

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH & HOUSING COMMITTEE

Agenda Item No. 8

meeting date: 18 JANUARY 2018
title: TEMPORARY ACCOMMODATION REVIEW
submitted by: CHIEF EXECUTIVE
principal author: RACHAEL STOTT, HOUSING STRATEGY OFFICER

1 PURPOSE

1.1 To provide a review of the use of 90 Whalley Road, Clitheroe as the temporary accommodation provision in the borough.

1.2 Relevance to the Council's ambitions and priorities

- Community Objectives – Address the affordable housing needs of the borough.
- Corporate Priorities - To meet the statutory duties of the Council under the Homeless Reduction Act.
- Other Considerations – None.

2 BACKGROUND

2.1 12 months ago Committee approved a year pilot use of 90 Whalley Road as the Council's principal offer for temporary accommodation in the borough. Of the 7 flats within the scheme, 4 self contained and 3 share bathroom facilities with shared communal area and laundry room in the basement.

2.2 At the time various options for temporary accommodation were considered as alternatives to using the existing building. This review came about due to the risk of the support contract which is funded by LCC being withdrawn and Ribble Valley Homes no longer managing the building.

3 ISSUES

3.1 Over the past 12 months the building has been managed by the Council and we have secured funding from LCC for the support to continue.

3.2 An on-site warden employed by the Council is on site 20 hours per week and this role oversees day to day management of the accommodation. Over the past 12 months the maintenance of the building has proved to be more costly than predicted. This is mainly due to the fire protection measures undertaken in light of the Grenfell fire tragedy and the risks this highlighted. This was reported to Committee in September 2017. Improvements have also been made to the fire detection and extraction in each flat. The nature of the building, its age and location means that it is a building that requires a continuing maintenance programme.

3.3 However, the rental income has shown that the occupancy levels remain high. In the past 12 months since Ribble Valley Borough Council have managed the scheme, 31 households have stayed in the accommodation. During this period an average stay in temporary accommodation is 20 weeks for each household.

- 3.4 The new homeless legislation is due to be introduced from April 2018, details of this are included in a report to this Committee. This new legislation is likely to create an increased demand for temporary accommodation on its implementation from April and therefore it is foreseen that the demand for temporary accommodation will certainly not decrease. Appendix 1 sets out the main expenditure for last year, current year and year ahead proposed estimate. The appendix also details the main budget variances.
- 3.5 In light of the support contract continuing and therefore removing any safeguarding risks and the change in welfare reform, which means the rent able to be charged ensures the scheme remains viable.
- 3.6 Therefore with these two factors addressed and with a more onerous homeless legislation it is recommended that the use of 90 Whalley Road is continued.

4 RISK ASSESSMENT

- 4.1 The approval of this report may have the following implications
- Resources – 90 Whalley Road is a valuable asset for the Council and overall allows the Council to offer temporary accommodation within the borough.
 - Technical, Environmental and Legal – Alternative options were considered but the building is fit for purpose.
 - Political – Provision of temporary accommodation within the borough is important; using out of borough would remove households from their support network.
 - Reputation – Maintaining good quality temporary accommodation is essential in delivering the homelessness service.
 - Equality & Diversity – Use of the accommodation is monitored and will be reported annually to Health and Housing Committee.

5 RECOMMENDED THAT COMMITTEE

- 5.1 Agree to continue to use 90 Whalley Road as the Council's primary temporary accommodation for the borough.
- 5.2 Review use of accommodation on an annual basis and report to Committee.

RACHAEL STOTT
HOUSING STRATEGY OFFICER

MARSHAL SCOTT
CHIEF EXECUTIVE

BACKGROUND PAPERS

(If any)

For further information please ask for Rachael Stott, extension 3235.

REF: RS/EL/180118/H&H

APPENDIX 1

Joiners Arms - 2016/17, 2017/18 and 2018/19 net expenditure

	Actual 2016/17	Original Estimate 2017/18	PROPOSED Revised Estimate 2017/18	PROPOSED Original Estimate 2018/19
Employee Related Expenditure	0	15,920	9,140	11,130
Premises Related Expenditure	6,819	15,170	37,340	17,820
Transport Related Expenditure	0	150	0	0
Supplies & Services	358	2,190	3,700	2,510
Third Party Payments	3,856	0	0	0
Support Services	4,310	4,350	14,600	14,810
Depreciation and Impairment	6,724	6,730	7,100	7,100
Total Expenditure	22,067	44,510	71,880	53,370
Customer & Client Receipts	0	-17,100	-32,120	-31,030
Miscellaneous Recharges	0	-11,700	0	0
Government Grants	0	0	-19,470	0
Other Grants and Contributions	0	0	-12,600	0
Total Income	0	-28,800	-64,190	-31,030
Net Expenditure	22,067	15,710	7,690	22,340
Transfers to / (from) earmarked reserves	0	0	12,600	0
Net Expenditure after transfers to / (from) reserves	22,067	15,710	20,290	22,340

Main points

The 2018/19 original estimate of £22,340 and 2017/18 revised estimate of £20,290 are similar to the actual net expenditure of £22,067 in 2016/17, which was the last year of Ribble Valley Homes managing the unit, and are higher than the high level original estimate budget set for 2017/18.

The proposed budget for 2018/19 is based on much more knowledge of the income and expenditure at the unit, based on experience from the first year of the Council taking back management of the unit in 2017/18.

The main areas of risk in relation to achieving the budgets set are as follows:

- Repairs and maintenance - controlling costs for the rest of 2017/18 and into 2018/19 re call outs and other general repairs, now that several one-off jobs have been completed in 2017/18 to ensure the accommodation continues to meet relevant regulations and provides a decent basic level of accommodation.
- The level of rent income and service charge income received - this is reliant on occupancy levels at the unit and is demand led, based on people requiring temporary accommodation.

Explanation of main budget variances

The main changes between the 2017/18 original estimate and 2017/18 revised estimate are:

- £22,170 increase in premises costs, which is mainly due to an increase in repairs and maintenance costs.

One off costs of £14,500 for fire safety and extractor fan work is the main item, as reported to this Committee and approved by Policy and Finance Committee in November 2017, along with additional costs for new fire alarm installation, capping off the gas supply, tarmac external areas, guttering work and a high level of call out repairs.

- £19,470 of Government Grant funding, from the Flexible Homelessness Support Grant, is being used to cover additional repairs costs in-year.

- £6,780 decrease in employee related costs, because the duties and scale point for the Joiners Arms scheme warden post were only finalised after the 2017/18 original estimate was set and the costs of the post are less than budgeted for.

- £10,250 increase in support services charges from Financial Services and Community Services. It is mainly due to increased input on managing rental income, repairs and call outs, arising from the Council taking back management of Joiners Arms.

- £12,600 was received from Ribble Valley Homes for the Joiners Arms Sinking Fund, which is a reserve built up from service charges to fund basic furniture and equipment purchases at the Joiners Arms. This reserve money will be transferred to the Equipment earmarked reserve at year-end.

The main changes between the 2017/18 original estimate and 2018/19 original estimate are:

- £4,790 decrease in employee related costs, because the duties and scale point for the Joiners Arms scheme warden post were only finalised after the 2017/18 original estimate was set and the costs of the post are less than budgeted for.

- £10,460 increase in support services charges from Financial Services and Community Services. It is mainly due to increased input on managing rental income, repairs and call outs, arising from the Council taking back management of Joiners Arms.

Note - The miscellaneous recharges budget has been merged with the Customer & Client Receipts budget, because the service charges and rent income collected is being accounted for under one income code.