

Report Title:	John West House Refurbishment
Contains Confidential or Exempt Information	No - Part I
Cabinet Member:	Cllr McWilliams, Cabinet Member for Housing, Sport and Leisure
Meeting and Date:	Cabinet – 27 April 2023
Responsible Officer(s):	Kevin McDaniel – Executive Director of People Service and Tracy Hendren – Head of Housing, Environmental Health & Trading Standards
Wards affected:	All

REPORT SUMMARY

John West House is owned by RBWM and has been partially converted to provide four bedrooms, a kitchen and bathroom facilities which are currently used by individuals on Stage 2 of the Rough Sleeper Pathway. Redeveloping the rest of the warehouse unit will provide essential community facilities and enable a designated space for professionals to work effectively with rough sleepers and individuals with support needs. The site will create 16 bedrooms and a good range of communal and meeting room space.

£1.200m was approved at Full Council in February 2021 for the 2022/23 capital programme, £0.400m of which is s106 funding. However due to inflation and construction industry costs, a further £0.796m is required to enable the refurbishment to take place. It is possible to fund this from expected s106 funding so short-term borrowing will be required to forward fund the additional budget.

This project supports the Councils Corporate Plan commitments by creating a ladder of housing opportunity, to support better life chances for all by creating a dedicated supported accommodation unit for some of our most vulnerable homeless residents.

1. DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That Cabinet notes the report and:

- i) Approves the additional expenditure of £0.796m to enable the John West House redevelopment to be completed in full.

2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

Options

Table 1: Options arising from this report

Option	Comments
A. The additional £0.796m expenditure is approved to enable the	This enables the whole project to be completed in its entirety rather than a phased approach allowing the full

Option	Comments
<p>completion of the John West House redevelopment.</p> <p>This is the recommended option</p>	<p>support to be provided on the rough sleeper pathway.</p>
<p>B. Continue with the project with the current budget only</p>	<p>This will enable part of the building to be refurbished but will leave elements of it sectioned off and out of use. This is inefficient use of the space and does not meet the objectives of the project.</p>
<p>C. Do Nothing</p>	<p>The redevelopment will be unable to take place, resulting in no dedicated space available to assist former rough sleepers into settled accommodation.</p>
<p>D. Find an alternative site</p>	<p>Other sites have been investigated but have significant issues in deliverability and impact on local communities</p>
<p>E. Revert to commercial use of the building and secure a rental income</p>	<p>This will provide an income to the council of around £60,000 per annum, however, would require substantial works prior to leasing. This does not however meet the strategic aims of providing temporary accommodation and supporting individuals through the rough sleeping pathway and does not reduce the revenue spend of housing individuals in B&Bs.</p>

- 2.1 The refurbishment of John West House will enable a dedicated supported accommodation unit for former rough sleepers, alongside office accommodation for staff, a medical room, consultation room and space for group work to take place.
- 2.2 Currently accommodation for rough sleepers on the Rough Sleeper Pathway is provided on a dispersed basis with many accommodated out of borough. There are currently 41 people on the pathway with some of these in supported accommodation. The dispersed nature of accommodation means that support is not readily available and group training sessions and wider professional support are not possible, so the provision of a dedicated unit will enhance the service provided extensively by creating a more efficient and supportive environment.
- 2.3 Of those currently on the pathway, 13 of them are in Stage 1 and 10 in Stage 2. Some of whom have returned to the pathway due to difficulties providing intensive support due to the dispersed location. The proposed development

overcomes this issue. With the proposed refurbishment 16 beds will be made available providing support for up to 2 years.

- 2.4 This building has been used in this capacity since 2016 following the granting of a temporary planning consent for the change of use. In this time the facility has proved to be an asset in supporting the Rough Sleepers Pathway. Planning consent is being applied for to make this use permanent.

3. FINANCIAL DETAILS / VALUE FOR MONEY

- 3.1 A total of £1.996m is required for the refurbishment of John West House, of which £1.200m has already been approved. There is an expected s106 Developer Contribution of c.£3.500m due imminently for affordable housing and so part of this money could be used to make up the funding gap, or potentially all the funding could be transferred over to s106 eliminating the need for any capital borrowing.
- 3.2 The initial plans envisaged 12 units to be delivered from the refurbishment project. The revised plans enable 16 spaces for placements so providing additional efficiency than originally planned. The current provision of dispersed accommodation for those on the Rough Sleeper Pathway does not provide value for money. The average placement for a single person is currently costing the Royal Borough £55 per night though some of this is recoverable from Housing Subsidy. Consequently, in lieu of the 16 placements this project can provide, we are spending around £0.169m (net of subsidy) per year for placements where limited support can be provided due to the dispersed location of the accommodation, some of which is received from household contribution or Housing Benefit. Additionally, the temporary accommodation budget has been significantly overspent each on an annual basis as a direct result of needing to procure expensive nightly-let accommodation, including for this cohort and an increase in homelessness applications due to Covid-19.
- 3.3 This project is an opportunity to invest to save. The capital cost of the project at £1.996m will provide a long-term solution to the housing need. This is equivalent to the cost of housing 16 temporary accommodation placements over the next 6 years.
- 3.4 A detailed calculation is necessary to establish the exact level of licence fee that will be payable by the occupants to the council, however it will be sufficient to cover the management costs and maintenance of the building, when taking into account the savings on current B&B costs and an indicative calculation has been attached at Annex B.
- 3.5 The revenue costs for supporting former rough sleepers with the accommodation is funded directly from central government via the Rough Sleeping Initiative programme currently funded until 2024/2025. There will be a further bidding round in 2024/25 to cover future years.
- 3.6 The refurbishment project will be managed by RBWM Property Company, and the future management and maintenance of the building will be overseen by Property Services.

- 3.7 The project provides value for money by consolidating the accommodation into one place rather than dispersed locations across and outside of the borough, enabling all professional resources to be provided on-site, with dedicated keyworker space.

Table 2: Social Value of project

Current situation	Refurbished John West House
Staff and wider professionals have to travel to individuals to provide support, limiting the level of support provided	Staff and wider professionals can be concentrated in one location saving on travel time and costs and providing more quality support to individuals
Due to the dispersed nature of the current pathway provision, those on the pathway are less likely to complete the programme on the initial attempt and have to repeat the process, thus increasing costs to the council and the wider public purse	More structured support with skills to prevent recurring rough sleeping, with a one-stop shop support offer enabling internal and external agencies, statutory and voluntary to provide services directly from John West House.

Alternative Options Considered

- 1) Lease of building for commercial use:
This could provide an income to the council of around £60,000 per annum subject to market conditions. To achieve a commercial letting the building would need capital investment of c £100,000 to bring it into repair and improve its EPC rating to Meet MEES standards by 2025, plus leasing fees of c £10,000. This option does not however meet the strategic aims of providing temporary accommodation and supporting individuals through the rough sleeping pathway. In addition, it does not help reduce the spend of housing individuals in B&Bs

- 2) Sale of building:
John West House is part of the Quadrant industrial estate and sits in the middle of this estate. Whilst a sale is possible it would not be straightforward and would reduce the value of the remaining holdings to the Council. A sale would provide the council with a capital receipt of c£1.20m, less transaction costs, subject to market conditions but would result in the loss of an asset to the council and is not recommended.

3.8 Table 2: Financial impact of report's recommendations and original approval

REVENUE COSTS	2023/24 (£000)	2024/25 (£000)	2025/26 (£000)
Savings to RBWM (B&B)	(168.6)	(175)	(181.5)
Income	(129.9)	(129.9)	(129.9)
Total Income/Savings	(298.5)	(304.9)	(311.4)
Voids & Bad Debts@ 10%	13	13	13
Additional borrowing cost (MRP)	53.7	53.7	53.7
Additional operational costs	182.5	186.1	189.8
Total Revenue Costs	249.2	252.8	256.5
Net Savings	(49.3)	(52.1)	(54.9)

*Reduction in revenue is achieved only with Option A

CAPITAL COSTS	2022/23 (£000)	2023/24 (£000)	2024/25 (£000)	2025/26 (£000)
Approved budget 22/23	1,200	0	0	0
Additional total	0	796	0	0
Reduction	0	0	0	0
Net Impact	1,200	796	0	0

The savings from the B&B are arrived at from the average cost of a placement at £55 per night for 16 placements which is the capacity of the proposed refurbishment net of Housing Benefits. However, savings could be greater as licensed Housing Benefit claimants often fail to provide the evidence required for their claims in time, resulting in arrears accruing. Additionally, due to the lack of dedicated accommodation, it is often necessary to move customers to alternative placements which requires another Housing Benefit application to be submitted. It usually takes a significant period of time and support on the pathway to get customers to pay their ineligible charges which are not eligible for Housing Benefit, and this often results in debt building up and being difficult to recover due to the low incomes of the customers.

Income assumes rent of £130.90 per week plus a service charge of £25.20. This is the likely claimable rent from housing benefit payments and will be reviewed prior to occupation.

Additional operation costs currently include management costs, utilities, compliance, insurance, repairs and maintenance and cleaning costs.

4. LEGAL IMPLICATIONS

- 4.1 The Council has a statutory responsibility to certain homeless households, which require the Council to provide suitable temporary accommodation. For households who have support needs, this accommodation may need to be accommodation with on-site support which households can access at any time of day. There is currently no facility of this type for single homeless households

within The Royal Borough. Providing a dedicated resource for single homeless households will minimise the risk of legal challenge.

5. RISK MANAGEMENT

Table 3: Impact of risk and mitigation

Threat or risk	Impact with no mitigations in place or if all mitigations fail	Likelihood of risk occurring with no mitigations in place.	Mitigations currently in place	Mitigations proposed	Impact of risk once all mitigations in place and working	Likelihood of risk occurring with all mitigations in place.
There is a risk that costs could escalate further because of inflation which could result in further funds being required	Moderate 2	Medium	Nothing	Nothing	Moderate 2	Medium
There is a risk that the applicable Planning consents will not be approved which could result in delays to the project, or it being unable to proceed	Moderate 2	Medium	Nothing	Nothing	Moderate 2	Medium

6. POTENTIAL IMPACTS

- 6.1 Equalities. An Equality Impact Assessment is available as Appendix A.
- 6.2 The brief given to the building design team is that the redevelopment of John West House should incorporate sustainable features to minimise energy use and reduce the buildings carbon footprint.
- 6.3 Staffing will be required to support the residents; however funding is received for this from central government via the Rough Sleeper Initiative national funding. The current funding for 2023-24 is £515,999 and for 2024-25 is £523,222. There is an expectation that further funding will be awarded for subsequent years. The awarded funding covers a range of specific interventions, some of which can be incorporated into the staffing functions at John West House.

7. CONSULTATION

- 7.1 The additional funding was considered at Capital Review Board on 2 February 2023 and board members were in agreement that the request for additional funding should be taken through the Board process to obtain approval.

8. APPENDICES

- 8.1 This report is supported by 1 appendix:

- Appendix A – Equality Impact Assessment
- Appendix B – Financial Viability Assessment – Separate Spreadsheet

9. CONSULTATION

Name of consultee	Post held	Date sent	Date returned
<i>Mandatory:</i>	<i>Statutory Officer (or deputy)</i>		
Andrew Vallance	Interim S151 Officer	29/03/2023	30/03/2023
Elaine Browne	Interim Monitoring Officer	29/03/2023	
<i>Deputies:</i>	As Above		
<i>Mandatory:</i>	<i>Procurement Manager (or deputy) - if report requests approval to go to tender or award a contract</i>		
Not Applicable			
<i>Mandatory:</i>	<i>Data Protection Officer (or deputy) - if decision will result in processing of personal data; to advise on DPIA</i>		
Not Applicable			
<i>Mandatory:</i>	<i>Equalities Officer – to advise on EQiA, or agree an EQiA is not required</i>		
Ellen McManus-Fry	Equalities & Engagement Officer	29/03/2023	29/03/2023
<i>Other consultees:</i>			
<i>Directors (where relevant)</i>			
Tony Reeves	Interim Chief Executive	16/02/2023	29/03/2023
Andrew Durrant	Executive Director of Place	16/02/2023	02/03/2023
Kevin McDaniel	Executive Director of People Services	16/02/2023	02/03/2023
<i>Heads of Service (where relevant)</i>			
Tracy Hendren	Head of Housing, Environmental Health and Trading Standards	29/03/2023	29/03/2023
<i>External (where relevant)</i>			
N/A			

Confirmation relevant Cabinet Member(s) consulted	Cabinet Member for Housing, Sport & Leisure	Yes
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REPORT HISTORY

First submission

Report Author: Emma Congerton, Housing Strategy & Inclusion Manager, 01628 683628
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Equality Impact Assessment

For support in completing this EQIA, please consult the EQIA Guidance Document or contact equality@rbwm.gov.uk

1. Background Information

Title of policy/strategy/plan:	John West House Redevelopment
Service area:	Housing
Directorate:	People Services

Provide a brief explanation of the proposal:

- What are its intended outcomes?
- Who will deliver it?
- Is it a new proposal or a change to an existing one?

To redevelopment the warehouse unit known as John West House at 5 The Quadrant, Maidenhead. The Property Company are leading on the project which aims to provide 16 x studio rooms and associated living and consultation spaces to accommodate single homeless households engaged with the Rough Sleeper Pathway. This is a change to an existing approved project due to additional funding being required.

2. Relevance Check

Is this proposal likely to directly impact people, communities or RBWM employees?

- If No, please explain why not, including how you've considered equality issues.
- Will this proposal need a EQIA at a later stage? (for example, for a forthcoming action plan)

Yes, the redevelopment will impact residents in need of supported accommodation.

If 'No', proceed to 'Sign off'. If unsure, please contact equality@rbwm.gov.uk

3. Evidence Gathering and Stakeholder Engagement

Who will be affected by this proposal?

For example, users of a particular service, residents of a geographical area, staff

Single homeless households admitted to the Rough Sleeper Pathway.

Among those affected by the proposal, are protected characteristics (age, sex, disability, race, religion, sexual orientation, gender reassignment, pregnancy/maternity, marriage/civil partnership) disproportionately represented?

For example, compared to the general population do a higher proportion have disabilities?

A higher proportion of the former rough sleeper cohort have physical and mental health needs, however not necessarily defined as disabilities.

What engagement/consultation has been undertaken or planned?

- How has/will equality considerations be taken into account?
- Where known, what were the outcomes of this engagement?

There has been no engagement/consultation and none is planned.

What sources of data and evidence have been used in this assessment?

Please consult the Equalities Evidence Grid for relevant data. Examples of other possible sources of information are in the Guidance document.

4. Equality Analysis

Please detail, **using supporting evidence**:

- How the protected characteristics below might influence the needs and experiences of individuals, in relation to this proposal.
- How these characteristics might affect the impact of this proposal.

Tick positive/negative impact as appropriate. If there is no impact, or a neutral impact, state 'Not Applicable'

More information on each protected characteristic is provided in the Guidance document.

	Details and supporting evidence	Potential positive impact	Potential negative impact
Age	Any adult (18+) can be offered support on the Rough Sleeper pathway.	Yes	

Disability	John West House will have disabled facilities and will be suitable for disabled residents who may join the Rough Sleeper pathway.	Yes	
Sex	John West House will provide accommodation for all genders and will have dedicated safe spaces for the most vulnerable.	Yes	
Race, ethnicity and religion	Any adult on the Rough Sleeper Pathway may be offered accommodation at John West House.	Yes	
Sexual orientation and gender reassignment	John West House will provide accommodation for all genders and will have dedicated safe spaces for the most vulnerable.	Yes	
Pregnancy and maternity	John West House is not suitable for pregnant women or children.	Not applicable	
Marriage and civil partnership	John West House is a supported accommodation unit for single homeless households and there are no plans to offer accommodation to couples, however those who are married and which to be accommodated separately to address their support needs can be.	Not applicable	
Armed forces community	Any adult (18+) can be offered support on the Rough Sleeper pathway.	Yes	
Socio-economic considerations e.g. low income, poverty	Support will be given to residents to enable them to maximise their income and budget their finances.	Yes	
Children in care/Care leavers	Care leavers can be supported at John West House.	Yes	

5. Impact Assessment and Monitoring

If you have not identified any disproportionate impacts and the questions below are not applicable, leave them blank and proceed to Sign Off.

What measures have been taken to ensure that groups with protected characteristics are able to benefit from this change, or are not disadvantaged by it?

For example, adjustments needed to accommodate the needs of a particular group

Two ground floor level-access rooms have been created at John West House and spaces designed to enable circulation space within the communal areas to support wheelchair users or those with mobility issues.

Where a potential negative impact cannot be avoided, what measures have been put in place to mitigate or minimise this?

<ul style="list-style-type: none"> For planned future actions, provide the name of the responsible individual and the target date for implementation.
N/A
<p>How will the equality impacts identified here be monitored and reviewed in the future? See guidance document for examples of appropriate stages to review an EQIA.</p>

6. Sign Off

Completed by: Emma Congerton	Date: 14 February 2023
Approved by: Tracy Hendren	Date: 16 February 2023

If this version of the EQIA has been reviewed and/or updated:

Reviewed by:	Date:
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