

Report Number: SWT 20/21

Somerset West and Taunton Council

Executive - 17 March 2021

Options Appraisal for Delivering Future Single Rough Sleeper and Homeless Accommodation in Somerset West and Taunton

This matter is the responsibility of Executive Councillor Member Councillor Francesca Smith

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1. Executive Summary / Purpose of the Report

- 1.1 The Executive in November 2020 requested officers to return in early 2021 to present the best options to deliver accommodation to support the identified demand and needs for single homeless and rough sleepers. This report provides;
 - An update on progress made since November,
 - Recommendations in relation to the future use of Canonsgrove, and
 - Future actions and activity to increase the supply of accommodation and better outcomes for single homeless in the District.
- 1.2 Since the report to Executive in November 2020 the Council has progressed its support for single homeless by maintaining the volume of accommodation required to support some of the most vulnerable people in the District during the Covid crisis including the challenge of the second national lockdown. The following has been achieved:
- 1.3 Successful allocation of circa £1m Next Steps capital funding to support the YMCA Dulverton Group purchase the Gascony Hotel, Minehead providing eighteen units of single homeless accommodation and grant revenue funding to support the continuation of the Canonsgrove accommodation up to October 2021.
- 1.4 Established an understanding of the accommodation gap for Single Homeless in the District (87 units) and the relative demand of twelve requirement categories to reflect the variety of vulnerability and needs of the single homeless. The required accommodation need on an ongoing basis is 374 of which 287 is available on an on-going basis leaving 87 units of unsecured

accommodation including Canonsgrove which needs to be retained or replaced to meet single homeless demand.

- 1.5 Produced a draft Single Homeless Accommodation Strategy setting out the aspirations and requirements of the Council to single homeless need and single homeless provision by 2027 (appendix 1)
- 1.6 Commenced discussions with existing and new partners to support the provision of new accommodation supply and ensure existing supply is supporting the outcomes identified in the draft Single Homeless Accommodation Strategy and avoid the eviction of rough sleepers once the Covid emergency has ended
- 1.7 Reduced the number of single homeless living in B&B to circa 10 households.
- 1.8 The Homeless Reduction Board has developed its Terms of Reference and will meet in May to drive forward improved commissioning and partnership working to achieve better outcomes for Somerset's most vulnerable people. The Homeless Reduction Board will ultimately seek to influence service delivery through an 'integrated commissioning' approach across health, care and housing.
- 1.9 SWT has also carried out an option appraisal on the future contribution of the Canonsgrove site. The recommendations of the option appraisal are presented below and the details of this appraisal form much of this report and appendix 2. The option appraisal was required to understand the future contribution of Canonsgrove to support the Council's ambition as presented in the report to Executive November 2020 and presented in more detail in the draft Single Homeless Accommodation Strategy (appendix 1).
- 1.10 The paper proposes a number of future steps should the Executive support the recommended option including;
 - Return to Full Council for approval of the Single Homeless Accommodation Strategy along with implementation plan, any budget request, information about the first schemes and projects for approval or for noting as appropriate
 - Negotiate with the owners of Canonsgrove Bridgwater and Taunton College (BTC) to extend the lease of units to cover the period up to March 2023 to support the most vulnerable homeless during Covid and for a period to allow alternative suitable provision to be secured.
 - The service will develop a single homeless accommodation delivery plan to deliver the ambitions of the Single Homeless Accommodation strategy and establish an officer Delivery Panel to filter, prioritise and approve new supply opportunities. This panel will seek to meet both the accommodation and the support requirements of customers.
 - Progress discussions around opportunities in relation to new or improved supply through current partners Arc and YMCA Dulverton group plus emerging partners such as Citizens Somerset and the SPV.
 - Explore in greater detail the opportunity which a wholly owned corporate company could provide in terms of additional new Private Rented Sector supply and contribute towards reducing the accommodation bottleneck which

is caused by insufficient move on or permanent accommodation for single homeless. This potential new supply would complement activity to increase provision through private and social landlords, Citizens Somerset and SWTs Housing Directorate.

- Develop a significant 2021/2022 and 2022/2023 MHCLG Next Steps Accommodation bid both capital and revenue funding. Support bids by citizens Somerset and other organisations for Homes England funding. These will be picked up through normal approved delegation routes (approved separately through portfolio-holder, director and S151 Officer).
- The YMCA Dulverton Group will complete the Gascony hotel refurbishment for the start of the new financial year and will provide new long term supply for eighteen single homeless customers some of whom will be decanted from the current Covid emergency provision at the Beach Hotel.

2.0 Recommendations

- 2.1 To note and support the draft Single Homeless Accommodation Strategy including its vision and objectives as a working document to articulate SWT ambition to end rough sleeping in the district by 2027 (Appendix 1).
- 2.2 Approve recommended option one as set out in paragraph 4.38 as the preferred Council option for the future contribution of the Canonsgrove site to support the provision of single homeless accommodation in the District.
- 2.3 Should option two be preferred by The Executive the service request a supplementary budget of £130k, as identified in the report to The Executive November 2020. This budget is to prepare for the purchase and conversion of Canonsgrove. Officers will return to the Council to request permission and the budget for the purchase and works for the site.

3.0 Risk Assessment (if appropriate)

The option appraisal process has looked at risks in relation to the three options for Canonsgrove and sections 4 and 6 of this report and appendix 2 explore a number of these financial and non-financial risks.

4.0 Background and full details of the report

- 4.1 As the immediate pressures to accommodate additional homeless people during the Covid epidemic stabilised the Council has turned towards the question of how it wishes to support homeless singles and rough sleepers in the medium and long term. The Executive in November 2020 received a paper entitled 'A proposal for delivering future rough sleeper and homelessness accommodation in SWT'. This paper set out two purposes which the council wish to address;
 - 4.1.1 An approach to identify the Council's future requirements for homeless and rough sleeper accommodation in SWT. The solutions being developed will be

twin-tacked with partnership work under the auspices of the Health and Wellbeing Board to commit to joined-up partnership support services and ultimately a jointly commissioned support service for rough sleepers that SWT accommodate.

- 4.1.2 Successful delivery of this approach will also ensure that we do not have to evict rough sleepers that were accommodated by the Council following the Covid 'Everyone In' government directive. It will also provide a big step towards helping the Council meet the government's objective to halve rough sleeping by 2022 and end rough sleeping by 2027.
- 4.2 The November report set out an ambition, which if adopted, would create a new voluntary responsibility to house a greater number of single homeless people including a higher proportion of homeless people with complex needs which previous assessments through homelessness legislation deemed SWT did not hold as a statutory duty. This vision has been elaborated through the draft Single Homeless Accommodation Strategy.
- 4.3 As a result of the second spike in Covid cases nationally and more aggressive strains of the virus the Minister for Rough Sleeping and Housing, Kelly Tolhurst MP, provided local authorities with guidance in relation to support expected of local authorities. The guidance urged local authorities to continue their excellent work supporting rough sleepers, to put in plans to mitigate increased risk, ensure rough sleepers are assessed and consider opportunities available from government for funding to support local authority provision and support. This was further reinforced by a letter from the Secretary of State on the 8th January 2021.
- 4.4 Canonsgrove is a large accommodation site on the edge of Taunton in the Trull ward used for residential institutional purposes. These purposes have included police training center, student accommodation, accommodation for trainee doctors and Homeless Accommodation. The campus has a current capacity for 194 bedrooms with shared facilities and there are two x2 bedroom flats and a sports and social facility. BTC have indicated they wish to sell the site or potentially long lease the buildings as its location no longer meets their students' accommodation needs.
- 4.5 One of SWTs responses to Covid in March 2020 was to reduce the number of homeless units available at Lindley House, Taunton and negotiate a short term lease through the YMCA Dulverton Group for the Quantock Hall block of sixty eight (68) units to provide support for a significant proportion of the District's rough sleepers. The lease for the block and sport and social facility has been renewed up to the end of July 2021. Currently Canonsgrove is providing between 11%-14% of SWTs single homeless provisions and around 45% of its more complex need single homeless provision. BTC has a ong lease for part of the site with Bristol University to accommodate trainee Doctors/ medical students training in the District. We understand this lease is for ten years and has brake clauses should the site be sold by BTC.

- 4.6 The Council appreciates the continuing support of BTC and other partners such as YMCA Dulverton Group at Canonsgrove and other partners such as Arc elsewhere in the district to help SWT provide safe and secure accommodation as the Covid crisis fails to subside. It is recognised by the Council that as the Covid crisis has progressed some of the early community support for the Canonsgrove initiative has subsided and a group who have branded as the “Trull Residents Group” is actively opposing the continuing use of the site for single homeless accommodation. The Council is also aware of organisations and individuals who have directly offered support to residents at Canonsgrove and are keen to see an end to rough sleeping.
- 4.7 Understanding Single Homeless demand in the District
- 4.8 The draft Single Homeless Accommodation Strategy (appendix 1) suggests that current demand for single person accommodation has significantly increased as a result of the ‘everyone in’ initiative. This level of need is the assumed accommodation gap which will remain if the authority agree to a voluntary commitment post Covid to accommodate single homeless to avoid rough sleeping and the number of units which will be required to replace the emergency Covid accommodation in use in response to ‘everyone in’.
- 4.9 There is measurable demand from single homeless in the three main District towns of Taunton, Wellington and Minehead, however as Taunton is larger, offers the greatest range of facilities and is a transport hub it therefore has significantly more demand. The level of need will need to be reassessed on a regular basis as the demand profile will change depending on external factors such as the economic environment and how the authority manage service demands through its own activity for example the effectiveness of its homeless prevention work.
- 4.10 The initial analysis of demand for single homeless which includes those who the Council has a statutory duty to and those the Council may extend a voluntary duty is contained in Table One. The analysis indicates that there are 374 people who fall into the single homeless category of who 287 have their accommodation needs met through the Council or its partners in purposed accommodation. There is an accommodation gap at this point in time of 87 units for this client group which has only been met on a temporary basis under the ‘everyone in’ initiative including 54 rough single homeless at Canonsgrove and 22 rough sleepers at the Beach Hotel, Minehead.
- 4.11 The analysis also identifies that some seventy four (74) of the single homeless who have accommodation are housed in provision which is not ideal. The reasons properties may not be ideal are often for one or more of the following reasons:
- Bed and Breakfast accommodation
 - Accommodation and management practices which do not appear to be helping customers stabilise their lives and to develop skills to sustain a tenancy.
 - Accommodation which insufficiently reflects the diversity of the client group. The Single Homeless Accommodation Strategy identifies twelve customer

categories including those relating to low, medium and high support needs, female and male customers, arson risk, registered sex offenders, drug and alcohol dependencies and veterans.

- Accommodation provision does not always match the demand in different locations.
- Accommodation proposed for sale or demolition such as temporary units at Sneddon Grove or those affected by asset disposal strategies of private and registered housing providers.

4.12 The Single Homeless Accommodation strategy seeks over time to see these units repurposed or replaced to generate better outcomes for single homeless.

4.13 Table One – Analysis of single homeless demand (source - draft single Homeless Accommodation Strategy)

Single homeless Headline summary of demand for units of accommodation	
All demand	374
Current provision	287
Current provision - unsuitable*	74
Current Covered emergency provision temporarily secured	87
Gap	87
Need (unsuitable + gap)	161

*Some of which can be reconfigured into more suitable accommodation

4.14 Although homeless households including single homeless households have a common need for safe and secure accommodation, their individual needs, capacities and complexity of lifestyle are diverse. Many homeless customers will be able to independently sustain a tenancy once accommodation is identified but others will need access to different types of support to maintain their accommodation and manage their lifestyle and health needs. Therefore, accommodation solutions must be accompanied by the appropriate support package to increase the opportunity for customers to stabilise their lives and develop life skills to sustain independent living.

4.15 Draft Homeless Singles Accommodation Strategy (Appendix One)

4.16 The following vision has been developed to help focus the services and partners ambition;

Rough sleeping in SWT will end by 2027, and all single homeless people shall have access to a client centred service that will provide excellent coordinated support within a range of appropriate self-contained accommodation options that can flex according to changing demand

4.17 The Single Homeless Accommodation Strategy seeks to map the current opportunities and identify opportunities to:

- Reduce the Council's dependency on Bed and Breakfast accommodation
- Provide directly or through partners the accommodation required to support the Council's legal obligation and any additional voluntary obligation which SWT decides to support single homeless.
- Provide accommodation which will maximise the opportunities for complex single homeless to stabilise their lives and present the opportunity for them to sustain a tenancy or other form of settled accommodation. This will mean potential change for the current supply of accommodation and the use of new and existing investment and support models
- Identify investment models which are sufficiently flexible to manage the scale and the fluid nature of homelessness. This is essential to ensure the Council de-risks its own investment and critically partners feel able to participate and invest their funds appropriately to support the Council's strategy.
- Progress the Homeless Reduction Boards commissioning role to enable commissioning partners to bend their revenue spend to improve the support to homeless customers. Success in this area should allow confidence for partners to invest capital but also reduce the concerns raised by MHCLG in relation to SWTs housing benefit levels for complex need single homeless households.

4.18 The strategy identifies the following essential elements to successfully meet demand and improve outcomes. These are describe in more detail in appendix 1 and are:

- a) Early help
- b) Creating a robust referral and allocation process
- c) Units of accommodation - flexible approach
- d) Mixing units of accommodation
- e) Accommodation that needs to remain separated
- f) Units of accommodation that need to be decommissioned
- g) Location
- h) Standard of Accommodation – Aims
- i) Standard of accommodation – other considerations
- j) Replacing Canonsgrove
- k) Move on
- l) Floating Support
- m) Commissioning

4.19 To provide momentum to the delivery of the strategy the Council will create a detailed delivery plan. The plan will outline how the additional 87 units of accommodation will be achieved by 2027 and clarify the existing and new partners who will be engaged in delivery.

4.20 The delivery plan will be used by a panel of officers reporting to the Director of Homes and Communities and Portfolio Holder for Housing to help prioritise and promote the most beneficial accommodation solutions. This panel will help ensure new supply fits the needs of the customers and its own property specifications.

- 4.21 The Panel will allow the Council to prioritise and align grant and subsidy opportunities through the MHCLG and Homes England with new supply opportunities. The delivery plan will be supported by a live database of accommodation opportunities which is already live.
- 4.22 The Council is fortunate to work with several organisations focused at supporting homeless families and individuals. These partners contributed to the ambitions set out in the draft Single Homeless Accommodation Strategy.
- 4.23 Significant leadership and contributions are made by partners such as Arc and the YMCA Dulverton Group. Retaining these partnerships will remain crucial in reducing the accommodation gap and retaining expertise. Partners and the Council will benefit from greater information sharing including work to ensure performance and outcomes are ultimately a reduction in the number of single homeless the Council need to support. A number of other partners are also important in providing accommodation including private sector landlords, housing association and SWT housing service.
- 4.24 Other organisations such as the Albemarle Centre and Citizens Somerset have raised their interest in supporting single homeless customers. The service will continue to explore opportunities through new partnerships such as SWT's corporate company, national homeless charities and private sector investment companies. The Council could become a larger provider of single homeless accommodation by requesting and facilitating the new SPV or a separate housing company to help bring forward the supply of units and in particular move on or one bed private rented sector units. An ambition of 20-40 new private rented sector (PRS) units delivered through a corporate company would provide a significant contribution to unblocking the flow of low single homeless with low support needs into independent living. This blockage often keeps customers in supported facilities for longer than their needs requires.
- 4.25 Dialogue has commenced with partners to look at their models for supporting single homeless, their accommodation and support offer, and how they manage capital and revenue costs.
- 4.26 Partners agree that the capital investment is more readily accessible than revenue funds to sustain accommodation. This means that ensuring certainty of resources for security, care and support for complex homeless is of great importance to achieving successful outcomes of the strategy
- 4.27 A greater proportion of new and existing units would benefit from en-suite facilities and being self-contained accommodation. Appendix two includes two ambitious designs and space standards which would help many customers have a better environment to stabilise their lives. However, the strategies ambition and timescales for ending rough sleeping will ultimately require a balance between shared facilities and improved space standards. Investment will need to work within the financial constraints of partner's business models. The government grant regime and housing benefit policy will also influence the affordability of a higher accommodation standard and

ability to support complex needs and increase the supply of move on accommodation. The Council's ambition to end rough sleeping by 2027 is a significant one however the strategy's emphasis is to work with partners to deliver more accommodation and not significantly increase its own provision. To become a significant deliverer of accommodation for particularly high and medium need customers would expose the council to significant financial risk.

- 4.28 Revenue for accommodation, in particular for high support and complex need, is currently over reliant on housing benefit income. The additional housing benefit requests associated with safe shared accommodation and 24/7 staffing is a concern to Government.
- 4.29 Opportunities for Canonsgrove to support the draft Single Homeless Accommodation Strategy
- 4.30 Canonsgrove has 194 single study bedrooms and two x 2 bedroom flats and a total capacity for 200 residents. The site has three residential blocks and a sport/social facility.
- 4.31 SWT leased the Quantock block and the sports/social facility at Canonsgrove from Bridgwater and Taunton College (BTC) following the Governments 'everyone in' campaign, as a direct result of the Covid epidemic.
- 4.32 The accommodation was to provide a safe living environment for up to sixty eight (68) of the District's rough sleepers and has a current occupancy of fifty four (54).
- 4.33 This accommodation not only provides safe accommodation but also allowed residents improved access to support and interventions to help improve their health and consider lifestyle changes. The scheme became an exemplar project showing the best in partnership working and rapid response to protecting vulnerable people.
- 4.34 Two blocks, Blackthorn and Mendip, are leased on a ten-year agreement to the University of Bristol Hospitals Trust UBHT for trainee doctor accommodation.
- 4.35 The Housing Directorate has led the appraisal of options to consider the future contribution Canonsgrove could have to support single homeless provision in the District. The option appraisal considered;
 - Existing service demands and future trends (table one and Appendix 1)
 - The variety of needs which single homeless customers have
 - Current single homeless provision and achievements of providers to improve the outcomes of customers
 - The vision, objectives and aspirations set out in the draft Single Homeless Accommodation Strategy (appendix 1). Importantly this includes working towards ending rough sleeping in the District by 2027.
 - Factors outside the Council's control for example commissioning arrangements and funding to support vulnerable adults.

- The Government's ambition and MHCLG Guidance in relation to rough sleepers
- Contribution currently made by Canonsgrove to the Council's homeless service council
- Canonsgrove's ownership and sale conditions, historic use, structures, facilities, carbon credentials, connectivity, planning status, capacity and potential for remodeling (Appendix 2)
- Options for redesign of Canonsgrove to increase the sustainability of accommodation and place making (Appendix 2)
- Capital and revenue requirements associated with a long term provision at Canonsgrove or alternative locations
- Views of SWT partners who support homeless provision at both Canonsgrove and in other localities
- Alternative models of delivering the required provision.
- Establish the options and their relative merits

4.36 Appendix two contains a report from gcp architects and Curtins engineers on the potential of redesigning Canonsgrove to support the Council's homeless agenda. As a result of discussions with consultants, SWT colleagues and partners' three options are presented for members to consider.

4.37 The three options are:

- 1) Retain a short term interest in Canonsgrove through a lease extension to provide accommodation protection to the most vulnerable during Covid and time to identify and deliver directly or through new or existing partners new additional accommodation supply to replace the loss of 68 units.
- 2) SWT or a Special Purpose Vehicle (SPV) such as a corporate company purchase Canonsgrove from BTC and then remodel the existing structures to reduce the site capacity dramatically from 200 to between 105-157units. The reduction in units and introduction of flatlets and 1 bed flats would better meet the single homeless accommodation specification and provide a hub for support services. There are choices of how the site and blocks can be remodeled to improve sustainability and encourage different lifestyles to coexist. The scheme income would be generated through customers' rents and lease income from third parties.
- 3) Do nothing/Status Quo – As Canonsgrove accommodation is only secured through a short term lease up to October 2021 this option would result in residents being evicted with insufficient alternative accommodation. BTC have stated a preferred wish to sell or long lease the site. SWT therefore need to make a decision to negotiate a longer lease (option one) or purchase the site (option two) if they wish to avoid an increase in rough sleeping from July 2021.

4.38 Option 1 – Short term use of the site up to March 2023 (recommended option)

- 4.39 SWT retain a short term interest in Canonsgrove through negotiating a lease extension to provide accommodation protecting the most vulnerable during Covid and time to identify and deliver directly or through new or existing partners new additional accommodation supply to replace the loss of 68 units.
- 4.40 This option would require the sentiments of the draft Single Homeless Accommodation Strategy to be progressed through a delivery plan and align investment strategies of the Council and partners to bring forward replacement supply.
- 4.41 It would require a Council commitment to supporting a proactive approach to seek grant funding to support capital and revenue requirements for the new accommodation supply and a reliance and confidence in positive outcomes from joined up commissioning arrangements at a Somerset wide level including measurable change brought about by the new Homeless Reduction Board.
- 4.42 In progressing this option the Council would:
- Enter into negotiation with BTC to retain the use of Canonsgrove for the period of up to 31st March 2023 and for circa fifty (50) rough sleepers. The terms of the lease will be negotiated with BTC including the potential for early break clauses.
 - Progress the draft Singles Homeless Accommodation Strategy and its delivery plan to identify an additional 40-64 units of accommodation to replace the current units of supply. Not all the homeless accommodation at Canonsgrove is used for complex need and although circa thirty five (35) complex single homeless would need to have accommodation and support found elsewhere up to twenty (20) residents require accommodation with significantly less support.
 - The ambition of the Single Homeless Accommodation Strategy is to end rough sleeping by 2027. However, the speed of delivery of the strategy will be significantly determined by the appetite of existing and new partners;
 - To invest,
 - Successfully bid for MHCLG/Homes England capital and revenue grant, and
 - An ability for The Homeless Reduction Board and partner organisations to deliver commissioning arrangements to the varied and sometimes complex needs of the most vulnerable single homeless.
 - Develop with existing and new partners (Arc, YMCA Dulverton, SWT Housing (HRA), SWT Corporate Company (SPV), etc. the securing of an additional 87 new units of accommodation front loaded over seven years including circa fifty units by March 2023. Opportunities for additional supply including Lindley House (Taunton) and satellite units Taunton)

and these are being progressed or discussed with Arc and YMCA Dulverton Group.

- SWT to seek investment from MHCLG and other source to support the capital requirements not able to be met through SWT or partners viability appraisals based on housing benefit rental income. SWT recently support a successful circa £1m capital bid for YMCA Dulverton group to purchase and convert the Gascony Hotel (Minehead) into eighteen single homeless units. Future bidding rounds are anticipated shortly.
- SWT continue work with partner landlords and agencies to identify support or revenue to provide safe accommodation and appropriate support for residents. The Council is aware that housing benefit income will increasingly be difficult to access in order to fund the security and support needs of the more complex single homeless customers. Therefore, the success of the emerging Homeless Reduction Board is a critical element of this approach and better outcomes for the most vulnerable.
- The merits of progressing this option also reflects the difficulty in delivering a sustainable scheme through the purchase of Canonsgrove as outlined in option two. The difficulty in delivering option two include the uncertainty of income, the sites C2 residential institution planning status, planning policy limiting the potential for alternative accommodation on the site which would limit the ability of the Council to develop or dispose of the asset if it becomes unviable, the limited proportion of the current accommodation which is required for homelessness or other council agendas. The planning status as residential institution constrains the current use of the land, its potential for creating a sustainable mixed use community and limits the ability to attract new customers/income sources to use the sites permitted accommodation blend.

4.43 SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • New supply to meet the accommodation gap is likely to better meet the objectives of the Single Homeless Accommodation Strategy • A delivery plan will have momentum and a delivery panel will be introduced to identify accommodation better able to achieve better outcomes. • Existing and new partners are interested in investing in 	<ul style="list-style-type: none"> • Increases the number of units to be identified to deliver SWTs ambition • Revenue costs remain heavily dependent on Housing Benefit; unless other budgets can be identified. • Government remain concerned about SWT housing benefit levels • The district ideally would secure two hub locations. A non Taunton Town Centre location is preferred

<p>accommodation to support SWTs ambition and therefore there is less need for SWT to directly invest in this site</p> <ul style="list-style-type: none"> • Removes the risks associated with investing in a site which has marginal sustainability qualities • Limit the concerns of some local residents about the sites future use • Provide accommodation certainty for three years for up to 64 single homeless • Partner are more likely to financially support new accommodation provision and therefore less SWT capital investment and business risk. 	<p>for the second although a new satellite model is also being explored</p> <ul style="list-style-type: none"> • The Canonsgrove site remains subject to limited investment options under planning policy. The site could deteriorate over time without new purpose albeit this is a privately owned site.
<p>Opportunities</p>	<p>Threats</p>
<ul style="list-style-type: none"> • Greater opportunity to progress purchasing strategies aligned to partner preferred investment routes • There is the potential that a hub site which is a better fit to the Council's requirements will appear over time on the market • Opportunity to apply new models to support single homeless accommodation • Opportunity to attract new investment and care partners • Opportunity for the/a Corporate company / SPV to diversify their investment and income to provide additional move on / PRS accommodation 	<ul style="list-style-type: none"> • Negotiations with BTC may not be successful leading to an inability of SWT to accommodate rough sleepers after July 2021 • New capital investment and revenue funding is not identified to increase the supply of new accommodation • Five hub schemes have been identified over the past five months however all have strengths and weaknesses. It is possible that the ideal site does not exist and compromise will always be required in delivering the accommodation desired by SWT • There is an expectation that the Homeless Reduction Board and new commissioning arrangements will support concerns relating to revenue contributions. It may take time for new commissioning arranged to emerge.

- 4.45 Option Two – SWT purchase the site as an investment opportunity with an interim use reflecting current C2 residential institution status.
- 4.46 SWT or a Special Purpose Vehicle (SPV) such as a corporate company purchase Canonsgrove from BTC and then remodel the existing structures to reduce the site capacity dramatically from 200 to between 104-157 units. The reduction in units and introduction of flatlets and 1 bed flats would better meet the single homeless accommodation specification and provide a hub for support services. There are choices of how the site and blocks can be remodeled to improve sustainability and encourage different lifestyles to coexist. The scheme income would be generated through customer's rents and lease income from third parties.
- 4.47 The density of the site could be further reduced if organisations leasing units wish to create a flatlet or 1 bed offer for their users.
- 4.48 This option would secure a significant number of units to support the Council's draft Single Homeless Accommodation Strategy (appendix 1). It would require a Council commitment to resourcing the purchase of the site outright and investing in remodeling to produce a more sustainable community and low carbon outcomes.
- 4.49 The Council or a special purpose vehicle could purchase and refurbish the accommodation and reduce the capacity of the site and generate a reasonable net yield. However there are significant concerns that the core income from the site based on rents and leasing a high proportion of the site is high risk.
- 4.50 The main challenges with this option is that SWT would need to approach the scheme as a long term investment. Much of the funding would relate to non core SWT services and the Council would be investing additional capital in services and accommodation which is not a strategic priority. It would also carry significant risk as it would need to ensure rental and lease income based on one bedroom units and a high level of occupancy.
- 4.51 The restriction of the site for residential institutional use limits most accommodation to one bed units of different sizes. The reliance on income from leases to other organisations creates a disproportionate level of investment to corporate benefit.
- 4.52 The Council would directly or through a special purpose vehicle be required to invest a significant amount of capital to create 40-64 units of homeless accommodation. The Council would only achieve a reasonable net yield for its investment if costs were managed according to the expenditure assumptions such as level of voids, bad debt, borrowing, management, maintenance and income assumptions such as rent levels and lease income.
- 4.53 A significant element of the scheme viability will be the purchase value of the land. BTC would have to be satisfied with their sale price and there is an

overage clause which means a third party has an interest in the agreed sale price.

- 4.54 At Appendix 2 there is a report from the Council's consultants gcp Chartered Architects on the site and its structures. This report explores the site history, planning status, opportunities and its constraints. The report by gcp also incorporates a report by structural engineers Curtin's on the structure of the existing buildings and their ability to be modified to accommodate design and low carbon options.
- 4.55 In progressing this option, SWT would:
- Provide circa forty (40) units of support for complex single homeless in a hub environment
 - Provide between four (4) and twenty four (24) units of training or move on accommodation units for single homeless of low support need. The number will vary depending on the ability of SWT to lease these units and suitability for clients to be houses at this location.
 - Provide between sixty (60) and one hundred and five (105) units of accommodation available to lease for students, medical professionals or for other care / support accommodation. There would need to be careful consideration on the design and customer mix on the scheme
 - Provide accommodation to improved space standards
 - Provide a number of accessible units to support the mobility and health needs of some customers
- 4.56 The report by gcp contains site designs and the engineers study to support site densities. The SWT accommodation would be flatlets, one bedroom flats and bedsits with optional and additional flatlets and one bed flats for leased accommodation. There is an opportunity to also provide the occasional two bedroom flats to support shared accommodation needs such as care requirements.
- 4.57 The report contains examples of the space standards which could be applied to the flatlet and one bedroom accommodation.
- 4.58 The scheme would retain existing structures to capture the significant embodied carbon already held in the buildings in particular in the foundations, external walls and first floor structures. Additional fabric first insulation measures would be included in the property conversion to reduce energy use with heating through renewables such as air source heat pumps. There is also, at a cost uplift, the option to install PV and secure green tariffs and create a near zero carbon scheme.
- 4.59 The scheme would reflect the sites current planning use and would not require a change of use. However, a planning application would need to be submitted to demolish two x2 bedroom flats and support the refurbishment and remodeling of existing blocks including the remodeling of the sports hall for residential use.

4.60 The ability of the Council to revise its business model if problems arose in relation to lower than anticipated income or higher than anticipated costs would be constrained as there would likely to be limited market interest due to the planning status and planning policy of the site.

4.61 SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Provides up to 64 units of single homeless accommodation including a hub facility for 40 complex single homeless • Could established income stream from lease by negotiating with existing users • The location suits some customers and its environment has led to some residents successfully stabilising their lives. • The hub approach has been successful for some residents and this would be a feature of the scheme. • The site would reduce its accommodation density and the site to be used to offset other council development would be of interest to explore. • The properties would accommodate remodeling and remodeling could bring about improved design quality outcomes • Would provide the second hub facility desired by the District and much needed move on accommodation • Would provide some accommodation suitable for single homeless with mobility needs 	<ul style="list-style-type: none"> • Place making is difficult for this site and creating a sustainable community based on single bedroom accommodation on the fringe of Taunton is challenging • Facilities are weak in the immediate location however the scheme is within 3 miles of Taunton and therefore access to a wider range of facilities, services and transport is greater than in many parts of the District. • Changes to the sites planning status would be challenging not guaranteed • Scheme affordability is reliant on lease and rent income. If these fail the scheme would quickly become uneconomic. • Reliant on good scheme design and customers in the wider scheme coexisting • The sites planning status does not support the site being used for private rent or sale or affordable housing. Planning policy is not aligned to changing the sites agreed planning status – for example a mixed tenure housing development would not be aligned to policy. • The site is large and the costs associated with maintaining the grounds will be significant. As it will be hard to pass all these costs to the residents the operating margin will be squeezed. • The scheme is not aligned to partners models of service provision

	<ul style="list-style-type: none"> The Homeless Reduction Board and new commissioning arrangements have not been established and therefore it is unknown if new commissioning arrangements can support a second hub in the District for complex needs. Revenue costs remain heavily dependent on Housing benefit income
Opportunities	Threats
<ul style="list-style-type: none"> Through redesign, full occupation and good management the scheme could generate a reasonable net yield and make a significant contribution towards meeting single homeless demand. The site is in a strong neighbourhood with relatively high property prices. Over many years a change in planning policy may emerge to support the site to be developed for profit. Unitary status will provide more demand for accommodation for institutional accommodation which may allow the site to support other responsibilities such as child and adult care 	<ul style="list-style-type: none"> The council would become a major homeless provider and direct investor in homeless accommodation and other residential institutional accommodation. It would therefore take risks associated with rent debt, damage, maintenance and changes to the LHA rent levels and housing benefit policy. Releasing value from the site would only be possible with significant change in planning policy The sites planning status limits the ability of the council to dispose of the site for residential institutional use if it has no purpose.

4.62 Option Three – Do Nothing Status Quo

4.63 As Canonsgrove accommodation is only secured through a short term lease up to October 2021 this option would result in residents being evicted with insufficient alternative accommodation.

4.64 BTC have stated a preferred wish is to sell or long lease the site.

4.65 SWT therefore need to make a decision to negotiate a longer lease (option one) or purchase the site (option two) if they wish to avoid an increase in rough sleeping from October 2021.

5.0 Links to Corporate Strategy

5.1 The report and its recommendations strongly supports our ‘Homes and Communities’ corporate priority and in particular our ambition to “work to end homelessness and rough sleeping in the District.”

6.0 Finance / Resource Implications

- 6.1 Officers have undertaken an options appraisal to assess the future contribution that the Canonsgrove accommodation site will provide to support the Council's provision of single homeless accommodation in the district. Within this report, officers have presented three options to the Executive for consideration:
 - 6.1.1 **Option 1:** Short Term extension of lease at Canonsgrove until the 31st March 2023 which will involve the Council needing to underwrite £284k estimated cost pending confirmation of grant funding from MHCLG and to progress the draft Single Homeless Accommodation Strategy.
 - 6.1.2 **Option 2:** Purchase Canonsgrove from Bridgwater and Taunton College (BTC).
 - 6.1.3 **Option 3:** Continue with the current lease at Canonsgrove until the 30th September 2021 which will involve the Council needing to underwrite £21k estimated cost pending confirmation of grant funding from MHCLG.
- 6.2 Whilst Officers are recommending that Option 1 is approved by the Executive, the financial implications of each option have been considered below.
- 6.3 Financial implications for Option One
- 6.4 This option proposes for the YMCADG to extend the current short term lease at Canonsgrove from BTC until the 31st March 2023 (a further two financial years), with a phased decant programme. The YMCADG would continue to receive housing benefits directly for residential claimants to fund both the lease and the operational service charges. However, the housing benefit income does not fully fund the costs to operate this site.
- 6.5 There is a funding shortfall of approximately £3500 per month as explained in the 18th Nov 2020 report to the Executive. This shortfall has been calculated based on approximately 44 units being used at the site with housing benefit income covering a weekly room charge of £105pw and shared service charges of £175pw. The variance between costs and income received is the estimated £3500 per month.
- 6.6 As the phased decant programme progresses, over the two years, the number of residents will reduce at a rate dependent on finding suitable alternative accommodation. Whilst the per bedroom charge will reduce, the fixed running costs such as management fees, security and other services will remain the same irrespective of the number of residents on site. Therefore the 'share' of service costs per resident per week will increase and thus increase the funding shortfall.
- 6.7 The YMCADG is having regular conversations with the SWT Housing Benefit Specialist to maximise the service charge cost recovery through the amount that can be claimed through housing benefits to help reduce the increasing

shortfall as resident numbers decrease. Whilst there is some scope to achieve this, this will still leave a financial shortfall.

- 6.8 Officers have modelled various phased decant numbers and estimate that it would be prudent to set aside funds for 2022/23 of £284k should the costs escalate and if the subsidy from housing benefits and grant applications are unsuccessful.
- 6.9 The Council will need to underwrite the total estimated shortfall in funding of £284k. One proposal is to consider the proposed year end carry forward request being made from the Homelessness budget. If this option is approved officers will explore options and ensure funds are set aside. In the meantime the Council will be submitting a bid for further grant funding from MHCLG through the Rough Sleepers Initiative scheme. SWT was successful in being awarded a grant in 2020/21 from the Next Steps Accommodation Project (NSAP) scheme.
- 6.10 The financial risk is that these costs are difficult to estimate as the service does not know with certainty the demand required at the site and how the phased decant programme will progress with regards to securing suitable alternative accommodation. Therefore the true shortfall in cost is not known and is currently estimating a prudent position at this point in time. There is also uncertainty in the success of further subsidy being received in the form of grant funding from MHCLG, especially when bidding on an annual basis.
- 6.11 In order to reduce the Council's exposure to funding the increased shortfall the following would need to take place:
- 6.11.1 The MHCLG funding bids for 2022-2023 will include a higher revenue requirement for Canonsgrove to manage the additional costs associated with decanting in the later period.
 - 6.11.2 The supply of new accommodation will be timed to complement the decanting needs for Canonsgrove. A sharp taper will minimise the risks of costs escalating either on the Council or on the Housing Benefit service. By sharp taper it is meant that residents are decanted over a short time period and therefore alternative accommodation for all residents needs to be timed during the 2022-2023 period.
 - 6.11.3 Decanting post Covid is important to minimise the Council's financial exposure as the service charge element of the accommodation is estimated at circa £113pw per unit more during Covid to manage the additional resources for example enhanced cleaning regime, protective equipment, changes to staff and contractor working practices. The difference between decant during or after Covid is estimated at an additional £7k per week.
 - 6.11.4 Partners providing support to Canonsgrove and to other homeless resident in the district delivery will consider how the service can be delivered differently and cost effectively during the decant period.

- 6.11.5 An application to amend the housing benefit level to reflect the sharing of services over fewer customers can be made. Discussions have been held with the housing benefit service on the opportunities for them to reconsider the agreed weekly rate during the decanting of customers.
- 6.12 This option also proposes to progress the draft Single Homeless Accommodation Strategy and a delivery plan. The strategy is seeking to work primarily with partners to increase the provision of accommodation and support. Any SWT costs associated with the strategy will be brought to full Council in June 2021 along with the final version of the strategy for Members to consider.
- 6.13 Financial implications for Option Two
- 6.14 If the Executive are minded to further explore this option of purchasing Canonsgrove then a further financial investment appraisal would need to be undertaken to take into consideration the cost of preparation works, the purchase of asset and site development costs, as well as the ongoing operational running costs and consideration for any income generated from the proposal to lease some of the units.
- 6.15 So far officers have only obtained indicative site development costs (see Appendix 2) and considered the preparation costs involved such as site development designs and costs associated with conveyancing and lease negotiations with third parties. This would require the approval of a supplementary budget of £130k to develop this proposal further.
- 6.16 Therefore this option would require further investigation and a subsequent report presented to Members detailing the scheme and budget required for approval by Full Council prior to purchase.
- 6.17 Financial implications for Option Three
- 6.18 This option proposes for the YMCA to continue with the current short term lease at Canonsgrove from BTC until the 30th September 2021 (a further 6-months during 2021/22). The YMCA would continue to receive housing benefits directly for residential claimants to fund both the lease and the operational running costs. However, as mentioned above, the housing benefit income does not fully fund the costs to operate this site.
- 6.19 This option would also require the Council to underwrite the estimated funding shortfall of £3500 per month for 6 months (a total estimate of £21k). One proposal is to use the proposed carry forward request being made by from the Homelessness budget whilst the Council submits a bid for further funding from the Rough Sleepers Initiative grant from MHCLG.

7. Legal Implications

- 7.1 None identified

8. Climate and Sustainability Implications

- 8.1 The draft Singles Homeless Accommodation has not as yet included a low carbon requirement on homeless accommodation. This will be considered as an appendix to the strategy
- 8.2 Option two would maintain the existing structure at least up to first floor level and through this retain the embodied carbon already in the buildings. The converted buildings will include a fabric first approach, have no fossil fuel use and include renewable energy where possible and where the final budget agreed by the council permits.
- 8.3 The new Delivery Panel will include sustainability as one of the measures of accommodation suitability including access to public transport routes, facilities, green space, walkways and cycle ways.
- 8.4 Any accommodation that hosts a number of rough sleepers can expect some level of noise nuisance and related anti-social behaviour, particularly where tenants have poor mental health, learning difficulties and addictions. The impact of this and measures to mitigate this will need to be considered as part of any long term proposal.

9. Safeguarding and/or Community Safety Implications

- 9.1 The Single Homeless Accommodation Strategy provides an ambition to provide sustainable accommodation and support for rough sleepers. This will enhance our ability to safeguard a group of very vulnerable adults. The average life expectancy of a rough sleeper is 47 which indicates the extent of risks faced from living on the streets which this proposal will help mitigate. The proposal greatly promotes the welfare of adults at risk.
- 9.2 Any accommodation that hosts a number of rough sleepers can expect some level of noise nuisance and related anti-social behaviour, particularly where tenants have poor mental health, learning difficulties and addictions. The impact of this and measures to mitigate this will need to be considered as part of any long term proposal.

10. Equality and Diversity Implications

- 10.1 An Equality Impact Assessment can be found at Appendix 4.
- 10.2 The three aims that we must have regard to when considering our Public Sector Equality Duty are:
 - Eliminate discrimination, harassment, victimisation;
 - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 10.3 In terms of the legislated protected characteristics, in the Equality Act a disability means a physical or a mental condition which has a substantial and long-term impact on your ability to do normal day to day activities. There is a

substantive body of evidence that shows that homeless people are disproportionately affected by poor physical and mental health. Evidence includes <https://www.mentalhealth.org.uk/statistics/mental-health-statistics-homelessness> which cites that 80% of homeless people in England have reported poor mental health with 45% having been diagnosed with a mental health condition.

- 10.4 Our proposed solutions will provide more and better accommodation and support to the homeless and rough sleeping population which will help address inequalities.
- 10.5 The Council has also recognised locally the following characteristics when developing policy: - Carers, Military status, Rurality, Low income, Economic and Social Disadvantage, Digital Exclusion. The people we are seeking to support with this initiative will all have one or more of these characteristics.

11. Social Value Implications

- 11.1 Ultimately we are seeking to jointly commission with partners support services for our rough sleeping community which will have clear social value implications socially but also economically for this group. We have engaged with the DWP to see how they can support our work so that not only can we help people address social and health issues, but can help move them ultimately to greater independence with a focus on improving skills and ideally accessing employment opportunities.

12. Partnership Implications

- 12.1 The success of any future accommodation proposal will require strong partnership working with accommodation providers such as the YMCA, Arc and others as well as a wide range of support services partners including SCC (Social Care, Public Health), NHS, Somerset Partnership, Turning Point (drug and alcohol service), Avon and Somerset Constabulary, Second Step, Salvation Army, Probation, Open Door and local church and voluntary and community groups.
- 12.2 The principle approved through the Health and Wellbeing Board is that we should develop a joint commissioning approach for support services and we will continue developing this approach alongside the work we do on accommodation.

13. Health and Wellbeing Implications

- 13.1 The project objectives have the support of the Health and Wellbeing Board and this includes the proposal from the Board to create a Homelessness Reduction Board that will report into the Health and Wellbeing Board. There are clear links between people being health and being suitably accommodated so there is a strong alignment between the objectives of this report and improving health and wellbeing. One of the three Health and Wellbeing priorities for Somerset is “Somerset people are able to live independently” and therefore this provision will be key to enabling this.

14. Asset Management Implications

- 14.1 Option two would create a new asset for the Council or a Council Corporate company.
- 14.2 Option two would create an asset which would require a detailed financial plan to ensure its income managed its expenditure and the asset was maintained or improved through good management.
- 14.3 Option two would benefit from subsidy in the form of MHCLG or Homes England grant

15. Data Protection Implications

- 15.1 None at this stage. We will require information sharing agreements between the Council and any providers and support services that we use.

16. Consultation Implications

- 16.1 This report is publically available however the Council would wish to provide a copy to the Trull Residents Group and the Trull Parish Council which have shown an interest in the future of Canonsgrove and to be available to discuss the report.
- 16.2 There is public interest in the option appraisal recommendations and we have received a number of representations from local councillors, members of the public and the Trull Parish Council have conducted their own survey. Some of the representation is provided at Appendix 5.
- 16.2 Option one does not propose a long term use of the site y SWT however the service and council may wish to consult more widely on the ambitions of the Single Homeless Accommodation Strategy. We would also want to seek to improve the dialogue with representative organisations in Trull to try and develop a more constructive conversation about interim use of the site. We have engaged with an MHCLG Specialist Rough Sleeping Adviser who has brokered facilitation through the local church to hopefully move forward positively in this direction.
- 16.3 Option two would require some consultation to help any planning requirements which are not allowed under permitted development.
- 16.4 As the Council identifies new sites to support single homeless accommodation requirements consultation will take place at the appropriate time.

17. Scrutiny Comments / Recommendation(s)

17.1 Scrutiny Committee discuss the paper 3rd March and provided the following comments/recommendations to be noted for executive:

The Scrutiny Committee, therefore recommend that, the Executive:

- Only consider **option 1**, with clear wind down and end date of March 2023, but ideally 6 months before March 2023, having alternative location/s identified, therefore take out item 3.3 from the recommendation.
- Take into account the recent survey’s report by the Trull Parish Council, which provides the needed evidence of the adverse impact of current use of Canonsgrove to the community.
- Provide better management, community safety measures by communicating with the residents to allay current and future concerns by:-
 - 1) Looking at alternative accommodations within the district close to all the amenities now.
 - 2) Work out a wider appraisal to deliver other accommodation options that are tested against the draft strategy with homelessness providers and support agencies, and inform Trull Residents Group, local Parish Councils about future plans, whereby other alternatives are identified and report back to the Scrutiny/SWT council within the next 6 months on plan to exit Canonsgrove.
 - 3) Create a joint liaison Committee to improve two way communication between the Council and relevant local stakeholders

Democratic Path:
 Scrutiny Yes (03/03/21)
 Cabinet/Executive – Yes (15/03/21)
 Full Council – No

Reporting Frequency: Dependent on option selected

List of Appendices (delete if not applicable)
 Appendix 1 – Draft Single Homeless Accommodation Strategy
 Appendix 2 – Option appraisal report (retention) gcp Chartered Architects and Curtin’s Civil engineers (this appendix is still being refined)
 Appendix 3 – Site map
 Appendix 4 – Equality Impact Assessment
 Appendix 5 – Representations

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