

NEXT STEPS ACCOMMODATION PROGRAMME

Executive Summary

On 26 March 2020, housing authorities received a direction from Government that all rough sleepers or those facing homelessness should be offered emergency accommodation (“Everyone In”). Working with local charity, York Road Project, the Council accommodated 137 households under the “Everyone In” initiative with 48 single people still being accommodated in B&Bs/hotels at the end of October 2020. The Council is committed to securing sustainable housing and support pathways for these rough sleepers.

In July 2020, the Government launched the “Next Steps Accommodation Programme” (NSAP) to financially support local authorities and their partners to prevent rough sleepers returning to the streets. The Council submitted a bid for £3,125,000 of capital funding to acquire 121 Chertsey Road from Thamesway Housing for use as move-on accommodation for rough sleepers or those at risk of rough sleeping, along with £364,000 of revenue funding for a Tenancy Sustainment Officer and three on-site night support workers (upto the end March 2024). The Government recently announced the successful bids under this programme, including support for the Council’s proposed scheme. All allocations are subject to due diligence and contract.

Acquisition of 121 Chertsey Road will allow the Council to secure the property for long-term move-on accommodation and have full control over the running of the scheme. The proposal is to offer the flats at Affordable Rents with one flat used for on-site support workers. The acquisition will be funded by the Government capital grant funding, with the remaining balance raised through Council borrowing. Based on a 50-year annuity rate of 2.5%, the net rental income from the scheme is expected to cover the loan repayments in full.

Recommendations

The Executive is requested to:

RECOMMEND TO COUNCIL That

- (i) subject to the Government grant funding being secured, the acquisition of 121 Chertsey Road for use as move-on accommodation be approved at a total cost of up to £6.7 million; and**
- (ii) the Director of Housing, in consultation with the Portfolio Holder for Housing, be authorised to take all necessary actions to secure the grant funding and deliver the scheme.**

Reasons for Decision

Reason: To enable the Council to provide suitable move-on accommodation for rough sleepers who have been accommodated during the Covid-19 pandemic and prevent their return to the streets.

The item(s) above will need to be dealt with by way of a recommendation to Council.

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Background Papers: None.

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1.0 Introduction

- 1.1 Woking Borough Council (the Council) has a statutory duty to provide interim accommodation to any person believed to be homeless and in priority need who approaches the Council whilst enquiries are made.
- 1.2 The Covid-19 pandemic has placed additional obligations on the Council in respect of homelessness. On 26 March 2020, housing authorities received a direction from Government that all rough sleepers or those facing homelessness should be offered emergency accommodation (“Everyone In”) and any dormitory-style night shelters should close. This announcement coincided with the closure of most hotels and Bed and Breakfast accommodation around the country in response to the lockdown, severely hampering local authorities’ ability to achieve this objective.
- 1.3 Woking Borough Council has a long-standing, well-developed and strong partnership with local charity, York Road Project, which has been highlighted in our joint response to Covid-19. Working together, all York Road Project support services and night shelter operations have relocated to the Woking Hotel and HG Wells Centre. Whilst the Woking Hotel offers 26 en-suite bedrooms (considerably more than the 10 spaces at the night shelter), it became quickly apparent that this alone would not fulfil the rising demand from rough sleepers. Therefore, the Council commissioned the installation of a further 10 single bedroom pods in the HG Wells Centre to increase capacity. York Road Project staff and volunteers have been working very hard to support clients and encourage them to engage with local drug and alcohol support services.
- 1.4 In addition, the Council secured the exclusive use of the Woking Travelodge hotel for general homelessness for 3-months to ensure suitable accommodation was available throughout the lockdown. Although the use of the Travelodge has reduced considerably since the first lockdown, the Council continues to have a block booking of 20 rooms at this hotel. A small number of rough sleepers and those at risk of rough sleeping have also been accommodated in Bed and Breakfasts in Woking and Slough or in void Council properties.
- 1.5 In total, the Council has accommodated 137 households under the “Everyone In” initiative with 48 single people still being accommodated in B&Bs/hotels at the end of October 2020. This is significantly higher than the average 12-15 homeless households the Council typically accommodates in nightly-paid accommodation.
- 1.6 The Council, working with York Road Project, are now focused on securing sustainable housing and support pathways for the rough sleepers and reducing dependency on the use of hotels.
- 1.7 Nationally, approximately 15,000 vulnerable people were housed in hotels and other forms of emergency accommodation since the start of the COVID-19 pandemic. This includes people coming in directly from the streets, people previously housed in shared night shelters and people who have become vulnerable to rough sleeping during the pandemic. The Government has expressed its wish to ensure that the current provision that has been set up to safeguard people who were taken safely from the streets is able to continue for an appropriate length of time, with a planned transition to more sustainable interim accommodation options until vital longer-term move-on accommodation can be put in place.

2.0 Next Steps Accommodation Programme

- 2.1 In July 2020, the Government launched the “Next Steps Accommodation Programme” (NSAP) to financially support local authorities and their partners to prevent rough sleepers returning to the streets. The programme includes capital for property costs and an attached long-term revenue stream to ensure people are supported in their new tenancies. Additional revenue

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funding was also released to support a range of initiatives, like moves into the private rented sector, interim accommodation and reconnection with friends and families.

- 2.2 In terms of the short-term funding covering the period up to the end of March 2021, Woking Borough Council successfully bid for £380,130 towards the ongoing costs of offering hotel accommodation, security, extra staffing requirements and a support package to enable people access private rented accommodation.
- 2.3 In order to secure longer-term move-on funding, the Government required local authorities to submit capital and revenue schemes that could be delivered by 31 March 2021. The short timescale effectively meant that the acquisition of suitable properties was likely to be the only deliverable option to securing long-term accommodation for rough sleepers under this funding programme.
- 2.4 Woking Borough Council submitted a bid for £3,125,000 of capital funding to acquire 121 Chertsey Road from Thamesway Housing for use as move-on accommodation for rough sleepers or those at risk of rough sleeping, along with £364,000 of revenue funding for a Tenancy Sustainment Officer and three on-site night support workers (upto the end March 2024). On 29 October 2020, the Government announced the successful bids under this programme, including support for Woking Borough Council's proposed scheme. All allocations are subject to due diligence and contract, and all future years' revenue payments are contingent on satisfactory performance against grant conditions and objectives.

3.0 Acquisition of 121 Chertsey Road

- 3.1 Thamesway Housing have recently completed the conversion of 121 Chertsey Road from offices into 25 studio apartments. The apartments were intended to be let on the open market and the conversion has been undertaken to a high specification for this purpose.
- 3.2 The opportunity offered at 121 Chertsey Road for move-on accommodation was identified prior to the Next Steps Accommodation Programme being launched. Woking Borough Council initially secured the property from Thamesway under its Private Sector Leasing scheme ("Let's Rent Complete") on a 5-year lease. However, there are some challenges with this approach. In order to make this viable for the Council and Thamesway, rents are set at the Local Housing Allowance (LHA) level, which is unaffordable to clients who are affected by the benefit cap. In addition, the service charges of running the whole block are also higher than allowed for in the Council's leasing model and there have been complications in securing workable management and maintenance arrangements. For these reasons, the Council is having to subsidise the lease by circa £5,800 per annum, as well as supporting some clients' with rental payments.
- 3.3 Acquisition of 121 Chertsey Road (with the support of the Government funding) would allow the Council to secure the property for long-term move-on accommodation and have full control over the running of the scheme. Our proposal is to offer the flats at lower Affordable Rents (so they are affordable to all clients) with one flat kept empty and used for on-site support workers. A saving would also be achieved by no longer having to subsidise the leasing scheme.
- 3.4 The acquisition provides an ideal opportunity to deliver a dedicated move-on facility in a sustainable location with dedicated on-site support. The tenants will be able to live independently and get the support they need, whilst permanent accommodation is identified. Under the funding programme, the tenancy can be for a maximum period of 3 years.
- 3.5 The purchase of 121 Chertsey Road for temporary accommodation will add to the Council's existing portfolio of temporary accommodation premises, along with the new scheme at Waterman House.

4.0 Implications

Financial

- 4.1 As described previously, Thameswey Housing did not intend to sell 121 Chertsey Road. However, given the particular need for such a scheme faced by the Council, Thameswey Housing have agreed to sell the property, providing they can recover their full costs in acquiring and converting the building. The total cost of the scheme is £6,792,664.
- 4.2 The acquisition will be funded by the £3,125,000 capital grant funding through the Government's Next Steps Accommodation Programme, with the remaining balance of £3,667,664 raised through Council borrowing.
- 4.3 The apartments will be let at an Affordable Rent of approximately £155 per week, compared to a B&B cost of £60-£110 per night. The annual net rental income (taking account of voids, management and maintenance costs) is estimated at approximately £125,000.
- 4.4 Based on a 50-year annuity rate of 2.5%, the net rental income from the scheme is expected to cover the loan repayments in full, as well as removing the need to subsidise the current Private Sector Leasing arrangement.

Human Resource/Training and Development

- 4.5 The revenue funding secured under the Next Steps Accommodation Programme will create 4 new posts (1 Tenancy Sustainment Officer and 3 Night Support Workers) upto 31 March 2024.

Community Safety

- 4.6 Provision of a new move-on facility for rough sleepers will make a positive contribution to improving community safety.

Risk Management

- 4.7 A risk assessment will be undertaken and maintained for this project. However, as the works to the property have already completed, the delivery risks have been greatly reduced.

Sustainability

- 4.8 Additional move-on accommodation will enhance Woking's social sustainability.

Equalities

- 4.9 The new move-on scheme will enable the Council to meet the needs of more rough sleepers locally.

Safeguarding

- 5.0 The Council and its partners, New Vision Homes and York Road Project, will address any safeguarding issues in its operation of the new premises.

6.0 Consultations

- 6.1 The Council's Portfolio Holder for Housing has been consulted on the proposals in this report.

REPORT ENDS