

London Borough of Bromley

PART 1 - PUBLIC

Briefing for the Care Service Portfolio Holder Monday 27th July 2015

UPDATE ON BELLEGROVE

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1. Summary

1.1 This report provides an analysis of the operation of Bellegrove for 2014/15.

2. THE BRIEFING

2.1 Following Executive approval in January 2013 and planning permission in May 2013 Bellegrove, a former residential care home, was refurbished for use as temporary accommodation for homeless households.

2.2 The principle aim of the proposal was to provide an alternative to costly nightly paid accommodation (NPA) placements arising from increased statutory homelessness, and thus reduce the current budget pressures being faced by the steep rise in nightly paid placements to meet our statutory rehousing responsibilities.

2.3 Based upon estimated running costs, the scheme was designed to cover the annual management and maintenance costs through the rental stream that was able to be charged to those homeless households placed into Bellegrove, with a surplus of £70,000 held to offset administration costs and any additional structural repairs or maintenance that may be required during the operation life of the scheme.

2.4 The business case also considered the reduction in cost pressures that could be achieved as a result of not incurring the cost of nightly paid placements for those households placed at Bellegrove.

2.5 The summary of the initial business case is set out below. The figure for savings against the cost of nightly paid accommodation was based upon the actual average net cost to the Council for nightly paid placements as at January 2013.

Bellegrove Financial Model - 2013	
Surplus between rental income and management/maintenance costs	£70,300
Savings against comparative night paid accommodation costs	£175,700
Total	£246,000

2.6 The refurbishment work was completed in October 2013 in line with the final works specification and schedule with full occupation achieved by December 2013.

Summary of operational performance :

2.7 164 households were assisted with temporary accommodation at Bellegrove between October 2013 and 31st March 2015. These households comprised of 177 adults and 128 children.

2.8 The table below provides a summary of the key occupancy figures.

Average occupancy: Households	55
Average length of Stay	4 Months
Longest Stay	14 Months
Average void turnaround	1 Day

2.9 The above shows that full occupancy has been consistently achieved, with an average length of stay of 4 months before move-on accommodation can be secured. The length of stay will however vary depending on the specific household circumstances their longer term housing needs and availability of alternative housing options.

2.10 The managing agents have consistently adhered to the service level contract and have worked closely with a range of local organisations to ensure that residents are supported and able to access relevant services. This has includes, health visitors, GPs, local police, the library and Cotmandene learning shop. Initial introductions were made to all local residents together with information detailing who to contact should they have any concerns about Bellegrove.

2.11 The scheme has been generally well received and has not been the subject of any formal complaints. It has been visited by a number of ward councillors and Jo Johnson MP with positive feedback from all inspections. Comments have included praise for the cleanliness, quietness and professional levels of management demonstrated at the scheme.

Summary of Financial Outturn:

2.12 The table below shows the financial outturn for 2014/15. This demonstrates that the business case has been met with the rental debits raised covering the management and maintenance costs incurred, leaving a £70,000 surplus towards administrative costs and any subsequent capital repairs.

2.13 the net saving regarding the comparative cost of alternative temporary accommodation relates to the cost that the Council would have incurred if Bellegrove had not been available meaning that the statutory housing duty would have had to be met through the provision of nightly paid placements. The figures are based on the actual average nightly paid cost incurred by the Council during 2014/15. Column 1 compares the cost to the actual size accommodation required by the households placed during this time at Bellegrove, whilst column 2 compares the cost of nightly paid accommodation at the minimum legal level for the households placed. In general these would be smaller than the actual bedsize required and only able to be used on a very short term basis.

Bellegrove 2014/15	Bedsizes Required	Minimum NPA provision
<u>Expenditure</u>		
Management Fee, accommodation, staffing, CCTV, voids, R&M	398,231	398,231
 <u>Income</u>		
Rent Debits	468,231	468,231
	<hr/> 70,000	<hr/> 70,000
Net cost of alternative temporary accommodation provision	373,667	262,001
Total Savings	<hr/> 443,667	<hr/> 332,001

3. CONCLUSIONS

- 3.1 Bellegrove provides much need local accommodation to meet statutory housing provisions. The scheme does achieve a saving against the current cost pressures faced to meet statutory housing need in Bromley. The overall level of savings will move dependent upon rental incomes and who is being placed and when, but overall the level of occupancy achieved and increasing cost of nightly paid accommodation means that the scheme is consistently overachieving against the savings set out in the original business case.