

---

# NORTH AYRSHIRE COUNCIL

6 October 2020

## Cabinet

---

**Title:** **Rapid Rehousing and Homeless Temporary Accommodation**

**Purpose:** To provide a year one update on the implementation of the North Ayrshire Rapid Rehousing Transition Plan (RRTP), and to seek approval to move to the next phase of the RRTP by reducing the use of hostel accommodation in North Ayrshire.

**Recommendation:** It is recommended that Cabinet: (i) notes the progress made to date in the implementation of the RRTP (ii) approves the move to the next phase of the RRTP by further reducing hostel accommodation (iii) approves Option 4 detailed at para 2.14 which will see the termination of the Housing Support contract with Cunninghame Housing Association for Victoria House hostel (iv) approves the undertaking of renovations to the hostel at Princes Street Ardrossan.

---

### 1. Executive Summary

- 1.1 The North Ayrshire Rapid Rehousing Transition Plan (RRTP) 2019-2024 was approved by Cabinet in March 2019, subject to receipt of sufficient Scottish Government funding to implement the identified actions.
- 1.2 The funding awarded by the Scottish Government was insufficient to deliver the agreed RRTP. A revised action plan was therefore developed to ensure the commitments detailed within the RRTP would be delivered.
- 1.3 During April 2020, Cunninghame Housing Association took the decision to close the 27-bedded Victoria House homeless hostel as a result of the COVID-19 pandemic.
- 1.4 The Council has increased its supply of dispersed furnished flats to meet the demand created by the hostel closure. This accommodation model greatly improves outcomes for people who find themselves homeless and reduces their risk of becoming socially isolated. Further, it also enables households to reside within a community, helping to build their social networks and develop their independent living skills, in turn reducing the risk of repeat episodes of homelessness.
- 1.5 It is therefore proposed that the Council no longer uses Victoria House Hostel as temporary accommodation. This aligns to principles within the RRTP and will also create an ongoing financial saving to the Council.

- 1.6 If this proposal is approved, Ardrossan Hostel - which is owned and managed by the Council - will become the only homeless hostel remaining in North Ayrshire. Renovation works are required to modernise the building in order to create fully self-contained flats and to create one additional barrier-free flat.

## 2. Background

### Rapid Rehousing Transition Plan

- 2.1 The North Ayrshire RRTP, which was approved by Cabinet in March 2019, identified the requirement for £2.490m of investment from the Scottish Government over five years.
- 2.2 The Scottish Government subsequently awarded funding of £0.396m to support the first two years of the RRTP. Should funding levels remain the same for years three to five of the Plan, there would be a total funding shortfall of £1.47m.
- 2.3 The North Ayrshire Homelessness Task Force have developed a revised RRTP Action Plan, aligned to the reduced funding allocation, which ensures that the Council and its partners can still deliver the agreed commitments.
- 2.4 The first year's funding activity monitoring report was submitted to the Scottish Government in July 2020, detailing the commitments made within the RRTP and the revised plan to be delivered within the allocated budget.
- 2.5 The table below provides a summary of the progress made during year one of delivery. The full report can be found within Appendix 1.

Outcome per the Council's RRTP approved in March 2019	Progress 2019/20
<b>We will proactively prevent homelessness wherever it is possible to do so</b>	<p>We are working with Health Improvement Scotland to understand where prevention activities could intervene within Health systems to reduce the risk of crisis, and subsequently homelessness. This piece of work has been delegated to the Ayrshire and Arran Health and Homelessness Steering Group, chaired by the North Ayrshire HSCP Head of Service (Mental Health) to take forward on behalf of the three Ayrshire local authorities.</p> <p>We are undertaking a young persons' housing sustainability pilot within the Garnock Valley. New Council tenants under the age of 25 will be offered a package of support to improve their independent living skills, whilst ensuring that they understand the rights and responsibilities of having a tenancy. The Health and Social Care Partnership have identified a Youth Addiction Worker to work within this project where required. The pilot has been temporarily paused as a result of COVID 19 and will resume at Phase 4 of the Scottish Government's Route Map.</p>

<p><b>We will reduce time spent in temporary accommodation</b></p>	<p>From January to March 2020 we undertook a pilot of increased lets to homeless households within the following categories:</p> <ul style="list-style-type: none"> <li>• Households with children</li> <li>• Households in employment</li> <li>• Women experiencing violence</li> </ul> <p>Due to the outbreak of COVID-19 we have been unable to assess the impact of the pilot to date. This will be undertaken as soon as practicable.</p>
<p><b>We will reduce the number of hostel spaces and prioritise the use of dispersed accommodation</b></p>	<p>We successfully closed Green Street Hostel in Saltcoats on 31 July 2019, reducing the number of hostel bed spaces in North Ayrshire by 26 units.</p> <p>Victoria House is currently closed, reducing hostel provision by a further 27 units. This paper seeks Cabinet approval to cease using this hostel on a permanent basis.</p> <p>We have increased our dispersed temporary accommodation by 97 units in total to accommodate the closure of both hostels, and in response to increased demand as a result of COVID-19.</p> <p>There is a lower rate of turnover in dispersed furnished accommodation than within hostel provision. It is therefore necessary to create a higher level of dispersed accommodation to facilitate hostel rooms being closed.</p>
<p><b>We will implement Housing First for our most complex disadvantaged service users.</b></p> <p><b>Year 1 target - 15 Housing First Tenancies</b></p>	<p>We have utilised an existing post within the Council's Homeless Service to provide direct advice and support to North Ayrshire residents detained within Scottish prisons, identifying people who meet the criteria for Housing First. The officer liaises with the Housing First Team to ensure both accommodation and service provision is ready for people at the point of prison release.</p> <p>We selected 15 Housing First clients utilising the criteria detailed within the RRTP and furnished 15 tenancies in preparation for conversion to Housing First.</p> <p>We successfully resettled seven tenants into Housing First tenancies. The remaining eight properties were due to be converted to Housing First during the last two weeks in March, however we did not have the opportunity to formalise these tenancies due to COVID-19. The tenants, however, have been placed in their tenancies on a temporary basis. These will be converted to permanent lets during September/October 2020. Throughout the pandemic we have continued to provide a housing support service to these tenants, both by telephone and through face to face contact. In addition, we have ensured that they have not been impacted by fuel poverty and we have provided food supplies and mobile devices as necessary.</p>

	We have appointed a Rapid Rehousing Coordinator post and three Housing First Support Workers. The specialist H&SCP posts have yet to be recruited.
<b>We will shift funding towards flexible floating Housing Support services</b>	<p>We have successfully integrated the Housing Support Service previously provided by Barnardo's with the North Ayrshire Housing Support Service, ensuring a focused and consistent approach to the delivery of services in line with both the RRTP and the Local Housing Strategy. We worked in tandem with Barnardo's to remove the risk of redundancy, successfully transitioning 6.5 officers into the NAC Housing Support Team.</p> <p>The Health and Social Care Partnership have provided funding in kind by way of specialist training for the Housing First Support Workers.</p>

## Hostel Provision in North Ayrshire

2.6 There are currently two hostels utilised as temporary accommodation for homeless people in North Ayrshire, as detailed below.

	<b>Ardrossan Hostel</b>	<b>Victoria House</b>
<b>Location</b>	Ardrossan	Irvine
<b>Ownership and management</b>	North Ayrshire Council	Cunninghame Housing Association
<b>Staffing complement</b>	13	21
<b>Number of rooms</b>	19 7 of which are self-contained	27 1 of which is self-contained
<b>Net cost to Council</b>	£230k	£409k
<b>Annual rental income</b>	£380k	£540k
<b>Year hostel opened</b>	1998	2001
<b>Kitchen facilities</b>	The hostel has 7 flats with partial kitchen facilities. The remaining 11 rooms have access to two shared kitchens	The hostel has 1 flat with a self-contained kitchen. The remaining 26 rooms have access to one large shared kitchen facility
<b>Bathroom facilities</b>	All rooms have a self-contained shower and toilet facility, one of which is barrier free	All rooms have a self-contained shower and toilet facility, none of which are barrier free.
<b>Fully accessible rooms</b>	1	0

<b>Renovation work required</b>	The hostel needs to be renovated to create self-contained rooms and add an additional unit of barrier free accommodation at a projected cost of £0.5m	The hostel requires to be renovated to incorporate a unit of barrier free accommodation and to create self-contained rooms. (cost unknown)
---------------------------------	---	---

- 2.7 Cunninghame Housing Association is contracted to provide support to homeless people residing within Victoria House Hostel. The contract, which expired on 31 July 2020, has been extended until 31 January 2021. Whilst there is no legal requirement to provide a notice period, the Council has had initial discussions with the Executive Director of Housing and Property Services at Cunninghame Housing Association in relation to the potential closure of Victoria House Hostel. The current six-month extension to the contract provides the necessary time for CHA to consult with affected staff and trade unions and for the Council to work alongside them to identify opportunities for alternative employment where this may be required.
- 2.8 During April 2020 Cunninghame Housing Association took the decision to close Victoria House on a temporary basis as a result of the COVID-19 pandemic; to date it has not reopened.
- 2.9 In order to meet our statutory duty to provide temporary accommodation for homeless people, the Council had to very quickly create additional temporary furnished flats dispersed across North Ayrshire to accommodate the closure of Victoria House hostel.
- 2.10 The initial agreement, signed by Cunninghame Housing Association and the Council in April 1999, details the responsibility of the organisations to work together to identify a suitable use for Victoria House in the event that it is no longer used as temporary accommodation for homeless people.
- 2.11 Renovation works are required within Ardrossan Hostel to create an additional unit of barrier free accommodation and to upgrade a proportion of the rooms to provide self-contained accommodation. The modernisation of the Ardrossan Hostel is necessary to ensure the Council meets the appropriate standards of accommodation. Whilst the Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2004 has not yet extended to hostel provision for single people, it is likely that these regulations will be extended in the future. COVID-19 has provided further evidence for the need to reduce shared models of living.
- 2.12 Initial cost estimates indicate that works to accommodate the change at the Ardrossan Hostel can be delivered for approximately £0.500m. Subject to approval of this report, more detailed investigations will be carried out to refine the scope of the works and budget costs. The provisional costs are summarised in Appendix 2.

## Options appraisal

- 2.13 The increase to the number of dispersed temporary furnished flats within the Council's housing stock during the pandemic to support the temporary closure of Victoria House offers the opportunity to consider our accommodation options, aligned to the RRTP. An options appraisal exercise has been undertaken, with five possible options identified:

- *Option 1:* Renew the Victoria House contract with CHA and retain Ardrossan Hostel (current status).
- *Option 2:* Negotiate the purchase of Victoria House and retain Ardrossan Hostel. This would ensure that the Council has sufficient levels of temporary accommodation, with no risk of emergency closure.
- *Option 3:* Renew the contract with Cunninghame Housing Association (CHA) for Victoria House and decommission Ardrossan Hostel.
- *Option 4:* Terminate the contract with CHA for Victoria House and retain Ardrossan Hostel to use as hostel accommodation.
- *Option 5:* Negotiate the purchase of Victoria House with CHA and decommission the Ardrossan Hostel. This would enable the Council to retain its statutory duty to provide accommodation when homeless people require it.

2.14 The appraisal below details the comparative merits and implications of each option.

Implications	<i>Option 1</i> Renew the contract for Victoria House and retain Ardrossan Hostel	<i>Option 2</i> Negotiate the purchase of Victoria House and retain Ardrossan Hostel	<i>Option 3</i> Renew the contract with CHA for Victoria House and decommission the Ardrossan Hostel
<b>Financial</b>	<p>£0.5m funding would be required to upgrade the Ardrossan Hostel, creating self-contained flats and adding an additional unit of barrier free accommodation.</p> <p>The additional flat will generate income of £0.02m per annum from 2022-2023.</p>	<p>Funding would be required to purchase Victoria House. (cost unknown)</p> <p>Funding will be required to upgrade both the Ardrossan Hostel (£0.5m) and Victoria House (cost unknown), to create self-contained flats and barrier free accommodation.</p> <p>Given the proportion of the rooms, the levels of accommodation will need to reduce to accommodate the renovations.</p> <p>The additional flat within Ardrossan</p>	<p>Two additional support posts would be required at a cost of £0.077m to manage the increased level of dispersed accommodation.</p> <p>From 2022-2023 there would be potential savings of £0.153m</p> <p>From 2021-2022 there would be additional income of £0.561m generated from the additional dispersed furnished flats.</p>

		Hostel will generate income of £0.020m per annum from 2022-2023.	
<b>Level of staffing</b>	CHA – 21 officers NAC – 13 officers	TUPE transfer of CHA staff to NAC. NAC – 34 officers	We would need to work with the Ardrossan Hostel staff team to identify alternative employment opportunities through redeployment
<b>Building</b>	Ardrossan Hostel requires to be renovated to create self-contained flats and one additional barrier free flat.	Victoria House requires to be renovated to create self-contained flats and two barrier free flats.	Negotiation regarding the refurbishment of Victoria House hostel with CHA would be required to ensure it provides self-contained and barrier free flats.
<b>Customer</b>	No impact.	No impact.	<p>The Ardrossan Hostel has had a higher Care Inspectorate rating than Victoria House over the last three inspections in the areas of 'Care and Support', 'Staffing' and where assessed, in 'Management and Leadership'.</p> <p>Customer satisfaction rates reported to the Scottish Housing Regulator are the same within each hostel.</p>
<b>Statutory/ Strategic</b>	<p>This option does not align to the strategic priority to reduce the level of hostel provision used as temporary accommodation as detailed within the approved RRTP.</p> <p>This option would result in a higher level of temporary accommodation</p>	<p>This option does not align to our strategic priority to reduce the level of hostel provision used as temporary accommodation as detailed within our RRTP.</p> <p>This option would result in a higher level of temporary accommodation</p>	<p>This aligns to our commitment within the RRTP to reduce hostel provision.</p> <p>The Council has a statutory duty to provide temporary accommodation when homeless people require it. This option would leave the Council without control over direct access accommodation. Should</p>



	than is currently required.	than is currently required.	CHA determine the need to close their hostel again in the future, the Council would not be able to meet its statutory duty.
--	-----------------------------	-----------------------------	---

<b>Implications</b>	<b><i>Option 4</i></b> <b>Terminate the contract with CHA for Victoria House and retain Ardrossan Hostel to use as hostel accommodation</b>	<b><i>Option 5</i></b> <b>Negotiate the purchase of Victoria House with Cunninghame Housing Association and decommission the Ardrossan Hostel</b>
<b>Financial</b>	<p>From 2021-2022 two additional Support posts would be required at a cost of £0.077m to manage the increased level of dispersed accommodation. During 2021-2022 this will be funded from the additional rental income generated from the dispersed temporary furnished flats.</p> <p>During 2021-2022 there will be £0.5m of renovation costs for Ardrossan Hostel. These costs and savings which include:-</p> <ul style="list-style-type: none"> <li>- 2020-2021 - £0.050m within existing revenue budget for hostel improvement;</li> <li>- 2020-2021 - Victoria House contract saving of £0.068m;</li> <li>- 2021-2022 - Victoria House contract saving of £0.409m</li> </ul> <p>This would be included in the Budget programme for 2021-22. This represents a payback on investment of less than 1 year i.e. 11 months, with a net annual saving of £0.332m</p> <p>The additional flat will generate income of £0.02m per annum from 2022-2023.</p>	<p>Funding would be required to purchase Victoria House (cost unknown)</p> <p>From 2021-2022 two additional Support posts would be required at a cost of £0.077m to manage the increased level of dispersed accommodation. During 2021-2022 this will be funded from the additional rental income generated from the dispersed temporary furnished flats of £0.561m. From 2022-2023 these posts would be funded by the £0.230m funding generated by the decommissioning of Ardrossan Hostel.</p> <p>In 2021-2022, there will be renovation costs for Victoria House (amount unknown), some of which would be offset by the Ardrossan Hostel decommissioning saving.</p> <p>From 2022-2023 there would be potential net savings of £0.153m.</p>
<b>Staffing</b>	Officers would require to work with the CHA management	TUPE transfer of 23 CHA staff to NAC. We would require to work



	team to offer support in assisting the Victoria House staff team to identify training and employment opportunities.	with the Ardrossan Hostel staff team to identify alternative employment opportunities through redeployment
<b>Building</b>	<p>Ardrossan Hostel requires to be renovated to create self-contained flats and create one additional barrier free flat.</p> <p>There is a potential opportunity to work with CHA to renovate the building or redevelop on the Victoria House site, which is a prime location within Irvine.</p>	<p>Victoria House requires investment to make rooms self-contained.</p> <p>Two barrier free flats will need to be created for disabled households.</p> <p>There is an opportunity to develop the Ardrossan Hostel site as part of the wider regeneration plans.</p>
<b>Customer</b>	<p>The same client group reside within each of the hostels. Ardrossan Hostel has had a higher Care Inspectorate rating over the last three inspections in the areas of 'Care and Support', 'Staffing' and where assessed 'Management and Leadership'.</p> <p>40% of homeless clients originate from the Irvine area, however refusal rates on being offered each of the hostels are low and broadly the same.</p> <p>Customer satisfaction rates reported to the Scottish Housing Regulator are the same within each unit.</p>	
<b>Statutory/ Strategic</b>	<p>Both options 4 and 5 align to our strategic commitment within the RRTP to reduce hostel provision.</p> <p>Both options ensure we can continue to meet our statutory duty to provide direct access accommodation for homeless people when they require it.</p>	

- 2.15 Options 1, 2 and 3 neither align to our strategic priorities, nor provide the ability to meet our statutory responsibilities in relation to temporary accommodation for homeless people.
- 2.16 The most significant variation between Options 4 and 5 is the financial implications, with Option 4 producing the greatest potential saving to the Council. Option 4 aligns to our commitments detailed within the RRTP and enables the Council to meet our statutory duties by way of direct access accommodation when required.
- 2.17 Should the Council decide to proceed with Option 4, which will provide much improved outcomes for people who find themselves homeless, officers would work with Cunninghame Housing Association to determine the future use of either the Victoria House building, or the site.
- 2.18 In addition, council officers will work with Cunninghame Housing Association to implement their agreed policies to mitigate the impact of the hostel closure. This will

include offering support, advice and access to the Council's employability services where appropriate.

### **3. Proposals**

#### **3.1 That Cabinet:**

- notes the progress made to date in the implementation of the Rapid Rehousing Transition Plan
- approves the move to the next phase of the RRTP by further reducing the use of hostel accommodation
- approves Option 4 detailed at para 2.14 which will see the termination of the Housing Support contract with Cunninghame Housing Association for Victoria House hostel
- approves the undertaking of renovations to the hostel at Princes Street, Ardrossan

### **4. Implications/Socio-economic Duty**

#### **Financial**

- 4.1 If Cabinet agrees to proceed with Option 4, there is an anticipated saving to the Council of £0.068m in 2020-2021, £0.409m in 2021-2022 and recurring annual savings of £0.332m. The savings and costs associated to upgrade the Ardrossan Hostel will be incorporated into the Budget Programme for 2021-2022. The renovation costs of £0.500m will be paid back from savings in less than 1 year i.e. 11 months. There will be rental income generated from the additional dispersed furnished flats during 2021-2022 of approximately £0.500m. The creation of an additional unit of barrier free accommodation within Ardrossan Hostel will generate additional income of £0.020m.

#### **Human Resources**

- 4.2 If Cabinet agrees to proceed with Option 4, council officers will work with Cunninghame Housing Association to implement their agreed policies to mitigate the impact of the hostel closure. This will include offering support, advice and access to the Council's employability services where appropriate.

#### **Legal**

- 4.3 There is a legal requirement within the initial agreement, signed by Cunninghame Housing Association and the Council in April 1999, which details the responsibility of the organisations to work together to identify a suitable use for the property in the event that it is no longer used for temporary accommodation for homeless people.

#### **Equality/Socio-economic**

- 4.4 If Cabinet agrees to proceed with Option 4, the closure of Victoria House hostel will ensure that a higher proportion of homeless people will be accommodated in more suitable dispersed temporary accommodation within the community, enabling greater access to social networks and reducing the risk of social isolation.

## **Environmental and Sustainability**

- 4.5 Victoria House Hostel is in a prime location within Irvine. There is an opportunity to develop the hostel or the wider site to deliver housing provision within the Strategic Housing Investment Plan.

## **Key Priorities**

- 4.6 If Cabinet agrees to proceed with Option 4, the proposal to reduce hostel provision will assist the local authority to meet its commitments as detailed within the approved Rapid Rehousing Plan 2019-2024.

## **Community Wealth Building**

- 4.7 We will work with Cunninghame Housing Association to explore how we can utilise the Victoria House Hostel or the land on which it sits, through the lens of the land and asset pillar of the Community Wealth Building strategy.

## **5. Consultation**

- 5.1 The Council has had initial discussions with the Executive Director of Housing and Property Services at Cunninghame Housing Association in relation to the potential closure of Victoria House Hostel. Consultation with the Council's Legal and Property Management and Investment Services was undertaken during the preparation of this report.

RUSSELL McCUTCHEON  
Executive Director (Place)

For further information please contact **Janeine Barrett, Senior Manager (Homelessness and Community Safety)**, on **07481 151880**.

## **Background Papers**