

Full Business Case (FBC)			
1. General Information			
Directorate	Place	Portfolio/Committee	Housing & Homes
Project Title	<i>Temporary Accommodation – Property Acquisition and Refurbishment Project</i>	Project Code	
Project Description	<p>The Council's Housing Options Service, as with the majority of other local authorities across the UK, has seen an increase in the number of households presenting as homeless in the City and requiring temporary accommodation in the last 18 months. As a result, the number of households placed in and accommodated for longer periods of time in bed and breakfast accommodation is increasing. The use of bed and breakfast accommodation can be disruptive to families and to a child's education, where the families are sometimes accommodated many miles from their school such is the increased pressure on accommodation providers over the last 18 months.</p> <p>The use of bed and breakfast accommodation over a medium to long term can have a detrimental impact on the health of families and does not support their long-term housing need. In addition, the use of bed and breakfast can be accompanied by children being more likely to require intervention from education welfare or social workers. As a result of the increasing use of bed and breakfast, the Housing Options Service is under considerable financial pressure and overspent its budget in 2016/17.</p> <p>The Homelessness Strategy, due for introduction in December 2017, is currently under review and is being developed with colleagues from Change Academy and the wider council. The strategy will encompass strategies and measures to manage the number of households seeking and entering temporary accommodation and look to ensure an increasing number of households are leaving temporary accommodation. The provision of temporary accommodation is being managed at this time through a mixture of private sector accommodation, BCC general stock and four homeless centres. The availability of such accommodation is reducing on a monthly basis as a result of the consistent number of households requiring temporary accommodation and a reduction in the number of households leaving temporary accommodation.</p> <p>The Service has identified the most appropriate types of accommodation required and in order these are: BCC owned and managed homeless centres and shared facility HMO type accommodation, private sector leased accommodation, BCC general stock – the use of these properties as temporary accommodation denies the allocation of these to households on the general waiting list, and finally bed and breakfast accommodation which is historically expensive and not appropriate for</p>		

	<p>the majority of households.</p> <p>The Service understands the number and type of properties it requires and is seeking, through a number of different channels – private sector leasing contract, conversion of BCC owned stock, to develop these properties as a matter of urgency. In addition, the Service is, through the acquisition and conversion of the appropriate accommodation, looking to deliver support to those households in need of support while in temporary accommodation, the properties contained within this Report are key to the success of this strategy.</p> <p>The Service is seeking to gain support for its strategy to reduce the use of bed and breakfast accommodation in Birmingham to an absolute minimum, which will see Birmingham move against the national trend of increased bed and breakfast but help to ensure not only a balanced budget but also place households into accommodation which provides 24/7 management by Council officers in a supportive and caring environment.</p> <p>The Housing Options Service is seeking to minimise the number of households that will be accommodated in bed and breakfast accommodation by acquiring alternative properties. This will reduce the financial, legal and reputational risks to the Council that is linked to the use of bed and breakfast accommodation. It is widely accepted and nationally recognised that bed and breakfast accommodation is not appropriate accommodation for homeless households other than as an immediate short term solution, reasons for this include:</p> <ul style="list-style-type: none"> • Legislation states that families with children should not be accommodated in B&B type accommodation unless in an emergency and then for no longer than 6 weeks. • Bed and breakfast accommodation is likely to be a distance away from the schools that the children may attend and away from the support network of the household. • Bed and breakfast accommodation is inherently expensive and was the major cause of the Service overspend in 2016/17 <p>The Service has identified a number of options available to it to reduce the use of bed and breakfast accommodation, these are:</p> <ol style="list-style-type: none"> 1. Increase the use of City owned self-contained properties used as temporary accommodation. The Service currently uses in excess of 700 City Council properties as temporary accommodation. These properties were, by and large, considered hard to let properties. The number of hard to let properties has reduced considerably and at the last count there were only eight city wide. The Service has considered requesting a further increase in the number of properties however this has been discounted for a number of reasons which include the fact that taking increasing numbers of properties from the general stock will reduce the number of properties available for those households on the
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	<p>housing waiting list. This may in turn increase the number of households declaring themselves homeless and will reduce further the number of properties available to let– making allocation of accommodation to those on the housing register, and in housing need, more difficult at a time of increasing homelessness.</p> <p>2. Increasing the supply of Private Rented Sector Accommodation. The Service currently has approximately 750 private rented properties on contract which it uses as temporary accommodation. The private rented sector in the City is buoyant and we are advised market rents are increasing. The Service is currently evaluating tenders for a replacement contract that also incorporates requirements from the No Recourse to Public Funds team (requiring around 200 properties), in total the Service is seeking to obtain around 800 private sector properties. Given the buoyant private rented sector market, there is a risk that it may not prove possible to secure the required volume of properties through this route.</p> <p>3. Acquisition of BCC owned accommodation surplus to requirements. The Service considers that the most appropriate option is to acquire City owned accommodation which is surplus to requirements and therefore ready for disposal which may in turn be refurbished and converted to homeless centre accommodation. Although the Service recognises the cost of refurbishment and transformation of any such accommodation is high the Service considers the fact that the rental income coupled with the high cost savings on bed and breakfast accommodation makes this the most appropriate option at this time.</p> <p>As at 17th July 2017 the Housing Options Service (“the Service”) is accommodating 1,907 households in temporary accommodation. This is an increase of more than 400 households over the last 12 months and is substantially above the long-term average of 1,100 households housed in temporary accommodation pending discharge of the City’s homeless duty. The Service has been met with, and is required to accommodate, an increase in households requiring accommodation and those households placed in temporary accommodation are there for longer periods of time. There is an urgent need to move to Full Business Case to allow the Service to secure the accommodation required to accommodate these additional households rather than use expensive and inappropriate bed and breakfast accommodation.</p> <p>The Service currently utilises a mix of accommodation which includes:</p> <ul style="list-style-type: none"> • 4 homeless centres which are staffed and managed 24/7 • approximately 750 private rented sector properties • In excess of 700 BCC owned self-contained properties • Bed and Breakfast/hotels <p>The existing four homeless centres are not centrally located and therefore there is an uneven split of homeless centre locations within the</p>
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	<p>city. The Service has a desire to acquire more centrally located properties to support the ease of referral and travel from Newtown HOC, accommodation of homeless households closer to community facilities and to maintain educational placements where appropriate.</p> <p>As a result of the increase in households requiring temporary accommodation the Service is accommodating 411 households in bed and breakfast accommodation as at 17th July 2017.</p> <p>As noted above, B&B accommodation is inappropriate accommodation for homeless households in that the accommodation neither meets the diverse needs of the households that BCC has a duty to accommodate or is the accommodation cost effective – the Service incurred a net overspend of £2.6 million for 2016/17, substantially as a result of increased use of B&B accommodation.</p> <p>The aim is to make use of directly provided shared accommodation units that are currently available to the Service and it is planned to address the current shortfall of available units through the appropriation and refurbishment of one property currently surplus to the requirements of the Adult Social Care and Health Directorate and the refurbishment of one HRA tower block that was scheduled for demolition. The acquisition and refurbishment of these properties will help the Service to meet the current demand for accommodation and, reduce the use of bed and breakfast accommodation this financial year. However, it must be noted that:</p> <ul style="list-style-type: none"> • The Service will still require accommodation that is fully accessible and therefore continues to work with partners to identify and secure such accommodation • There is a risk for a further increase in the number of households to be accommodated in temporary accommodation through to March 2018 and the Service continues to work with partners to identify homeless prevention measures and additional permanent and temporary units. <p>The Service is seeking to acquire and refurbish the following properties:</p> <p>Magnolia House Currently an Adult Social Care and Health Directorate property. This is surplus to current requirements and is therefore available for disposal / appropriation. The Housing Options Service, with colleagues from Acivico has identified that this can be refurbished and developed in to a 55 unit hostel to accommodate households with 2 – 10 family members.</p> <p>Barry Jackson Tower This is a Place Directorate property within the Housing Revenue Account that is currently vacant and scheduled for demolition. It currently comprises 119 flats but can be refurbished and converted in to a hostel</p>
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	<p>for up to 160 households.</p> <p>The additional properties identified will provide 215 units and substantially reduce the use of bed and breakfast NB this is based on current figures however, should there be a further increase the Service may again need to increase the use of B&B accommodation.</p> <p>All of the properties are proposed to be refurbished and converted to shared facility homeless centres. The centres will be operational 24 hours a day, 365 days a year and will be staffed at all times by Council officers and/ or security officers.</p> <p>The Service's existing homeless centres provide a safe, temporary living environment for homeless households. Residents receive daily support and are assisted to move on into other forms of accommodation when they are able to do so. Homeless centres also provide an environment suitable for educational support and activities for children. This approach will be replicated in the proposed sites within the TA identified above.</p> <p>This proposal will also allow for the continued support and accommodation of homeless households in city managed homeless centres at the time of crisis, in a supportive environment which is modern and decent. There is a shortage of facilities for emergency accommodation for homeless households with dependent children. This project will support the Service's activities that improve the quality of life, health and well-being of households in crisis and will reduce the feelings of isolation and helplessness at this time.</p> <p>Both properties require significant investment. The proposed works under this project would provide for an upgrade of those building elements which do not currently fully meet with all health and safety and legislative requirements. The refurbishment works will also include enhanced fire prevention measures such as the installation of sprinklers and will also convert each property to allow for shared facility living. These works are fully funded from within existing budgets.</p> <p>Detailed condition surveys of each centre have been completed by Acivico in relation to Magnolia House, and Wates Living Space in relation to Barry Jackson Tower. These reports identify the works required to each centre and are the basis for the costs within this full business case.</p> <p>The project will be managed internally by the Service with relevant professional and technical input from colleagues where appropriate. A programme board will be set up to develop and deliver the project to ensure that it is delivered on time and within the allocated budget. The cost of refurbishment is being sought from a mix of revenue contributions and Service funded prudential borrowing. The detailed funding arrangements are set out in section 2 below.</p>
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	<p>Planning permission will be required for change of use for all properties and this will be applied for once the relevant approvals have been given.</p> <p>Local residents will be informed of the work programme for each centre where there may be disruption to neighbours or traffic flow. The Service will work closely with West Midlands Police to ensure safety and security of each site and will ensure that, through 24/7 staffing, there is no detrimental impact on any community as a result of these proposals.</p> <p>The Housing Options Service currently manages four homeless centres which the proposed new scheme will mirror. These centres are managed 24/7 and are popular with homeless households as a result of the safe and welcoming environment which they provide. In addition, the centres do not in any way detrimentally impact on the communities in which they are located with no history of anti-social behaviour recorded against any centre.</p>	
Links to Corporate and Service Outcomes	<p>Which Corporate and Service outcomes does the project address:</p> <ul style="list-style-type: none"> • Children • Housing <p>The proposals will ensure that children are accommodated in the most suitable accommodation in their formative years and in a supportive environment, safe and secure 24/7.</p> <p>The proposal will also ensure that emergency accommodation provided by BCC to homeless households is safe and secure and meets all current health and safety requirements.</p>	
Benefits Quantification- Impact on Outcomes	Measure	Impact
	Council Plan – the elimination of the use of B&B accommodation to ensure that children are living in safe, secure and fit accommodation while homeless	Transition away from housing households in B&B towards homeless centres, representing a more suitable environment for affected families and delivering financial savings for the Council.
	Strategy – This will support the Homelessness Strategy 2012 and reduce reliance on B&B providers and the inappropriate use of such accommodation for homeless households	As above
Project Deliverables	<p>The proposal will deliver two newly refurbished supported accommodation centres, delivering shared facility living in a secure Council managed building. The buildings will be staffed and managed 24 hours a day and ensure no detrimental impact on the local communities. The project will deliver modernised, fit for purpose homeless centres proportionate to the estimated future levels of support and accommodation needed within Birmingham. It will provide for internal and external improvements to the two buildings ensuring all works are completed to meet current regulatory requirements as well as</p>	

	<i>modernising the centres.</i>
Scope	<p><i>The works identified by will include:</i></p> <ul style="list-style-type: none"> <i>• Renewal of or installation of new toilets and bathrooms to each property</i> <i>• Renewal or installation of new kitchens to each building</i> <i>• Replacement of carpet and vinyl floor coverings throughout each building</i> <i>• Refresh of all communal areas to make for a bright and welcoming environment in which to live</i> <i>• Refurbishment and upgrade of sub-main cabling and distribution boards where appropriate</i> <i>• Renewal of emergency, interior and exterior lighting where appropriate</i> <i>• Renewal of heating plants and heating distribution systems where appropriate</i> <i>• Renewal of security alarm systems</i> <i>• Renewal of fire alarm systems</i> <i>• Upgrade of fire prevention measures including sprinklers</i> <i>• All DDA compliance works where appropriate</i> <i>• Renewal or installation of CCTV cameras</i> <i>• Provision of furniture throughout the properties</i> <i>• Provision of internal communal play facilities to Barry Jackson Tower and Osborne Tower</i>
Scope exclusions	<p><i>Assessment of eligibility</i></p> <p><i>Allocations of permanent accommodation</i></p>
Dependencies on other projects or activities	<ul style="list-style-type: none"> <i>• Availability of appropriate officers to support the Service with the relevant contract management skills in relation to this project</i> <i>• Securing of planning permission for the proposed works</i> <i>• Awarding contracts and placing orders</i>
Achievability	<p><i>Key skills are required from several different areas of the Council to award the contract and implement the proposal and deliver the project. Namely contracts manager, surveyors, design, project and construction management.</i></p> <p><i>It is proposed that where appropriate colleagues with existing experience of the above will work alongside Service managers to deliver this project.</i></p> <p><i>Although the project is not of a specialist nature the extent of the project and the complexity of the work involved will require support from officers from other services within the Place Directorate with experience of managing a project of this size, value and scope.</i></p> <p><i>Meeting the key dates of the projects programme will be dependent on the weather conditions during the contract period and the ability of the Service to identify alternative accommodation for the residents while the work is ongoing, if required.</i></p>

	<i>Planning permission is required for change of use of each building and this will be applied for during the mobilisation period.</i>		
Project Manager	<i>Andrew Perry – Senior Service Manager, Housing Options Service. 0121 303 7529 Andrew.Perry@birmingham.gov.uk</i>		
Budget Holder	<i>Jim Crawshaw – Integrated Service Head, Housing Options Service Jim.crawshaw@birmingham.gov.uk <u>0121 675 2154 or 078877851985</u></i>		
Sponsor	<i>Robert James – Service Director, Place Directorate 0121 464 9819 Robert.James@birmingham.gov.uk</i>		
Project Accountant	<i>Guy Olivant – Head of City Finance, Housing Guy.Olivant@birmingham.gov.uk 0121 303 4752</i>		
Project Board Members	<i>Andrew Perry, Jim Crawshaw, Guy Olivant, Andrew Clarke, Sarah Yorke, Richard Welch, Martin Donovan</i>		
Head of City Finance (HoCF)	<i>Guy Olivant</i>	Date of HoCF Approval:	<i>28 July 2017</i>

2. Budget Summary (Detailed workings should also be supplied)					
	<i>Financial Year 1</i>	<i>Financial Year 2</i>	<i>Financial Year3</i>	<i>Later Years(4 to 30)</i>	<i>Totals</i>
Capital Costs & Funding	£'000	£'000	£'000	£'000	£'000
Expenditure:					
Refurbishment Costs	11,054	0	0	0	11,054
IT Infrastructure Costs	70	0	0	0	70
Initial Furnishing Costs	531	0	0	0	531
Cyclical Investment	0		0	2,320	2,320
Totals	11,655	0	0	2,320	13,976
Funding					
Prudential Borrowing	(11,364)	0	0	0	(11,364)
Contributions from HRA	(292)	0	0	0	(292)
Revenue Contributions	0	0	0	(2,320)	(2,320)
Totals	(11,655)	0	0	(2,320)	(13,976)
Revenue Consequences					
Net Rental Income	(579)	(2,385)	(2,456)	(40,777)	(46,197)
Management & Maintenance Costs	558	2,279	2,326	38,121	43,284
Furnishing Costs	0	132	134	1,995	2,261
Rent Payable to HRA	101	414	427	3,369	4,311
Appropriation Charges	42	42	42	1,140	1,266
Debt Financing	357	954	954	12,233	14,499
Revenue Contributions	0	0	0	2,320	2,320
Subtotal Direct Revenue Consequences	480	1,437	1,427	18,401	21,745
Remaining B&B Budget Available	2,875	1,918	1,928	72,184	78,905
Total Approved B&B Budget	3,355	3,355	3,355	90,585	100,650
Note: B&B Costs avoided	(477)	(1,946)	(1,985)	(29,512)	(33,920)
Planned Start date for delivery of the project	<i>September 2017</i>		Planned Date of Technical completion	<i>September 2018</i>	

3. Checklist of Documents Supporting the FBC		
Item	Mandatory attachment	Number attached
Financial Case and Plan		
<ul style="list-style-type: none"> Milestone Dates/ Project Critical Path (set up in Voyager or attached in a spreadsheet) 	Mandatory	Appendices 1A and B
Project Development products		
<ul style="list-style-type: none"> Populated Issues and Risks register 	Mandatory	Appendix 1D
<ul style="list-style-type: none"> Stakeholder Analysis Ward Councillor Consultation 	Mandatory	Appendix 1C Appendix 1E

Appendix 1A Project Milestones – Barry Jackson Tower

Milestone	Date/s Forecast
Cabinet Approval	15 August 2017
Project/ Centre Manager Recruitment Commences	August 2017
Consultation/ Information Briefings with West Midlands Police, Fire Service, residents, and all stakeholders	September 2017
Weekly site meetings with contractors commence	September 2017
Planning Permission Applied	September 2017
Contractors Move to Site – Clearance Works	September 2017
Commence recruitment of new officers	September 2017
Contractors move to site – construction and refurbishment works	October 2017
Appoint and train new officers	November 2017
Planning Approval Received	December 2017
Phase 1 Works Complete – Staff Areas	December 2017
Phase 2 Works Complete – First Residents move in to first floor	January 2018
Anticipated end of construction and refurbishment works – whole block refurbished for full occupancy	Summer 2018

Appendix 1B Project Milestones – Magnolia House

Milestone	Date/s Forecast
Cabinet Approval	15 August 2017
Project/ Centre Manager Recruitment Commences	August 2017
Consultation/ Information Briefings with West Midlands Police, Fire Service, residents, and all stakeholders	September 2017
Meeting with Acivico to determine most appropriate procurement to secure on cost and timely refurbishment	September 2017
Planning Permission Applied	September 2017
Decision made in relation to appointment of contractors/ tender process	September 2017
Commence recruitment of new officers	September 2017
Contractors move to site – construction and refurbishment works	October 2017
Planning Approval Received	December 2017
Appoint and train new officers	February 2018
Phase 1 Works Complete – Staff Areas	February 2018
Phase 2 Works Complete – First Residents move in to first floor	April 2018
Anticipated end of construction and refurbishment works – whole block refurbished for full occupancy	October 2018

Appendix 1C - Stakeholder Analysis

Stakeholder	Stake in project	Potential impact on project	What does the project expect from the stakeholder	Perceived attitudes and/or risks	Stakeholder management strategy	Responsible
Community	Neighbours of each scheme	Unanimous opposition may delay scheme	Support and agreement for the managed project	Initial concerns that the centres will be used to accommodate groups that are considered anti-social through ignorance or media coverage/ perception IE drug users, criminal background etc	Mail drop to residents Letters to residents Community meeting via invite Dedicated email address for enquiries 121 meetings with residents where appropriate Attendance at HLB if appropriate Attendance at Ward Cttee meetings	Project Officer/ Lead officer – Name TBC
West Midlands Police	Managing community and fears of and instances of anti-social behaviour	Rejection of project after Cabinet approval	Support from WMP further to discussions and visits to the four homeless centres currently managed by the Service without issue or incident	Perceived view that the properties will be sued to accommodate those with known ASB history, a history of criminality, drug use and disruption.	Initial meetings with WMP Site visits to BCC homeless centres Site visits to the two properties	Project Officer/ Lead officer – Name TBC
West Midlands Fire Service	Responding to emergency call outs relating to fire alarms	Concern re fire safety further to Grenfell Tower	Support for the project as sprinklers will be fitted throughout and the properties will be managed to current standards	Initial concern following Grenfell Twr fire.	Initial meetings with WMFS, followed by site visits and meeting with contractors to discuss fire safety in each property	Project Officer/ Lead officer – Name TBC

Member of Parliament	Community representative	None	Full support	Concern regarding safety within the community, over-burdening local facilities, perceived risk to members of the community.	Individual meeting with MP followed by invitation to public meetings Dedicated email address for enquiries	Project Officer/ Lead officer – Name TBC
Local Schools	Educational facilities	None	Full support	Concern that the project will overwhelm already full schools	Individual meetings with head-teachers followed by invitation to public meetings.	Project Officer/ Lead officer – Name TBC
GP & Health Centres	Health Services	None	Full Support	Concern that the project will overwhelm health services within each area	Individual meetings, mail drop, dedicated email address	Project Officer/ Lead officer – Name TBC
Landlord Services	ASB and neighbourhood management	None	Full support	Concerns regarding impact on the neighbourhood and a potential increase in ASB, litter and refuse	Email followed by local meetings	Project Officer/ Lead officer – Name TBC

Refurbishment of Barry Jackson Tower and Magnolia House
Appendix 1D- Risk Analysis

Description of risk	Impact	Probability	Existing Controls	Action Required	Lead Responsibility
Failure to secure planning permission for conversion to shared facility living	High	Low	Initial meetings with Planning suggest no immediate concerns, properties will be used to accommodate the same number of people that they were designed for with enhanced communal facilities	Upon Cabinet approval immediate meetings with Planning to progress applications Planning Committee Members will be invited to consultation meeting further to Cabinet approval	Service Manager for schemes
Refurbishment works exceed budget leading to non completion of projects or lower standard of finish	Low	Low	Cost of refurbishment for each property has been assessed to include all possible works however, some of these works are not at present required and these Strong budget management in place via Capital Investment Team Known costs through existing HR&M contract	Budget and costs will be monitored by Capital Investment Team to ensure budget is not over-spent.	Senior Service Manager, Capital Investment Team
Delays in refurbishment works start dates for Barry Jackson Tower	Medium	Low	Wates Living Space, the HR&M contractor, has identified the works required and have made progress in relation to programme of works for the property. Works will begin as soon as Scrutiny call in period has expired. IE 1 September 2017. Delays will occur if Cabinet approval is not given on 15 August 2017	Regular meetings with Wates LS to ensure ready to move on site immediately	Service Manager
Inability to secure agreements with stakeholders for refurbishment proposals within reasonable timescales leading to refurbishment delays	Medium	Low	Immediate consultation taken place with all stakeholders, on-going consultation and briefings with stakeholders to address concerns and manage these	Regular meetings with all stakeholders	Service Manager

Safety of visitors and staff compromised during refurbishment works leading to potential injuries/damage , insurance claims and loss of reputation	Low	Low	Professional team in place with Site Manager at each property. Regular monitoring of professional team/appointed contractors via Capital Investment Team/ Acivico with input from Service. Regular onsite inspections. Suitably experienced/professionally qualified contractors appointed.	Regular site meetings and management of sites by Site Manager and contractor	Service Manager/ Site Manager
Failure to safely let building or part of building during refurbishment works leading to loss of revenue and reputation issues	Medium	Low	Site managers to ensure letting of units as required and monitored by Acivico/ Capital Investment Team and Service Manager	Adjust budget to take account of delays in letting units, ensure communication channels remain open and relevant officers are informed	Service Manager
Reputational risk of a poor image of BCC whilst works are on-going leading to reputational damage to BCC/ the Service	Low	Low	Weekly site meetings to manage this	Ensure continued and ongoing engagement with public and stakeholders, officers, Members and contractors	Service Manager
Failure to recruit sufficient officers/ agency in time to let units as they become available	Medium	Low	Full Business Case will be completed for authority to recruit to post as soon as Cabinet approval has been secured		Service Manager

APPENDIX 1E –Temporary Accommodation Refurbishment FBC Report - Ward Members Consultation Responses

Date	Stakeholder	Ward	Building	Response to consultation
31/7/17 28/7/17 28/7/17	Cllr Muhammad Afzal Cllr Nagina Kauser Cllr Ziaul Islam	Aston	Barry Jackson Tower	<p>Councillor Kauser telephoned to confirm that she is happy with the proposals.</p> <p>Councillor Islam emailed on Friday 28.07.2017 that he supports the proposals.</p> <p>Following a telephone conversation regarding issues including: safeguarding; impact on local schools and concerns around ASB, Councillor Afzal confirmed his support for the proposal, in writing 31.07.2017.</p>
26/7/17	Cllr Chauhdry Rashid Cllr Tahir Ali Cllr Yvonne Mosquito	Nechells	Magnolia House	All Members were present at the meeting and supported the proposed refurbishment Magnolia House.