

Supported Housing Provision

Appendix 1.

Theobald House Business Case

Scheme Overview

Theobald House is a former residential home located in Dartmouth Avenue in Bath. The property is owned by the Council and has recently been used to accommodate rough sleepers during the Covid19 lockdown. Housing services are proposing to renovate and extend the property to create an eleven-room supported housing scheme providing emergency/temporary accommodation for homeless households.

Theobald House will reduce the use of unsuitable and expensive bed and breakfast accommodation which is often located outside the Bath & North East Somerset Council area where it is harder to support vulnerable clients. Bed and Breakfast accommodation is used in emergencies when all other commissioned accommodation is full. Developing Theobald House will also increase the amount of emergency housing and options for the Housing Advice Team.

The scheme is intended to operate as well as existing temporary accommodation that is currently commissioned through Curo Housing. Curo currently provide twenty-three units of temporary accommodation, that includes the Dartmouth Avenue hostel and some self-contained flats. (Theobald House is opposite the existing Dartmouth Avenue hostel managed by Curo).

Housing Services intend to directly manage the accommodation with Council staff and will employ contractors to carry out operational tasks such as maintenance, cleaning and security. Existing arrangements within the Housing Options Team as well as partner agencies will be integrated with this service to provide, allocations and support to clients. The scheme is intended to run in parallel with other temporary accommodation giving wider options for homeless households.

The capital costs of the renovation works will be fully met from the Affordable Housing Capital Budget plus a revenue contribution to capital from Housing Services annual Flexible Homelessness Support Grant. Revenue costs will be met in full from income.

The refurbishment of the premises will meet the Council's standards on energy efficiency with high standard insulation and low carbon producing energy.

Strategic Objectives

As the local Housing Authority, Bath & North East Somerset Council has a duty under the Housing Act (1996) Part 7, to provide temporary accommodation for eligible homeless people and their families.

The recent Homelessness Reduction Act, 2018 has increased duties on the authority, to prevent and relieve homelessness which includes accommodating applicants. Eligible households require temporary accommodation for fifty-six days after they become homeless. If a household in temporary accommodation is owed a full duty, then they will need to be accommodated until an offer of suitable alternative accommodation can be found.

The Homelessness Code of Guidance 2018 gives statutory guidance on interpretation and application of the homelessness legislation. The Guidance highlights the need for housing authorities to review their need for and use of temporary accommodation. Guidance recommends a limit of a maximum of thirty days for families accommodated in bed and breakfast accommodation.

Bath & North East Somerset Council's Temporary Accommodation Placement Policy 2016, states that the Council will aim not to use Bed and Breakfast accommodation (B&B) unless there is no other alternative, or in an emergency. Placement in B & B accommodation should be for the shortest possible time, and wherever possible within the district.

Review of Temporary Accommodation

In June 2019, Housing Services carried out a full review of its use of temporary accommodation. The review considered the current level of provision and quality of the available accommodation that is used to provide temporary housing for customers presenting to Housing Services. The review also considered how best to reduce the use of temporary accommodation by ensuring that the supply is being used efficiently.

The findings of the review included that;

- There is an upward trend in the use of temporary accommodation in Bath & North East Somerset.

- Use of bed and breakfast has increased significantly, which has led to rising costs.
- There is an increasing use of out of area accommodation, partly because there are challenges associated with securing bed and breakfast accommodation in a tourist area
- Clients present with complex issues such as substance misuse, mental health problems or offending behaviour.
- There is extremely limited provision of temporary accommodation for customers with disabilities
- Although the use of temporary accommodation is increasing, Bath & North East Somerset Council remains among the 30 lowest ranked local authorities for use of temporary accommodation in England. (Ministry of Housing, Communities and Local Government: Households in Temporary Accommodation, April – December 2018).

Recommendations of the review

- That, the recent availability of the Council owned property, Theobald House might be worth further examination. Theobald House, in Dartmouth Avenue, is ideally located adjacent to Dartmouth Avenue Hostel and could enhance the overall temporary accommodation offer, either as additional bed and breakfast accommodation or as a means of housing more challenging customers away from families with children.
- Need for more accommodation within Bath & North East Somerset with improved move on support.
- Need improve efficiency and value for money.
- better segregation of the Hostel accommodation.
- More accessible accommodation for applicants with limited mobility.

Existing Provision

Currently the Council commission Curo to provide twenty-three units of temporary/ supported accommodation. This is provided through a shared hostel in Dartmouth Avenue, and some self-contained flats. Residents receive support to prepare them for independent living and their own home.

Housing Services also have an arrangement with the Bath YMCA to accommodate homeless people. The YMCA's residents are predominantly commercial customers

such as tourists, mixing them with vulnerable homeless households can result in problems.

Additionally, Housing Services spot purchase Bed and Breakfast accommodation when it is needed. The availability of Bed and Breakfast in the district has gradually diminished so that there is no regular business meeting our standards who will except our homeless households. Most households are accommodated out of the Bath & North East Somerset Council area in Bristol or South Gloucester Council areas. Bed and Breakfast accommodation does not offer the same level of support to clients as commissioned accommodation. Residents are often cut off from their support networks, schools and employment within the district.

It is Council policy to provide high quality temporary accommodation located in the district, or if that is not practical, as close as possible to the district and to where the homeless household was previously living. This enables households to retain links with key services, such as schools and doctors. The aim of the Council's Temporary Accommodation Placement Policy is to try to avoid placing people in Bed and Breakfast and ensure that temporary accommodation is not in an isolated location away from public transport, shops and other facilities.

Costs and Savings

The overall cost of placing customers in Bed & Breakfast accommodation has risen in the last five years. During 2013/14, the total spent on B & B accommodation was £30K, by 2018/19, this had risen to £139K, an overall increase of more than 350%.

In 2013/14, a total of 69% of the cost of B & B accommodation was spent for placements within Bath & North East Somerset, however by 2018/19 "in area" placements accounted for just 59% of the total spent.

Commissioned supported housing including Dartmouth Avenue requires a support cost input of £98K per annum. This is funded from the former Supporting People budget. There is no availability of extra funding for more supported housing provision to meet the increasing need.

Providing an in-house solution, of self-managed accommodation (Theobald House) does not require funding from the former Supporting People budget, it can be provided through a supported housing rent met by Housing Benefit requiring no additional Council cost. This option is considerably cheaper than Bed and Breakfast or externally commissioned provision.

Managing an in-house service enables new flexibilities when assisting homeless households. Certain clients may be excluded by other housing providers. Access to this housing would be at the decision of the Council. Also, it is not always possible to move applicants into accommodation late in the day, again Housing Services can make arrangements to enable this. Additional places of bespoke temporary

accommodation will result in a significant reduction in the placements out the district and in Bed and Breakfast.

Theobald house provides more physically accessible housing accommodation for applicants with mobility issues. Housing Services have faced legal challenges concerning the provision of level-access housing for disabled clients. These legal actions have resulted in accommodating households in expensive hotel accommodation.

Theobald House can be used in a flexible way, combining rooms to accommodate larger households. It can also be separated by its two external doors into single and family accommodation. The location of the accommodation next to the Dartmouth Avenue hostel, means there may be savings by providing some joint support services to clients.

Operating Summary

Theobald House will be managed and operated “in-house” by Housing Services, led by a dedicated manager. The manager will work very closely with the Housing Options Service to agree allocations and placements into the accommodation. They will consider risk and suitability of individuals who are placed there.

The manager will in advance of the occupation of the accommodation set up and agree Council practices and procedures concerning all aspects of occupancy. These procedures will include standard documents creating licences for residents, and letters advising them of specific information such as rent statement's, limitations on occupation and repair standards. A behavioural code will be established laying out clearly what will happen if there is misbehaviour and eviction notices and appeals will be in place.

The manager will lead on arranging repairs, void works and compliance testing of the building when required. It is intended to carry out routine maintenance, and compliance testing through the Council's property desk using existing contractors. Property Services have confirmed that critical repairs such as electrical checks for void properties could be carried out quickly to reduce void times. Other service works such as cleaning of communal areas and ground maintenance will be carried out through property services utilising some in house workers and external contractors.

Applicant's provided with temporary accommodation when homeless have their full housing costs met by Housing benefit. Existing arrangements will be used to make an application for benefit prior to placement in the accommodation paid directly to Housing Services. Some other costs such as water heating and lighting are not eligible for Housing Benefit, residents will therefore need to pay a service charge.

They will be notified of this in advance of their residency. Residents will be given regular statements of their contributions and payments.

The costs for the scheme will be identified by a ringfenced account within the Housing service budget. This will include costs for staffing, contractors and building costs as well as income from rent and service charges. During the initial setup of the scheme there is likely to be a lower level of occupancy.

Dedicated Housing staff will be present at Theobald House each day and have a small on-site office to operate from. In addition, existing Housing staff will attend during weekday office hours and for limited weekend checks during the day. Existing staff and commissioned support services will regularly attend Theobald House to provide drop-ins to prepare residents for moving on and independent living.

There will be two dedicated housing officers at Theobald House, an operational manager and a Housing Advisor. A new job description for the manager has already been created and approved by Human Resources and the Hay panel. The manager will be known as The Senior Housing Practitioner Accommodation. The manager will be based at Theobald House, their key roles include day to day management of all aspects of the accommodation, including supporting residents, preparing them for re-housing. Arranging contractors, minimising void times, collecting service charges and securing the Council asset. The manager will lead on the collection of rental income to cover the costs of the scheme.

The dedicated Housing Advisor will also be appointed and based at Theobald House. The role will be divided between supporting the manager and the operational objectives, as well as supporting residents with preparing for moving on and preparing for independent living.

A Security firm will be commissioned for the premises between evening to early morning. This will not be continual security, but regular checks during the evening and night, that are also able to respond to issues. Additionally, technical security will be used, including CCTV within the building. The Councils out-of-hours service including external CCTV service will be utilised. This service can respond to an out of hours dedicated emergency phone line for residents, contacting appropriate contractors or an on-call officer to deal with emergencies. The working pattern of the two staff members will include some non-standard hours. It is intended that there will be a small presence at the accommodation on weekend days.

Theobald house is being extended, meaning that the proposed new building will have two separate parts, both with their own external doors. This separation of the building will mean that various occupants can be separated, initially the proposal is to have single people in one part of the building and families in the other. The manager will configure the accommodation to meet the requirements of the occupants in terms of size of household, risk and support needs.

Other Options considered.

1. Commission more temporary accommodation from a Housing Provider.

Currently Housing Services Commission, a Housing Provider, Curo to provide temporary accommodation, specifically the hostel at Dartmouth Avenue and some flats. The Housing Provider receives all the rental income and uses it to cover their management costs. Additionally, they require an annual supported housing commission of £122K to pay for support and to make the scheme viable.

Commissioning more accommodation from a Housing Provider has been ruled out as it will require substantial additional revenue expenditure, an additional Supported Housing commission. The proposed Theobald House scheme is able to cover its costs through its supported rent income alone.

It is also considered an advantage not to have all the temporary accommodation managed by one provider. Providers may offer different flexibilities in terms of speed of access, type of accommodation, support and mix of residents.

2. Extend the Use of the Bath YMCA

Following the reduction of Bed and Breakfast accommodation availability in the Bath and North East Somerset area in 2019, Housing Services entered into an agreement with the Bath YMCA to provide emergency bed and breakfast accommodation for twelve months. The YMCA have hostel accommodation in central Bath, residents are a mix of long-term independent people tourists and now, homeless/vulnerable clients. Under the agreement, the Council have rent liabilities for unused accommodation.

Bath YMCA offer professional support to homeless residents with shared facilities such as a café, lounge, gym. There is a good level of staff presence.

Extending this contract has been discounted, as our complex vulnerable clients are sharing facilities with visiting tourists and long-term independent residents. Our clients often have complex needs and requirements and a mixed hostel is not always appropriate. Government guidance suggest It is not reasonable to place households with children in this bed and breakfast type accommodation for any length of time. Purpose designed supported accommodation at Theobald House would be a better place to accommodate households preparing for independent living. Theobald House will be able to properly accommodate a range of households including families with children, couple and single people.

3. Continue to “spot purchase” accommodation

Housing Services contact private accommodation providers to “spot purchase” rooms and accommodation to meet the needs of households who present as homeless at short notice. This is commonly bed and breakfast accommodation, and sometimes more specialist self-contained accommodation.

The advantage of this option is that the Council do not have to pay providers to hold empty accommodation, as it is only purchased when we need it. Using this option, means that we are sometimes able to provide for certain specific needs of clients such as level access in a new hotel, out of the Bath and North East Somerset area where a resident is fleeing violence, or fully self-contained accommodation when needed.

The disadvantage of spot purchase is that it is not always available, it is expensive, it is often out of the Bath and North East Somerset area, away from support. It is also not specifically for homeless households. There may be uncertainty of who else is residing in the premises and risks residents pose to each other. The accommodation may not provide amenities such as kitchens, laundry and storage. Accommodation is often a long way from household links such as schools and workplaces.

Housing Services have struggled to identify Bed and Breakfast business within the district who will accommodate homeless families. In 2019 the one remaining provider of accommodation ceased to be available. Housing Services contacted all business’s in the Bath and North East Somerset area but were unable to find appropriate alternatives. Spot purchase of accommodation is therefore mainly out of area in Bristol or South Gloucestershire.

This option has been ruled out as it is more expensive, the accommodation is often poorly located, lacks amenities and support.

FINANCIAL DETAILS

Capital Summary

The financial elements of the high-level business case, detailed below, have been informed through a range of supporting evidence, including the use of a cost consultant and benchmarking of other similar schemes.

CAPITAL COSTS*

Build Cost	Cost	Funding
Refurbishment & Extension	£502,968	
Contingency	£40,383	
Total	£543,351	
Professional Fees and On-Costs		
External Consultants Fees	£36,000	
Surveys	£13,000	

Planning	£850	
White Goods	£12,000	
Contingency	£11,000	
Total	£72,850	
Total Capital Expenditure	£616,201	
Funding from Affordable Housing Budget		£496,201
Funding from Flexible Homeless Support Grant		£120,000
Total Funding		£616,201

*Capital Costs do not include VAT.

From a forecast capital expenditure of £616,201, £496,201 will be met from the Affordable Housing budget and can be accommodated within the current programme, the remaining £120,000 will be met from a revenue contribution to capital from the Flexible Homeless Support Grant.

A contingency has been applied to the build cost and professional fees to mitigate any unforeseen overspend.

Revenue Summary

REVENUE IMPLICATIONS

	Cost pa
Chargeable Rent	£175,064
Service Charge	£11,480
Total Funding	£186,544
New Staffing	£42,000
Staff Call Out Cost	£6,000
Out of Hours Service	£5,000
Reactive/Void Repairs	£13,200
Lifecycle Repairs & Maintenance	£11,000
Voids and Bad Debts 15%	£26,260
Service Costs	£74,620
Total Gross Revenue Cost	£178,080

Contribution to Overheads (5%)	£8,464
---------------------------------------	---------------

- Staffing costs include new full-time post plus weekend staff call outs and the use of the Council's out of hours service. In addition, an existing Housing advisor will be relocated to the scheme from existing staff establishment
- The cost of reactive repairs, lifecycle repairs and voids and bad debts have been calculated by benchmarking three similar schemes.
- Service costs include items such as; cleaning, utilities, grounds maintenance, compliance checks, maintenance of fire detection equipment, refuse disposal

and pest control, buildings insurance, CCTV, security and furniture and fittings depreciation. Ineligible housing benefit items which will be met by client contributions. The Service costs have also been benchmarked against 3 similar schemes.

Whilst there are revenue implications, taking all matters into consideration, the scheme produces a contribution towards overheads of £8.5K in year 1.

Summary

The proposed Supported Housing scheme at Theobald House provides eleven units of emergency Temporary accommodation located in the centre of Bath. The capital cost of the scheme will be fully funded from existing capital funding with a contribution from Housing Services annual Flexible Homeless Support Grant, intended to fund homeless relief and prevention activities such as Temporary Accommodation. The scheme will then be self-funded, with all revenue costs met through supported rent and services charges.

Homeless residents will benefit from purpose built supported housing with proper facilities. The location of the property, will mean that residents can maintain links to their own personal support networks in the community as well as schools and places of employment. Existing services providing support and preparing residents for independent rehousing can be provided on site, utilising existing provision.

Housing Services will be able to reduce its use of Bed and Breakfast accommodation, as well as the need to place applicants out of the district. Bed and Breakfast costs are significantly more expensive than purpose built Temporary Accommodation. The scheme is highly flexible enabling quick access at the control of Housing Services for people who present as homeless late in the day. The accommodation can be configured to accommodate larger families as well as single people and will significantly increase the amount of accessible accommodation.