

Homelessness Update

Report by Kevin Anderson, Executive Director - Place

Report for Decision

1 Purpose of Report/Executive Summary

This report presents Midlothian Council's Rapid Rehousing Plan which was submitted to the Scottish Government on 30th June, 2020 and provides updates on legislative change introduced by the Homeless Persons (Unsuitable Accommodation) (Scotland) Amendment Order 2020. This report also provides further information on proposals in respect of the planned supported accommodation services at Jarnac Court, Dalkeith and the former Loanhead Police Station.

2 Recommendations

Council is recommended to:

- (a) Note the Rapid Rehousing Transition Plan submitted to the Scottish Government on 30th June, 2020, including the legislative change introduced by the Homeless Persons (Unsuitable Accommodation) (Scotland) Amendment Order 2020.
- (b) Approve additional funding required to refurbish the former Loanhead Police Station.
- (c) Identify and approve a preferred option in respect of external enhancement works to the external fabric at Jarnac Court, Dalkeith and approve additional funding required to upgrade the roof.

Date: 13 July 2020

Report Contact: Simon Bain, Housing Services Manager

email: simon.bain@midlothian.gov.uk

tel: 0131 271 3161

3 Background

Rapid Rehousing Transition Plan

- 3.1** The Homelessness and Rough Sleeping Action Plan (HARSAG) was set up by Scottish Government in October 2017 to produce short and long term solutions to end homelessness and rough sleeping. A key recommendation from HARSAG was the transition to a Rapid Rehousing approach.
- 3.2** Each local authority was required to develop a costed Rapid Rehousing Transition Plan (RRTP) over a planned phase of 5 years to 2023/24 for submission to the Scottish Government in December 2018. The plan is required to be reviewed annually, with an update submitted to Scottish Government on 30th June 2020.
- 3.3** Local authorities were encouraged to be ambitious in their plans with a view to receiving funding to support delivery of actions under the RRTP. Midlothian has so far received £310,000 for 2019/20 and 2020/21 which was based on the number of homeless presentations to the Council during the previous 3 years. Funding for future years is still to be agreed.
- 3.4** Midlothian Council's RRTP was given approval at Council on 18th December 2018. This set out a vision the by 2024:
“An increased number of homeless households will obtain permanent accommodation, no homeless household will be accommodated in bed and breakfast accommodation, and the average time taken for the Council to complete its homeless duty will have halved from 105 to 52 weeks.”

The following key actions were identified to support this vision:

- Increasing the supply of affordable housing in Midlothian.
- Revise Midlothian Council's Housing Allocation Policy to address the backlog of homeless households already in temporary accommodation, and reduce the time taken to house homeless households in the future.
- Seek alternative models of temporary accommodation to reduce the need for bed and breakfast accommodation.
- Ensure homeless households are supported to access a wide range of housing options, including the private rented sector.
- Develop a 'housing first' approach in Midlothian to house homeless households with complex needs.

The RRTP attached as Appendix A shows how Midlothian Council will continue the work undertaken to deliver the above actions during 2020/21 and explains how Midlothian Council will address the next phase of its approach to transforming the services provided to those in housing need, including compliance with the Homeless Persons (Unsuitable Accommodation) (Scotland) Amendment Order 2020. Section 4 sets out Midlothian Council's priorities for 2020/21 to

2023/24. Section 5 sets out the resources required to effectively deliver these activities.

Homeless Persons (Unsuitable Accommodation) (Scotland) Amendment Order 2020

The RRTP has been amended and updated to reflect a key change in legislation. The Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2004 has been further amended by the Homeless Persons (Unsuitable Accommodation) (Scotland) Amendment Order 2020. This means that local authorities must not place any household experiencing homelessness in accommodation deemed unsuitable for more than 7 days. Previously, the requirement only applied to pregnant women and households with dependent children. The revised law includes a time limited exception which allows for the continued use of bed and breakfast during the Covid pandemic period if that would allow households to self-isolate to stay safe and adhere to social distancing guidelines. This exception expires on 30th September 2020, commensurate with other Coronavirus legislation and may be further extended.

The Council is required to report any breaches of the Unsuitable Accommodation order to the Scottish Government and this is closely monitored by the Scottish Housing Regulator (SHR). The SHR uses Scottish Government statistics on the number of breaches, along with a number of other statistics, to carry out an annual risk assessment of the housing services provided by Midlothian Council.

On average Midlothian Council will have approximately 46 households in bed and breakfast type accommodation. Around 40 of these will be single people in accommodation that is likely to be deemed unsuitable once the full guidance is published. In addition to this, there may be up to 6 families (households with either dependent children or a pregnant person) in self-contained studio accommodation. While this is not considered to be unsuitable in terms of the UAO, the cost of using this type of accommodation is significant.

Former Loanhead Police Station

The former Loanhead Police Station is an important project identified as supporting Midlothian Council's Rapid Rehousing Transition Plan specifically in relation to reducing the use of bed and breakfast accommodation. This project is scheduled for completion in May 2021.

In May 2019 Midlothian Council approved plans to purchase and convert this building for use as temporary accommodation for 7 homeless service users with no or low support needs. At this time, Midlothian Council's Construction and Design Team estimated the cost of works in connection with refurbishing the building as £350,000.

In May 2020 a new Design Team was appointed to project manage, develop the design and provide detailed costing for the proposed works. With the appointment of a new Design Team to the project it has identified costs not previously foreseen in the original Cost Plan. This has mitigated risk management with the inclusion of likely and potential items. The assessment is that the project could not be met within the existing budget of £350,000. This is partly due to revised planning and building standards conditions which had not been anticipated during the initial cost estimate. As there is a change of use from commercial to residential, building standards apply as if the building was being built as new.

Appendix 2 highlights differences in costs between those contained in the May, 2019 Cabinet Report and the updated Cost Plan. In overview, the original budget costs were based on a cost per m2 basis which was appropriate at the time given the early stage of the project and the outline nature of the designs, whilst the current Cost Plan more fully represents the overall development costs. The revised cost of refurbishment is £650,000, with the potential to cost less than this due to the current level of uncertainty for some items as referenced in Appendix 2.

Key elements which have significantly increased the cost include:

- Thermal and acoustic improvements to meet statutory requirements.
- Sprinkler installation to satisfy the Council's policy.
- Additional survey to existing building and allowance for structural alterations and repairs arising, particularly with regard to chimney demolitions.
- Provisional allowance for upgrading existing mains utilities to suit change of use.
- Relocating the CCTV hub.

The revised cost of the refurbishment works and the annual cost of running the establishment will require to be met from the Housing Revenue Account Capital Plan. Long-term financial modelling demonstrates that the Housing Revenue Account Capital Plan can sustain this additional cost.

Jarnac Court

Midlothian Council's RRTP includes plans to convert the former office building in Dalkeith to be used as temporary accommodation. An updated proposal was given approval by a meeting of the full Council on 17th December 2019. These plans see the building used as support accommodation for at least ten years providing supported accommodation for 22 households.

At this meeting of the Council, elected members requested costed proposals be prepared regarding the external enhancement works to

the external fabric for consideration. The following four options have been prepared and are presented for consideration:

Option 1

Do not undertake external enhancements

Option 2

Cleaning stone panels only – estimated construction cost £180,000 (excluding VAT).

Option 3

Cleaning stone panels and capping frame – estimated construction cost £222,000 (excluding VAT).

Option 4

Remove and re-clad the external envelope – estimated construction cost £250,000 (excluding VAT).

The above costs do not include for the structural concrete repairs or window replacement as these are already included in the internal alteration project.

Appendix 3 provides a visual presentation of the above options for consideration and seeks members views on which option should now be progressed.

Given the age of the building there was a risk highlighted of further unforeseen costs. During the development of the scheme design the Architect has advised that the roof waterproofing appears to be overlaid on a previous membrane. Due to this and the limitation on the height of the upstands at the roof edges it is not possible to overlay sufficient insulation and apply another waterproofing layer to the existing roof finish. Furthermore the floor to ceiling height of the 2nd floor is insufficient to allow the necessary insulation and a ventilation void to dissipate the condensation below the roof slab.

There is no allowance in the costed scope of works for replacement of the roof waterproofing as with a 5 year envisaged life it was not considered that this would be needed. Due to the limitations on the existing building it is not advisable to further overlay waterproofing on the existing membrane and professional advice is that the roof should be stripped back to the to the slab and a new membrane applied.

The estimated construction cost is £210,000 (excluding VAT). The revised cost of the refurbishment works and the annual cost of running the establishment will require to be met from the Housing Revenue Account Capital Plan. Long-term financial modelling demonstrates that the Housing Revenue Account Capital Plan can sustain this additional cost.

4.1 Resource

The provision of funding for the development of additional temporary accommodation was approved by Council in February 2018 as part of proposals set out in the Housing Revenue Account – Rent Setting Strategy 2019/20 – 2021/22 Report.

4.2 Digital

None.

4.3 Risk

Jarnac Court and the former Loanhead Police Station are key projects identified as supporting the RRTP specifically in relation to reducing the use of bed and breakfast accommodation, and not progressing with the use of these buildings mean an unachieved reduction in expenditure on bed and breakfast accommodation that is proposed for 2020/21 onwards.

4.4 Ensuring Equalities (if required a separate IIA must be completed)

The content of the RRTP was considered under the Council's Integral Impact Assessment process and this is provided as Appendix 4.

4.4 Additional Report Implications

Appendices

Appendix 1 - Rapid Rehousing Transition Plan

Appendix 2 - Cost variation – former Loanhead Police Station

Appendix 3 - External enhancement options – Jarnac Court

Appendix 4 - RRTP Integral Impact Assessment

APPENDIX A – Report Implications

A.1 Key Priorities within the Single Midlothian Plan

Provision of increased supported accommodation will improve the quality of life for homeless households and reduce the gap in health outcomes.

A.2 Key Drivers for Change

Key drivers addressed in this report:

- Holistic Working
- Hub and Spoke
- Modern
- Sustainable**
- Transformational**
- Preventative**
- Asset-based
- Continuous Improvement
- One size fits one
- None of the above

A.3 Key Delivery Streams

Key delivery streams addressed in this report:

- One Council Working with you, for you
- Preventative and Sustainable
- Efficient and Modern
- Innovative and Ambitious
- None of the above

A.4 Delivering Best Value

The proposed use of Jarnac Court and former Loanhead Police Station during at least the next 10 years reduces the financial burden on the Council in respect of significantly reduced spend on bed and breakfast placements.

A.5 Involving Communities and Other Stakeholders

Internal consultation has taken place with Finance, Planning Environmental Health and Building Control services. A community consultation exercise has been carried out in respect of Jarnac Court and this is planned for the former Loanhead Police Station.

A.6 Impact on Performance and Outcomes

The RRTP sets out an ambitious plan to transform services provided to homeless households in Midlothian, subject to annual review by Scottish Government.

A.7 Adopting a Preventative Approach

Provision of increased supported accommodation ensures that homeless households are accommodated in higher quality and more appropriate accommodation than bed and breakfast provision. Addressing the needs of homeless clients will assist in moving the balance of services and resources into preventing the need for longer term or crisis support

A.8 Supporting Sustainable Development

The proposed use of Jarnac Court and former Loanhead Police Station during at least the next 10 years reduces the financial burden on the Council; and ensures that effective use of vacant buildings is ensured resulting in a sustainable use of Council assets. This is achieved whilst not precluding the potential to redevelop Dalkeith town centre to provide further permanent affordable accommodation.