

To: Cabinet
Date: 9 August 2023
Report of: Executive Director (Communities and People)
Title of Report: Expansion of the Housing First Programme

Summary and recommendations	
Purpose of report:	To seek approval for the expansion of the Housing First programme following a successful bid to the Single Homelessness Accommodation Programme
Key decision:	Yes
Cabinet Member:	Councillor Linda Smith, Cabinet Member for Housing
Corporate Priority:	Deliver More Affordable Housing, Support Thriving Communities
Policy Framework:	Housing, Homelessness and Rough Sleeping Strategy 2023-28

Recommendations: That Cabinet resolves to:	
1.	Approve the Council's participation in the Single Homelessness Accommodation Programme (SHAP) in order to purchase 12 new units for Housing First alongside commissioning support for a total of 17 units, including 5 units drawn from general needs stock;
2.	Recommend to Council the allocation of a £2,888,000 capital budget (of which £1,688,000 will be borrowed by the Housing Revenue Account) for the Council's investment to purchase the properties as part of the Single Homelessness Accommodation Programme as outlined in paragraph 19, the balance of which will be met by the SHAP grant;
3.	Recommend to Council a budget allocation of £600,000 to cover revenue costs to commission support providers to deliver support for the 17 units of Housing First. The funding equates to 3 years' worth of revenue but is spread over 4 financial years (paragraph 18); and
4.	Delegate authority to the Executive Director (Communities and People) in consultation with the Cabinet Member for Housing; the Head of Financial Services/Section 151 Officer; and the Head of Law and Governance/Monitoring Officer, to enter into agreements and contracts to facilitate the purchase by the Council of housing (to be held in the HRA) within the identified budget and within the project approval, as well as to

enter into or amend agreements or contracts in relation to support provision (revenue spend) in line with procurement requirements.

Appendices

Appendix 1	Housing First Principles
Appendix 2	Risk Register

Introduction and background

1. In 2021/22 the Council implemented a Housing First programme, to help resolve the homelessness of some of the most disadvantaged people in our community. Cabinet approved a capital programme of acquisition (11 November 2020) and the procurement of a support service (16 June 2021) to enable the service to be established.
2. The project was funded by successful capital and revenue bids from two of the Department of Levelling Up, Housing and Communities (DLUHC) rough sleeping programmes. These were the Next Steps Accommodation Programme (NSAP) and the Rough Sleeping Accommodation Programme (RSAP).
3. These programmes provided capital funding to purchase 15 self-contained units, and revenue funding for a support service for these and 25 further properties (20 to be made available from council housing stock and 5 to be provided by A2 Dominion).
4. This year a third programme, the Single Homelessness Accommodation Programme, has been launched by DLUHC. The council has successfully bid for £1.2 million to support the purchase of a further 12 units, and revenue funding of £600,000 to support these 12 units and a further 5 properties (to be made available from existing council housing stock). The revenue funding will provide three years of support for each property. The properties will be purchased by the Council's Housing Revenue Account, partially supported by the SHAP grant. This report seeks approval for the delivery of this extension to the Housing First programme.

Housing First

5. Housing First is an internationally evidenced housing intervention, which has proven successful in supporting people with multiple and complex needs to maintain housing. The main premise is that an individual should not need to prove they are ready for housing and is instead given a permanent offer of their own home, along with an intensive long-term support package to enable them to maintain it. A permanent offer of a home does not mean that they will remain in the same place for the rest of their life. It means that the offer of housing is permanent; if they lose or leave their accommodation they will be supported to find another home.
6. It is acknowledged that the Housing First cohort may experience difficulties along the way, but that support will always be there. Unlike traditional homelessness services, the only condition placed on the individual is a willingness to maintain a tenancy. Support is bespoke to the needs of the individual, and they are able to engage with this on their own terms. The support and accommodation are not linked

and are generally not delivered by the same provider. This means support can flex according to the person's needs and aspirations over time.

7. The delivery of more Housing First accommodation is a key element of both the Council's new Housing, Homelessness and Rough Sleeping Strategy, and the Countywide Homelessness Strategy. Enabling the delivery of more Housing First units is integral to the success of both strategies, which seeks transformation in our approach to rough sleeping and single homelessness, so that we can ultimately end the need to sleep rough in the city. Appendix 1 provides a summary of Housing First principles.

Housing First in Oxford

8. The current Housing First programme in Oxford (as outlined in paragraphs 1-3) is delivered by St Mungo's and A2 Dominion. Two providers were commissioned in order to provide choice to residents. There are currently 21 Housing First properties occupied, and tenants are due to move into a further five properties imminently. The first tenancy commenced in March 2022.
9. The Council's aim for this project has been to deliver a high-fidelity Housing First project. This is because the evidence from a range of projects nationally shows that high fidelity models which adhere to the Housing First principles closely have the best chances of success. Under the Housing First model, providers have been able to assist the most vulnerable people and/or those with the most chaotic housing history in the city into stable accommodation.
10. At the time of writing there had been no evictions or abandonments from any of these properties. This is a considerable success, with the average tenancy sustainment rate for Housing First nationally being 80%. A crucial factor in the success of the project has been the close working with Tenancy Management, the Rents Team and Antisocial Behaviour Teams, as well as external partners like Thames Valley Police and Turning Point (provision of drug and alcohol misuse services).
11. Despite the success of Housing First in Oxford so far, it is not without its challenges. One of the main challenges has been to release units of housing stock into the project. Owing to the high demand for one bed properties, it has been difficult to release sufficient units of stock for this project, without disadvantaging other groups in high housing need, such as care leavers or people in temporary accommodation awaiting a home. With 21 units occupied, and a further 5 soon available making the total units available to the current provision of Housing First 26 out of the 40 units that were planned and bid for under NSAP and RSAP.
12. An increase in supply has fed through to more properties being made available for Housing First this year, and we aim to reach a total of 35 units by the end of 2023/24 for the current programme. This will be achieved by releasing 8 more units from the Council's existing stock along with an additional unit from A2Dominion's stock in city.
13. Further breakdown of units available:

	NSAP/RSAP funded	Units available June 23	Estimated units available March 24
Oxford City to purchase	15	15	15
Oxford City to release from existing stock	20	7	15
A2 Dominion	5	4	5
Total	40	26	35

14. We have not been able to release 5 of the units from our own stock that we were due to under RSAP/NSAP due to the pressures outlined above. This has been acknowledged by DLUHC and these units and support can now be delivered under SHAP (see below).

SHAP bid

15. In preparing for the SHAP bid, 50 people were identified who are currently known to homelessness services and who are thought to require a Housing First solution. However, given the current low level of suitable one-bedroom properties for sale in the City and the need to acquire properties for other purposes to meet the priorities of the Housing, Homelessness and Rough Sleeping Strategy, a total of 12 was considered to be at the upper end of forecasts for acquisitions by the end of the programme on 31 March 2025. Given the current challenges of making our own stock available for Housing First and be supported by revenue funded support, 5 properties are considered to be realistic to release from Council existing stock for this purpose, given the challenges outlined above.

16. The 12 units purchased as part of the SHAP bid will be bought by the Council's Housing Revenue Account, and will become Council social housing stock. Tenants will be issued secure tenancies (following a standard introductory period) and will be charged a social rent, in line with other council tenants.

17. The additional acquisitions into the HRA stock will likely lead to refurbishment work needing to be completed at some of the new units in order to bring them up to Decent Homes standards, as well as an EPC C rating. It will also require additional conveyancing work to be undertaken by Legal Services. Funding for all this work has been incorporated into the bid. This is at a level that has proven sufficient for other acquisitions. The Affordable Supply Team will take steps to ensure all properties purchased are of a standard that would not require levels of investment beyond the budgeted envelope for the programme, although this further reduces the number of suitable units for purchase.

18. Persons moving into the purchased Housing First Units will be supported by dedicated Housing First support workers. The model has a low 'client-support worker' ratio, where one worker supports a maximum of 6 or 7 persons.

Engagement and relationship building starts before a person moves into the accommodation and continues when the person moves into the accommodation. We have been allocated a total of £600,000 in revenue funding over a period of 4 financial years to staff the project. The procurement of the support provision using this revenue funding will be arranged in due course. The funding profile is as follows and equates to a phased roll-out of the project based on the acquisition process:

	2023/24	2024/25	2025/26	2026/27
Revenue	£66,000	£134,000	£200,000	£200,000
Units Occupied	6	12	17	17

Financial implications

19. The acquisition programme will be targeting one-bedroom properties with a target price of £200,000, to be purchased over two years. The total cost of acquisition is expected to be £2,888,000 (allowing for ancillary costs, refurbishment and contingency), with £100k per property to be provided from the SHAP programme to support the purchase costs. This results in a net borrowing cost to the HRA of £1,688,000, or £844,000 per year in 2023/24 and 2024/25.
20. Modelling undertaken in preparation for the SHAP bid showed that the scheme on its own achieved an Interest Cover Ratio (ICR) rating of 1.15 which means it is able to cover the expected interest cost of borrowing using the rental income generated with a margin of 15%. The overall impact on the overall HRA Interest Cover Ratio by including this scheme is negligible and for 2023/24 remains at the interim required minimum of 1.10. The full breakdown of the ICR at a scheme level is provided in Table 1 below.

Table 1. ICR Calculation

Item	Value
No. of properties	12
Total Cost	£2,888,000
Borrowing Required	£1,688,000
Annual Rent	£68,166
Estimated interest of 3.5%	£59,080
ICR	1.15

Legal issues

21. The procurement, commissioning and award of contracts for this service will be undertaken in compliance with the Council's contract rules contained in part 19 of its Constitution.

Level of risk

22. The Risk Register is attached as Appendix 2.

Equalities impact

23. Housing First is an intervention targeted at some of the most vulnerable members of society. Housing first is contained in the Councils Housing, Homelessness and Rough Sleeping Strategy which had a full equality impact assessment carried out on it before its adoption by Council. The service will be subject to monitoring of its performance and impact on individuals including matters of equality and diversity.

Carbon and Environmental Considerations

24. As outlined above properties purchased through this scheme will be brought up to an EPC rating of C, if they do not already meet this standard.

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Background Papers: None