

Report to: Executive Board - Monday 11th November 2002

INVEST TO SAVE
SOCIAL HOUSING DEVELOPMENT PROPOSAL

Report of: <i>Business Manager Neighbourhood Renewal</i>	WARDS AFFECTED ALL
Report Author: <i>Val Johnson Business Manager Tel no. 01865 252209 Email: vjohnson@oxford.gov.uk</i>	
Lead Member Responsible: <i>Housing Portfolio Holder</i>	
Overview and Scrutiny Committee Responsibility: <i>Housing Overview and Scrutiny Committee</i>	
Key Decision: <i>No</i>	

SUMMARY AND RECOMMENDATIONS

This report sets out a proposal to employ a new full time Housing Development Manager and to secure the funding for the existing Housing Development Support Officer, as this post is only funded until the end of the financial year 2002-03. The report sets out the costs and benefits of these posts and some ways of potentially generating income to cover these costs in the longer term.

The proposals will help meet the key strategic objectives of reducing poverty and tackling social exclusion through increasing the number of social housing developments in the City and through reducing the numbers of homelessness on the Councils waiting list. Thus reducing the financial strain upon the City Council homelessness budget.

The Executive Board is ASKED:

- 1) To allocate a budget of £67,200 for the employment of a Housing Development Manager and Housing Development Support Officer.
- 2) For a further report to be bought to the Executive Board setting out options for extending the scope for generating additional income.

1. BACKGROUND

- 1.1 On 27 September the Executive Board considered a report 'Results of Savings Exercise'. This report set out budget pressures and savings proposals across all business units of the Council. The budget pressures and savings relating to the Neighbourhood Renewal Business Unit included a budget pressure for a full time Housing Manager post and a full time Housing Development Support Officer.
- 1.2 These proposals were agreed in principle by Full Council for 2002-03 and 2002 - 04 but Business Managers have been asked to look to make savings within their Business Plans to cover this. It anticipated that a further report on the budget pressures and savings will be brought to Council and this makes it impossible to recruit a Housing Manager and Housing Development Officer as a guarantee of on going funding would be required.

THE NEED FOR ADDITIONAL STAFF

- 2.2 The Council has established a development pipeline of social housing units over the next three years totalling 279 funded and 590 non funded pipeline units. A total of 869 units altogether. We are currently meeting the Council's Vision of 100 units per year. The additional units will make a major contribution towards reducing the numbers of households in temporary accommodation and reducing the financial pressures on the Council.
- 2.2 The social housing programme is managed by the Neighbourhood Renewal Manager through the Housing Development Co-ordinator who is assisted on a temporary basis by a Housing Development Assistant. The funding for this post is only available until 31 March 2003.
- 2.3 The pipeline programme is extensive but the staff resources available in the Unit are not sufficient to ensure, firstly, that schemes are brought in development as quickly as possible and, secondly, that maximum funding is secured from the Housing Corporation and other sources. Any delays in bringing schemes forward is at a cost to the Council.
- 2.4 Additional staff resources will also help the Council to plan more effectively and strategically for the future and to consider developments beyond those already in the pipe line for the next three years.

THE BENEFITS

- 3.1 Additional staffing resources would provide:
- more coherent presentation of Oxford's case for grant funding and higher investment
 - able to respond to new Government priorities such as key worker housing, regional housing issues and working with other Oxfordshire Districts.
 - develop the partnership with the housing association partners to maximise their contribution in the City, for example forward funding of schemes and developing housing plus projects as part of housing schemes.

- better scheme delivery though quicker responses on housing/ funding issues on S106 schemes, quicker site appraisals and more effective use of other Business Units time on issues such as valuation and land/ property disposal and nominations through better project management.

3.2 Whether the Council is able to bring units into development more quickly is dependant largely on the availability of funding but setting this aside, the practical benefit would be felt on schemes which are developed from March 2003 onwards. To gauge the impact of this, it would not be unreasonable to assume that more efficient project management would mean houses brought into letting on average 4 to 6 months earlier. The schemes this is likely to impact on are:

Garage site redevelopment -	25
Orlit redevelopment	120
Void properties	5
Blackbird Leys Maisonettes	20
Elsfield Way	24
School Sites/ Other S106 schemes	80

3. FINANCIAL IMPLICATIONS

3.1 The costs of employing a full time Housing Development Manager are:

Salary (PO 24-25) £31,041 - £33,990
 On costs 20% £6,798
 Total costs £40,788

3.2. The costs of employing a full time Housing Development Support Officer are:

Salary (SO2-PO11) £22,569 - £25,035
 On costs 20% £5,007
 Total costs £30,042

Total maximum costs £72,227, less a vacancy factor would reduce this budget requirement to £70,780. The budget approved by Council is £67,200 leaving a shortfall of £3,580. This difference will be contained within the other salary budgets within Neighbourhood Renewal Business Unit.

3.3 The budget would need to be identified from the general fund but appropriate recharges will be required from the HRA budget. Income will also be generated from fees and charges from the facilitating work that we do with developers. This is currently only levied from developers on schemes where there is City Council land and / or money but the facilitating work extends to Section 106 Schemes as well and there is an argument for extending the scope for generating additional income.

3.4 Currently these fees are used to cover feasibility studies. Additional staff would generate additional fees. A conservative estimate is that this could be @£20,000 which could be used as a contribution towards salary costs.

3.5 There are approximately 800 homeless households living in OSLA second stage family properties and 946 altogether in all types homeless accommodation. Each OSLA premises costs the Council £1,600 per year. 75% of new social housing developments go to people on the Homelessness List and clearly any increase in the numbers of units available will impact upon this list - even if it is able to maintain it at its existing level - and therefore generate substantial savings to the Council.

3.6 It is estimated that:

- Of the 274 units 150 will be new units
- Of the new units 112 will be family units
- Of these 112 units 75% or 84 will go to household on the Homelessness list
- If these families spend 6 months less in Homelessness accommodation this will save £800 per year per family and the families will be moved off the homelessness list forever.

Or a total of £67,200 per year, on an on going basis. If estimated income from fees of £20,000 is added to this the total cost benefits to the council will be £87,200 per annum.

The report has been seen by Councillor Val Smith, Port-folio Holder for Housing, Councillor Bill Baker, Port-folio Holder for Human Resources and Paul Warters, Business Manager, Human Resources Business Unit, Sarah Fogden, Business Manager, Financial Management, Neil Gibson, Strategic Director, Housing, Health and Communities.