plan Themes

Strategic Priority 1- Cherwell A district of opportunity *'Give you advice and support to find a home if you are without one'*

Executive Portfolio

Councillor Michael Gibbard
Portfolio Holder for Planning and Housing

Document Information

Appendix No	Title
Appendix 1	Predicted spend for expenditure of the capital receipts for affordable housing (homeless initiatives) on temporary accommodation
Background Papers	
Cherwell's Temporary Accommodation Strategy 2008-2011	
Report Author	Fiona Brown, Strategic Housing Officer
Contact Information	01295 221659 Fiona.brown@Cherwell-dc.gov.uk