

THE EXECUTIVE

28 SEPTEMBER 2004

REPORT OF THE DIRECTOR OF HOUSING AND HEALTH

HOMELESSNESS TEMPORARY ACCOMMODATION: BOUNDARY ROAD HOSTEL AND REDUCING BED AND BREAKFAST PLACEMENTS	FOR DECISION
<p><i>This report deals with issues in relation to the Council's statutory homelessness responsibilities.</i></p> <p><u>Summary</u></p> <p>This report sets out the current provision of temporary accommodation to meet the Council's statutory homelessness obligations and indicates the increase in demand experienced. The report also identifies the significant contribution that the new supported housing units at Ravensfield Close and Bevan Ave will make.</p> <p>In view of the need to still further reduce the usage of bed & breakfast placements, it is proposed to retain the Boundary Road hostel initially in Council ownership and longer term for disposal to a housing association preferred partner.</p> <p>The report refers to proposed changes to the current rent structure for the hostel and notes that these measures will reduce demands on the Supporting People Grant allocation for Barking & Dagenham and release funds which the Supporting People Commissioning Body may decide to reallocate to the proposed Barking Town Centre Foyer for young single people in housing need and who are at risk of social exclusion.</p> <p><u>Ward affected:</u> Gascoigne</p> <p><u>Recommendations</u></p> <p>That the Executive agree to:</p> <ol style="list-style-type: none">1. Retain the Boundary Rd emergency hostel for use as a first stage homelessness hostel2. Revise the rent structure at Boundary Rd hostel to reflect the size of accommodation (para 4.3) with effect from 1 November 20043. Carry out all necessary repair and redecoration works to Boundary Rd hostel <p>In addition to the above, that the Executive will be presented with a further report considering the longer term disposal of the Boundary Rd hostel to the Council's preferred housing association partner, Look Ahead Housing & Care.</p>	

<u>Reason</u>		
The proposed retention of Boundary Rd hostel and the actions contained in this report will best meet the growing needs for temporary accommodation and at the same time further reduce usage of bed & breakfast – providing better accommodation for people, lower costs to the Council and continued compliance with Govt targets.		
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1. **Background**

- 1.1 The Executive agreed on 30 July 2002 to work with a housing association partner to establish supported housing projects for local homeless people at Bevan Ave and Ravensfield Close. This was progressed by the Executive decision on 18 February 2003, which confirmed Look Ahead Housing & Care as the housing association provider partner for the Council.
- 1.2 Both development projects are on schedule with the Ravensfield unit (24 self contained flats) opening in October 2004 and Bevan Ave (47 self contained flats) due to be commissioned in July 2005.

2. **Current temporary accommodation position**

- 2.1 During 2002/03 the Council experienced a 56% increase in homelessness approaches. This was followed in 2003/04 by a 13% rise in acceptances of statutory homeless households.
- 2.2 As at 1 August 2004 the following numbers of households were in temporary accommodation:

Boundary Rd hostel	–	32
Bed & breakfast	-	38
Private sector leased properties	–	272
Council non secure tenancies	-	458

3. **Financial costs of temporary accommodation**

- 3.1 In 2001/02 the net cost to the Council after Housing Benefit (HB) and collection of charges not eligible for HB was £117,255. The corresponding sums for 2002/03 and 2003/04 were £364,440 and £295,000.
- 3.2 Systems have been put in place to maximise collection rates and better monitor and manage temporary accommodation services and charges. It should be noted that the principal contributor to the deficit are bed & breakfast placements.

3.3 There is currently an annual Supporting People grant for the housing support services to households resident at Boundary Rd hostel of £200,000. It would be legitimate to replace part of this grant with charges to clients (which would be HB eligible). This would be in respect of aspects of the service at Boundary Road such as reception and management costs which can within the guidance be attributed or not to Supporting People.

4. Proposals and justifications

4.1 Given the continued increase in local homelessness and the need to further cut the usage of bed & breakfast it is proposed to retain Boundary Rd emergency hostel. This would fit a temporary accommodation service model which has Boundary Rd as the first stage referral hostel with families / single persons moving on to Bevan Ave, Ravensfield or private sector leased properties / Council tenancies, when and if appropriate.

4.2 This arrangement will provide better accommodation options than at present, lower cost to the Council and will contribute to ensuring that the Govt target for bed & breakfast is met.

4.3 It is also proposed to restructure the rent charge for Boundary Rd. At present there is a flat charge of £19.57 per day, irrespective of room size. The intention is to raise the level to the Bed & Breakfast Information Exchange (BABIE) maxima in accordance with room size, as follows:

Single person room	- £20.20 per day
Double room	- 26.00
Triple room	- 30.00
Quintuple room	- 40.00

At present between 90 and 95% of households are eligible for HB.

4.4 All necessary repair and redecoration works to the hostel will be carried out to maintain the building's condition. It is estimated that these costs will be in the order of £30,000 and can be funded from the minor improvements budget.

4.5 A consequence of these measures will be to make a saving in excess of £40,000 pa in Supporting People Grant. Together with other savings being made by Housing Strategy to the Accommodation Resettlement Unit, a total of over £70,000 Supporting People Grant will be released. This will then be available to the Supporting People Commissioning Body to reallocate to other priorities – for example the Barking Town Centre Foyer.

4.6 In the medium term it is proposed to dispose of the Boundary Rd emergency hostel to the Council's preferred partner housing association for supported housing, Look Ahead Housing & Care. This would be the subject of a specific report to the Executive. The reason for this proposal is that substantial investment will be required to either convert and uprate the existing building or rebuild on the site and a housing association can

access the capital grant from the Housing Corporation and maintain rents at levels below market rates.

5. Consultation

Executive lead Member for Housing, Health and Adult Care

Gascoigne Ward Councillors

Finance have been consulted on the content of this report – Housing Finance Manager and Head of Revenue Services

Background papers used in the preparation of this report:

Executive report - 30 July 2002

Executive report - 18 February 2003

Executive report - 11 May 2004