

Business Case: Supported Housing Scheme, 'Platform for Life'.

Current Overview

On the 18th July the Ministry of Housing, Communities and Local Government (MHCLG) launched their Next Steps Accommodation Programme. This scheme gave Local Authorities the chance to bid for up to £266m of funding to provide support and accommodation for rough sleepers. Following support from informal cabinet a bid for £2.1m was submitted to MHCLG which was successful, to fund a range of options including 'platform for life'. This is a form of supported housing where properties are purchased by the Council, freehold is retained, and leases are put in place with support provider who then manage a shared household of former rough sleepers.

Proposed Scheme

Properties will be purchased by the Council from the open market. The freehold will be retained and leases at nil rent put in place with the support provider.

The rent generated at Local Housing Allowance rate and is used to cover the cost of support staff and provision of housing management tasks. This proposal is to purchase 2 properties that will provide 8 units of accommodation in a shared setting for older, entrenched rough sleepers for whom living alone is too challenging and which presents a barrier to settling into independent living away from the street. By providing shared accommodation with regular support to access services that improve health & wellbeing, develop the skills to hold a tenancy, start to look at training & employment and longer term housing options, the proposed scheme will deliver lasting outcomes for individuals and have a significant impact on rough sleeping levels in B&NES.

Strategic Objectives

At a national level the proposal accords with, and is driven by, the government's target to end rough sleeping by 2027. Funding secured from MHCLG enables a local contribution to this national target.

The proposal addresses commitments set out in the Council's Corporate Strategy 2020-24:

- Preparing for the Future
- Delivering for local residents
- Focusing on Prevention

The proposal also responds to the approach set out in the Council's Homelessness & Rough Sleeping Strategy 2019-2024:

- Preventing homelessness

- Supporting vulnerable households
- Reducing rough sleeping
- Increasing accommodation options

At a project level, the strategic objectives of the proposal are:

- To reduce levels of rough sleeping in Bath & North East Somerset
- To improve the accommodation pathway for people who have a history of rough sleeping by creating a clear move-on option from Manvers Street Hostel and other provision
- To improve the health & wellbeing of people who have a history of or who are at risk of rough sleeping
- To address the specific barrier preventing some entrenched rough sleepers accessing accommodation away from the street.

Operational & Management Approach

The scheme will be owned and maintained by the Council with allocations overseen by the Council. As described above, allocation of rooms will be made through a multi-agency panel, already established and operational, which will prioritise people moving on from Manvers Street Hostel or other supported housing. This will enable targeted and efficient use of the units and free up bed-spaces at Manvers Street Hostel, thereby contributing to the reduction in rough sleeping numbers and enhancing the existing homelessness pathway. Residents will arrive with an agreed move-on plan that identifies longer term options and ongoing support to achieve set objectives. A target limit of 2 years residence will be set and milestones agreed in order to achieve this outcome.

The property will be managed by contracted providers, identified via a procurement exercise, who will also provide all on-site support to residents.

Outcomes achieved under the contract for the management and support service will be monitored against a set of targeted indicators on a quarterly basis by Housing Services and reports made to MHCLG on a monthly basis.

Day to day maintenance will be managed by the contracted providers with responsibility for major repairs and cyclical maintenance retained by the Council.

Capital Summary

Capital costs consist of purchase price of two, 4bed homes, acquisition costs and fixtures & fittings/minor repairs. This will cost a total of £950k. MHCLG have awarded £633k for grant funding and it is proposed that the remaining £317k will be funded from Affordable Housing Grant.

Capital Summary	Cost (£ ex VAT)	Funding
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Purchase of 2x 4bed houses	850000	
Acquisition Costs	50000	
Fixtures & Fittings, Minor repairs	50000	
Total Costs	950000	
MHCLG Grant Funding		633000
AH Grant*		317000
Total Funding		950000

*this sum is based on the maximum estimate, the exact amount will be confirmed once actual costs are known

Revenue Summary

The clients we intend to house in the asset require enhanced housing management support to enable them to manage and sustain a tenancy. This is eligible for benefit in addition to housing benefit. This has been factored into the rent assumptions used in the business case, the conclusion of which is that the income the asset is forecast to generate is expected to cover the costs.

Annualised revenue figures are summarised as follows:

	Cost	Funding
Management (1)	£33,040	
Routine maintenance / void works	£8,800	
voids and bad debts	£6,366	
major repairs/lifecycle costs (2)	£6,399	
Operating Costs (HB eligible) (3)	£44,249	
Cost Total	£98,854	
Rent		£56,981
Service Charge		£41,873
Funding Total (4)		£98,854

Notes

- 1) Commissioned HB eligible management/support costs, including staffing, management, overheads etc.
- 2) Includes sinking & cyclical replacements, such as, life-cycle replacement bathroom/kitchens, floors, heating etc.
- 3) Operating costs include cleaning, utilities, grounds maintenance, compliance checks, maintenance of fire detection equipment, refuse disposal and pest control, buildings insurance, CCTV, white goods, furniture and fittings depreciation.
- 4) Total housing benefit charges (£305 p.w.) benchmarked against other local and comparable services.

Platform for Life revenue implications are funded fully by rental income generated by the assets.

Overall Summary

The proposed Supported Housing scheme will provide 8 units of accommodation for former rough sleepers in the centre of Bath. The acquisition costs will be fully met by the MHCLG grant and AH Grant and the scheme is self-supporting with all revenue costs met through housing benefit eligible rent and service charges.

The residents will benefit from good quality and fully supported accommodation. The complexity of their needs will be addressed, and the focus will be on rebuilding their lives and moving on into fully-independent accommodation.