

To: Chief Executive
Date: 9 July 2020
Report of: Director of Housing
Title of Report: Accommodation of rough sleepers at Canterbury House

Summary and recommendations	
Purpose of report:	To enable the Council to take the urgent decisions to secure the use of Canterbury House to accommodate rough sleepers.
Key decision:	Yes (value >£500k)
Cabinet Member:	Councillor Ed Turner, Deputy Leader and Cabinet Member for Finance and Asset Management Councillor Mike Rowley, Cabinet Member for Affordable Housing
Corporate Priority:	Support Thriving Communities
Policy Framework:	Housing and Homelessness Strategy 2018-21
Recommendation(s): That the Chief Executive resolves to:	
1.	Approve that a letter of intent be sent to A2Dominion for the use of Canterbury House for 50 weeks from 3 August 2020 by way of a management agreement between St Mungo's and A2Dominion, with the Council undertaking to enter into a full agreement with St Mungo's and A2D by 17 July 2020.
2.	Approve the allocation of a budget £660,486 for this use to be funded from housing benefit income, government grant (if approved) with the remainder from reserves if necessary.

Appendices	
Appendix 1	Letter of Intent
Appendix 2	Accommodation Request
Appendix 3	Email of Assurance from MHCLG

Introduction and background

1. The Council has been seeking interim accommodation for homeless people who have been housed as part of the response to the COVID-19 pandemic. The current arrangements are short term at significant nightly cost. Student accommodation has been identified which could be made available, but an urgent decision is required to secure its use. This report outlines the accommodation requirement, which is part of a total package of interim accommodation and support and is part of a strategy to end rough sleeping in Oxford.
2. Following the Government instruction to bring all rough sleepers into emergency accommodation, Council secured 123 rooms of additional interim accommodation available, of which 108 are currently occupied. Of these rooms 64 are in hotels which have been booked until end of July. A further 12 are in University accommodation which is not available after 19 July. Hotel accommodation is not suitable for most homeless people, since it can build a culture of dependency. As hotels open following the lifting of restrictions, this option is expected to be increasingly expensive and less available.
3. The current strategy, supported by the Government Rough Sleeping Taskforce, is to use this emergency as an opportunity to end rough sleeping. The 'everyone in' strategy is continuing. MHCLG have announce £105 million for interim accommodation for rough sleepers. Oxford is one of 22 priority areas in England outside of London for support.
4. Communal settings such as Floyds Row cannot be used, and there is no indication of when such settings can be used. It is expected that there will be a further wave of homeless people as furloughing and the moratorium on evictions ends. There will also be the need for winter provision. Currently it is estimated that 27 people are still sleeping rough.
5. An extensive search for properties to accommodate rough sleepers was undertaken in the city to secure up to 120 rooms. Ideally it would be on no more than two sites to allow for effective management. A copy of the request which was circulated is appendix 2. The YHA is available for 9 months up to the end of March providing 41 rooms.
6. Two individual houses were offered by Colleges and some rooms in Commonwealth House were tentatively offered, but the accommodation did not have en-suite facilities, would not offer enough rooms to avoid the use of hotels, and would be difficult to manage with staff having to work between a number of small sites.
7. After a number of discussions with Oxford Brookes University, the Canterbury House campus was identified as potentially available.

Canterbury House

8. Canterbury House is situated off the Cowley Road and has 78 furnished bedrooms with en-suite facilities based across four separate blocks. It can be made available for the period from August 2020 for 50 weeks.
9. Canterbury House is owned and managed by A2Dominion (A2D) as student accommodation. Brookes have a nominations agreement with A2D. Student rental agreements run for 50 weeks from August. Alternative accommodation can be found for students that have booked the accommodation from Autumn 2020.

10. It is planned to use two bedrooms for office space to administer the facility, leaving accommodation for 76 single homeless people. The facility would be managed as supported housing by St Mungo's. The agreement with St Mungo's which was intended to manage Floyds Row has been repurposed to manage the homeless population in emergency accommodation. However, additional support resource from St Mungo's will continue to be required to manage those accommodated at Canterbury House and YHA.
11. The proposed agreement would be between the Council, A2D and St Mungo's for the use of the building for homeless people.
12. MHCLG have been kept briefed on the negotiations to use Canterbury House. The use of student accommodation was one of the options councils have been encouraged to pursue to house rough sleepers. The comments of MHCLG have been taken into account, included using the premises as 'supported housing' rather than 'temporary accommodation' and on the collection rates which have been used to model the financial commitment.
13. If the option to take up Canterbury House is not secured, the management team will need to continually manage unsuitable hotel accommodation at high costs with the risk that more people will return to the streets. The constant 'firefighting' will continue rather than focusing effort on housing the population in interim accommodation and ending rough sleeping.
14. The current strategy to tackle rough sleeping in the current circumstances is:
 - a. Complete strength based assessments for all current homeless population along with newly presenting cases, supported by Crisis and Aspire workers and St Mungo's.
 - b. Identify longer term move-on accommodation from PRS, including HMO, social rented, supported housing, homes previously used for the young persons' pathway, and similar accommodation in other county districts.
 - c. Match people to homes with appropriate support packages to prevent returning to the street.
 - d. Maintain process for winter period to cope with further waves of homeless people and for winter provision.
 - e. Move to county-wide process based on improved system to have safe accommodation and move-on options for all single homeless and rough sleepers.
 - f. Adopt a multi-disciplinary approach for people who are still rough sleeping to bring them into accommodation.

Other implications

15. The proposal will involve requesting a temporary change of use for Canterbury House from student accommodation to supported house for one year. The timescales involved mean that planning permission cannot be approved in advance but will need to be retrospective. However consultation with local residents will start within the next two weeks. The decision on a temporary change of use is delegated to the Head of Planning Services in the Council's Constitution (Part 5.3) as it does not fall within a category of application that has to be considered by one

of the Area Planning Committees but it may be called in for Members to make the decision.

16. The Oxfordshire Homeless Movement are aware of the proposal and have offered to support the council and residents as appropriate including providing additional furniture and IT equipment if needed.
17. The police have expressed support and offered assistance with reassurance to local residents and proactively supporting the management team to deal with any issues that may arise.
18. Around 20% of the homeless people have no recourse to public funds and therefore normally the Council would not be allowed to fund any support or accommodation for these people. Whilst the regulations have not been changed, MHCLG is aware that the Council, along with others across the country, have accommodated people with no recourse to public funds. If these people cannot remain in emergency accommodation, it may be possible to move them to the properties that have been gifted by colleges or charities for temporary use.

Financial implications

19. The cost of the lease for Canterbury House is £660,486 including utilities, council tax and services. This is the commitment the Council will be making in the letter of intent to A2D. However, this forms part of a total package of costs for interim accommodation and support which includes support and the other costs of accommodation. It is this package for which MHCLG have indicated that financial support is available.

20. Financial Period July 2020 – March 2021

- a. The overall gross costs for the extension of all the interim accommodation and support from 1st July 2020 to end of March 2021 is **£2,217,626**
- b. These costs are mitigated by a combination of existing MHCLG grants (e.g. RSI3) and contributions already factored and approved in the Council's base budget for 19-20 which have been repurposed; a total of **£880,197**.
- c. Furthermore, financial modelling of Housing Benefit income (at a 70% collection rate at £300 a week) is likely to create an additional income stream of **£652,666** resulting in a net cost for this period of **£614,763**.
- d. This amount is subject to an MHCLG bid, which has described as reasonable and "within the ballpark of what we would expect Oxford to be allocated" (see attached appendix 3).
- e. Therefore, on the basis of these assumptions there may be no additional cost to the Council for this period.

21. Financial Period April 2021 – July 2021

- a. The gross costs for the ongoing interim arrangements into the financial year 2021-2022 are **£237,373** for the lease and ancillary arrangements. The Council will also be required to extend the St Mungo's contract to the end of July. Given that this contract intrinsically links a number of services that cannot be disentangled from each other, there is support costs element of **£466,000** (4 months' worth of a £1.4m contract)

- b. This amounts to a total gross cost of **£703,373**. There are no MHCLG or grant provisions currently available for this period. However, the provision for the Mungo's support contract has already been built into the MTFP and could be mitigated further should additional funding made available by MHCLG for 2021-2022.
- c. The financial modelling of the Housing Benefit (HB) income at a 70% collection rate of £300 a week is likely to create an income stream of **£148,752** for this period resulting in a net cost for this period of **£554,621**.
- d. Whilst there is a risk that the collection rate could be lower, the more likely mitigation is that the financial model income could stretch higher with revising the weekly charge (if cost modelling and HB support this) and also if a higher rate of HB rent collection is achieved. Therefore, this above net figure is based on a variable income stream and the potential bracket is a worst case scenario of **£768,516** and a best case scenario of **£555,845**. Netting off the base existing provision of **£466k** leaves a bracket of **£302,516** to **£89,845**.

22. Further additional costs

To date the provision supplied from April – June 2020 has cost £600k with a current net cost of **£212k** following grants and HB income. It is necessary to factor in additional dilapidation costs of **£40k** for the existing commercial hotels at Travel Lodge, the Buttery, Towerhouse and Egrove Park; a total outstanding cost of **£250k**.

Legal issues

- 23. This decision is being made without following normal procurement requirements using permissions under regulation 32(2)(c) of the Public Contract Regulations 2015. This allows authorities to procure goods and services using direct awards due to the extreme emergency in response to COVID-19. The emergency action in this case extends to the provision of services by St Mungos and A2D until July 2021 as it is inextricably linked to the arrangements to secure Canterbury House. More details were provided by the Cabinet Office Information Note PPN 01/20.
- 24. At this stage, a letter of intent is required by A2D to secure the use of Canterbury House. The letter of intent declares the preliminary commitment of the Council to contract with the parties. The agreements with A2D and St Mungo's will be subject to more detailed discussion and approved in liaison with finance and legal services over the coming week.
- 25. As far as State aid is concerned, there will be no State aid to a provider of services where that provider is not being paid more than market value for the services it is providing. Having considered whether the arrangements would amount to state aid it is the overall arrangement that must be considered and that St Mungo's and A2D should not receive more than market value for the transaction as a whole.

Level of risk

- 26. Due to the timescales, a full risk assessment has not been completed. However, the main risks are seen as follows:
 - a. **The assumed collection rate for housing benefit of 70% at £300 a week is not achieved.** The current collection rate for this population has been below 20% although it is currently 33%. The circumstances under which the

rough sleeping population were brought into emergency accommodation meant that normal assessments and benefit claims could not be completed at the start of the process. The move out of hotels and into Canterbury House will be more carefully organised so that benefit claims can be completed. St Mungo's believe that collection rates of over 70% can be achieved. It may be possible to achieve a weekly benefit rate of nearer £350.

- b. **The level of voids is higher because this level of accommodation is not required for the whole period.** If more homeless people can be moved on and the accommodation is not all required for the city, it can be used by other districts for homeless people, and benefits can be claimed for these.
- c. **Communal settings can be used sooner than next March.** There is no current indication of when communal settings can be used. It seems unlikely that Floyds Row and other settings can be used before a vaccine is readily available. The infection rates where communal settings are still used in US cities are over 50%.
- d. **Agreement is not reached with St Mungo's and A2D.** The St Mungo's board was meeting to consider the proposal on 9 July. They have indicated agreement to the principals and have remained committed to working with the Council. The local St Mungo's management have visited Canterbury House and approved it as suitable for this use.
- e. **Planning Permission is not granted.** The temporary planning permission may be opposed by neighbours. A consultation programme will be launched shortly.

Equalities impact

27. Due to the timescales, an Equalities Impact Assessment has not yet been completed. It will be completed to support of the final contract agreement.

Conclusion

28. The timescales involved and complexity of the agreement have limited the ability to go through the normal process for key decisions. There is a need to send a letter of intent on 10 July to secure the accommodation at Canterbury House. No viable alternatives have been identified.

29. This urgent decision is part of a strategy to end rough sleeping which has been subject to discussions with the Lead Member for Affordable Housing, the Leader, Deputy Leader and Chair of Scrutiny.

Report author	Paul Leo
Job title	Director of Housing
Service area or department	Housing
Telephone	01865 25237
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Background Papers: None

Appendix 1

Letter of Intent

Executive Director of Housing

Direct Line: 01865 252375

E-mail: pjleo@oxford.gov.uk

St Aldates' Chambers

St Aldates'

Oxford OX1 1DS



Central Number: 01865 249811

To:

Date:

10th July 2020

A2 Dominion Group

FAO Tanya Reddick, Head of Student & Keyworker Services

Oxford Brookes University

FAO Harmohinder Bahl, Deputy Director Campus and Commercial Services

Dear Colleagues,

Re: Canterbury House Accommodation (“the Scheme”)

I write further to my letter of 29th June 2020, in relation to our continuing joint work to use the Scheme as part of the Council’s emergency response to the Covid-19 crisis, and to continue to accommodate and engage with vulnerable homeless adults who have been rough sleeping or who were precariously accommodated at the start of the pandemic.

I can hereby confirm that it is the intent of the Council to ensure that an agreement is entered into, to secure the use of the Scheme (78 en-suite rooms) for the above cohort of clients, from 3rd August 2020 through to Sunday 18th July 2021; a term of 50 weeks. The mechanism for this arrangement shall be by way of a housing management agreement between St Mungo’s (the national homelessness charity and a registered provider) and A2 Dominion, which is to be put in place without undue delay, and expected to complete by Friday 17th July 2020.

The Council intention is to enter into a contract with St Mungo's to provide intensive housing management, concierge and support services to support this work. The housing management agreement will ensure that A2 Dominion receive a 'rent guarantee' to protect their expected student income, this amounting to a total sum of **£660,486** (inclusive of utility bill costs; council tax; repairs and maintenance; health and safety compliance/ service contracts; and the cleaning of common parts).

St Mungo's will also agree to pay for any dilapidation costs, to ensure the condition of the Scheme remains the same as the condition recorded at the commencement of the agreement. All parties note that the Scheme must be in a fully relettable condition at the start of September 2021 for a new student intake. The Council will agree responsibilities, obligations and payments with St Mungo's with respect to the A2 Dominion payments and dilapidations to ensure prompt payment.

It is appreciated that A2 Dominion and Oxford Brookes University will take action on receipt of the letter which will incur immediate cost, and also remove the student income currently expected from September 2020. For the avoidance of doubt, the Council is able to assure A2 Dominion and Oxford Brookes University that the intent of the Council is to ensure these agreements complete without undue delay, and that the revenue position of A2 Dominion, as set out above, is protected for the term of the agreement, this comprising £660,486, plus any dilapidation costs that may be mutually agreed at the end of the term. Operationally, and as discussed, the Council will further endeavour to assist with any student decant moves that may be required to assist Oxford Brookes in this process.

I would like to express my continued thanks to both the A2 Dominion Group and to Oxford Brookes University for helping to identify this much needed accommodation opportunity, and for the work already undertaken to help us bring this forward. Oxford City Council and the Government are extremely grateful to you in stepping up to help at this time. The Council's communication teams are keen to work with you to deliver joint messaging on this at the appropriate time.

I hope that this letter helps to clearly set out the Council's commitment to this endeavour and the steps that are being taken to progress this further.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Paul Leo', with a long horizontal line extending to the right.

Paul Leo
Executive Director of Housing

Appendix 2

Accommodation Request used with Universities, Colleges and Charities

In Oxford, we have successfully managed to secure accommodation for around 120 rough sleepers from the city along with a further 50 from other parts of the County. This has been achieved with the help of Said Business School and University College along as well as hotels and the YHA. As the city starts moving on from lockdown, the hotel accommodation we are using could be withdrawn and we are working hard to find options to avoid people going back on the streets.

We're liaising with the MHCLG to try and obtain more Government support and working with the Oxfordshire Homeless Movement, who have offered financial support.

At this stage, if we could identify anything up to 120 bedroom units available for between two and up to five months to accommodate homeless people from around the county it would give us more time to place more people in longer term accommodation and reduce our reliance on hotels. Whilst the units would ideally have en suite bathroom/toilet, we would be keen to discuss how any available accommodation might be adapted even if it were not completely self-contained or available only for a shorter period.

We can help with any temporary work required to make accommodation suitable. On-site support including housekeeping, laundry and concierge can be provided for the temporary residents. We will be talking to them about their longer term needs and aspirations. Food can be brought in.

We would look to recompense any extra costs incurred including dilapidations at the end to reinstate everything as it was on letting. We would use short term licenses for clients, so there would be no security of tenure created and no risk of clients staying on longer when the units need to be handed back.

We are grateful for the support received from colleges so far, and any further offers of accommodation would be appreciated at this difficult time.

Email of Assurance of Grant Support for Interim Housing and Support Proposal 3

From: Catherine Bennion

Sent: 09 July 2020 11:55

To: PARRY Nerys; SCHOLES Dave; CLARKE Stephen

Subject: Oxford - £105m Fund

Dear Stephen, Nerys and Dave,

Thank you for your continued work with our advisers on bringing forward your interim and long-term plans, to ensure that as many people as possible accommodated as part of the 'Everyone In' measures do not return to the streets, and can move on into safe and settled accommodation.

As you have discussed with advisers, your proposals for interim accommodation from the £105m fund will go through a co-production and moderation process, through which a recommendation for funding will be made. I note that you have already explored multiple options for interim accommodation in Oxford, and that you have an early opportunity to secure the 78-bed Canterbury House, which will consolidate your emergency offer.

While we cannot pre-empt the final allocations from the co-production and moderation process, we understand that you are seeking a level of reassurance regarding expected funding levels as you may make some early commitments. Of course, we need to assess the proposals submitted to us and ensure that there is some level of consistency. Having considered the level of need within Oxford and the amount of funding we have available, I can give an assurance that the level of funding you are considering appears reasonable and within the ballpark of what we would expect Oxford to be allocated given your numbers. Through our moderation process we will be considering factors such as value for money, impact on rough sleeping and deliverability of plans, as key in decision making on the allocation of funds, and will want to see how funding will ensure the most vulnerable rough sleepers do not return to the streets.

I hope that this gives the assurance you require, and look forward to seeing your full interim and long-term proposals as we move towards ending rough sleeping in Oxford.

Kind regards

Catherine Bennion

Deputy Director - Rough Sleeping COVID-19 Taskforce