

APPENDIX G - FSR SUMMARY: HOUSING NEEDS & COMMUNITY HOUSING

This FSR had its first meeting on 11th August, and four initiatives were identified for officers to focus on during the review. These were reduced to three at the review meeting of 4th October 2016. The on-line application module was paused, so that it would be considered within the larger project of re-procuring a housing system, which has now commenced. The three remaining actions were:

1. Develop options for the procurement of further temporary accommodation, either directly or through investment, to produce savings and/ or investment return to the Council
2. Develop a hostel strategy to help mitigate some impacts of the County Council cuts to the adult homeless pathway; address risks and opportunities around the Lucy Faithfull House lease; and to improve the resilience of future service provision to further public funding pressures
3. Investigate whether the Council's HB subsidy position could be improved through various approaches, including the smarter commissioning of supported housing accommodation going forward, including working with partners to achieve this

These have been taken forward as follows:

Temporary Accommodation Procurement

A CEB report has been prepared for December CEB, asking CEB to consider a £10m investment in the direct purchase of temporary accommodation to replace PSL properties. The financial modelling shows that this investment is viable and provides a revenue saving.

The report proposes that Retained Right to Buy receipts are used to fund 30% of this 'qualifying' expenditure to try to ensure that these funds are spent to time, and do not have to be returned to the DCLG.

Officers are working on a contingency investment also (Heylo or others), that could mitigate the risk if the acquisition of property is not fast enough for the RRTB spend profile. It may also provide an option for spending RRTB funds after Dec 2018, when further RRTB spend would be required. If this is recommended, then it is proposed that another CEB report will be prepared during 2017 or early 2018 in relation to this project.

Homeless Hostel Strategy and Commissioning

A report was agreed by CEB on 15th September 2016 detailed the joint commissioning proposals and the City Council's contribution into this. The seven partner organisations (County, City, Districts and OCCG) have now all agreed this, with the new commissioning strategy and transition plans agreed at a closed meeting of the Health Improvement Board on 14th November 2016. The governance agreement is due to be signed shortly and the County is progressing with the transition planning, including giving six months notice to end the Julian Housing contract by 1st December 2016 (to end 1st June 2017). Press and comms being actively managed.

A paper on the City Council's approach has been considered at Leaders meetings, and with the Chief Executive on 20th September. Labour Group has considered and endorsed the approach, following this steer. A meeting with one provider/ developer to explore options was held on 3rd November. A further paper with more detailed recommendations is now to be drafted. This will consider the implications (financial and otherwise) of allowing another hostel to close and re-procuring a smaller number of units in a more dispersed model. This will need to be considered prior to Christmas, and will feed into a formal CEB report on the

proposed 17/18 spend on preventing homelessness through commissioning in Feb/ March 2017. Officers will need to progress discussions with providers, in particular Julian Housing alongside this process.

The Council has now received re-valuations of Lucy Faithful Housing and is about to commence negotiations with the Riverside Group to acquire the remaining years on the lease (approx. 67 years). The budget notes a capital financial envelope of £1m for this, although the expectation would be for the Housing Company to buy this from the Council, to develop, so that the eventual financial position of the General Fund would be neutral.

Supported Housing HB Subsidy

A number of meetings of relevant officers (inc HoS for H&P and for Finance) have been held to fully understand this complex area. A number of work streams have been taken forward that could positively impact by increasing subsidy income.

- Rent Officer rent valuations for Oxford on which the rent cap is set (Only 60% subsidy being received for rent over £127 pw):
 - A meeting with the Rent Officer has taken place and other rent caps were shared by the Rent Officer which indicates that Oxford has a far more generous cap than many other areas of higher cost. The risk of challenging this is considered greater than any benefit likely as a result
- Considering the cost/ benefits of working with supported housing providers (who are not RPs) to see if arrangements could be costed to enable full HB subsidy to be paid on rents, such as using an RP in relation to the property elements of the work
 - Properties have been identified to show those where this has the greatest impact. These identify one provider above the rest to focus on, as most the loss relates to their properties
 - Officers consider that this arrangement would be acceptable for properties leased by that provider (but is likely to be seen as contrived for ones in their actual ownership).
 - The provider has agreed to consider undertaking this and already has a model agreement with an RP that could be used. The provider are meeting with a second RP on 23rd November and expect to come back with a costed proposal for us to agree and move forward with shortly after that
- Propose to reflect this issue, to best protect the Council's position, in the future commissioning of supported housing projects (from the City Council) and to work with partners to do likewise (inc County Council and OCCG), taking into consideration the Governments proposed changed to Supported Housing HB from April 2019 on, for which a consultation paper is expected this month.

Based on this, the following savings have been identified in the budget papers:

- 17/18 - £50k saving/ income improvement
- 18/19 - £100k saving/ income improvement

Both are identified at medium risk as they require the action of third parties, but officers remain confident that all necessary steps are being undertaken to ensure delivery of these.