

CABINET

17 SEPTEMBER 2003

PRINCIPAL SCRUTINY COMMITTEE

29 SEPTEMBER 2003

HOMELESSNESS HOSTEL ACCOMMODATION CONVERSION PROPOSALS 80 – 82
SUSSEX STREET, WINCHESTER

REPORT OF THE DIRECTOR OF HEALTH & HOUSING

Contact Officer: CLIVE BROOMFIELD Tel No: 01962 848149

RECENT REFERENCES:

HH58 – Homelessness Service – Provision of Temporary Accommodation; 21st November 2001.

HH85 – Homelessness Hostel Accommodation – Informal Member/Officer Working Party; 13th May 2002.

CAB464 – Homelessness Hostel Accommodation; 4th September 2002 & Principal Scrutiny Committee 7th October 2002.

PS54 – Homelessness Hostel Accommodation; 9th December 2002.

EXECUTIVE SUMMARY:

The report sets out proposals made by the Sussex Street Hostel Informal Member/Officer Working Group to change the scope, extent and programme of works to 82 – 86 Sussex Street previously approved by Cabinet on 4th September 2002 (CAB 464 refers) and considered by Principal Scrutiny Committee on 7th October 2002 (CAB 464 also refers).

RECOMMENDATIONS:

To Cabinet:

- 1 That Cabinet support a request to Council for approval to a supplementary capital estimate not exceeding £500,000 towards conversion works at 80 – 82 Sussex Street and identifies whether the source of funding should be as suggested in paragraph 6.2 of the report.
- 2 That a direction be made under paragraph 3.3(a) of the Contracts Procedure Rules to appoint Studio 4 Architects, 8 Upper High Street, Winchester as Lead Consultant at appropriate Scale Fees for design, procurement and contract administration purposes as detailed within this report.
- 3 That the revised scheme for 84 – 86 Sussex Street as detailed in Appendix A and the Proposed Outline Project Plan for 80 – 82 Sussex Street as detailed in Appendix B of the report be approved.

To Principal Scrutiny Committee

That the Committee decides whether to exercise its powers of “call in”.

To Council:

That Council approve a supplementary capital estimate not exceeding £500,000 for conversion works at 80-82 Sussex Street.

CABINET17 SEPTEMBER 2003

PRINCIPAL SCRUTINY COMMITTEE

29 SEPTEMBER 2003

HOMELESSNESS HOSTEL ACCOMMODATIONREPORT OF THE DIRECTOR OF HEALTH & HOUSINGDETAIL:1 Introduction

- 1.1 At the Health & Housing Policy Review Committee held on 13th March 2002, (Report HH 84 and minute 1080 refers), Members from the Informal Member/Officer Working Group detailed their observations to the Committee following their visits to 80 – 86 Sussex Street, Lenthill Court, Winchester and Brittany House, Wickham.

In conclusion, they recommended that their observations and subsequent recommendations be included in a feasibility study to look at long term policy (including possible conversion or disposal of the Sussex Street accommodation), and suggested remedial works and improvements.

- 1.2 Cabinet at its meeting on 4th September 2002 (CAB 464 and Minute 308 refers) approved a range of works to 80 – 86 Sussex Street; having regard to reports from the Fire Officer, the Health & Housing Department and the Informal Member/Officer Working Group.
- 1.3 The approved works including the installation of a residential type sprinkler system were estimated to cost approximately £182,000. Works commenced as programmed in October 2002 and were due for completion (subject to programme and contract issues) this summer. The approved programme and works completed together with costs incurred to date are shown in Appendix A of this report. The programme also shows the proposed programme for completion of works and projected total costs.
- 1.4 At the Sussex Street Informal Member/Officer Working Group held on 17th April 2003, the Director of Health & Housing advised Members that Officers had been considering the broader future of the supported housing schemes and suggested that Sussex Street Hostel could present the opportunity to use half the site to accommodate homeless single young people.
- 1.5 Further, the Director of Health & Housing indicated that he proposed to commission the architects who had conducted the original Building Study to undertake a feasibility study that would result in a delay in the refurbishment works to 80 – 86 Sussex Street.
- 1.6 The Group supported the Director's approach and reports were presented to the Sussex Street Hostel Informal Member/Officer Group on 20th June and 6th August 2003 respectively.

- 1.7 It was also noted that the fire alarms and sprinkler systems were more expensive than originally estimated within the approved project plan.
- 1.8 At the Informal Group meetings held on the 20th June and 6th August 2003 the following issues were concluded: -
- (a) The Informal Group generally supported converting 80 – 82 Sussex Street into 6 self-contained flatlets and ancillary accommodation in place of the approved scheme to renovate and improve the 15 bedsitting rooms and communal areas.
 - (b) That the option to develop part of the garden at the rear of 80 – 86 Sussex Street for further homeless hostel accommodation not be pursued.
 - (c) That to enable further alternative temporary accommodation to be provided for homeless households, tenant consultation take place at Colson Close, Winchester and Harwood Place, Kingsworthy to consider utilising hard to let ground floor accommodation for housing homeless persons. (A separate report on this subject is on this agenda).
 - (d) It was reported to the Informal Group meeting on 20th June 2003 that the estimated cost of conversion into 6 self-contained flatlets and ancillary accommodation was £450,000, including professional fees and other associated costs.

Consultation with Officers in the Finance Department has concluded that subject to Cabinet approval the project costs could be met from the Council's own resources, although no budget has currently been approved for the proposed conversion works.

- (e) Having ceased work on 80 – 86 Sussex Street pending the recent options appraisal the Director, following consultation with the Portfolio Holder and the Informal Group, following the meeting on 6th August 2003, agreed that the work to 84 and 86 should start up again as originally approved by Cabinet in September 2002 (CAB 464 refers).

2 Proposals for Cabinet Approval

- 2.1 It is recommended that further to the Sussex Street Hostel Informal Member/Officer Group findings, the following policy issues be pursued in support of homeless person accommodation at 80 – 86 Sussex Street:

2.2 84 – 86 Sussex Street

- 2.2.1 The renovation and improvement works defined and approved in CAB 464 should now be completed, including the installation of a residential sprinkler system.
- 2.2.2 Design development work has taken place relative to the fire alarm system and it is proposed to install a radio controlled alarm system that negates the requirement of hard wiring in the occupied part of the hostel.

This type of fire alarm system has been approved by the Fire Officer, the benefit of which will mean that the existing fire alarm system will remain operational whilst the new system is installed, commissioned and becomes operational.

- 2.2.3 When completed 84 – 86 Sussex Street will provide seven bedsitting rooms and three 2-room family units (one family unit has ensuite WC and bathroom facility). Of the seven bedsitting rooms, six rooms can be turned into 2-room units by an interconnecting door.

Each unit of accommodation has its own cooking, washing-up and basin facilities. There are five communal WCs and four communal bath/shower rooms throughout the building.

Other ancillary accommodation includes a common/interview room, communal laundry, storeroom and Wardens Office.

- 2.2.4 The proposals for the conversion of the garden at the rear of 80 – 86 Sussex Street into a “safe” play area for children (that had previously received planning permission), is currently being redesigned on a smaller scale so that a similar scheme can be incorporated into the garden of 84 – 86 Sussex Street.

- 2.2.5 Revised project costs and programme unique to 84 – 86 Sussex Street are shown in Appendix A of this report. Savings estimated at approximately £50,000 plus any unspent contingency sums will be made by not completing works to 80 – 86 Sussex Street as originally approved. It is considered that any savings that arise should be earmarked as a general contingency sum for the proposed conversion works, as cost information obtained to date is only provisional.

2.3 80 – 82 Sussex Street

- 2.3.1 It is recommended that, based on outline drawings and provisional costings presented to the Working Group on 6th August 2003, a scheme for the conversion of 80 – 82 Sussex Street from 15 bedsitting rooms with shared bathroom and WC facilities into 6 self-contained flatlets with ancillary accommodation and self contained garden be pursued.

- 2.3.2 An indicative outline project plan is shown in Appendix B of this report.

- 2.3.3 The design and facilities provided by the proposed conversion scheme are based on the original design principals for a previously proposed new build development in Highcliffe, Winchester.

Subject to a detailed planning proposal the accommodation proposed at 80 – 82 Sussex Street will provide: -

- (i) Six self-contained one-bedroom flatlets comprising of kitchen/dining and living area, bedroom and bathroom incorporating shower. Flats will be located at basement, first and second floor levels. One flat constructed at basement level will be suitable for a disabled person.
 - (ii) The ground floor will comprise entrance lobby, with staff WC, boiler room, storeroom, warden’s office, interview room and meeting room.
 - (iii) Externally, at the rear of the property will be a self-contained garden area and two car parking spaces.
- 2.3.4 It is proposed that the completed detailed design, plans etc. will be considered by the Sussex Street Hostel Informal Member/Officer Working Group at a meeting in

November, enabling an appropriate recommendation to be made to a subsequent Cabinet meeting.

- 2.3.5 To progress scheme design, obtain planning and building regulation consents produce specification and appropriate building contract documentation and contract administration will require consultancy support. Bearing in mind the original Building Study and other feasibility work carried out to date by Studio 4 Architects, it would appear best value for the Council to appoint Studio 4 Architects to act as lead consultant for the proposed conversion project. The Architects will require Structural Engineering and Mechanical & Electrical Engineering consultancy support for both design and during contract works duration.
- 2.3.6 At the time of writing this report a written proposal from Studio 4 Architects has been requested, and enquiries to appropriate structural and mechanical & electrical consultants are being made.
- 2.3.7 Currently there are no detailed costings available as design, and other structural considerations are on-going. The best indicative estimate for the cost of works, including project design, procurement, site management fees, and contingencies is estimated at £500,000, comprising works and contingencies £425,000, and fees £75,000.

3.0 Management Arrangements

- 3.1 The proposed changes to 80 - 82 Sussex Street will require adequate provision to be made both for the support needs of the young people living at the property, and the management of the accommodation. There are a number of issues that need to be taken into account.
- 3.2 The decision over who provides support to the vulnerable young people in the new accommodation will rest with the County Supporting People team. The Council's Housing Management section have expressed an interest in taking on this function, as they would want to ensure an effective relationship between the existing hostel and the new project. However, there is likely to be a tendering process which could result in the support contract being awarded to a housing association or other support provider. Irrespective of who provides the support services, the scheme is being provided as HRA housing accommodation with the Council as landlord and the occupiers being our non-secure tenants.
- 3.3 The Supporting People team have earmarked approximately £25,000 to meet the cost of support for the vulnerable young people who will live in the new flats. In addition there may be some funds carried forward from Supported Housing Management Grant. This money would be sufficient to meet the cost of providing support to the required level. However, there is considerable uncertainty over the final level of Supporting People funding. Members should therefore be aware of the possibility that Supporting People grant may not be available for this new initiative, or it may be provided at a reduced level.
- 3.4 It is possible that additional staffing would be required to provide housing management services to the new accommodation. The existing hostel will be reduced in size, but the current staff will be responsible for managing other homeless households living in dispersed accommodation.

4.0 TACT Comments

- 4.1 *Introduction and Thank you* - This response is from both chairs of TACT and Alan Rickman member of the Informal Officer/Member Group. We thank Alan for his hard work and thank the Tenant Participation Manager for despatching the paper CAB706 that was received 27th August 2003.
- 4.2 *Consultation* - TACT met on the 20th August 2003. The paper was clearly unavailable. The Property & Contracts Forum and Rents & Business Planning Forum have not met to consider the paper. The issue of confidentiality has also restricted consideration of these matters.
- 4.3 *Broadly in Support* - We are broadly in support of these proposals but do have reservations broadly similar to issues raised against paper CAB702 which appears elsewhere on this Agenda.
- 4.4 *Reservations and Extra Staffing Resources* - There is no doubt in our minds that the implementation of the management arrangements will require *extra resources* if you are to provide the support demanded. Similar concerns were indicated in our response to CAB702. Vulnerable young people will require management support and vulnerable elderly tenants living in Sheltered housing at Harwood Place and Colson Close will require reassurance of this management support.
- 4.5 *Funding* - TACT acknowledges these proposals could relieve pressure and escalating bed and breakfast cost. They may help with meeting bed and breakfast targets. They will remove pressure from the General Fund. TACT requires members to accept they must not just transfer the cost from the General Fund to the Housing Revenue Account. Innovative management and supporting people must demand more than this.

OTHER CONSIDERATIONS:

5.0 CORPORATE STRATEGY (RELEVANCE TO):

- 5.1 Maintenance and enhancement of the housing stock is a core function of the Council's business. Provision of affordable housing is a strategic priority.

6 RESOURCE IMPLICATIONS:

- 6.1 As detailed within the body of the report, and as set out in Appendix C, Capital Project Appraisal Bid, it is requested that the project be added to the Council's capital programme with the cost of the project, not exceeding £500,000, being met from the Council's Capital resources.
- 6.2 The property is held in the Housing Revenue Account. Current policy is to fund improvements to HRA assets from HRA resources, with the exception of Sewage Treatment Works and major capital works such as Makins Court which are funded from capital receipts. In the absence of identified funding for this project from HRA resources and bearing in mind the TACT comments above, Cabinet may wish to consider whether these costs should be funded from capital receipts or HRA balances. The Director of Finance has suggested that a fair apportionment of financing between General Fund and HRA would be an even split – with £50,000

being met from the Major repairs Allowance within the HRA (paragraph 2.2.5 above refers), £200,000 from HRA balances and £250,000 from capital receipts.

- 6.3 There is currently £250,000 within the Council's Capital programme for the Safer Communities fund hostel projects. Planning permission has been applied for on one site and further reports are pending concerning ecological and geological issues. Depending on when the project commences and definitive project costs are known, this budget is "committed".
- 6.4 As a result of converting fifteen bedsitting rooms with shared bathroom and WC facilities into six self-contained flatlets with ancillary accommodation, there will be an estimated loss of revenue rental income of £13,500 per annum. Also, a total of approximately £15,000 budgeted income will be lost by no units being available during the course of the works. It is noted in paragraph 3.3 above that £25,000 has provisionally been earmarked from the County Council's supporting people budget for this scheme. This source of funding is not yet definite, but if this project does not proceed then the funding will most probably be lost and the cost of supporting alternative proposals will fall on the HRA.

BACKGROUND DOCUMENTS:

Working Papers & Reports held in the offices of the Director of Health & Housing.

APPENDICES:

- APPENDIX A Approved programme of works to 80 – 86 Sussex Street (CAB 464 refers) – now indicating proposed programme for completion of works to 84 – 86 Sussex Street including projected costs.
- APPENDIX B Proposed outline Project Plan for Conversion Works at 80 – 82 Sussex Street.
- APPENDIX C Capital Project Appraisal Bid.

APPENDIX B**80 - 82 SUSSEX STREET – PROPOSED OUTLINE PROJECT PLAN**

- | | | |
|-----------|--|---|
| 1 | Authority to proceed with conversion of 80 –82 Sussex Street as considered by Sussex Street Working Part on 6t August 2003, together with appointment of Studio 4 Architects as Lead Consultant. | Cabinet 17 th September '03
& Principal Scrutiny
Committee 29 th September
'03 |
| 2 | Obtain Planning Consent for proposed project and publish notice for same in appropriate journals for contractor expressions of interest and select list purposes. | September/October '03 |
| 3 | Detailed design towards conversion scheme to be considered by Sussex Street Working Party with recommendations to Cabinet as appropriate. | November '03 |
| 4 | Prepare working drawings, specifications etc., compile select list of contractors for Cabinet approval. | October/November '03 |
| 5 | Obtain Building Regulation Consent. | November/December'03 |
| 6 | Tender project. | January '04 |
| 7 | Evaluate tenders, obtain tender acceptance via Cabinet, and appoint Contractor | February '04 |
| 8 | Contract Preparation and contract Lead-in time. | March/April '04 |
| 9 | Start on site. | April/May '04 |
| 10 | Anticipated completion of work. | September '04 |

APPENDIX CCapital Project Appraisal Bid

Version No

Project Title : CONVERSION & IMPROVEMENTS TO 80 – 86 SUSSEX STREET, WINCHESTER.	Project Code :
Approval in Principal :	<u>Priority Code</u>
File Ref :	Date

<u>A</u>	General Information	
1.	Project Description	Conversion & improvement works to Homeless Hostel Accommodation at 80 – 82 Sussex Street.
2.	Link with Corporate Strategy	Links directly to the maintenance of a quality built environment but more importantly to the health & welfare of local residents.
3.	Link with Business/Service Plan	Key service improvement target in the HRA Business Plan.
4.	Feasibility Study Ref.	N/A
5.	Design Completion Date	N/A
6.	Project Commencement Date	September 2003
7.	Target Completion Date	September 2004
8.	Responsible officers	Clive Broomfield
9.	Estimated Life of Asset	10 years plus
10.	Other Agencies Involved	Fire Officer
11.	Planning Permission } Planning Regulations}	To be obtained

B	Financial Information			
12.	<u>CAPITAL COSTS</u>	Original Estimate	2003/2004	Full Project
		£.	£.	£.
		N/A	£40,000	£500,000
	Total Capital Cost £	N/A	£40,000	£500,000
13.	<u>CAPITAL FUNDING</u>	Original Estimate	2003/2004	Full Project
		£.	£.	£.
	MRA/HRA balance/capital receipts		£40,000	£500,000
	Total Capital Funding £		£40,000	£500,000

14.	<u>CASH FLOW PROFILE</u>	Q1	Q2	Q3	Q4
	2003/04				
		£	£	£20,000	£20,000
15.	<u>REVENUE COSTS</u>	Current Year	2004/2005	2005/2006	2006/2007
	Housing Revenue Account				
	Rent loss during works		£15,000	£0	£0
	Annual rent loss from less units		£13,500	£13,500	£13,500
	Loss of investment interest		£4,500	£9,000	£9,000
	General Fund				
	Loss of investment interest		£4,500	£9,000	£9,000
	Total Revenue Costs £	£0	£37,500	£31,500	£31,500
	Potential effect on av. rent		£0.12 pw	£0.08 pw	£0.08 pw
	Potential effect on council tax		£0.10 pa	£0.20 pa	£0.20 pa
16.	<u>UNITS</u>				
	<u>SCALE OF PROJECT</u>				
	Conversion and enhancement of 80 – 82 Sussex Street into 6 self-contained flatlets with ancillary accommodation for homeless vulnerable young persons				