

To: Cabinet
Date: 13 March 2024
Report of: Executive Director (Communities and People)
Title of Report: Allocation of the Preventing Homelessness Budget 2024/25

Summary and recommendations	
Purpose of report:	To approve the Preventing Homelessness Budget allocations for 2024/25 and to approve the grant of a lease of the Floyds Row premises
Key decision:	Yes
Cabinet Member:	Councillor Linda Smith, Cabinet Member for Housing; Councillor Ed Turner, Deputy Leader (Statutory) - Finance and Asset Management
Corporate Priority:	Thriving Communities; Enable an inclusive economy
Policy Framework:	Housing, Homelessness & Rough Sleeping Strategy 2023-28; Asset Management Strategy
Recommendations: That Cabinet resolves to:	
<ol style="list-style-type: none"> 1. Approve the allocation of the Preventing Homelessness Budget and identified Housing Revenue Account funds to commission homelessness services in 2024/25 as detailed in Table 1 of this report; 2. Delegate authority to the Executive Director (Communities and People) in consultation with the Cabinet Member for Housing the authority to revise the intended programme at Table 1 within the overall budget if required; 3. Approve a commitment of £798,532 from the Preventing Homelessness budget to fund supported accommodation provision from Matilda House for the period of 1 September 2024 to 31 March 2027; 4. Delegate authority to the Executive Director for Communities and People in consultation with the Cabinet Member for Housing; the Head of Financial Services; and the Head of Law and Governance to procure and enter into an agreement for supported accommodation provision to be delivered from Matilda House for the period 1 September 2024 to 31 March 2027; 5. Approve the Council entering into the lease of the Floyds Row premises to St Mungo's on the basis set out in this report; and 6. Delegate authority to the Head of Corporate Property in consultation with the Deputy Leader (Statutory) - Finance and Asset Management; the Head of Financial Services; and the Head of Law and Governance to approve 	

amendments to the final terms and enter into the lease of the Floyds Row premises on terms compliant with Section 123 of the Local Government Act 1972.

Appendices

Appendix 1	Risk Register
Appendix 2	List of Commissioned and Funded Services

Introduction and background

1. The Preventing Homelessness Budget (PHB) provides funding to help alleviate and manage rough sleeping in Oxford. In addition to the statutory requirements placed on the City Council under the Homelessness Reduction Act, the use of this budget is key, and one of the primary ways the City Council seeks to achieve the priority 'Ending rough sleeping' as outlined in 'Oxford City Council's Housing, Homelessness and Rough Sleeping Strategy 2023-2028'.
2. The Strategy sets out the direction and priorities for how the City Council, together with partners will work together to address the housing and homelessness crisis in the city. The City Council's Strategy is aligned with the Oxfordshire Homelessness and Rough Sleeping Strategy, that seeks to ensure that there is sufficient provision of supported accommodation to meet a range of needs, and introduces a housing-led approach to offer of accommodation.
3. Services and projects are therefore funded through the PHB to:
 - a) Prevent rough sleeping from happening in the first place (rough sleeping is rare);
 - b) Minimise the length of time someone spends rough sleeping if this cannot be prevented and (rough sleeping is brief);
 - c) Support people to recover from rough sleeping (rough sleeping is non-recurring).
4. This report presents an overview of developments in relation to rough sleeping and single homelessness over the last 12 months and makes recommendations for the allocation of funding in 2024/25.

Rough sleeping trends in the city

5. Whilst rough sleeping has increased nationally in the last year, the number of persons experiencing rough sleeping in the city has broadly remained the same. Since April 2023, the monthly number has fluctuated, ranging from 80 individuals seen rough sleeping during May, to 103 in November, an average of 71 (down marginally from 73 in 22/23).
6. The number of individuals rough sleeping in the city on a single night has also fluctuated during 2023/24, reaching a high of 46 in November, and a low of 24 in August. The average number of individuals estimated to be rough sleeping on any

given night during the period April to December 2023 was 32 (marginally lower than 37 in the previous year).

7. The number of individuals who are new to rough sleeping is comparatively low in the city. On the other hand, the city sees more individuals who are long-term rough sleepers and individuals who are returning to rough sleeping, and there is high demand for supported accommodation in the city, meaning that there is further work to do in order to ensure that the instances when individuals do rough sleep are brief and non-recurrent. The City Council is working with partners to ensure that the necessary services are in place to provide alternative and sustainable offers to individuals, particularly for individuals who have multiple and high support needs, such as our continued commitment to Housing First.

Oxfordshire Homelessness Alliance

8. The Oxfordshire Homelessness Alliance (the Alliance) is a group of organisations (A2Dominion, Aspire, Connection Support, Homeless Oxfordshire and St Mungo's) that came together in 2022 to deliver services across the county under one contract. Services delivered by the Alliance include the city and county outreach services for persons experiencing rough sleeping, supported accommodation such as the hostel O'Hanlon House, shared dispersed supported accommodation, and homelessness prevention services.
9. The Alliance is commissioned through a pooled budget which all District Councils in Oxfordshire, the City Council, the County Council, and the Berkshire, Oxfordshire, and Buckinghamshire Integrated Care Services, contribute towards. Oxfordshire County Council is the lead commissioner of the Alliance.
10. A large proportion of the City Council's Preventing Homelessness Budget - £968,580 in 2024/25 - goes towards funding the Alliance. The remainder of the City Council's overall annual funding commitment to the Alliance (£1,911,399) is met through Rough Sleeping Initiative (RSI) funding.
11. The Alliance contract is for a period of 5 years, with an annual contract value of £3.8m for the first three years. 2024/25 is the third year of the contract. High inflation and a cost-of-living crisis in the last few years has seen the cost of delivering services for providers increase. The increase in costs and a flat commissioning budget means that it is likely that services will see efficiency savings, and that there needs to be a reduction or change to some services delivered under the Alliance in 2024/25.

Somewhere Safe to Stay service at Floyds Row

12. A key development and significant change to service that will take place in 2024/25, is the relocation of Somewhere Safe to Stay (SStS) from its current location in Floyds Row. The service is currently delivered under the Alliance contract by St Mungo's.
13. An SStS service aims to address rough sleeping rapidly, by moving people off the street and into a temporary environment where a rehousing plan is developed and

actioned. This service is for people new to rough sleeping. SStS is seen as an important service provision by government, and large amounts of RSI funding has backed these services nationally since 2018. Since the pandemic ended, the Department for Levelling-Up, Housing and Communities (DLUHC) is no longer supportive of provisions of bed/sleeping arrangements in communal space for people experiencing homelessness and rough sleeping. The department is therefore not willing to continue to fund the service at Floyds Row.

14. Therefore, the City Council and Alliance partners have worked closely together over the last year to find an alternative delivery solution. A new model has been developed, which means that the service can be retained in the city. From April 2024, SStS will be relocating partly to O'Hanlon House and partly to dispersed accommodation. The new model has been welcomed and approved by DLUHC.
15. The new service model costs significantly less than the current SStS service delivered from Floyds Row (due to no longer having to run the building and through other shared services bringing efficiency), which means that funds within the Alliance budget envelop have been freed up and reinvested to protect other services which may otherwise have seen reductions or cuts.
16. The City Council owns the freehold of the Floyds Row premises and the property is current occupied by St Mungo's which is delivering the SStS service from the building. This report seeks authority for the City Council to grant a lease to St Mungo's.
17. The proposed lease is for a term from 9th May 2023 to 1st April 2024 at a pro-rata rent of £180,000 per annum. Under the proposed lease St Mungo's is responsible for repairs to the property save that the Council is responsible for any repairs required to the roof.
18. Following St Mungo's leaving the site in April, the City Council will explore options available to generate revenue through a new letting, regeneration potential or a possible capital receipt.

Additional sources of funding and Oxford City Council commissioning

19. In addition to the services delivered by the Alliance, the City Council commissions other much needed services in Oxford through the Prevention Homelessness Budget as set out in Table 1. The City Council also uses funds secured through successful bids to a range of different government funding streams, including the Rough Sleeping Accommodation Programme (RSAP), Next Steps Accommodation Programme (NSAP) and the Single Homeless Accommodation Programme (SHAP). In 2022, the City Council led on a countywide bid for RSI funding, which saw just over £5m being awarded to the county for a three-year period (April 2022 to March 2025). Just over £4m of these funds are for services and initiative in the city as detailed in Appendix 2.

Matilda House

20. Matilda House is a 37-unit hostel located in Oxford that provides shared accommodation in small 'clusters', each with bedrooms with ensuite showers and a shared kitchen, as well as a small number of self-contained units. The City Council commissioned A2Dominion to deliver this service in 2019 and the current arrangement is due to expire on 31st August 2024. The service has been funded through the PHB since 2019. Matilda House is a much needed service and the City Council intends to re-commission the service until March 2027. This would align the provision of this service with the end of the Alliance contract. Such re-commissioning will need to comply with relevant procurement requirements.
21. The annual cost of the service at present is £266,000. The cost to deliver this service over recent years has increased due to inflation. The indicative annual cost for 2024/25 is £293,000 and this will apply from 1st September 2024 when the re-commissioned service is to commence. The annual cost for the service will then increase further in the following years, with officer calculations setting estimating costs at £307,650 in 2025/26 and £319,956 in 2026/27. Following the re-commissioning of the service the City Council will be contractually obliged to pay the total cost of a support service at Matilda House, which is likely to be £798,532 for the period 1st September 2025 to 31st March 2027. An increased proportion of the annual PHB will therefore be required to fund this provision going forward.
22. At present, the full cost of the support provision at Matilda House is met by the City Council. However, to ensure that this important hostel provision is available for individuals from across the County who may need this service, City Council officers are working with colleagues in District Councils, the County Council and the Berkshire, Oxfordshire, and Buckinghamshire Integrated Care Services, and asking for financial contributions towards the service from 1st September 2024 in order for their clients to access the accommodation. If such contributions are agreed, the overall cost to the City Council would reduce, allowing for underspend against the PHB thus generated to be used for other services, if approved.

Recommendation for the allocation of the Preventing Homelessness Budget (PHB) 2024/25

23. In 2023/24, a total of £1,670,994 was available to use for the commissioning of service using the Preventing Homelessness Budget. This constituted of the following:

Source	Amount
Core Preventing Homelessness Budget	£1,543,200
Homelessness Prevention Grant (HPG) – central government funding	£86,630
Carry forward from 2022/23	£41,164
Total	£1,670,994

24. During 2023/4, there have been some key changes to the original PHB allocation and anticipated spend of these funds, most notable the commissioning of a

Community Health Champions initiative delivered through the Gatehouse. This was possible due to allocated funding for the Women’s hub no longer being needed. The providers of the Women’s hub made the decision not to continue with this service during spring 2023.

25. The Council’s budget for 2024/25 allocates £1,654,429 in total to the Preventing Homelessness Budget. It comprises the following:

Source	Amount
Core Preventing Homelessness Budget	£1,543,200
Homelessness Prevention Grant (HPG) – central government funding	£111,229
Total	£1,654,429

26. There are pressures on the PHB this year, stemming primarily from a need to increase the allocation of funds for our severe weather emergency response from £15,000 to £30,000 due to rising running costs and need to ensure there are sufficient funds to provide this key service, increase in cost for support provision in Matilda House (as outlined above) from £266,000 to £281,750, as well as having no underspend to carry forward this year as there was last year. Due to the pressures, officers have earmarked additional funds from the central government Homelessness Prevention Grant to contribute to the PHB in 2024/25. Despite this injection, all services funded in 2023/24 cannot be funded within the available budget envelop in 2024/25. This means that there are proposals in Table 1 to reduce or stop the following services:

- a) De-commissioning of 3 ‘Progression Beds’ delivered by Connection Support. The service is aimed at individuals with low support needs with a focus on providing support to access employment. With a significant increase in similar kind of provision in the city through other schemes such as Settled Oxfordshire and Social Lettings, and a review of the service suggesting other models are more effective, leads to this recommendation.
- b) Stop funding the Tenancy Sustainment Support delivered by Elmore Community Services from the Preventing Homelessness Budget, and for the service to continue to be funded in 2024/25 at the same level as in 2023/24 from the Housing Revenue Account (HRA) as it is a service exclusively for City Council tenants. A review of the service, alongside other tenancy sustainment support provided, and the need in council stock, will take place during 2024/25, with the view to inform what service model is needed and then commissioned in 2025/26.
- c) Discontinue funding of the Community Health Champions, due to service provider not continuing the service after the current funding period.
- d) Reduce the allocation of funds towards the use of leisure services. The allocation has not been exhausted in full over the last few years, and a reduction to this allocation of 50% is therefore recommended as this is in line with previous years’ actual spent, and so will have no expected impact on service users.

27. A full breakdown of the proposed allocations, is available in Table 1.
28. The allocation of funds to all services in Table 1, apart from Matilda House, will be managed through Grant Assistance Agreements with the providers. The allocation to Matilda House will be managed through a contract awarded following a procurement process.

Table 1. – Preventing Homelessness Budget allocations in 2023/24 and recommended allocations for 2024/25.

Name of service	Current provider/supplier	Cabinet report Allocation 2023/24	Recommended allocation 2024/25	Comments
Increased to funding allocation				
Matilda House	A2Dominion	£266,000	£281,750	37 units of supported accommodation in Matilda House. The funding for this service will increase from 1 st September 2024, following the end of the current contract.
Severe Weather Emergency provision	Various providers	£15,000	£30,000	Funding towards provision of emergency beds for during periods of severe weather for all rough sleepers who need them. Increase in allocation due to increase in costs and need to ensure there are sufficient funds to meet demand.
Unchanged funding allocation				
Oxfordshire Homelessness Alliance	Oxford City Council contribution to pooled budget	£968,580	£968,580	Ongoing Council commitment. The Council has entered into a partnering agreement to contribute toward the pooled budget for this provision. Allocation supports the provision of homelessness services delivered by the Oxfordshire Homelessness Alliance.
Gatehouse café	The Gatehouse	£5,580	£5,580	Funding contribution towards core costs for the Gatehouse café. The services support and engage people sleeping rough, and those who are homeless or vulnerably housed to access accommodation and specialist support. Funding amount unchanged.
The Porch day centre	The Porch	£55,000	£55,000	Funding contribution towards core costs for The Porch. The Porch is a key day centre provision in the city that provides a range of support and services (activities, training, and education), including food, showers, and laundry facilities, for those who are sleeping rough, homeless, or vulnerably housed. The centre works closely with other services to ensure individuals are signposted and linked in with appropriate specialist services. Funding amount unchanged.
Employment, training and education workers	Aspire Oxford	£53,098	£53,098	Funding for service that provides training and employment opportunities for homeless and/or vulnerably housed individuals in Oxford. Essential 'wrap-around' and prevention tool. Funding amount unchanged.
OxTHINK	Real Systems	£7,000	£7,000	Meets the core costs (set number of licences and maintenance) for database OxTHINK. Key tool to capture data to understand trends, pressures, and outcomes. Plans under countywide strategy will eventually see the commissioning of a countywide databased, which will then see this allocation end in the future.

Target Hardening / Sanctuary Scheme	Oxford City Council	£30,000	£30,000	Funding contribution towards the cost of a post in the Anti-Social Behaviour Team at Oxford City Council. Supports victims of domestic abuse to enable them to stay in their homes through 'target hardening' measures. Funding amount unchanged.
Rough Sleeping & Single Homelessness Team	Oxford City Council	£220,921	£220,921	Funding for core Rough Sleeping & Single Homelessness Team. Annual increase to salaries will be met through core budget as with other salary increases. Funding amount unchanged.
Reduced funding allocation				
Access to Leisure Services	Oxford City Council	£5,000	£2,500	Funds cost associated with providing access to the Council's leisure facilities free of charge for former rough sleepers. Due to previous years allocations not being use in full, the funding amount has been reduced, based on estimated costs in 2024/25 based on previous years usage of funds.
End of funding/ decommissioning of service				
199 Progression Units	Connection Support	£19,500	£0	Funds for the provision of 3 units of supported accommodation for those individuals with low needs and who are preparing to move into independent living. Pressure on the PHB funds means that the City Council needs to prioritise which services can be funded going forward. With a significant increase in similar kind of provision through other, and a review of the service suggesting other models are more effective, leading to this recommendation that this service is decommissioned.
Women's Hub	Aspire and The Gatehouse	£7,500	£0	Service discontinued by provider.
Tenancy sustainment	Elmore Community Services	£17,815	£0	Funding for specialist sustainment officer to support residents in Oxford City Council accommodation to maintain their tenancies. Service to be funded from the Housing Revenue Account in 2024-25.
Total Allocation 2024/25			£1,654,429	PHG balanced following difficult decisions to stop funding one service, seeing reduction in funding to one service, and ensuring one services can continue due to being funded through a different Council funding stream.

29. The proposed allocations, as detailed in Table 1, are likely to be used to the full by the services/projects. In the event of any changes to spend during 2024/25, it is recommended that Cabinet delegates authority to the Executive Director for Communities and People to revise the allocations set out in the table provided they are within the overall budget.

Financial implications

30. The council will spend £1,654,429 on managing the impact of and preventing rough sleeping in 2024/25 through the allocation of the PHG budget and as detailed in Table 1.
31. At the time of writing the report, no underspends against any of the allocations in 2023/24 are anticipated.
32. Cabinet should note the ongoing contractual commitments the City Council has previously agreed to contribute to the Alliance contract that ends on 31st March 2027. As mentioned above, an agreed budget and commissioner contributions was agreed for the period 1st April 2022 to 31st March 2025. Discussions on the setting of the budget for the remaining two years of the contract will start in spring 2024.
33. Cabinet should also note the increased financial commitment over the next few years, due to the new commissioning and funding required for the provision of a support service at Matilda House from 1st September 2024 and until 31st March 2027.
34. The Alliance and Matilda House contracts together represent the vast majority of the PHB budget and means the Council will have contractual commitments to continue to fund these services until 2027, constraining the Council's options for reductions in funding levels or significant changes in use until then.
35. As outlined in this report, and set out in detail in Appendix 2, a large number of services for single homeless individuals and those experiencing rough sleeping, are funded by government funding such as RSI and RSAP/NSAP. RSAP/NSAP and RSI ends 31st March 2025 and with a general election this year, there is considerable uncertainty regarding future approach, and therefore it unknown when and local authorities will receive information in relation to funding allocations from April 2025.
36. The financial implications in relation to the lease for Floyds Row are that the rent is secured for the term of the lease.

Performance monitoring

37. In distributing this budget, the City Council will ensure that there are clear outcomes and targets in each organisation's service specification which are reported on quarterly. Quarterly, 6-monthly, or annual performance monitoring meetings will take place with all services to ensure that outcomes and targets are achieved, and issues are addressed in a timely and professional manner.

Legal issues

38. Under part 4.5 (26) of the Council's Constitution Cabinet is empowered to agree the grants set out in Table 1 of this report and under part 4.5 (10) Cabinet can agree the proposed use of funds for the Matilda House project at recommendation 3. Under Section 9E of the Local Government Act 2000 Cabinet can delegate any of its functions to an officer.
39. All grants given will need a written agreement between the City Council and the recipient. A contract for supported accommodation at Matilda House will need to be procured and awarded in compliance with the Public Contracts Regulations 2015 and the Council's Constitution.
40. Where any changes to current service provision are proposed consideration needs to be given the City Council's Public Sector Equality Duty under section 149 of the Equalities Act.
41. The head of terms for the Floyds Row lease have been agreed and the draft lease is currently in circulation. The proposed lease is on terms compliant with Section 123 Local Government Act 1972.

Level of risk

42. The Risk Register is attached as Appendix 1.

Equalities impact

43. All services in receipt of funding are subject to monitoring which includes equality and diversity.
44. The decommissioning of the three supported accommodation units (shared accommodation) delivered by Connection Support – as detailed in paragraph 26 - does not detrimentally affect any persons, especially persons with protected characteristics. Whilst the decommissioning of this service, will result in be three fewer beds available for persons who have a history or rough sleeping/homelessness and have low support needs, there is sufficient provision of supported accommodation for such persons in the city. In addition, through the monitoring of this service, it suggests that other models of lower needs support provision is more effective.
45. The Rough Sleeping & Single Homelessness Team have worked with colleagues in Connection Support to ensure alternative accommodation is found for the individuals resident in the service in order to ensure that the decommissioning of the service is not detrimental to their recovery from homelessness. The team and Connection Support will continue to work together to ensure that current residents can move to accommodation with support that meets their individual needs, and thus ensure that the move to other accommodation is a positive move that will lead to good outcomes for the individuals. This includes residents moving to other supported accommodation services that can provide support for persons with

higher support needs, and which will better meet the persons' needs than the current service. Where possible, individuals will be offered accommodation with the same provider, in order to ensure there is continuity of support and relationships.

46. The reduction in funding in relation to Access to Leisure Services – as detailed in paragraph 26 - will not detrimentally affect any persons, especially persons with protected characteristics. The recommendation to reduce funding has been made based on previous years use of these funds. There has been consistent underspend against the allocated funds in previous years, which suggests that the allocated amount for 2024/25 will be sufficient to meet the need.
47. In relation to the lease at Floyds Row, this is a commercial letting at market rent and an equalities assessment is not required.

Report author	Ossi Mosley
Job title	Rough Sleeping & Single Homelessness Manager
Service area or department	Housing Needs
Telephone	01865 252178
e-mail	omosley@oxford.gov.uk

Background Papers: None