

REPROVISIONING OF TEMPORARY ACCOMMODATION**SUMMARY AND RECOMMENDATIONS:**

The council utilises North Lane Lodge and Clayton Court as hostel accommodation. Both properties are leased temporarily from the Ministry of Defence (MOD) and are situated on Wellesley Development land; the council has use of these premises until September 2023.

This report provides Cabinet with information on the demand for replacement hostel accommodation and an overview of the project plan to meet this demand at alternative premises for the target date of September 2023.

It is recommended that Cabinet agrees the project plan and a supplementary estimate of £40,000 which is needed to fund legal and advisory costs, site surveys and due diligence work in support of delivering alternative accommodation.

1. INTRODUCTION

- 1.1. Section 188 of the 1996 Housing Act places a duty on local authorities to provide accommodation to homeless individuals and households if they have reason to believe (rather than being satisfied) that the applicant is homeless, eligible for assistance and has priority need.
- 1.2. To meet its duty, the council works with Registered Housing Providers (RPs) to deliver a range of temporary accommodation with various levels of support. Two key buildings have been used to supply 54 units of temporary and emergency accommodation since 2017; North Lane Lodge is managed by The Society of St James (SSJ), it provides 9 units of high-level supported accommodation, Clayton Court is managed by Mears Plc and provides 45 units of medium high-level supported accommodation. These buildings are located on the Wellesley site and leased by the MOD to SSJ and Mears. The leases will expire in September 2023 when the land will be redeveloped by Grainger Plc.
- 1.3. To ensure residents have access to accommodation suitable to their needs, and to prevent street homelessness, alternative premises need to be identified, appraised and developed and a procurement process to include SSJ and Mears Plc will be undertaken to ensure the best service provider is appointed to manage the new premises and provide on-site support.

2. BACKGROUND

- 2.1. A detailed review of demand for hostel accommodation and the associated support levels needed has been undertaken, a breakdown is included in the attached appendix. This need analysis defines the supported hostel accommodation demand from September 2023 as 29 units.
- 2.2. Of the 29 units identified ,10 units should be for high level support (stage 1) and provided together within one property, the remaining 19 units will provide a mix of 9 High level and 10 medium level support (stage 2). The Affordable Housing Delivery programme will provide opportunities to meet demand for general needs temporary accommodation where no support is needed.
- 2.3. For clarification, the scope of High and Medium level support is summarised as:
- 2.4. High Support (stage1): A nurturing environment where residents are supported through crisis and into recovery with Drug, Alcohol and Mental Health problems. Keyworker sessions take place in groups or individually. The support provider will liaise with other agencies such as Inclusion and Probation; they will ensure residents receive medical attention where needed and get to their appointments, protect them from those who would seek to take advantage of them or influence them away from recovery and making good decisions, and encourage residents in basic life skills including personal hygiene, cooking and laundry. It does not include personal or nursing care.
- 2.5. Medium Support (stage 2): A supportive environment where residents are encouraged to develop skills to enable them to maintain a tenancy, to include budgeting, getting set up with benefits, debt management advice, rights and responsibilities of a tenancy, referrals and signposting to support services as required including agencies which assist with life and employment skills and opportunities.

3. DETAILS OF THE PROPOSAL

General

- 3.1. The purpose of this project is to secure the delivery of 29 units of supported hostel accommodation across 2-3 sites with the appropriate support contract commissioned and up and running by September 2023.
- 3.2. Existing providers have sought to secure alternative premises which has not been successful. The proposed project puts the council in control of site identification, analysis, potential site acquisition and the procurement of partners to carry out the development, deliver the project and provide an on-site support contract by the September 2023 deadline.

- 3.3. There are four key workstreams to mobilise the project.
- 3.4. Site identification & analysis: Procurement is required to commission an appropriate organisation to find suitable sites and look at viability and be completed by March 2022. The budget for this work is circa £40,000 (drawn down over 2 years) to cover legal & advisory costs, site surveys and due diligence work. The professional advice services of the Local Government Advisor will cost £1500 + VAT.
- 3.5. Potential Site acquisition: Council acquisition of suitable sites identified to be completed by June 2022 which will give a 15-month development programme (tbc subject to site analysis and acquisition strategy). Costs are dependent on sites identified and works needed, funding could be secured from the commuted sums pot which currently stands at £1.3million. Property and Legal resource will be needed.
- 3.6. Procure RP partner: To develop the acquired hostel sites and to deliver on site support in the hostels. To include determining Supported Exempt revenue funding and requirement for Homelessness Prevention Grant Funding. The RP partner will deliver the hostel accommodation and the support contract into the hostel (s): To be in place by April 2022 Cost: Determined by site and Homes England (HE) Grant availability. Up to £200k p.a. of revenue funding from Homelessness Prevention Grant Funding (HPGF) is likely to be needed to cover non housing related support and supervision once the scheme is completed and operational. Resourcing: Legal Resource for contracts.
- 3.7. Property Development Contract to be managed and delivered by RP partner. Programme duration June 2022-September 2023. The council's ongoing input as key stakeholder.
- 3.8. The project will mitigate the impact of the loss of key temporary accommodation buildings and enable the council to continue to fulfil its homelessness duties; to prevent homelessness and to supply interim accommodation. In addition, the delivery of professionally managed, purpose-built accommodation in suitable locations will benefit the wider residential and business communities, prevent increases in Bed and Breakfast costs and offer vulnerable people with complex problems the stability and support they need to recover and live safely in the borough.

Capital and Revenue Funding

- 3.9. This is not an income-generating project; capital will be needed to buy and adapt new accommodation; It is likely that working in partnership with an RP, capital could be secured through Homes England Grant funding. Rushmoor has £1.3 million of commuted sum funding which could be used to support this project; depending on the sites identified and development costs this could cover buying sites, be used to bridge viability and show the council's commitment to the project in support of bids to Homes England.

- 3.10. Revenue funding for the 29 units is delivered through Housing Benefit, using the Specified Exempt rent model where support levels are higher than a social or affordable rent to cover housing related support and supervision. Homelessness Prevention Grant Funding is used to cover non-housing related support and supervision. It is expected that this will be in the region of £200,000 each year, £6,896 for each individual accessing the service. The project is dependent on the continuing availability of Homelessness Prevention Grant Funding and the Supported Exempt rent model, the future of which are outside of the council's control.

Consultation

- 3.11. Consultation has been carried out with the council's Corporate Management Team and Property and Major Works Programme Board have been consulted as has the council's Revenues and Benefits Manager who has confirmed that the revenue modelling proposed is correct.
- 3.12. Procurement advice has been sought from Portsmouth City Council and ongoing support is available. Homes England have given their verbal support to bring forward new schemes with capital funding in partnership with an RP provider and Hampshire County Council Social Exclusion are supportive of the proposal and, depending on the structure of their budget funding proposal going forward, may be able to offer some revenue funding.
- 3.13. Society of St James and Mears Plexus who manage the two existing buildings are aware of the challenges we have and are both keen to work with the council on the solution.

4. IMPLICATIONS

Risks

- 4.1. The main risk is associated with not being able to deliver new accommodation within the defined timescales due to a lack of suitable alternative premises/ sites, difficulty procuring suitable partners and the long-term availability of Homelessness Prevention Grant Funding. The consequences of this would be increased street homelessness and the negative impact on individual street homeless people, council finances because of associated increased bed and breakfast costs, town centres and local businesses if people sleep rough in shop doorways. The council's reputation would also be at risk.
- 4.2. There is a risk to the Council that Homeless Prevention Grant is reduced or withdrawn by Government and/or that the Supported Exempt Model is removed or altered. If this occurs the revenue costs of the project would have to be borne by the General Fund. Allocations are made by Government on an annual basis. It is considered unlikely that the existing funding would be removed without an alternative given the commitment to end rough sleeping by 2024. However the level of funding is considered the primary risk. A reserve is held which would provide short term protection for

approximately 2-3 years if funding was entirely lost or longer depending on the extent of any reduction.

Legal Implications

- 4.3. The council will be required to enter contracts for property acquisitions and service provision.
- 4.4. Not delivering the accommodation impacts the council's ability to meet its statutory duty under Section 188 of the 1996 Housing Act which could result in a legal challenge.

Financial and Resource Implications

- 4.5. A supplementary estimate of £40,000 is needed to fund legal and advisory costs, site surveys and due diligence work to progress the project. Consideration will be given by the Executive Head of Finance on the appropriate source of funding with the use of the Flexible Housing Earmarked reserve being likely but subject to confirmation.
- 4.6. The council currently holds commuted sums of £1.3 million earmarked for the delivery of affordable housing, consideration will need to be given on its use to support the acquisition of suitable sites and will be determined on a site-by-site basis; commitment of commuted sums is delegated to the Portfolio Holder in consultation with the Head of Economy, Planning and Strategic Housing.
- 4.7. Revenue funding of circa £200,000 per year will be made from Homelessness Prevention Grant Funding which is in place from the Department of Levelling Up Housing and Communities. In the event of a change in the Grant allocations, conditions or discontinuation of the grant funding the Council would need to fund any shortfall through the General Fund revenue budget.
- 4.8. The project is resourced through the Project & Programme Board internally and through the procurement of partner organisations to deliver the premises and the service.

Equalities Impact Implications

- 4.9. The project means that the most vulnerable will be receive the right accommodation and support for their needs and an improved opportunity to break the cycle of homelessness. This project, in providing a more bespoke housing solution than before, will enable more single women to access safe, hostel accommodation in the borough.

Other

- 4.10. Increased levels of street homelessness associated with not delivering the project could lead to increased rough sleeping and anti-social behaviour impacting the Town Centres particularly with adverse consequences for

attracting people to them and the reputation of the places and the Council. This would also place added pressure on the community safety team.

5. CONCLUSIONS

- 5.1. The council's leadership is essential to the re-provision of temporary accommodation to ensure the right properties are provided in the right places and to prevent street homelessness. Furthermore, the procurement of properly funded on-site support and supervision will give the borough's most vulnerable residents the opportunity to recover from the issues that hold them in a cycle of homelessness.
- 5.2. That Cabinet resolves to support the project proposals and agrees to a supplementary estimate of £40,000 to cover legal and advisory costs, site surveys and due diligence work so that the project can be initiated.
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BACKGROUND DOCUMENTS:

Rushmoor's Housing and Homelessness Strategy 2017-22
Rushmoor's Rough Sleeping Strategy 2021-22

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