



**Report of:** Executive Member for Housing and Development

<b>Meeting of:</b>	<b>Date:</b>	<b>Wards:</b>
Executive	26 <sup>th</sup> November 2020	All

<b>Delete as appropriate</b>	Exempt	Non-exempt
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## **Appendix 1 to this report is exempt and not for publication**

### **SUBJECT: PURCHASE OF PROPERTY AT STACEY STREET (FINSBURY PARK) TO PROVIDE SUPPORTED ACCOMMODATION TO ROUGH SLEEPERS**

#### **1. Synopsis**

- 1.1 The Government has released significant funding to prevent rough sleepers returning to the streets after the corona virus pandemic. £66.7 million of this is allocated to London and is being administered via the GLA. The Housing Needs Department has been successful in applying to this fund for:
- capital (£3.443m) and revenue (£3.308m over 4 years) funding to purchase a purpose-built unit on Stacey Street in Finsbury Park, in order to create much needed supported accommodation in the borough. Stacey Street is an ex-care home which comprises 30 units of shared accommodation, with communal areas.
- 1.2 This report outlines the service benefits, opportunity and key risks in the Council acquiring the Stacey Street accommodation from Camden & Islington NHS Trust and seeks endorsement from the Executive to proceed with the purchase.

Other service options were considered for Stacey Street including provision for learning disability, older people's residential and semi-independent homes for care leavers but the proposed use for Rough Sleepers is considered to be the best combination aligned to building suitability, service need and subsidy.

## 2. Recommendation

- 2.1 To approve the purchase at Stacy Street with the funding received from the Greater London Authority and procure a service provider to run a specialist supported accommodation service for people experiencing rough sleepers.

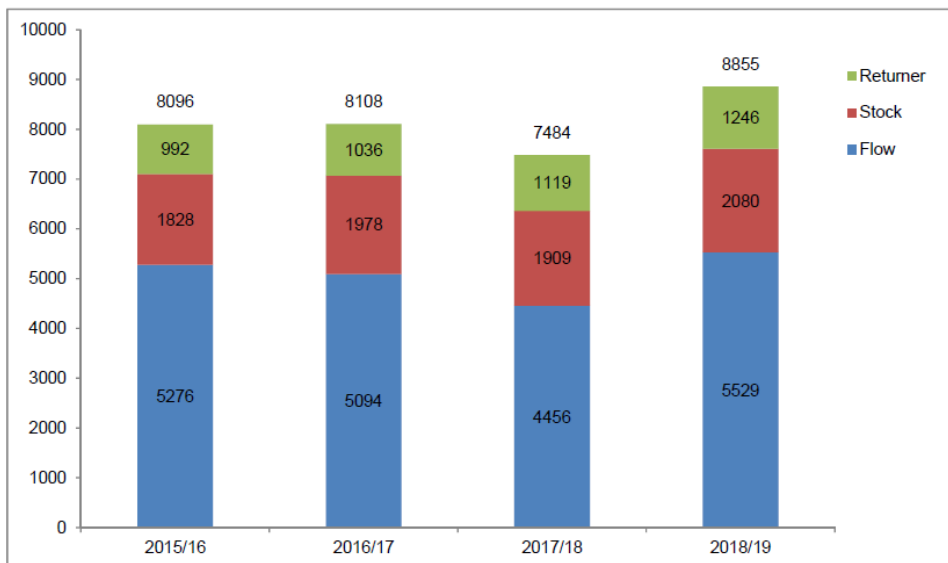
## 3. Background

- 3.1 Since 23<sup>rd</sup> March the Council has been placing rough sleepers into emergency temporary accommodation as a result of the Government's "Everyone In" directive at the start of the country's lockdown.

We currently have 154 rough sleepers in temporary accommodation, 75 of these need complex needs supported accommodation. We are continuing to place our vulnerable rough sleepers into temporary accommodation and then moving into void pathway beds as and when available. The temporary accommodation comes at a significant cost to the Council which is currently being part funded by our Rough Sleeper Initiative year 3 grant. The flow to the streets is still significant and accommodation needs to be available to ensure that these people do not become entrenched.

The table below highlights the number of rough sleepers over the past 4 years, we are still experiencing a flow to the streets.

People seen rough sleeping in the year, by the flow, stock and returner model.



2015/16 base: 8096  
2016/17 base: 8108  
2017/18 base: 7484  
2018/19 base: 8855

The country is now in an unprecedented position of having the majority of rough sleepers in accommodation and as such has released a "Rough Sleeper Accommodation Programme". This programme is aiming to have 3000 units of accommodation in supply by 31<sup>st</sup> March 2021 and 6000 in total delivered through the programme.

Islington submitted an application for capital and revenue funding to realise our vision of creating our own bespoke accommodation project for people experiencing rough sleeping in the borough. Our expression of interest applications for this fund were submitted on 20<sup>th</sup> August 2020.

We have now been notified that our application to the fund was successful and we have been awarded £3,433,000 to purchase and refurbish Stacy Street and £3,308,874 to procure a support provider for a 4 year period.

### 3.2 **Stacey Street**

This is a 30 bed purpose-built unit currently owned by the CANDI NHS Foundation Trust and was formally used as a residential care unit. CANDI have determined this as a surplus asset and are disposing of the freehold interest to support their wider investment strategy.

If it is recommended that we purchase the unit Islington will create a complex needs supported accommodation for rough sleepers as well as emergency accommodation in order to move people quickly away from the streets. No Second Night Out is currently closed with no prospect of re-opening due to lack of available accommodation. This unit would be accessible 24/7 in order to move people away from the streets at the time that they want it and to fit in with outreach shifts late at night and early in the morning.

#### **Support**

We have secured £3,308,874 in revenue funding to procure a support provider. We will procure a provider able to demonstrate a trauma informed and strengths-based approach to supporting rough sleepers away from the streets.

The initial support will be provided by varying one of our existing supported accommodation contracts.

A procurement or insourcing exercise will then be conducted to recruit a provider to run the service for the Council for 4 years. The procurement will be run in collaboration with the Strategy and Commissioning Team.

The value of the support contract is in line with the financial figures used by our Strategy and Commissioning Team in their current procurement of the complex needs pathway.

3.3 The GLA and MHCLG want to see the building purchased this financial year to meet their targets of providing 3000 units of accommodation for rough sleepers this financial year.

3.4 The prospect of being able to purchase our own supported accommodation unit creates a unique opportunity for Islington Council to eliminate rough sleeping in the borough. The purchase of this unit would enable the Council to set up a bespoke service, which is commissioned to meet the needs of the residents. It would be trauma informed and strengths based, it would be co-produced with representatives from the rough sleeping community. It will add much needed capacity to the supported accommodation pathway (funded via the Strategy and Commissioning Team).

We have applied for revenue funding to last for 4 years which will fund the supported element. We would expect to see rough sleeping reducing in the borough over these years, in which

case, the unit would be able to be used as a prevention hub and accept referrals from the Council's Homeless Prevention Team.

If revenue funding cannot be sourced from other grants or funding streams at the end of 4 years, consideration has been given to either using the site to build new council homes or returning the property to the market, an initial assessment has been undertaken indicating that the location is suitable for a residential use with provision of around 17 new homes.

- 3.5 The social benefits of purchasing Stacey Street are immense. This service will create an emergency route off the streets for rough sleepers that have very limited options otherwise. This will prevent them from becoming entrenched on the streets and experiencing poor health as a result.

As well as improving the prospects for many rough sleepers, the service is likely to deliver an overall cost saving for other council services too for example Adult Social Care as being off the streets will improve someone's health and enable access to health facilities. It will also enhance the support and assistance available to this cohort.

The unit would give Islington the opportunity to create a unique hub for rough sleepers that would see other services such as substance misuse collocated in order to provide a holistic service to some of Islington's most vulnerable residents. It would assist in our vision of creating a Fairer Islington where we can support people to access accommodation and health and wellbeing services in order to support their route away from the streets. Being able to sustain and continue to reduce the number of rough sleepers on the streets would also have a wider impact on the local community who want to see a compassionate response to ending rough sleeping.

Continuous improvement will be built into the service through shared learning, with the adaptability to engage other local and specialist partners to respond to the needs of the cohort.

This service will require significant recruitment into the sector by the successful provider this will increase employment opportunities for those in the local community interested in this work.

There are no TUPE or pensions implications. The payment of the London Living Wage will be a condition of the contract with the successful provider.

With the addition of this service we are anticipating a significant reduction in rough sleepers which will relieve the distress of rough sleepers for those experiencing it, but also the wider local population who are concerned about those rough sleeping.

- 3.6 The tender for the support contract will be conducted in one stage, known as the Open Procedure, as the tender is 'open' to all organisations who express an interest. The Open Procedure includes minimum requirements which organisations must meet before the rest of their tender is evaluated.

The evaluation award criteria will be based on 90% quality and 10% price.

The proposed award criteria are:

- Proposed approach to mobilisation 20%
- Proposed approach to partnership working 20%
- Proposed approach to delivering outcomes with emphasis on positive move on and prevention of rough sleeping 30%
- Proposed approach to service user involvement 10%
- Proposed approach to social value 10%

### 3.7 **Business Risks**

The initial assessment of building conditions by limited survey and disclosure from the vendor has identified the need for investment works to be undertaken prior to operational use which means that the Council will be unable to meet the Government's ambitious timescale for the first tranche of units. Officers have discussed this with MHCLG/GLA officers and other London Boroughs and are of the understanding that this will be the case across the majority of capital projects, therefore there is a funding deliverability risk that will need to be addressed during progress of the grant funding bid prior to entering into a grant agreement.

The purchase of the building from CANDI at fair existing use value represents a concessionary sale under the NHS Estate Code and requires a business case to be produced and subsequent approval to the sale from the relevant Secretary of State. Council Officers are working with CANDI to provide supporting information for their business case and will explore whether the Council can enter into an intermediary lease pending Secretary of State consent under existing delegation.

The cost of refurbishment has been considered in our financial mapping and reflected in the award we have been granted.

The money to purchase the property will be part funded by the grant, see financial implications below for further details about the financial position.

If funding for the support is not available beyond year 4, alternatives such as selling the building or the creation of up to 17 homes can be considered.

- 3.8 The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to complete an anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences.

3.9 The following relevant information is required to be specifically approved by the Executive in accordance with rule 2.8 of the Procurement Rules:

<b>Relevant information</b>	<b>Information/section in report</b>
1 Nature of the service	Complex needs rough sleeper accommodation service at Stacy Street.  See paragraph 3.2
2 Estimated value	The estimated value of the support contract is £3,308,874 over 4 years.  The agreement is proposed to run for a period of 4 years with an optional extension of 4 years.  The estimated value of the property is £2.4m with additional stamp duty and refurbishment costs  LBI has been awarded £3.443m for the purchase of the property  See paragraph 1.1
3 Timetable	To purchase the property this financial year. Operational during 2021  See paragraph 3.3
4 Options appraisal for tender procedure including consideration of collaboration opportunities	Open tender for support contract  See paragraph 3.6
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	As outlined in this report:  See paragraph 3.5
6 Award criteria	Quality 90% and Price 10%  See paragraph 3.6
7 Any business risks associated with entering the contract	As outlined in this report  See paragraph 3.7
8 Any other relevant financial, legal or other considerations.	See paragraphs 4.1-4.4

## **4. Implications**

### **4.1 Financial implications**

If the GLA grant application is successful then the combination of HRA borrowing in the sum of £2.226m and both capital & revenue grants in the sum of £3.443m & £3.308m respectively have been assessed as being able to deliver a financially viable scheme, subject to consideration of the GLA grant terms.

In the event that the grant application is not successful or the GLA grant terms are too onerous, an indicative assessment suggests that an alternative general needs residential scheme whilst generating a small deficit could be considered financially viable in the context of the wider new build programme.

The detailed financial implications & risks in relation to this proposal are set out in the exempt appendix.

### **4.2 Legal Implications**

The Council has legal duties under the Homelessness Reduction Act 2017 to help secure housing accommodation for people who are homeless or under threat of homelessness. Under sections 9 and 17 of the Housing Act 1985 the Council has the necessary power to acquire land and buildings for housing purposes to provide housing accommodation as proposed in this report.

### **4.3 Environmental Implications**

A full environmental impact assessment will be conducted if we are successful in purchasing the unit and once a full survey of the building has been completed.

### **4.4 Resident Impact Assessment**

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A full resident impact assessment is attached as Appendix 2.

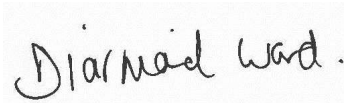
## **5. Reason for recommendations**

5.1 The GLA have approved our grant application to purchase Stacy Street. This gives Islington the unique opportunity to invest in supported accommodation for some of our most vulnerable residents, with a step down into housing first accommodation. This funding has been awarded to Islington to create a route away from the streets for those experiencing rough sleeping.

It is recommended that the Executive approve the purchase of Stacy Street in order to create this bespoke service to end rough sleeping in the borough.

**Appendices:**Appendix 1 - Part 2 Appendix with financial implications – **exempt from publication**

Appendix 2 – Resident Impact Assessment

**Final report clearance****Signed by:**A handwritten signature in black ink that reads "Diarmuid Ward." The signature is written in a cursive style and is placed on a light-colored rectangular background.

Executive Member for Housing and Development

Date: 13/11/20

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