

Report subject	Options to support the health of those facing homelessness
Meeting date	February 2023
Status	Public Report
Executive summary	<p>The Cost-of-Living Crisis means that for many the risk of homelessness is increasing, the most vulnerable in our society are balancing heating vs food vs rental payments. The most devastating outcome is for those that lose their homes to end up sleeping rough. These individuals often have complex needs sometimes leading to entrenched negative behaviours and health issues.</p> <p>At this time of crisis BCP Council wants to ensure we are supporting the most in need in our communities. We know that homeless individuals find it easier to work with and trust voluntary sector organisations. As a Council we want to enable our communities to do more to support those that are homeless.</p> <p>This report sets out options for Cabinet to consider in order to increase the level of funding available to support homelessness charities in the BCP area. The aim of this funding is to increase the support those facing homelessness receive with a particular focus on health.</p> <p>These options require a £50,000 annual revenue grant for 5 years and a one-off Capital grant of £250,000. The grants will be outcome based and the recipients would need to demonstrate each year that their work directly reduces the number of people rough sleeping in the BCP area and the health issues they experience.</p>
Recommendations	<p>It is recommended that Cabinet allocate £50,000 revenue funding and a one off £250,000 capital funding to support the voluntary sector to provide health support to homeless individuals.</p> <p>It is recommended that Cabinet consider the options set out in this report and agree which to implement to allocate these funds:</p> <ol style="list-style-type: none"> 1) Provide Hope Place CIC with a £50,000 annual revenue grant for 5 years and a one-off Capital grant of £250,000 2) Open a Homelessness Grant Fund of £50,000 revenue per annum and one off £250,000 Capital grant 3) Do nothing
Reason for recommendations	To support the Council's Homelessness Strategy and work to reduce homelessness across the authority area.

Portfolio Holder(s):	Councillor Karen Rampton (Portfolio Holder for Homes and Adults)
Lead Member	Councillor Hazel Allen (Homelessness)
Corporate Director	Jess Gibbons – Chief Operations Officer
Report Authors	Jess Gibbons – Chief Operations Officer Ben Tomlin – Interim Director of Housing
Wards	Council-wide
Classification	Decision

Background

- 1) In March 2022, Cabinet (Appendix 1) approved an open tender process to secure a provider to refurbish St Stephens Hall and provide Homelessness Health Services from the building. The Cabinet report, conditional upon the appointment of an operator, approved the acquisition of the St Stephen's Church Hall. Under Part 2 a purchase price of £440,500, including stamp duty and legal fees, was agreed by Cabinet.
- 2) The tender ran from May to July. One bid was received from Hope Place CIC, no other bids were received. While Hope Place CIC scored 50% in the tender exercise the decision was taken by the Chief Operations Officer not to award the contract due to a lack of reassurance that the building refurbishment and ongoing revenue activity could be delivered within the budget or that alternative funding would be secured (Appendix 2).
- 3) The Officer Decision Report confirms that as the tender process was not successful the Council would not proceed to acquisition of St Stephen's Church Hall.
- 4) In September 2022 Hope Place CIC commenced discussion with St Stephen's Hall Trustees to secure a full repair and maintenance lease of St Stephen's Hall to continue their goal of delivering homeless health support services from this location.

Hope Place Community Interest Company

- 5) Hope Place CIC is a Community Interest Company which has been established to seek to provide a gateway to a full range of homeless health and community services under one roof. Hope Place CIC is made up of Directors from a variety of backgrounds including business, charity, health and faith-based organisations all with a common purpose to help solve inequality through tackling homelessness.
- 6) Hope Place CIC's vision is to create Hope Place, at St Stephen's Hall. Hope Place will be an inspirational space where individuals without a secure home can access both professional services around health and housing and community support and friendship to get well, stay well and live well.
- 7) The Directors of Hope Place CIC are Kris Gumbrell, Brewhouse, and Kitchen; Julie Berti – CEO and Co-Founder of Hope Housing Training and Support; Alistair Doxat-Pursar – Chief Executive, Faith works Wessex; Rev Dr Gareth Sherwood – CEO YMCA Bournemouth; Dr Maggie Kirk – Health bus/Crescent Providence Surgery; and Annabel Wathen – Director of Operations.
- 8) The majority of Directors of Hope Place CIC are well known within the Homelessness Sector, but as a newly formed organisation Hope Place CIC does not yet have a track record in the successful delivery of homelessness health services. Due to being a new organisation it does not yet have a set of published accounts.

BCP Homelessness and Rough Sleeping Strategy

- 9) At the core of BCP Homelessness and Rough Sleeping Strategy is a focus on improving health. Poor health, both mental and physical health, can lead to an increased risk of homelessness and likewise health can be affected by the risk of losing a home. People can lose their jobs due to being unable to work, exacerbating potential mental health conditions such as stress, anxiety, and depression. BCP Council data shows that 45% of all homeless applicants suffer from mental and physical health problems.
- 10) The most severe form of homelessness is rough sleeping and there are often further related concerns such as substance dependency. Long term rough sleeping leads to a vastly reduced life expectancy (an average of around 46 years, even less for women at 43 years), so effective health intervention is literally a matter of life and death. The risks involved are numerous, including the very real threat of assault, prolonged exposure to cold and damp, overheating and dehydration, and lack of a balanced diet as well as other aspects such as stress, worry and other mental distress. On top of this there can be further risks such as those relating to overdose and blood-borne disease for those who also battle with dependency.
- 11) In the BCP area there are existing services run by a variety of organisations, already in place to respond to this large and critical need, including the Health Bus, blood-borne virus clinics, specialist substance misuse workers, a hospital pathway, the multi-disciplinary team (MDT) who focus on joining up health and homeless services, and the new Hope Place CIC. These groups and services could provide enhanced services to the homeless with additional funds.

BCP Grant making processes

- 12) There are two forms of grant making within BCP Council. The first are grants allocated under outcome-based Service Level Agreements, for example the grants we provide to Cultural Organisations and support infrastructure organisations within the Voluntary Sector.
- 13) The second are competitive grants, where organisations can submit applications for grant funding aligned to the purpose of the fund. Bids under this competitive process may be assessed by a panel including professional experts and those with lived experience related to the funds purpose.
- 14) A competitive grant process could be delivered in partnership with Dorset Community Foundation, the leading Grant Giving Charity in Dorset, who would manage the process with a dedicated team and panel. They have a dedicated grant making team and application, assessment and evaluation process which has previously been used for the Living Legacy Grants and round 1 and 2 of the Household Support Fund for grants to community food settings. An administrative fee of 6-7% for Dorset Community Foundation would need to be applied.

Options to increase funding to homelessness charities in the BCP area

15) Three options have been considered in the development of these proposals. These are set out in Table 1 below. Officers advise that Option 2 provides a prudent mitigation to the risks associated with grant funding and on that basis would advise that this is the preferred option for Cabinet to adopt.

Table 1: Options to increase funding to homelessness voluntary sector organisations in the BCP area

	Option	Opportunities	Challenges
1.	Provide Hope Place CIC with a £50,000 annual revenue grant for 5 years and a one-off Capital grant of £250,000	<p>Enables the voluntary sector to establish a Homeless Inclusion Health Centre (a 'Health Hub') at St Stephens Hall, supporting the BCP Homelessness Strategy and Cabinet decisions in May 2021 to develop a Homeless health hub. Delivering support to those who are homeless or at risk of homelessness.</p> <p>By Hope Place CIC securing a lease for St Stephens Hall, BCP Council no longer needs to allocate £440,500 capital to purchasing this building.</p> <p>Hope Place CIC is formed by several Voluntary Sector organisations experienced in working with the homeless coming together with individuals with experience from the private sector. The organisation can secure further funding from sources the Council cannot reach to support homelessness health work; if they were to set up a charitable arm their funding reach would be extended.</p>	<p>Voluntary Sector organisations that are not part of Hope Place CIC but have experience and deliver positive work to support the health of the homeless in BCP cannot access this grant. There is a risk these organisations could challenge the Council for not providing them with an opportunity to secure funding.</p> <p>Hope Place CIC, while experienced as individuals, as a new organisation does not have a track record of delivering services for the homeless. Hope Place CIC does not yet have a set of published accounts.</p> <p>Evidence would be required to ensure capital funding is spent on capital assets.</p> <p>It is difficult to ensure that a direct grant would achieve best value for the Council due to the lack of competition.</p> <p>Alternative solutions may be available from other providers, which would not be tested.</p>
2.	Open a Homelessness Grant Fund of £50,000 per annum for 5 years and £250,000 Capital	<p>Aligns to the BCP Homelessness and Rough Sleeping Strategy. Provides equal opportunity to voluntary organisations working in Bournemouth, Christchurch and / or Poole directly with homelessness individuals supporting their health and wellbeing.</p> <p>Applications could be welcomed from voluntary sector organisations</p>	<p>Does not directly support the May 2021 and March 2022 Cabinet ambition of delivering a Homelessness Health Hub at St Stephens Hall.</p> <p>Evidence would be required to ensure capital funding is spent on capital assets.</p>

		<p>for a maximum of £50,000 per annum. Applicants would need to demonstrate their experience of improving health outcomes for the homeless community in Bournemouth, Christchurch and/or Poole and demonstrate how this grant will support them to achieve more at this critical time.</p> <p>Avoids the risk of challenge from homelessness charities.</p> <p>Demonstrates best value and enables alternative options to be presented.</p> <p>Funding could be allocated to several different projects spreading the benefits of the funding.</p>	<p>If the grant scheme is operated within the Council, Officer time will be required to manage the funding application process and the grant making panel. The process grant process from development through to award would take approximately 3 months.</p>
3.	Do nothing	<p>Reduces BCP Council funding commitments for 2023/24.</p>	<p>During the cost-of-living crisis BCP Council wants to ensure we are supporting the most in need in our communities. We know that homeless individuals find it easier to work with and trust voluntary sector organisations. As a Council we want to enable our communities to do more to support those that are homeless. Doing nothing would not support these ambitions.</p>

Summary of financial implications

- 16) BCP Council's annual revenue budget to support general fund housing services, principally those associated with homelessness amount to £2.7m.
- 17) BCP Council's Cabinet decision in March 2022 approved an increase in the capital budget for the purchase and refurbishment of the property for the purposes of delivering a Health Hub service to a maximum sum of £800,000.
- 18) The £800,000 capital investment funding was to be funded via prudential borrowing over an assumed 50-year life of the asset, subject to an exploration of third-party capital grants and charitable donations.
- 19) Council in November 2022 agreed to increase the Councils debt threshold to £1.334bn. In doing so it agreed not to support any further debt being undertaken which would require the general fund budget of the council to finance the revenue implications of taking on that additional debt. This proposal requires the general fund budget of the council to finance the revenue implications of the capital investment in the homeless health hub, therefore it is not consistent with the current decision of council. However, as the commitment was made in March 2022 then it was before the current policy of council was adopted. If councillors agree with this approach, then the non-self-financing borrowing will form part of similar borrowing arrangements which were part of the council's futures fund and will create a revenue pressure in future years.

- 20) Council can legally only borrow to finance capital expenditure. The proposals set out above include the option of giving a capital grant to a third party financed by borrowing. In order to be able to support this approach the Council would need to agree in advance with the third-party how the capital grant will be applied and have subsequent verification that it was spent as intended. Careful consideration would need to be given to the schedule of works as if the asset life was deemed less than 50 years it would alter the profile of revenue expenditure.
- 21) The December finance report to Cabinet makes provision for £50k per annum in revenue funding to support the operation of a homeless health hub.
- 22) Good practice would advocate an open transparent process to enable all voluntary organisations to be given the opportunity to bid for the resources the council intends to make available and in doing so the ability to demonstrate the achievement of Value for Money in the use of public resources.

Summary of legal implications

- 23) Cabinet previously approved the acquisition of St. Stephen's Hall for the setting up of a multi-disciplinary health hub dealing with homelessness and coordinating health and community related services. In March 2022, Cabinet (Appendix 1) approved an open tender process to secure a provider to refurbish St Stephens Hall and provide Homelessness Health Services from the building. The Cabinet report, conditional upon the appointment of an operator, approved the acquisition of the St Stephen's Church Hall. Under Part 2 a purchase price of £440,500, including stamp duty and legal fees, was agreed by Cabinet.
- 24) The tender ran from May to July. One bid was received from Hope Place CIC, no other bids were received. While Hope Place CIC scored 50% in the tender exercise the decision was taken by the Chief Operations Officer not to award the contract due to concern that the building refurbishment and ongoing revenue activity could not be delivered within the budget or that alternative funding may not be secured (Appendix 2).
- 25) Hope Place CIC are now planning to deliver homelessness health support from St Stephen's Hall, independently from the Council and subject to being awarded a full repairing lease for 25 years or more by the owners.
- 26) Option 1 in this report would provide funding to Hope Place CIC in the event they are successful in obtaining the lease. Under this Option agreement is sought for a £250,000 capital grant towards refurbishment of the building and a total of £250,000 revenue grant to be paid over a period of five years in equal annual instalments to Hope Place CIC.
- 27) The Council has various statutory powers to award grants. Under section 137 Local Government Act 1972 a Local Authority may make grants to voluntary bodies and charities where no specific grant making power exists in other legislation and where the grant will benefit any part of its area or its inhabitants. The expenditure must be commensurate with the benefit to be accrued. In addition, by virtue of section 1 of the Localism Act 2011, the Council can do anything which it considers is likely to benefit the promotion of the economic, social or environmental wellbeing of its area. This includes the incurring of expenditure, giving financial assistance to any person or organisation and entering into arrangements or agreements with any person or organisation.
- 28) The Council has a fiduciary duty to ensure best value. The Council must also adhere to public law principles in all its decision making. It must ensure that decisions it makes are lawful, rational, fair, procedurally proper, and proportionate. To ensure compliance with its fiduciary duty and its public law obligations grants should be awarded via an application process including satisfying the Council's best value duty. There is a risk to the Council of legal challenge if Option 1 is progressed. This is because the Council will not be able to demonstrate that it has satisfied best value considerations nor that the awarding of a grant to Hope Place CIC is fair to other organisations who might also be able to deliver a similar service with the benefit of grant funding.

29) Option 2, by virtue of a grant application process and grant funding panel provides a mechanism to ensure that the Council is securing best value use of Council resources in pursuit of improving the health of those that are homeless in BCP. This option mitigates the risk of any legal challenge and can be used to demonstrate best value. If this option were pursued, either in house or via administration by Dorset Community Foundation, appropriate eligibility criteria, application processes and checks would be in place to ensure financial due diligence.

Summary of human resources implications

30) None in addition to the May 2021 report.

Summary of sustainability impact

31) None

Summary of public health implications

32) Directly supports the health of the homeless and those rough sleepers.

Summary of equality implications

33) The award of this grant will support some of the most vulnerable in our Community, individuals that are homeless, sleeping rough and have multiple health and support needs.

Summary of risk assessment

Table 2 below sets out the risks associated with each option proposed in this report.

Table 2: Option risks

Option 1: Hope Place CIC Funding	Option 2: Homelessness health grant	Option 3: do nothing
<p>Hope Place CIC as a newly formed organisation is not yet able to demonstrate a track record of successfully delivering health support to the homeless.</p> <p>Hope Place CIC as a newly formed organisation does not yet have a set of published accounts.</p> <p>This Option does not include a mechanism to demonstrate best value spend, although a previous competitive tender process was completed to which Hope CIC were the sole bidder for the delivery of health support to the homeless at St Stephen's Hall.</p> <p>This Option opens the Council to risk of challenge due from other homelessness charities within the BCP area who have not been able to access funding to support their homelessness work.</p>	<p>Does not directly support the May 2021 Cabinet ambition of delivering a Homelessness Health Hub at St Stephens Hall.</p> <p>There is a risk some applications will not be successful in securing funding.</p>	<p>BCP Council wants to support and enable our communities and voluntary sector to do more to support those facing homelessness. Doing nothing would not support our Homelessness Strategy and ambition of being an enabling council.</p>

Appendix 1 – Cabinet Report May 2022

Appendix 2 – Officer Decision Report following the Homeless Health Hub tender exercise