



Report to Cabinet

Date: 10 November 2020

Title: **Next Steps Accommodation Programme Funding Award (NSAP)**

Relevant councillor(s): Councillor Isobel Darby

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Ward(s) affected: All

Recommendations:

To provide delegated authority to the Corporate Director of Planning, Growth and Sustainability and the Cabinet Member for Housing;

- **To grant fund grant fund Harrow Churches Housing Association £1.3m - using £650k of Next Steps Accommodation Programme grant awarded from MHCLG/Homes England and up to £650k of unallocated s.106 developer funding - for them to be able to purchase 15 one bedroom properties in the Wycombe and Aylesbury areas for move on from supported housing for former rough sleepers.**
- **To enter into negotiations to purchase and subsequently lease Ardenham House, Aylesbury, to Hightown Housing Association. Once negotiations are concluded, to fund the purchase - using the £650k grant MHCLG are 'minded' to provide for this project, with the remaining balance (up to £650k) from unallocated s. 106 funding.**
- ***That the two projects above are added into the Capital Programme this year with agreement from the s.151 Officer and the Leader.***

Reason for decision: To adhere to the conditions of the NSAP award and to provide long term accommodation to current and former rough sleepers.

1. Executive summary

- 1.1 In order to follow on from the 'everyone in' initiative to assist all rough sleepers into accommodation in March, the Council successfully applied to the "Next Steps Accommodation Programme" (NSAP) in August 2020 with proposals which have been accepted by MHCLG and Homes England, awarding over £2m to the Council and its partners for this purpose.
- 1.2 In order to move forward with these proposals, officers are seeking delegated authority to purchase a property for use by high needs rough sleepers in Aylesbury and subsequently to be leased to Hightown Housing for this purpose; and to match fund MHCLG's grant to Harrow Churches Housing Association to enable the purchase of 15 one bedroom units as 'move on' for former rough sleepers from supported accommodation.
- 1.3 These two proposals follow on from, and compliment the short term revenue award of £485,438 to the Council from the NSAP to assist the Council in accommodating rough sleepers in Buckinghamshire during the pandemic, through to April 2021.

2. Content of report

Background

- 2.1 At present, around 80 individuals are being accommodated by the Council as per the 'everyone in' initiative as a result of the pandemic. In total, over 170 individuals have benefited from this scheme since commencement in March 2020.
- 2.2 The average gross revenue cost for the 'everyone in' accommodation is around £45 per night, or £16,425 per annum per client. This initiative is due to continue until at least March 31st 2021.
- 2.3 The non-revenue costs of a person sleeping rough in Buckinghamshire are difficult to estimate, however 'Crisis' have reported that each rough sleeper has an annual cost of £20,128. (*At What Cost, 2015 and Better than cure? 2016*)
- 2.4 In Buckinghamshire, there are a small number of supported housing units that cater to the rough sleeper cohort, including the Old Tea Warehouse and YMCA in High Wycombe, and Bearbrook in Aylesbury.
- 2.5 'Move on' from these units presents a challenge due to high rents in the private rented sector, low supply of one bed units in some areas on the housing register and a lack of availability of suitable properties and landlords willing to accept such challenging clients.

- 2.6 Creating additional supported housing and ‘move on’ accommodation will enable more rough sleepers and those who are threatened with sleeping rough, to be able to access suitable supported housing and have a pathway through to long term, independent accommodation. There is a shortage of supply of supported housing and ‘move on’ in Aylesbury, particularly for those with high support needs.
- 2.7 In terms of capital funding, the Council has available s106 funds in lieu of on-site affordable housing provision across the former districts, collected over a number of years. These funds can only be used for the provision of additional affordable housing, within a time period set within the s106 agreement for each site, normally 10 years. Legal advice confirms that these funds can be used for the purposes outlined in the grant application for the NSAP.
- 2.8 The following amounts of s106 affordable housing funds are unspent at present:
- I. Wycombe £4.6m
 - II. Aylesbury £2m
 - III. Chiltern and South Bucks £0.77m

3. Short Term Revenue Funding

- 3.1 MHCLG has recently awarded £485k to Buckinghamshire Council in response to a grant application made for short term accommodation proposals.
- 3.2 The award is apportioned as follows;
- i) £400,438 for emergency accommodation for those sleeping rough (the application was for £504,000)
 - ii) £60,037 to assist and prevent the cohort of EEA/EU nationals and those with No Recourse to Public Funds (NRPF), from returning to the streets.
 - iii) £25,000 for the payment of rent deposits for former rough sleepers to assist them obtain private rented accommodation.
- 3.3 Work has commenced on assisting the EEA/EU and NRPF individuals, with accommodation continuing to be provided to the remainder.
- 3.4 Officers are continuing to work with this cohort, building on successes made so far, with at least 60 persons successfully ‘moved on’ to date. The aim is to continue to reduce the need for emergency accommodation by identifying a suitable option for each individual, in partnership with the voluntary sector.
- 3.5 **Capital Funding Approved by MHCLG/Homes England**
- 3.6 **“Move on” Accommodation with Harrow Churches Housing Association**
- 3.7 The Council has previously provided capital grant funding (from s106 accrued funds collected in lieu of onsite affordable housing delivery) for two purchase schemes

carried out by Registered Providers (RPs). The RPs purchased a number of two bedroom homes from the open market and now uses them for accommodating households nominated by the Council, for homelessness prevention or for the discharge of homeless duty.

- 3.8 The housing service, in partnership with Harrow Churches Housing Association (HCHA), successfully submitted a proposal to MHCLG for the purchase of 15 x one bedroom units for use as 'move on' from the supported housing units in the County. Seven of the units will be delivered in the Wycombe area, with 8 in the Aylesbury area.
- 3.9 HCHA have confirmed that they can acquire these units and will provide nomination rights to the Council in perpetuity, for a total grant of £1.3m (£650,000 agreed by, and from MHCLG, and £650,000 match funded by Buckinghamshire Council). HCHA will provide up to a further £2.2m of their own funds to enable these acquisitions.
- 3.10 The model will provide the Council with the ability to nominate former rough sleepers from supported housing units in Buckinghamshire to these properties for assured short hold tenancies, for 2 years. This will enable a pathway from rough sleeping through supported housing eventually to fully independent living, so creating space in the supported housing units for new clients to access.
- 3.11 The units will be owned and managed by HCHA at no further cost to the Council, in perpetuity. MHCLG have advised that, subject to contract, they are minded to approve this proposal.
- 3.12 **Ardenham House, Aylesbury.** This is a block of 10 self-contained flats in a central location. The block is currently privately owned and has been offered to the Council to purchase for use as a high support needs unit. Hightown Housing Association has been identified to provide support to 9 high needs former rough sleepers. (One flat is to be used as an office space.)
- 3.13 The agreed proposal is for MHCLG to match fund with the Council, and for the Council to make a freehold purchase of the building from the private owners. The proposal is based on a notional value. Currently, colleagues in the property service are liaising with the owners to ensure the property meets a standard suitable for our needs. If Cabinet approval is given, then any approved purchase will be subject to a valuation by the Council's Property team.
- 3.14 Hightown Housing Association have submitted proposals to fully lease, repair and insure the building from the council at peppercorn rent, in return for revenue grant funding from MHCLG for 4 years, totaling £362,360. There are therefore no direct revenue implications for the Council. MHCLG have advised that they are 'minded to' approve this scheme. An exit strategy will need to be developed with any financial implications modelled into the Medium Term Financial Plan once finalised.

Summary

- 3.15 Subject to contract and Cabinet approval, the £1.3m match fund capital outlay by the Council will provide the housing service with access to 15 one bedroom units in perpetuity for former rough sleepers for move on; and 9 high support needs, one bedroom units in Aylesbury. All of these 24 units will be at no revenue cost to the Council.
- 3.16 Each unit represents one less rough sleeper on the streets of Buckinghamshire and creates a pathway from rough sleeping to longer term, affordable and independent accommodation. In financial terms, the £1.3m capital investment will provide a cost avoidance of approximately £400,000 per annum, should the initiative to 'keep everyone in' continue. This is not a cashable saving but would negate budget growth that might otherwise be requested.
- 3.17 The proposal to utilise S106 Developer contributions enables the Council to ensure that funds are spent on affordable housing within the required agreement time frames, whilst meeting the housing need for rough sleeping homeless persons.
- 3.18 The purchase of Ardenham House in Aylesbury, would provide supported accommodation in an area of the County where it is currently lacking.

Legal and financial implications

- 3.19 Legal advice sought prior to submission of the NSAP proposals in August 2020 indicates that as a generality, challenge is unlikely if s106 commuted sums for affordable housing are used as match funding for grants to provide housing as per the proposals in this report.
- 3.20 The total capital grants to housing associations for these 2 projects will be £2.6m; £1.3m funded from unallocated s. 106 developer funding, and £1.3m NSAP grant (pending the negotiations on the value of Ardenham House).

4. Finance have verified that there is sufficient unallocated s. 106 funding from legacy Wycombe and Aylesbury areas, which are not committed against existing projects, to be used as the £1.3m match funding. These projects are not yet included in the Capital Programme, but need to be incorporated this financial year. Under current governance arrangements, because £1.3m of grant funding is secured from MHCLG and because we have verified that the s. 106 is unallocated and available for this purpose, this can be added to the programme by approval of the S. 151 officer and the Leader, rather than needing to go to full Council.

5. Corporate implications

- 5.1 These proposals will assist the Council in meeting a number of its corporate aims including, but not limited to the following:

5.2 **“Strengthening our Communities”**

- I. Enabling “our residents to live independent, fulfilling lives, within strong, healthy, inclusive and resilient communities as well as being able to help “to improve health and wellbeing, with a particular focus on reducing any gap in health outcomes”.
- II. Working with Partners Working with partners, we will:
 - “support people to deal with the challenges of life before they become too hard to manage, through early help and intervention
 - enable healthier lifestyles for all, raising the quality of life for those most disadvantaged in our communities
 - provide the homes our growing communities need, including affordable housing, at the right stage in people’s lives

5.3 **“Protecting the vulnerable”,**

- I. in particular this will assist in our; “ work to reduce homelessness and address its root causes” and to;
- II. “support people, together with their families and carers, to overcome their challenges, ensuring they are resilient and can identify their own solutions.”

5.4 If approved, this scheme will provide the Council with long term assets in terms of nomination rights to 15 one bedroom units in perpetuity, as well as the freehold of a block of 10 one bedroom units in Aylesbury.

6. Consultation with local councillors & community boards

6.1 Local members are currently being consulted in respect of the proposed use of Ardenham House. When the locations of the 15 ‘move on’ units are known, consultation will be carried out in their respect also.

7. Communication, engagement & further consultation

7.1 None.

8. Next steps and review

8.1 If approval is given, officers will commence negotiations for the purchase of Ardenham House, to complete the purchase and arrange the lease with Hightown.

8.2 Once the purchase has been completed and lease agreed, the property will be made ready by Hightown for use. The aim will be to have the site available by the end of the calendar year if possible, if not, then no later than 31st March 2021.

8.3 If approval is given, officers will commence funding and nomination agreements with HCHA to enable them to commence the acquisitions of the 15 'move on' units by 31st March 2021.

9. Background papers

9.1 None

10. Your questions and views (for key decisions)

10.1 If you have any questions about the matters contained in this report please get in touch with the author of this report. If you have any views that you would like the cabinet member to consider please inform the democratic services team. This can be done by telephone 01296 382343 or email democracy@buckinghamshire.gov.uk.