

STROUD DISTRICT COUNCIL
COUNCIL

**AGENDA
ITEM NO**

25 APRIL 2019

6ai

Report Title	CAPITAL BUDGET FOR TEMPORARY ACCOMMODATION
Purpose of Report	To ensure a capital budget is in place for the purchase of temporary accommodation
Decision(s)	Council RESOLVES to: 1. Approve a £500k budget for the purchase of temporary accommodation.
Consultation and Feedback	Housing and Strategy and Resources Committees have considered this project
Financial Implications and Risk Assessment	This report completes the constitutional requirement for a Council decision to approve new capital spend. The capital spend will be funded by borrowing, the costs of which are included in the overall business case which demonstrates that this scheme is expected to be cost neutral to the Council. Andrew Cummings, Head of Finance & S151 Officer Email andrew.cummings@stroud.gov.uk
Legal Implications	There are no legal implications arising from this report. Patrick Arran, Interim Head of Legal Services and Monitoring Officer Email: patrick.arran@stroud.gov.uk
Report Author	Andrew Cummings, Head of Finance & S151 Officer Email andrew.cummings@stroud.gov.uk
Options	Council could choose not to approve the budget but this would mean the project could not continue.
Background Papers/ Appendices	Report to Housing Committee – February 5 th 2019 Report to Strategy and Resources Committee – March 7 th 2019 Information Paper to Strategy and Resources Committee – April 11 th 2019

- 1.1 On February 5th 2019 Housing Committee considered a report on the “Options for Providing Temporary Accommodation for Homeless Households in the Stroud District”. As part of this report the Committee recommended to Strategy and Resources Committee that delegated authority be granted to the Head of Property Services to purchase the former Salvation Army Building in

Stroud and to commission the conversion of this property into temporary accommodation.

- 1.2 This was considered by Strategy and Resources Committee on March 7th. The decision was made to make the appropriate recommendations for delegated authority to Council, subject to a satisfactory business case.
- 1.3 An additional financial information sheet was considered by Strategy and Resources at their meeting on April 11th in response to a request from the Committee for further detail.
- 1.4 The Council's financial regulations are clear that there must be Council approval of a budget for additions to the Capital Programme. In order for the Head of Property Services to be able to carry out their delegated powers, subject to them being approved, a decision must be made to approve a corresponding budget.
- 1.5 The currently estimated cost, at the early stage of the due diligence process, is £500k. This is to be funded through General Fund Borrowing. When considered as part of the overall economic appraisal it was determined that the cost of such borrowing could be contained within existing budgets. This is because the overall cost of the provision does not change as a result of the Council purchasing and operating its own accommodation. There is however, a significant gain in terms of quality in-district provision.
- 1.6 By way of background the financial summary table included in the S&R background paper from April is included below.

Table 1

Estimated Cost of New Provision (6 units)	£k	Estimated Costs of B&B (6 households)	£k
Borrowing Costs (MRP and interest)	29		
Running Costs (management charge, utilities, repairs and renewals)	80	Expenditure (Bed and Breakfast)	66
Income (Housing Benefit and service charges)	(67)	Income (Housing Benefit)	(24)
Net Cost to SDC	42	Net Cost to SDC	42