

5RECORD OF DECISION MADE UNDER DELEGATED AUTHORITY

***PART 1 – PUBLIC DOCUMENT**

SERVICE DIRECTORATE: REGULATORY

1. DECISION TAKEN

- 1.1 The allocation of £200k of homelessness funding received from the Ministry of Housing, Communities and Local Government to grant fund the development of an accommodation and support scheme for homeless single people in North Hertfordshire. This service will be provided by Keystage Housing (subject to agreement terms as detailed below).
- 1.2 As this opportunity is time limited, this decision has been considered in accordance with 'Special Urgency' provisions in accordance with the Council's constitution.

2. DECISION TAKER

- 2.1 Anthony Roche, Managing Director

3. DATE DECISION TAKEN:

- 3.1 13 August 2021

4. REASON FOR DECISION

- 4.1 The Council has received a homelessness funding allocation of £340k from the Ministry of Housing, Communities and Local Government (MHCLG) for 2021/22. The funding is ringfenced for use in managing homelessness pressures, including supporting those who are at risk of homelessness and rough sleeping.
- 4.2 The Council has experienced a high demand for housing related support services from single people, many of whom present with complex support needs and are at risk of rough sleeping. This decision concerns £200k of the MHCLG allocation to grant fund development of a local Keystage service with the purpose of operating accommodation-based support services for single homeless people (for a minimum period of 10 years).

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 The Council could decide against supporting Keystage's proposal, however the immediate accommodation options for single homeless people with complex support needs are extremely limited. In addition to current need levels, the ongoing impact of the pandemic is yet to be fully known and demand for accommodation from single people usually increases in the winter too due to severe weather, so there is likelihood of further challenges - capacity wise – in the short term.

6. CONSULTATION (INCLUDING THE EFFECT ON STAKEHOLDERS, PARTNERS AND THE PUBLIC)

- 6.1 The Leader of the Council, Cllr Elizabeth Dennis-Harburg has been consulted and is supportive of the proposals in this report.

7. FORWARD PLAN

- 7.1 This decision is a key Executive decision that the Leader of the Council considers to be urgent. It has not been possible to notify the public by including it in the Forward Plan; the necessary assurances were only recently received and the opportunity will only remain available until the end of August, which is before the next scheduled meeting of the Cabinet on 21 September. The Chair of the Overview and Scrutiny Committee has been informed and agreed that the decision cannot be deferred.

8. BACKGROUND/ RELEVANT CONSIDERATIONS

- 8.1 As a district council, North Hertfordshire District Council is the 'local housing authority'; this role includes responsibilities to assess and plan to meet the housing needs of residents including those who may be homeless or threatened with homelessness. The Council no longer owns or manages any housing stock and as a result, it works with providers of accommodation (some with allied support services) in order to meet local needs.
- 8.2 The Council's Homelessness and Rough Sleeping Strategy for 2019-2024 (encompassed within the Housing Strategy 2019-2024) identifies as a priority the need to improve accommodation provision for single homeless people and especially those with complex support needs.
- 8.3 The pandemic has revealed this cohort to be larger than previously assessed, with significant numbers of single people coming forward for Council assistance following the government's "Everyone In" directive issued in March 2020. Previously, few in this cohort would have approached the Council for assistance as most would not fall within the 'priority need' category and would therefore not be owed an accommodation duty. Many in this group are however living unstable, often chaotic lives, and are moving in and out of different accommodation including enduring spells of 'sofa surfing' with friends or relatives or periods of sleeping rough. Now that this previously hidden need has been exposed, there is an opportunity to continue working with this cohort to improve accommodation outcomes for the long-term.
- 8.4 Table 1 below illustrates the rise in temporary accommodation (TA) placements over recent years, driven by a significant increase in single households requiring accommodation. Most of this extra demand has been met recently by making placements in local hotels as existing settle temporary accommodation and supported accommodation options via the Haven First pathway have reached full capacity.

Table 1. Breakdown of households in temporary accommodation

	31/3/19	31/3/20	31/3/21	29/7/21
Total households in TA at year end	85	93	136	101
<i>of which</i> , no. single households	15	33	72	32
<i>of which</i> , no. in hotels	4	19	58	21

Over recent months, a combination of resettlement efforts and MHCLG refocusing from hotel use to 'move-on' options has resulted in less single households in temporary accommodation. However, in addition to those noted in the table above, there are consistently many approaches on a daily basis from single people in unsuitable and unstable housing situations meaning there is unmet need that is far in excess of those illustrated in the table on 29/7/21.

- 8.5 The existing provision for single homeless people in need of supported accommodation is limited. The only permanent homeless hostel in the district, run by Haven First in Hitchin, is for male clients only and consists of 17 beds in dormitory style accommodation. In addition, Keystage have also recently opened a small 5 bed scheme in Hitchin. Haven First plan a new purpose-built 40 bed replacement hostel in Letchworth, with an estimated completion date of late 2022 (conditional planning approval received earlier in February this year). In the meantime, Haven First have secured temporary use of 19 beds at the Templars Hotel in Baldock, however the current lease only runs to end of March 2022.
- 8.6 Support needs amongst this cohort are extremely high. In 2020/21, the Council placed over 200 single households into temporary accommodation (mostly hotels). 80% of these households had at least one identified support need whilst 55% presented with two or more support needs. By far the most common support need was owing to a history of mental ill health, with over half of households reporting this. A quarter of households reported having physical ill health or a disability and a fifth had an offending history. Almost one third of the cohort had a history of repeat homelessness or rough sleeping, reflecting the instability of their lives and entrenched support needs.
- 8.7 As a result of the challenges outlined herein, the Council engaged the market and initiated joint partnership meetings with Haven First and Keystage, the latter having significant experience of running similar schemes totalling 200 units in Luton and Northampton. These meetings recognised the value in the introduction of other accommodation-based support service providers to North Herts to increase the availability of opportunity for local people, enhance existing pathways with complementary services and to add a greater diversity in provision to better prevent repeated incidences of homelessness and achieve the long-term ambition to sustain suitable accommodation.
- 8.8 As a result, Keystage has developed a proposal for an accommodation-based support service in North Hertfordshire to complement both the existing and planned provisions by Haven First and will better enable the Council to meet local demand for single homeless services.
- 8.9 The proposed service will be based in a former hotel in Hitchin; the contribution of £200k of MHCLG funding will enable the acquisition to proceed and Keystage Properties Ltd, a registered provider of social housing (registration number 4725) will take on a head lease from its investment partner of a minimum term of 10 years (Keystage confirmed similar partnership arrangements are in place with Luton Borough Council and West Northamptonshire Council). They will in turn contract with Keystage Housing C.I.C. (Community Interest Company) to manage the property on a day-to-day basis and deliver support to residents for the full term of 10 years for which the Council will receive exclusive access to all vacancies for local people.
- 8.10 The service will provide en-suite accommodation and support for 21 (mainly) single homeless people at any one time in order to support them into longer-term accommodation (this includes a separate block of four units for women). The Keystage service will work with clients to address support needs such as mental health issues and drug/alcohol misuse, with space available for onsite multi-agency working. There will be 24 hour on-site support available from Keystage staff and locally and remotely accessed CCTV in all external and internal communal areas. Keystage have the significant advantage of running two similar schemes in neighbouring areas (which have had an 85% resettlement rate), and are thus able to take advantage of learning from these schemes as well as additional back-office support where necessary and staffing resilience across its wider workforce.

- 8.11 Keystage have also applied separately for additional MHCLG funding to enhance the service further through the inclusion of kitchenettes to make each accommodation unit completely self-contained beyond winter 2021. This funding would be conditional on the Keystage service being operational from 1 October 2021.
- 8.12 The Council also sought a reference from a local authority who currently commission Keystage's service; it offered resounding support for the quality of its provision and most notably its ability to deliver positive outcomes in some of the hardest to reach cases.
- 8.13 The proposed Keystage service would enhance and bolster the existing pathway for single homeless people with complex needs, and crucially secure a stability of service for the longer term. Together with further proposed additions to the service currently subject to separate decisions (a twelve-month procurement of 18 units of move-on accommodation and a Keystage scheme to assist ex-offenders into private rented properties), this will provide a robust and resilient approach to tackling the high demand levels and complex needs of this client group.

9. LEGAL IMPLICATIONS

- 9.1 Local authorities' homelessness duties are contained within the Housing Act 1996 Part VII, as amended by the Homelessness Reduction Act 2017 which placed significant new duties on English local housing authorities.
- 9.2 This report contains a key decision that would normally be considered by the Cabinet. However, due to the time limited nature of this opportunity, paragraphs 15.14 and 15.15 of the Council's constitution (that detail the requirements for 'Special Urgency') have been employed so this matter can be considered in a timely manner.
- 9.3 The MHCLG funding has been provided in accordance with the Council's role as the local housing authority. As a result, this decision has been considered and taken by the Managing Director to avoid any potential conflict for the Director of Regulatory Services who also has responsibility for the Council's planning function.
- 9.4 Keystage will adapt their service to meet the Council's needs and will ensure that formal planning approval for the intended use of the building is sought at the earliest opportunity and any subsequent regulatory requirements adhered to without delay.
- 9.5 The Council shall include the following conditions in the funding agreement with Keystage Properties Ltd (a registered provider of social housing) to protect its interests:
- 9.5.1 The grantee shall contract Keystage Housing C.I.C to manage the property and deliver comprehensive 24/7 support to residents, with the ultimate aim of resettlement into independent accommodation
- 9.5.2 The grantee shall provide exclusive access to the Council to all vacancies for a period not less than 10 years, including any additional units built on the site during this same period
- 9.5.3 The grantee shall make a pro-rata return of any granted funds should the use, including exclusive use, of the property for the purposes of providing housing not be available; to cover the period of time of which the property was not available in accordance with the terms of the funding agreement

- 9.5.4 The grantee shall commit to meeting at least annually to review and adapt, as necessary, the operation of the property for the purposes of meeting the housing needs of North Hertfordshire, as determined by the Council.
- 9.5.5 The grantee shall apply for any requisite change in planning use class, as soon as is practicable; and, for the avoidance of doubt, shall be subject to the provisions at 9.5.3 where any such planning application temporarily or permanently makes the property unavailable for the purpose of its use as set out in the funding agreement
- 9.6 In addition, for the initial period of the funding agreement, the Chief Executive of Keystage Housing will also provide the Council with a 'Personal Guarantee' regarding payment of an appropriate amount of the grant funding in the event the business is unable to repay any clawback.
- 9.7 The Council will also seek to register a Restriction against the title of the property to provide some additional best value security for the payment, which it is understood will be used as part of the deposit to purchase the property.

10. FINANCIAL IMPLICATIONS

- 10.1 The Council has received a ring-fenced homelessness funding allocation of £340k from the Ministry of Housing, Communities and Local Government (MHCLG) for 2021/22. Part of this funding has already been committed via delegated decision-making arrangements and around £212k remains unallocated.
- 10.2 The MHCLG have confirmed the investment of £200k proposed in this report is acceptable within the terms of the grant conditions.
- 10.3 Whilst the £200k investment for this accommodation is an upfront grant, it provides very good value for money over a 10-year period bearing in mind the addition of Keystage's comprehensive support service for local people, the anticipated reduction in repeat homelessness and high levels of successful resettlement, whilst also reducing the Council's reliance on hotel placements.
- 10.4 Due to the detailed contractual matters that are required as part of this decision, external legal support will be sourced. It is anticipated this cost can be covered within existing budgets.

11. RISK IMPLICATIONS

- 11.1 Due to current demand levels, single homeless people may not receive the appropriate level of assistance due to the limited capacity of current services. Many of this cohort are vulnerable and often have complex needs which require specialist assistance. In addition, there is a risk that demand levels increase further, for example due to ongoing impact of the pandemic and arrival of winter.
- 11.2 The proposal sets out an offer of an immediate accommodation and support service, which is greatly needed, but also vital stability of provision over the longer-term. This is important as the majority of the current interventions run for an initial period of twelve months or less and the practical delivery of the new 40 bed hotel is not expected before the late stages of 2022, at the earliest.
- 11.3 There is a risk the Council's investment does not deliver the expected benefits for the whole duration of the agreement; although this cannot be eliminated completely, the measures outlined in paragraphs 9.5, 9.6 and 9.7 seek to manage this risk to an acceptable level.

12. EQUALITIES IMPLICATIONS

12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

12.2 There are no equalities implications arising as a result of this report.

13. SOCIAL VALUE IMPLICATIONS

13.1 The Social Value Act and “go local” policy do not apply to this decision.

14. ENVIRONMENTAL IMPLICATIONS

14.1. There are no known Environmental impacts or requirements that apply to this report.

15. HUMAN RESOURCE IMPLICATIONS

15.1 There are no human resource implications.

16. BACKGROUND PAPERS

16.1 <https://www.keystagehousing.co.uk/>

17. APPENDICES

17.1 None.

NOTIFICATION DATE: 13 August 2021

Signature of Executive Member Consulted

DateThe Leader of the Council, Cllr Elizabeth Dennis-Harburg confirmed her support via email on the 13 August 2021

Signature of Decision Taker



Managing Director

Please Note: that *unless urgency provisions apply* EXECUTIVE decisions cannot be implemented until 5 clear working days have elapsed after the decision has been taken to allow for scrutiny call-in.

Call-in does not apply to NON-EXECUTIVE DECISIONS