

Appendix 3: D2 PropCo VfM

Purchasing Enhanced Temporary Housing On Block Booking Arrangement

OVERVIEW

We are currently in discussions with a company based in South Wales but looking to work in North Wales. The company delivers temporary accommodation services for 11 Welsh LAs already.

The model is an intensive housing solution for homeless people and households and offers a 24/7 management and support service.

Contract and procurement advice is being undertaken for a 5 year contract period and due diligence has proven that the company and service comes highly recommended by Welsh Council peers.

The company buy up and refurbish properties and will target areas at request and also focus on long term empty homes to bring them back into use.

There are approx 100 households placed in out of county hotels and the focus of this housing solution will be on bringing people back in county

	Year 1	Inflation estimate	Year 2	Inflation estimate	Year 3	Inflation estimate	Year 4	Inflation estimate	Year 5	Over 5 year lease
40 X Single bed accommodation										
Annual Charge - £50 pn x 40 Single units	730,000	3.0%	751,900	3.0%	774,457	3.0%	797,691	3.0%	821,621	3,875,669
Annual Charge - £100 pn x 5 x 2 bed House	182,500	3.0%	187,975	3.0%	193,614	3.0%	199,423	3.0%	205,405	968,917
Annual Charge - £100 pn x 3 x 3 bed House	109,500	3.0%	112,785	3.0%	116,169	3.0%	119,654	3.0%	123,243	581,350
Annual Charge - £100 pn x 2 x 4 bed House	73,000	3.0%	75,190	3.0%	77,446	3.0%	79,769	3.0%	82,162	387,567
	1,095,000		1,127,850		1,161,686		1,196,536		1,232,432	5,813,504
HB Income - Assumed 70% collection rate	- 120,816		- 120,816		- 120,816		- 120,816		- 120,816	- 604,080
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Cost to FCC	974,184		1,007,034		1,040,869		1,075,720		1,111,616	5,209,424
B and B cost (assumed single rate of £90 pn, family rate of £140 pn)	1,825,000	5.0%	1,916,250	5.0%	2,012,063	5.0%	2,112,666	5.0%	2,218,299	10,084,277
Potential Saving to Council	- 850,816		- 909,216		- 971,193		- 1,036,946		- 1,106,683	- 4,874,853