

REPORT TO: Executive Board

DATE: 20th November 2014

REPORTING OFFICER: Strategic Director, Communities

PORTFOLIO: Physical Environment

SUBJECT: Homeless Services at Grangeway Court

WARD(S) Grange

1.0 PURPOSE OF THE REPORT

1.1 The report seeks the Board's agreement to a revised service delivery model at Grangeway Court and approval for a further waiver of procurement standing orders in order to extend the current contractual arrangements with Your Housing Group (YHG).

2.0 RECOMMENDATION: That the Board:

- 1) agrees the revised service model as set out in the report;**
- 2) acting in accordance with Procurement Standing Order 1.8.3, agrees to waive Procurement Standing Orders Part 4.1 to enable an extension of the current contract and lease with Your Housing Group up to the 31st March 2016; and**
- 3) agrees the implementation of the previously agreed plans to refurbish the retained accommodation units, and to undertake the layout conversions.**

3.0 SUPPORTING INFORMATION

3.1 This Council owned scheme comprises 31 units of self-contained accommodation laid out in 8 large bungalows, together with a separate office/administration block (see Appendix). It is used to house homeless families (as opposed to single persons) that are nominated exclusively by the Councils Housing Solutions Team.

3.2 Increasing vacancy levels at the scheme over the last 2 years have led to YHG incurring significant financial losses. As a consequence a number of reports have been submitted to Executive Board over the last year to vary the terms of the existing contract, first for the Council to forego the £50,000 per annum lease charge and more recently agreeing to under write up to 70% of income lost due to vacancies.

3.3 In order to develop a sustainable solution YHG and Council officers have been working to develop a revised service model, and

agreement has now been reached on a proposal which retains 24/7 staffing cover but at reduced overall cost.

- 3.4 The principal changes compared to current service delivery are:
- a restructure of the staffing establishment resulting in efficiencies
 - A scheme of 10 units rather than 31, with some conversion works required to the retained units to ensure an appropriate mix of one and two bed units.
 - A reduction in Supporting People grant requirement from £213,065 per annum to £140,731 (a £72,334 saving).
- 3.5 In addition it is suggested that four additional units (one block) be retained/mothballed. This would offer a contingency in the event that demand increased due to the continuing uncertainty around the impact of the Governments welfare reform programme. It should be noted however that the costs/income associated with these four units have not been factored into the proposed financial model.
- 3.6 The proposal is subject to the retained units being refurbished by HBC as originally planned as YHG have assumed reduced maintenance costs.
- 3.7 At its meeting on the 16th October 2014 Executive Board agreed to extend the present contract which expired on 5th October 2014 to the 31st March 2015, and the report suggested Board consider extending the contract for a further year to implement any new service model.
- 3.8 YHG have indicated they would in principle be agreeable to extending the contract to 31st March 2016 subject to the agreement of its Executive Team. This would give time to demonstrate the sustainability of the model prior to commencing a procurement exercise in the second half of 2015/16.
- 3.9 If the proposal is accepted then approximately one third of the site would be freed up for disposal, which would be the subject of a separate report in due course.
- 3.10 In conclusion it is recommended that the revised service model be agreed, the contract with YHG be extended to the 31st March 2016, and the previously planned improvement works be implemented together with the planned conversions.

4.0 POLICY IMPLICATIONS

- 4.1 There are no policy implications arising from this report.

5.0 FINANCIAL IMPLICATIONS

5.1 The financial model includes a 15% allowance for lost rent due to vacancies, and a requirement for the Council to fund rental loss above that threshold. The full £72,333 SP revenue saving will therefore only be realised if occupancy remains at 85% or higher. For illustration purposes if this rate was to fall to 70% then the cost to HBC would be £17,815.

5.2 Board has previously approved a capital budget of up to £347,000 to refurbish Grangeway Court but with a scheme of only 14 units the costs will be lower.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children & Young People in Halton

The development of a sustainable accommodation model at Grangeway Court will significantly reduce the risk of having to place families with children into unsatisfactory bed and breakfast accommodation.

6.2 Employment, Learning & Skills in Halton

None

6.3 A Healthy Halton

None.

6.4 A Safer Halton

The revised service model will enable continued support and refuge to be provided to vulnerable homeless families.

6.5 Halton's Urban Renewal

None

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 Not applicable.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
Part II Exec Board Report 12/07/12 - Homelessness Services	N/A	Commissioning Manager
Exec Board Report 05/09/13 – Homeless Accommodation Update	Runcorn Town Hall	Commissioning Manager
Exec Board Report 09/01/14 -	Runcorn Town Hall	Commissioning

Grangeway Court Variation to Contract Terms		Manager
Exec Board Report 16/10/14 – Grangeway Court Homelessness Service	Runcorn Town Hall	Commissioning Manager

APPENDIX

