

RECOMMENDED that: approval be granted to enter into a block booking arrangement with EA Housing for the provision of eight units of temporary accommodation at 1 Cromwell Avenue

Purpose

To request approval for the Housing Advice Service to enter into a block booking arrangement with EA Housing to provide eight units of temporary accommodation to at the property at 1 Cromwell Avenue.

Introduction

EA Housing has approached the Council's Housing Advice Service with an offer to procure 1 Cromwell Avenue, which EA Housing has recently purchased, as temporary accommodation for homeless clients. EA Housing already provides the Council with similar block booked accommodation at other locations.

The Project

The property at 1 Cromwell Avenue comprises six studio flats and two one-bedroom flats, all of which are self-contained with kitchen and bathroom facilities.

The Council is currently accommodating a total of 46 households in nightly-paid temporary accommodation that require this type of accommodation, 29 households in studio units and 17 households in one-bedroom units. This project represents an opportunity to provide homeless households with good quality accommodation, in the Borough, at a more competitive price for the Council. The types of households that could be placed into this accommodation include families of up to three individuals, couples and single people.

Financial, Legal and Risk Management Implications

Financial

The proposed charge is £33 per night per unit for both the studio and one-bed flats, this equates to £8,030 per calendar month. In order for essential cleaning and repairs to take place between placements a small allowance has been made for void periods and the net cost to the Council (after rental income is taken in account) is estimated to be £3,590 per month.

Occupants will pay their own Council tax and utility bills, as is the case in all other nightly paid accommodation.

This represents better value for money than spot purchasing nightly-paid accommodation of a similar type which are charged at up to £45 per night. The average cost of spot purchasing temporary accommodation of this type is £41 per night, for eight units this equates to £9,977 per month. The net cost to the Council of this accommodation is £4,975 per month.

The saving to the Council of procuring this block booked accommodation rather than spot purchased accommodation is therefore likely to be £16,600 over the course of a year.

Legal

The arrangement proposed of block booking the units does not constitute a long-term contract or lease arrangement. The Council would undertake to provide EA Housing with one month's notice should it no longer wish to use the accommodation. This arrangement mirrors the arrangement the Council already has with EA Housing at other schemes, such as Riverdene.

Risk

The property at 1 Cromwell Avenue is situated near to the existing hostels of Grove House and Lawrence House. However, the Council offices are also nearby so staff from the temporary accommodation team would be well positioned to manage any issues. EA Housing provide consistently good quality accommodation to the Council and has proved to be a pro-active and responsive landlord. EA Housing are quick to address and resolve any problems raised, attending properties where needed and carrying out same day repairs wherever possible. EA Housing have a proven track record of working well with the Council's Hostel team.

Self-contained temporary accommodation is currently in high demand. This is because this type of accommodation is suitable for those with support needs including those experiencing mental ill health and drug and alcohol misuse. In addition, self-contained accommodation is advantageous in the current COVID-19 pandemic situation as clients accommodated in these flats would be able to isolate from other residents were this required.

Alternative Options Considered and Rejected

The alternative option is to continue with the Council's existing arrangements for nightly paid temporary accommodation, including spot purchasing accommodation. However, this offer represents an opportunity to provide good quality accommodation for homeless clients at a price which represents improved value for money, working with a landlord which has a proven successful track record with the Council.

Contribution to the Council's Objectives and Environmental Sustainability Priorities

This project contributes to the following corporate objective:

Deliver affordable homes for local residents and reduce homelessness.

Conclusion

It is recommended that approval be granted for the Housing Advice Service to enter into the arrangement described above with EA Housing for the provision of eight units of studio and one-bedroom self-contained temporary accommodation at 1 Cromwell Avenue.