

Overview and Scrutiny Board – 23rd November 2015

Update on Burcot Lodge Hostel Emergency Homeless Unit

Officers are commencing a short procurement exercise to identify an appropriate professional agent to support the Council in the sale of the Council House. It is anticipated that this will be in place by December and the marketing of the site (to include the land which is currently being used for the hostel will commence).

A report is due to be considered by Cabinet in January to update on the marketing and to include options for the Council House building to mitigate the impact on both the environment and the associated security costs.

It is important for members to note that the hostel will remain available for use until a capital receipt is received from the purchaser for the site. Once a successful offer is agreed on the site by the Council a number of processes will be required to be undertaken. It is anticipated that these would generally take approximately 12 months. The processes would include:

- Preparation of Sale Pack to include title deeds / rights of way / environmental considerations / utility and service information
- Site Surveys / condition surveys
- Marketing/Procurement
- Member decisions
- Detailed Planning Applications to be prepared and considered by Members
- Heads of Terms agreed
- Final sale and receipt of funding

Given that these processes can take up to 12 months, the hostel would continue to operate during this period. There are costs associated with replacing the hostel, so it should be noted that:

1. It is not possible to accurately predict when the capital receipt will be received
2. Any potential sale could experience delays and/or not result in a completion
3. The hostel could continue to remain operational during the course of the sale of the land
4. Use of the hostel is effectively cost-neutral for the Council – replacement options will not be cost neutral

As a result, replacing the hostel with other facilities in advance of the sale of the land will potentially create a position where:

1. The hostel is no longer used when it could have continued to operate as a hostel

2. Start-up and on-going costs of new replacement facilities are spent whilst an existing cost neutral facility remained available to the Council

Given the difficulties associated with trying to accurately predict when the land will be sold, it may therefore be best to create a replacement for the hostel in advance of its closure whilst continuing to use the hostel in the interim period, certainly until the replacement facilities are available. It may also be, pending developments with the sale of the land at that point, that the replacement facilities can be used by BDHT for short-term housing options until they are required as temporary accommodation because the hostel is closed. This would minimise costs to the Council associated with covering voids in the newly created facilities.

Progress since the last meeting of Overview and Scrutiny

1. At a meeting on 6th November 2015 we re-affirmed with officers at BDHT that replacement facilities to compensate for the loss of eight units at Burcot Lodge are required in order to ensure households avoid unsuitable temporary such as bed and breakfast placements.
2. It was agreed that it is very unlikely that it will prove necessary to replace 'like-for-like' as occupancy levels at the hostel fluctuate over time, and occupancy often runs at below eight units. Officers at BDHT are also keen to continue to prevent homelessness whenever this proves possible - this also reduces the need to simply replace the hostel with eight units of accommodation.
3. BDHT and the Council have agreed to further analyse the data available to them on hostel usage to inform how many units need to be created to replace the eight that will cease to be available when the hostel closes.
4. Analysis has been undertaken of the broader position around homelessness and the use of temporary accommodation in Bromsgrove to ensure this context is factored into the analysis of how many units should be created to replace the hostel – this wider data will be provided to O&S as part of the written report due in December.
5. BDHT have agreed to begin the process of identifying potential properties that might readily lend themselves to conversion into smaller units of temporary accommodation. They have estimated that it would take 8-12 weeks to convert a 3 bedroom property – smaller properties are likely to take slightly less time, as they require fewer works to convert them. Costs to the Council at this stage look to be those associated with conversion, voids, and any future rent loss for BDHT (generated by reducing the size of the properties themselves).
6. BDHT are re-visiting their previous financial modelling on the basis of the emerging data around hostel usage, and an acceptance that we are unlikely to need to replace like-for-like.
7. Planning and Building Control have been advised of developments and have committed to providing the necessary input to ensure any conversions

undertaken by BDHT are prioritised and supported by both services in a timely way.

Members will be provided with a further update at the December meeting as requested.

Derek Allen

Housing Strategy Manager

Bromsgrove District Council