

CONFIDENTIALITY

The contents of the appendix to this report qualifies as exempt information under section 100(A)(4) and paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as it is “*information relating to the financial or business affairs of any particular person* (including the authority holding that information)”

and

2) In relation to the “exempt” information, it has been determined that the public interest in maintaining the exemption outweighs the public interest in disclosing the information because disclosure would adversely affect the authority’s ability to manage its commercial financial and business affairs. Accordingly, it is proposed that the appendix shall remain exempt.



URN: 21-131

Subject: Rough Sleeping Accommodation Programme Bid – Housing First Scheme

Report to: ELT 8 September 2021
Housing and Neighbourhoods Committee 23 September 2021

Report by: Nicola Turner, Housing Director

SUBJECT MATTER/RECOMMENDATIONS

This report seeks approval to purchase and repair five homes to provide a self-contained home with dedicated support for a period of up to two years for a cohort of entrenched rough sleepers with high needs in order to deliver a significant reduction in rough sleeping.

Recommendations:

Housing and Neighbourhoods Committee recommend that Full Council:

1. Approve the purchase and renovation of five properties to be used to meet the needs of rough sleepers with high support needs within the parameters of the project as set out in this report and the Confidential Appendix.
2. Approve, subject to a successful application for grant funding, the expenditure and the borrowing set out in the report at paragraph 3.1. i.e. the purchase, repair and renovation and furnishing of the properties.
3. Delegate decisions in relation to the purchase of the properties and the completion of the required renovation works to the Head of Property and Asset Management and the Section 151 Officer in accordance with the Property Acquisitions and Disposals Policy.
4. Approve the procurement of a third-party support provider to deliver the support and manage the five homes.
5. Accept the Rough Sleeping Accommodation Programme grant funding and conditions.

1. Introduction

- 1.1 The Covid pandemic highlighted the scale of rough sleeping and the number of individuals in insecure housing at risk of rough sleeping across the borough. The Rough Sleeping Strategy and Action Plan 2020 produced in response and adopted by Full Council in July 2020 identified the need for a clear pathway approach which ensures that rough sleeper's accommodation and support needs are assessed to ensure they can access accommodation which meets their needs. In considering this pathway approach it has become clear that there is a gap in the existing provision for rough sleepers with high or complex needs within existing or planned provision.

2. A Housing First Approach

- 2.1 To meet the needs of rough sleepers with high/complex needs a new Housing First model scheme has been developed to provide five self-contained properties where rough sleepers will be able to be accommodated for up to two years. The homes will be for people with histories of repeat/entrenched rough sleeping, high and/or multiple/complex needs spanning mental health, drugs or alcohol and offending who will often have no remaining housing options available to allow them to move off the street. Integral to the provision of a property will be the provision of a personalised, flexible support offer will give them the best chance of moving towards recovery, realising their wishes and developing a more settled future life to support a planned move to appropriate accommodation in the future. The level of support provided will be intensive recognising the needs of the residents of the scheme.
- 2.2 The five properties will be acquired from the open market and renovated to ensure they provide high quality accommodation. All properties will be held in the General Fund as the Council will use the homes to discharge its homelessness duties under Part VII of the Housing Act 1996. The properties will be furnished reflecting the needs of the residents. The support service will be provided via a third party who have a track record in delivering support to rough sleepers. It is expected that all properties would be available for occupation during spring/early summer 2022.
- 2.3 The Rough Sleeping Accommodation Programme (RSAP) is a dedicated grant programme which provides capital and revenue funding to meet the needs of rough sleepers and provide a lasting legacy from the "Everyone In" initiative. A bid for capital and revenue funding for the Housing First scheme has been submitted to the RSAP programme, with an announcement expected at the end of September/early October 2021. Capital funding is available within 2021/22 and 2022/23 and revenue funding for the period 2021/22 to 2023/24.

3. Financial Implications

- 3.1 The Confidential Appendix provides full information on the capital and revenue costs of the scheme; the headline figures are summarised in the table below:

Total Capital Cost	£655,475
Capital Grant bid	£314,628
Borrowing	£340,847

- 3.2 The cost of borrowing will be met from rents, which will be a capped Affordable Rent of £105 per week inclusive of service charges. The appraisal shows the cost of borrowing and ongoing repairs and maintenance can be sustained from the rental income, although there is no allowance for supervision and management costs reflecting the provision of a dedicated support worker who will support the residents of the five homes.
- 3.3 The revenue funding sought will fund a dedicated support worker, with funding available in 2021/22 (reflecting a start in January 2022 for this post), 2022/23 and 2023/24. There is no ongoing revenue funding for the scheme after 31 March 2024, but the grant conditions will require its use after this time. There are a number of mitigations for this risk:
- Identification of additional funding streams for support from April 2024 – such as the Rough Sleepers Initiative or use of the Council’s homelessness prevention grant. Conversion to a social rent would allow an Enhanced Housing Management charge to fund the required support but this would create a call on the General Fund to subsidise the scheme as a lower rent will meet less of the debt servicing costs and repairs and maintenance expenditure. The potential for cost savings by linking the support service for this scheme and the Transitional Housing Scheme would be considered.
 - Sale of the homes to the Housing Revenue Account to become general needs homes.
 - Retention within the General Fund as temporary accommodation – the grant would then be ring fenced and used to deliver other affordable housing through a Replacement Agreement subject to agreement with Homes England.

4. Risk Implications

- 4.1 The RSAP submission assumes the purchase of a mixture of one- and two-bedroom homes (although all homes would only be used as one-bedroom properties) reflecting the lack of properties which are likely to be suitable for the Housing First scheme. Rightmove information has been used to identify likely prices for the properties. It is assumed all properties will require capital works to ensure the properties meet the requirement of the RSAP that homes will be available for 30 years. If, however, the Council is unable to acquire all homes within the available budget for acquisition or the costs of works exceeds the available budget, the additional cost will have to be met from further borrowing. To mitigate the financial risks the Council will look to

secure all purchases as soon as possible (so costs are known and to minimise any house price increases) and will undertake surveys prior to purchase to ensure works can be met from within the available budget which includes a 10% contingency.

All properties will be acquired in accordance with the requirements of the Property Acquisitions and Disposal Policy.

- 4.2 The RSAP grant funding requirements are based on milestones for completing the acquisition of the homes, starting works on the homes (Start on Site) and all works being complete allowing occupation (Practical Completion). Realistic timescales allowing for potential delays have been allowed for within the submitted timescales which are:

Acquisition: 31 January 2022

Start on Site: 1 March 2022

Practical Completion: 2 August 2022

If these dates are missed and an extension cannot be agreed there is a risk that the Council will not be able to claim some or all of any approved grant funding. To mitigate this the programme of acquisitions and works will be carefully monitored to ensure remedial action can be taken to address any actual or expected programme slippages. In addition, as set out above, the intention is to identify and make offers on suitable properties within a month of confirmation that the Council's bid has been successful.

- 4.2 It is proposed that a third party will be contracted to provide the support and manage the five homes within the Housing First scheme. This will provide the required expertise as well as provide resilience and allow for cover of absence. If, however, a suitable third party cannot be secured to deliver the support service, this will be delivered in house through recruiting to a dedicated support worker post utilising the revenue grant funding.
- 4.5 Homes England are responsible for the grant funding provided through the RSAP and require the completion of a funding agreement between grant recipients and Homes England before any grant funding can be paid. The grant agreement includes specific conditions in relation to the use of the funds and the requirements for repayment of funds that are not used as required. Only one funding agreement is required irrespective of the number of schemes funded through the RSAP. This report seeks authority to accept RSAP grant funding and conditions as set out in the prospectus and funding agreement. In accepting the Homes England grant, the Council will monitor compliance and ensure it is able to evidence compliance with the funding requirements of the grant funding received.

5. Legal Implications

- 5.1 The Council is able to acquire properties to hold in the General Fund. The Council can also enter into a management agreement with a third party to manage the homes, but the Council retains legal management responsibility. The Council will issue non-secure tenancies to residents to occupy the homes within the Housing First scheme.
- 5.2 As set out at 4.5 above, to draw down the RSAP funding, the Council will need to complete a funding agreement with Homes England.

6. Conclusions

- 6.1 The delivery of a Housing First scheme will form part of the Council's response to significantly reduce the level of rough sleeping across the borough. The need for a Housing First scheme has been identified reflecting a gap in provision to meet the needs of rough sleepers who have high/complex needs for whom there is no other suitable housing option. The Housing First scheme will provide five self-contained homes with a dedicated support worker who will work with residents to support them to successfully manage their occupation and make a successful transition to their next home. This report seeks approval of the require expenditure and borrowing to deliver the scheme subject to the Council's bid for capital and revenue funding through the Rough Sleeping Accommodation Programme being successful.

7. Background Papers

Rough Sleeping Strategy and Action Plan 2020 – Policy and Resources Committee 28 July 2020

Property Acquisitions and Disposals Policy - Council 23 February 2021

Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?

Area for consideration	Comment
Monitoring Officer Consultation:	Via ELT
Section 151 Officer Consultation:	Via ELT
Existing Council Policies:	Corporate Plan
Financial Implications (including VAT and tax):	Discussed in report
Legal Implications (including human rights):	Discussed in report

Risk Implications:	Discussed in report
Equality Issues/EQIA assessment:	The provision of the Housing First scheme will meet the needs of individuals who have no other housing options to ensure they are able to make a successful transition to settled accommodation. This will have a positive impact on their physical and mental health and wellbeing.
Crime & Disorder:	Not applicable
Every Child Matters:	Not applicable