

## **Explanation of Housing Model**

The Refugee & Asylum Seeker Housing Costs Model is basically a modelling tool that allows you to model how to provide housing and support services for refugees and asylum seekers, what rent regime to apply, how to justify and present costs, and how to ensure that the budget for housing projects stack up. In detail it does the following ::

1. It helps to break down the tasks in providing a housing and/or support service and then helps providers to identify how much time is involved in delivering those tasks, how often, what type of person will deliver that – volunteers, paid members of staff (specialist, administrator etc), and what the principal driver is in terms of varying the amount of time –is it number of properties, number of tenants etc .This can then be translated into costs by a separate matrix that identifies the true cost of employing staff taking into account on-costs of various kinds. It is important to gross up costs from tasks in this way because it is essential to identify the true cost of providing different levels and types of service – there is tendency to significantly under or even more likely over-state the true costs if you take a more broad brush approach. It also allows you to model the impact if you provide additional services or if you use volunteers as opposed to paid staff or different grades of paid staff.
2. Similarly it allows you to model the non-staffing costs of other services provided, taking into account the different drivers for costs.
3. It allows you to do this according to whether you let the properties on 4 different rent regimes –including Excluded Accommodation, Registered Provider rents (what used to be called RSLs or Housing Associations), Local Reference Rent level, and No Rent (i.e. where the people living there have no access to public funds). You can have any combination of these 4, so you can model a project that has different elements of types of provision. This was important for Boaz as this allowed them to work out how they could subsidise their nil-rent properties with some where they could attract exempt accommodation levels of charges. It would allow projects however to do similar things if for example they had one property that was providing short-term accommodation while refugees got on their feet and where an exempt accommodation option was reasonable, with properties for people to move on to where it was hoped they would get employment and where the charges were set on the basis of Local Reference Rents.
4. The Model can turn these inputs into a breakdown of charges for the purposes of getting Housing Benefit approval. This requires it to have 2 parallel sets of figures – as charges can be set on the basis of reasonable market costs for providing different service elements rather than the actual costs of doing so. This means that if provision (including the property itself) is gifted or acquired on a cut-price basis or if services are provided by volunteers rather than paid staff it is reasonable to charge for them as if they were full price. This obviously generates a potential surplus. Depending on the rent regime the charges are either calculated

by means of a formula external to the costs or on the basis of a costing of the services provided.

5. The Model can then produce a Housing Budget, and also feed into an organisational budget (although at the moment this is just set up for Boaz's specific budget).

The Model was built as part of a very limited contract with Boaz, and indeed much more time was invested in it than was paid for. Nevertheless it was not finished to the standard that I would want it to be for it to be made general use of. The following work would be necessary.

1. Some work on formatting and presentation. I think it would also be better to build it in a more recent version of Excel – it was written in Excel 2003.
2. Developing the links to budgets (as mentioned above), and make it more generic in its application.
3. Build in links to the calculation of rents through external formulae – at the moment this was done off the spreadsheet (in another spreadsheet)
4. Build in support tasks as well as housing management tasks at the initial stage, and the potential for adding in other income. This would make it a more comprehensive modelling tool.
5. Ensure that it reflects the different management options developed in other projects.
6. Provide some guidance notes on how to use it, and some further contextual information about the advantages and disadvantages of different housing funding models..

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