

TEMPORARY ACCOMMODATION

Executive Summary

The Borough Council has a statutory duty to provide short-term emergency accommodation to any person presenting as homeless whilst enquiries are made. In recent years, the Council has become increasingly reliant on the use of Bed & Breakfast (B&B) accommodation to house those who are homeless. This accommodation is expensive and often outside the Borough.

A vacant site within Woking Town Centre has been identified for potential conversion into a new temporary accommodation scheme. It provides an ideal opportunity to deliver a specialised facility for use as temporary accommodation of between 25 and 30 units in a sustainable location within close proximity to an increasing number of centrally-located support services.

A review has also been undertaken of the Council's six current temporary accommodation schemes. This has identified that all the schemes are in need of urgent and significant investment to refurbish them to an acceptable standard. New Vision Homes has quoted £151,549 to renovate the interior communal areas and complete priority works to five of the properties.

The sixth temporary accommodation property at 37 St John's Road is in a particularly poor condition and has stood empty for 3 years. Given its out-of-town location and the substantial investment needed to bring it back into use, it is proposed that this property is sold for best consideration (estimated at £390,000) and the capital receipt be reinvested in the above projects.

Recommendations

The Executive is requested to:

RECOMMEND TO COUNCIL That

- (i) the acquisition and conversion of a Woking town centre site for the use as temporary accommodation be approved for a total project cost of circa £4,600,000; and**
- (ii) the proposal to improve the housing standards of the Council's current temporary accommodation properties, at a total cost of circa £152,000, be approved to ensure that the provision is fit for purpose; and**
- (iii) the vacant property at 37 St Johns Road (formerly used as temporary accommodation) be disposed of and the capital receipt re-invested towards implementing recommendations (i) and (ii) above;**
- (iv) in the event that the acquisition of the identified site falls through, the Director of Housing, in consultation with the Portfolio Holder, be authorised to identify and proceed with the purchase of an alternative town centre site for use as temporary accommodation, providing the financial business case is broadly similar; and**

- (v) the Director of Housing be authorised to take all necessary actions to achieve the outcomes referred to in (i) – (iv) above.

Reasons for Decision

Reason: To enable the Council to provide good quality, local short-term accommodation to households facing homelessness in the Borough.

The item(s) above will need to be dealt with by way of a recommendation to Council.

Background Papers: None.

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1.0 Introduction

- 1.1 Woking Borough Council (the Council) has a statutory duty to provide short-term emergency accommodation to any person applying as homeless whilst enquiries are made.
- 1.2 In recent years, the Council has become increasingly reliant on the use of Bed & Breakfast (B&B) accommodation to house those who present as homeless. This accommodation is expensive and often outside the Borough. The introduction and enactment of the Homelessness Reduction Act (2017) in April 2018 has had a significant impact on the number of people who are presenting as homeless in the Borough.
- 1.3 There has been an increase in the numbers of households who are homeless in Woking, including families, single people, young people and people who are considered vulnerable. This trend is also reflected nationally and has become more challenging with the roll out of Universal Credit and the Homelessness Reduction Act 2017.
- 1.4 In 2018/19, there were 996 approaches made to the Council for housing advice and assistance compared to 619 the previous year, which shows the growing demand for support required by residents in the Borough. Homelessness applications and acceptances have also followed a similar upward trend.
- 1.5 At the end of March 2019, there were 24 households placed in B&B accommodation and 21 households living in the Council's existing temporary accommodation. In addition, a further 84 households are being temporarily housed in vacant properties within the Sheerwater Regeneration area, which will be demolished over the coming five years.
- 1.6 Since 2015/16, there has been a 34% increase in the length of time homeless households spend in B&B accommodation due to the lack of 'move on' options available. In 2018/19, a total of 4,989 B&B nights were purchased, compared to 3,932 in 2015/16. This form of accommodation is costly and does not provide a stable home for homeless households.
- 1.7 The Council's current temporary accommodation does not meet the current demand and in some cases, this means people are being housed outside of the Borough in B&B.

2.0 New Temporary Accommodation Proposal

- 2.1 A vacant site within Woking town centre has been identified for potential conversion into a new temporary accommodation scheme. It provides an ideal opportunity to deliver a specialised facility in a sustainable location within close proximity to an increasing number of centrally located support services. The details of the site acquisition (which is still under negotiation) are contained in the Part 2 Report later on this agenda.
- 2.2 The Council's vision is to create circa 25-30 self-contained units within one building where tenants will be able to live independently and get the support they need whilst more suitable and permanent accommodation is identified. The ground floor area will include an area where a Scheme Manager can manage the building and support residents.
- 2.3 Other authorities have taken a similar approach and have successfully reduced their reliance on B&B accommodation, including Haringey who have purchased vacant care home premises and office blocks for refurbishment and use as temporary accommodation.
- 2.4 Delivering more, good quality temporary accommodation in the local area is a key ambition of the Council. In the event that the acquisition of the identified site falls through, the Director of Housing, in consultation with the Portfolio Holder, will be authorised to identify and proceed with the purchase of an alternative town centre site for this purpose, providing the financial business case is broadly similar.

3.0 Works to Existing Temporary Accommodation

- 3.1 A review has been undertaken of the Council's six current temporary accommodation schemes. This has identified that all the sites (6) are in need of investment to refurbish them to a higher standard.
- 3.2 Following the review, New Vision Homes was asked to draft detailed work schedules to renovate the interior communal areas and to improve the shared facilities.
- 3.3 The total cost for these works (including provisional sums) is estimated at £151,549. This will cover the works to five of the properties. New Vision Homes will be responsible for the following:
- Surveying and specifying all works
 - Tendering works, issuing contracts etc.
 - All specification and procurement reporting to demonstrate clients' needs met and best value for money
 - Management of all site activities
 - Resident liaison before, during and after works
- 3.4 The sixth temporary accommodation property at 37 St John's Road is in a particularly poor condition and has stood empty for 3 years. Substantial investment would be required to bring it back into use. Given its out-of-town location, it is proposed that this property is sold for best consideration and the capital receipt be reinvested in upgrading the remaining five properties and the delivery of the new scheme. The property has been valued at circa £390,000.
- 3.5 It is proposed that a full strategic review of the Council's temporary accommodation portfolio be undertaken within 2 years of the opening of the new town centre scheme. If the new scheme proves successful, the Council could consider replacing its smaller temporary accommodation schemes with a further larger specialised facility.

4.0 Implications

Financial

- 4.1 The total project cost for the acquisition of the site and capital works to create the new temporary accommodation scheme are estimated at circa £4.6 million. The full cost breakdown is included in the Part 2 Report later on this agenda, as it includes commercially confidential information relating to the site acquisition (still under negotiation). The Part 2 Report should be taken into account when considering this Public Report but Members should avoid discussing the specific details of the site acquisition.
- 4.2 It is proposed that the new temporary accommodation facility once complete will be held in the general fund and managed by New Vision Homes alongside the rest of the Council's temporary accommodation portfolio.
- 4.3 The completed temporary accommodation units will be let at a weekly average cost of around £175 per week, compared to a B&B cost of £60-£110 per night. The annual net rental income (taking account of voids, management and maintenance costs) is estimated at approximately £160,000.
- 4.4 There will be a balance of around £200,000 from the sale of 37 St John's Road (after the refurbishment of the remaining 5 current temporary accommodation schemes) that will be

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reinvested in the new scheme. However, the predominant funding source will be a loan on a 50 year annuity basis. For the purposes of this assessment, the assumed interest rate is 2.63%. The annual cost of the loan (interest and repayments) will be around £158,000.

- 4.5 The Council spent £526,386 on B&B accommodation in 2018/19, of which it recovered £163,117. The net cost of B&B placements in 2018/19 was therefore £363,269 (equivalent to £73 per night) and £102,000 over budget. This budget pressure is expected to remain or worsen if no action is taken to address the shortfall in short-term accommodation for homeless households.
- 4.6 The net rental income from the new scheme is expected to cover the loan repayments and will help relieve the pressure on the Council's B&B budget.
- 4.7 The total cost for New Vision Homes completing the refurbishment works to the remaining five existing temporary accommodation schemes (including provisional sums) is estimated at £151,549. This will be fully funded by the sale of 37 St John's Road, which has been valued at £390,000.

Human Resource/Training and Development

- 4.8 There are no human resources or training needs arising from this report.

Community Safety

- 4.9 Provision of a new and specialised facility for homeless people will make a positive contribution to improving community safety.
- 4.10 It is likely the new scheme will be of a sufficient scale to justify a full-time Scheme Manager, who will support tenants, as well as, ensuring issues which arise relating to anti-social behaviour, etc. are dealt with and resolved quickly.

Risk Management

- 4.11 The delivery of the new temporary accommodation units will be overseen by ThamesWey Developments Ltd and once complete, owned and managed in-house by Woking Borough Council. ThamesWey Developments Ltd will be responsible for all on-site risk management relating to the conversion works.
- 4.12 The refurbishment project of the existing temporary accommodation will be managed by New Vision Homes, on behalf of the Council. New Vision Homes will be responsible for all on-site risk management of these works.

Sustainability

- 4.13 The new scheme will provide a better standard of temporary accommodation than is currently available in the Borough.
- 4.14 New and improved temporary accommodation will also enhance Woking's social sustainability.

Equalities

- 4.15 The new temporary accommodation will enable the Council to meet the needs of more homeless households locally.

Safeguarding

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4.16 The Council and its partner, New Vision Homes, will address all safeguarding issues in its operation of the new and refurbished premises.

5.0 Consultations

5.1 The Council's Portfolio Holder for Housing has been involved in identifying the future provision of temporary accommodation and has been consulted on this report.

5.2 The Housing Task Group has received a presentation on the current temporary accommodation offer and the concept of a new scheme.

REPORT ENDS