

APSE Housing, Construction & Building Maintenance Advisory Group

Housing Revenue Account & the General Fund

John Holman Head of Housing Investment

Where is Central Bedfordshire?

Figure 9

Change in proportion of adults aged 65 and 85 or over by local authority, 2001 to 2011

The proportion of adults aged 85 or over increased in most local authorities, but many local authorities have seen falls in the proportion of their populations aged 65 or over, owing to larger increases in the number of younger adults between censuses

65 or over

- 15% to 63.5% increase
- 5% to 15% increase
- Between 5% decrease and 5% increase
- 5% to 34.8% decrease



Note

1. Proportions are of adults aged 16 and over

Source: National Audit Office analysis of Office for National Statistics 2001 and 2011 census data

Where is Central Bedfordshire?



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Ordnance Survey 100049029.
Central Bedfordshire Council.

Data - Geography

- Unitary Authority
- Population 274,000 (2015).
 - 15 largest unitary council by population
- Area 716square km.
 - 11 largest council by area.
- Population: 383 people per square kilometer
 - one of the least densely populated 41 out of 56
- Rural/urban classification
 - 'largely rural' with 58% of residents living in rural areas

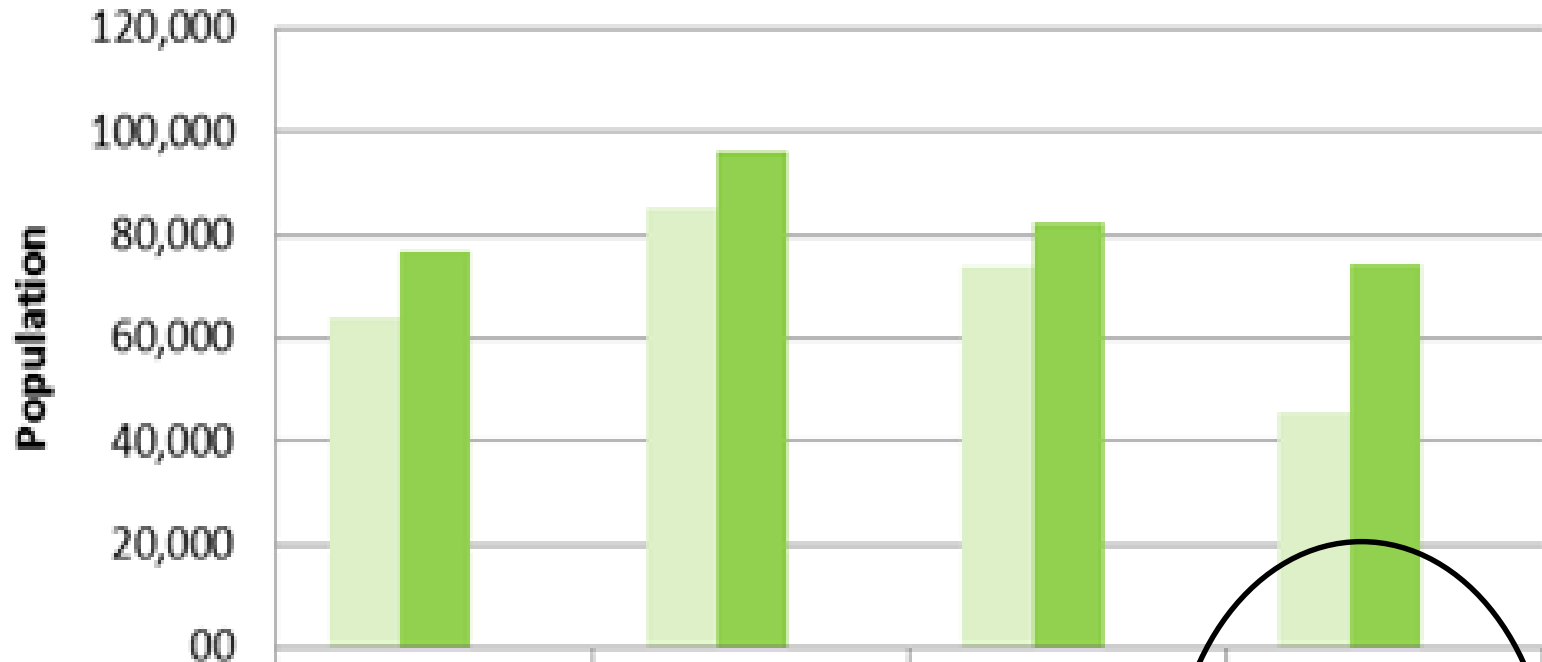
Data - HRA Numbers

- Stock retaining authority 5400 homes
- £29m annual rent income
- £165m self financing debt
 - Maximum borrowing – no head room
- £1.4bn 30 year Business Plan; now £1bn due to -1% rent restructuring
- GF budget savings £46m over the next 5 years

Challenge

- Challenge for the Council as a social housing provider is to build homes that deliver social benefit, have affordable rent (at up to 80% of market rent) and provide a positive Net Present Value over 45 years
- Do new homes return the biggest benefit to the Council?
- Priorities - What, When Where ... and then How

Population by age group, 2014 and 2031



	0-19	20-44	45-64	65+
2014	64,200	85,400	73,800	45,700
2031	76,900	96,100	82,500	74,400
% increase	20%	13%	12%	63%

Council budget crippled as homelessness spirals

By Sally Murrer

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MK Council is forking out a mammoth £888,000 a MONTH to put homeless families in B&Bs, hotels and temporary accommodation.

Though some of the money is recovered through housing benefits, it is still a huge strain on the budget, said housing councillor Nigel Long.

It costs the council £63 per room per night for every family it places in a B&B hotel. Around £17 a night is recovered via housing benefits.

A temporary rented house or flat costs £45 per night, but benefits pay £28 towards it.

Last week there were 470 homeless MK households in temporary accommodation as far afield as Birmingham.

Councillor Long has pledged to secure more temporary flats or houses and slash B&B use by 75 per cent over the next two years.

"We are working really hard," he said.



Out of control: Homelessness rose by 35 per cent in MK last month

35%

Homelessness has reached crisis levels in MK, with a surge of 35 per cent during last month alone. Providing accommodation is putting a huge strain on the already stretched council budget.

£63

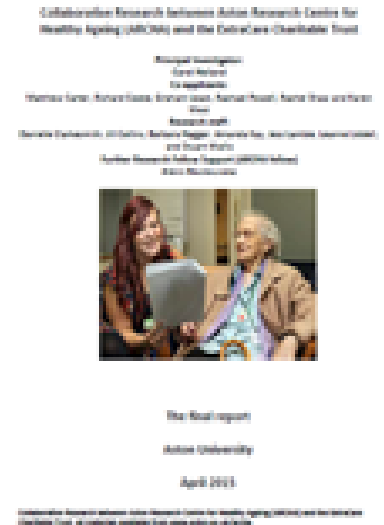
The council, who are paying £63 per night to house homeless people, will "pull out all the stops" to ensure it delivers more long term affordable housing, said Cllr Nigel Long.

Aston Research Centre for Healthy Ageing (ARCHA) & Extra Care Charitable Trust, Holland et al 2015

NHS – average saving of **£1,114** per person per year

Conclusions

- NHS costs – GP visits, practice & district nurse visits; hospital appointments/admissions – reduce by **38%** for Extra Care residents who were in the sample across the period.
- NHS costs for ‘frail’ residents had reduced by **51.5%** after 12 months
- Cost of providing lower level social care using the Extra Care model was **£ 1,222** less per person (**17.8 %** less) per year than providing same level of care in the wider community
- Cost of higher level social care was **£ 4,556** less (**26%** less)
- Significant reduction in the duration of unplanned hospital stays, from an average of 8-14 days to 1-2 days. Significant falls reduction

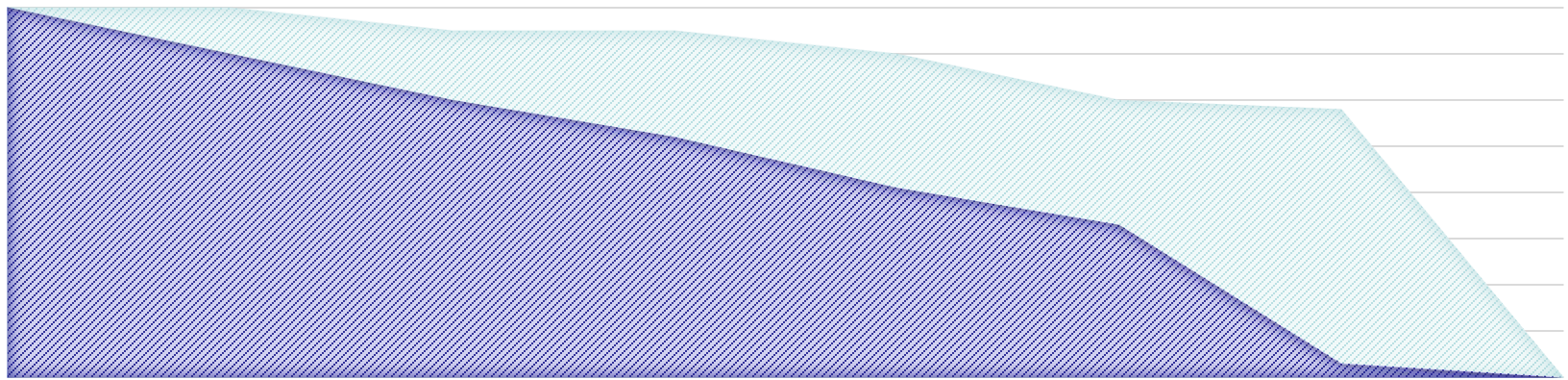


Maximise benefit – Reducing costs, improving life

- Independent Living
 - Facilities that reduced the demand for Care
 - Savings £28k to the state. GF saving

QUALITY OF LIFE

■ Independent Living ■ Care



Savings - Temporary Accommodation

- Savings over private sector
 - £183/week/household
 - £9.5k /year
- Business opportunity
 - Unaccompanied AS
 - Homes for L&D
 - Homes for CS

15

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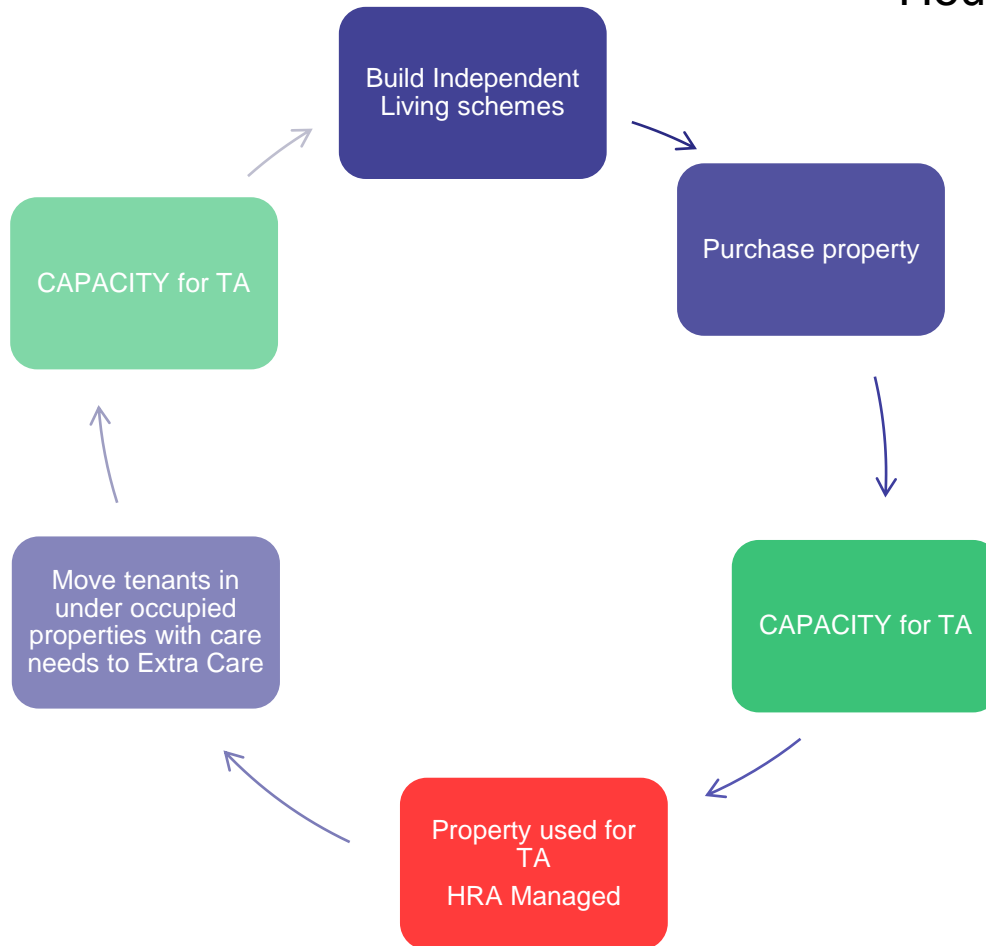
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The model

Working with:

ASC - reduce need for DFG

Housing Need - reduce TA & B&B



The model – Build & Buy

CBC has between 500 and 700 tenants living in under occupied homes – correct size

Purchasing properties for Temporary Accommodation estimated saving £183 per/week household

New build Extra Care savings – over care
£3k per person/year



Rent/sale/SO

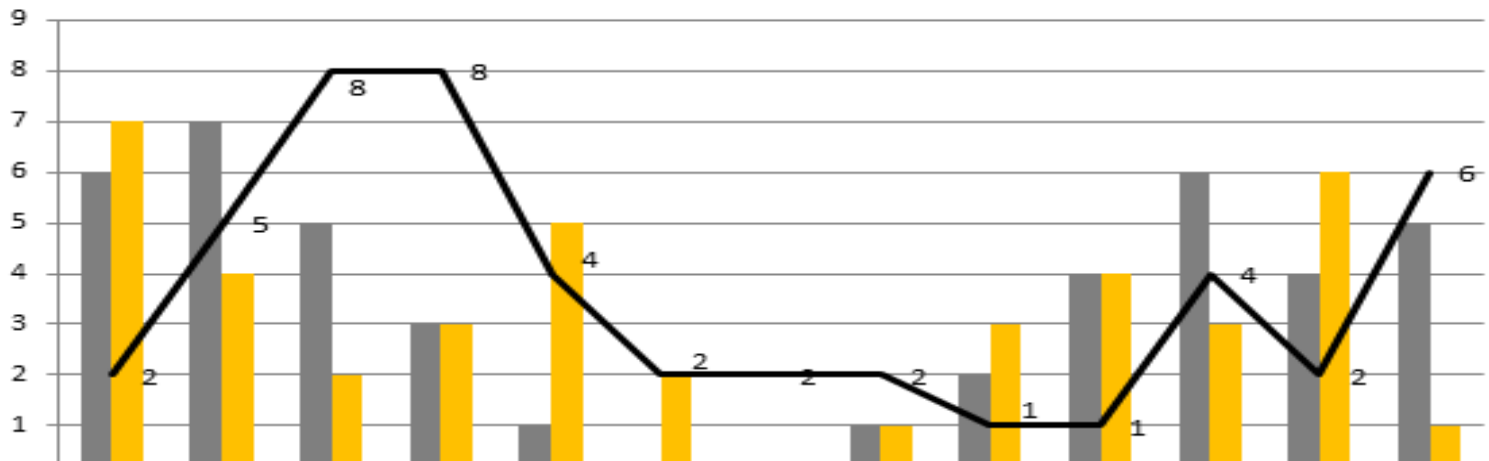
TA
Savings

ASC
Savings

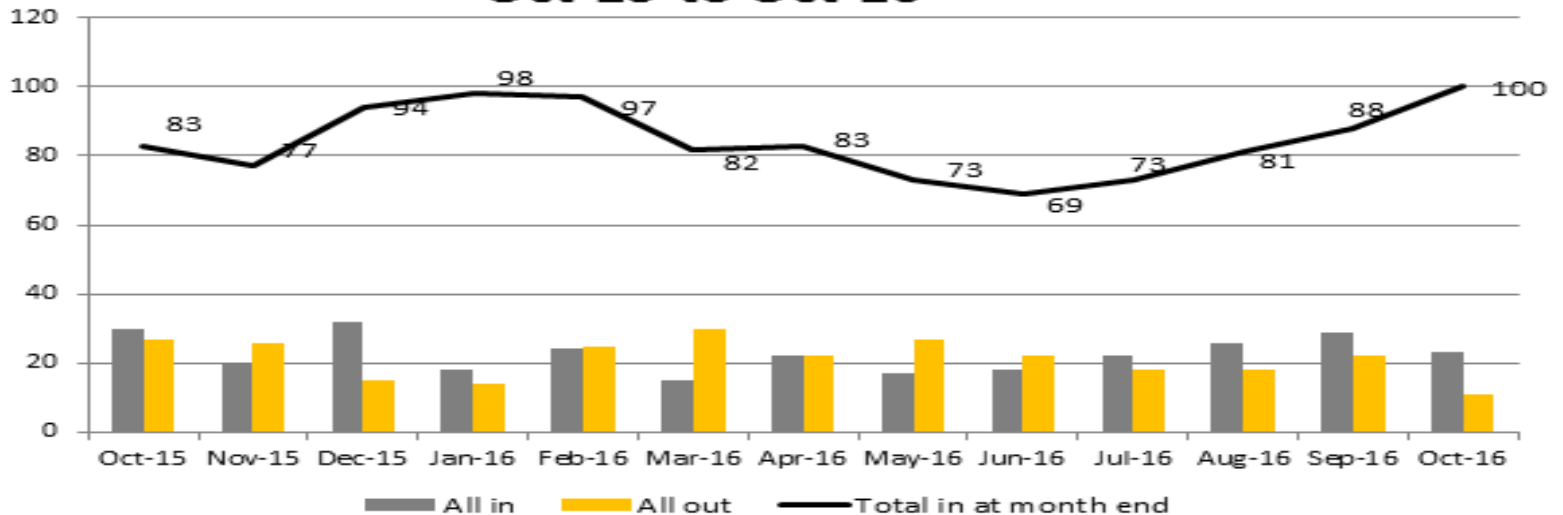
RTB Receipts

£106

All households flow in and out of B&B Oct-15 to Oct-16



All households flow in and out of TA Oct-15 to Oct-16



System resilience – intensive property management

- Plan to purchase circa 250 properties across CBC to use in a flexible way for those facing homelessness or other crisis – no reliance on B&B
- Support for those who need it and support follows through to next move
- Cheaper to provide, administer and manage as part of overall landlord function
- Standards can be maintained
- Change of use and occupation can be changed immediately
- HRA is benefitting the GF through minimising homelessness expenditure
- Outcomes are improved as B&B is no place for families with children



Priory View – facts and figures

- Rents – per week 2 bed – £ 182 – 1 bed – £ 157
- Sales values –
 - 2 bed range between £ 216,000 and £ 226,000
 - 1 bed range between £ 184,000 and £ 191,000
- 52 affordable rented apartments – grant of £25,000 per unit (£ 1.703 M grant)
- 31 shared ownership apartments – grant of £13,000 per unit
 - 22 sold at 75%; 4 sold at 50%; 2 sold at 25%; 1 each sold at 65%, 45% & 33%
 - total forecast sales receipts £ 4.2M
- Service Charges – £39 per week (leaseholders)
- Reserve Fund – £39 per week (leaseholders)
- Revenues – Commercial opportunities (per annum) circa £70K

'Whole value assessment' – investment decision

Priory View total scheme costs – £ 17.517 M

Less sales & HCA Grant – £ 11.914 M

Cost of finance (interest & principal) year 1 £ 0.657 M

Savings (ASC budget reductions) per annum – £280K (i.e. £ 3,373 per person per year)

– savings years 1-5 assumed to be nil. Savings factored in years 6-45.

- Revenues, Management and Maintenance over 45 years; Cost of Finance circa 3.5%
 - Net Present value £ 9.8 M (after 45 years)
 - Surplus after 45 years £ 27.7 M
 - scheme 'pays back' after 26 years

Whole value assessment – a **good use of resource** for Central Bedfordshire Council

From a 'whole system' perspective, were you to factor in NHS, wellbeing, community, Housing savings – the investment decision makes complete sense. When seen in the light of demographic change, there is a compelling financial argument to provide more.

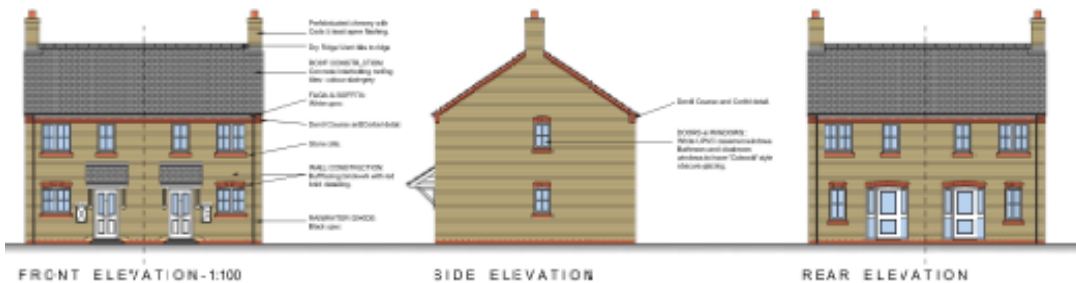




Creasey Park Drive, Dunstable



New Homes in Progress



Central Bedfordshire Council
www.centralbedfordshire.gov.uk

Housing Investment Prospectus

Central Bedfordshire



Protected

Last amended 26/07/2016

Houghton Regis Central



- 168 modern accessible apartments with facilities including a restaurant, café, hobby rooms, buggy store, laundry, assisted bathrooms, meeting rooms, beauty salon and retail units.
- Apartments comprised of 71 Shared Ownership, 71 Affordable Rent and 25 Market Sale units.
- Planning application submitted August 2016.
- HCA grant bid of £4.26m
- Start on Site - November 2017.
- Completion - December 2020.
- Modern Methods of Construction are being considered.



Croft Green, Dunstable



- Independent Living Scheme - 24 modern accessible apartments
- Total Development costs - £4.64m – use of RtB receipts
- Facilities - staff office communal lounge, laundry, buggy stores, seating areas
- Value engineering - Additional unit, landscaping and parking reduced
- Revised planning application - submitted October 2016
- Start on Site – April 2017
- Completion – June 2018



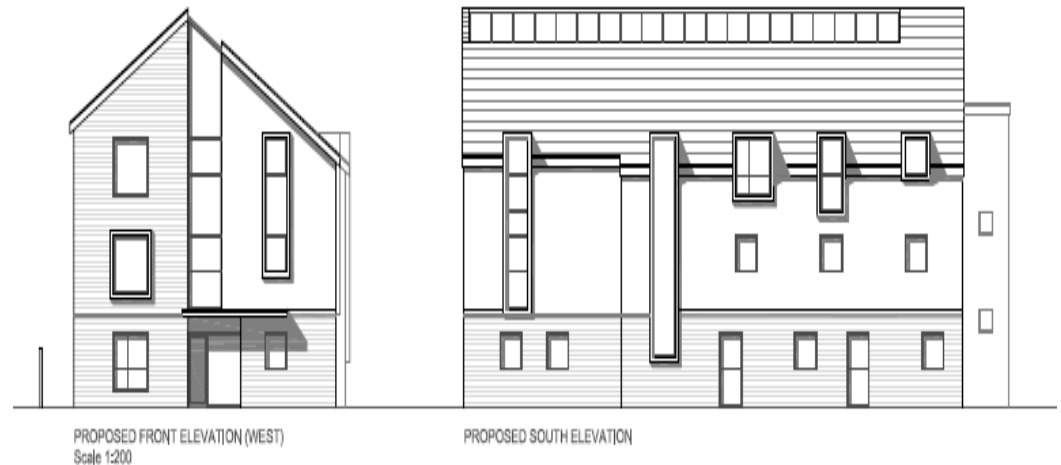
Crescent Court, Toddington



- 24 Shared Ownership and 21 Affordable Rent apartments with communal facilities.
- Total development cost - £9.64m
- HCA Grant bid of £1.35m
- Start on site – October 2018
- Completion – November 2020
- Modern methods of construction being considered

Windsor Drive, Houghton Regis

- 20 unit supported accommodation scheme
- £2.27m development
- Pays back by Year 18
- Delivers surplus of £3.7m after 45 years.
- 18 one bedsit flats and 2 two bedsit flats will be Category 3 wheelchair units
- £600k HCA bid submission
- Considering Modern Methods of Construction



(18) Gypsy and Traveller Sites

- Planning approval for ten permanent pitches and two transit pitches at Biggleswade South Gypsy and Travellers Site.
- Decision to grant planning permission currently subject to a Judicial Review - latest news
- £1.575m development budget for scheme
- £900k HCA funding
- Scheduled completion date – 31st March 2018
- Scheme pays back in Year 22



Working with Planning

- No silver bullet !
- Pre application advice
 - free
- Walk the ground
 - parking
- Car clubs
 - 1 space/bedroom
 - 50% reduction



