

Committee(s): Community & Children's Services	Date(s): 19 September 2013	Item no.
Subject: Lodge II	Public	
Report of: Director of Community & Children's Services	For Decision	
<p style="text-align: center;"><u>Summary</u></p> <p>This report, which is for approval, provides details of the proposal for Lodge II. The committee will be aware that in March 2010 the City of London in partnership with St Mungo Community Housing Association (St Mungo's) opened The Lodge at St Ursula's (The Lodge).</p> <p>The Lodge, now in its third year, has been very successful and has had a major impact on the lives of long term rough sleepers who have lived on the streets of London for many years. Guests at The Lodge include 15 individuals from the City streets. It has been recognised nationally as a project that works well with the particular client group – long term rough sleepers who are over 40 years of age.</p> <p>The Lodge has identified a core group of guests, who having settled from the street, are unlikely to be able to maintain independent accommodation. Central government was approached to consider funding a permanent move on accommodation for this cohort. The funding was confirmed in August 2012 with an expectation that Lodge II will be completed by April 2015.</p> <p>A building has been identified in the Square Mile and is ideally located. The building is in Middle Street and currently occupied by Providence Row Housing Association (PRHA)</p> <p>This report proposes that Lodge II is placed in Middle Street and PRHA should relocate to a purpose built building in Southwark.</p> <p>Recommendations</p> <ul style="list-style-type: none"> • That Committee gives in principle approval for officers to develop the proposal outlined in this report and to put this forward to the City Corporate Projects Board. 		

Main Report

Background

1. The City of London in 2008 was successful in gaining funding from The Places of Change Programme (PCP). This was a government grant to develop an innovative hostel/hotel model for rough sleepers. The City in partnership with St Mungo's implemented the model.
2. The model was based on the Lindsey Hotel based in Smithfield's market, which was run as a family business, with no key working. There is no key working in The Lodge - often expectations in hostels are that residents will engage in planned programmes which are reviewed weekly. Residents can perceive this as intrusive and not helpful. The success of The Lodge is that it is run like the "old traditional bed breakfast". The service users are supported by the outreach team who support them to prepare for move-on into more permanent accommodation. The service users are expected to prepare their own meals, thereby developing their own life skills and independence.
3. The aim of The Lodge was to offer accommodation to 40 people who had slept on the streets for many years and were over 40 years of age. The first guest to The Lodge had been on the City streets for 45 years.

Since 2010 there have been 188 referrals of which there were 131 acceptances. Actual numbers that moved into the Lodge 104 of which:

- 40 guests
 - 37 planned move on
 - 3 evictions
 - 22 abandonments
 - 2 deaths
4. The Lodge has received three major accolades;
 - Housing Excellence Award 2011 Partnership Scheme of the Year
 - Runner up to the Andy Ludlow Award 2011
 - UKHA (Inside Housing) 2011 Meeting the Needs of Elderly People

For further details a Briefing Paper on The Lodge is attached as Appendix A.

5. One of the challenges for The Lodge has been move on. Options for some guests have included social housing, private rental sector or housing association accommodation. However, 15 clients have been identified as being unable to access these options as they do not have the ability to live independently. The Lodge is not permanent accommodation therefore

suitable move on has to be considered. It is anticipated that this group will require a different solution. In consultation with colleagues in the homeless sector including the Greater London Authority, Homeless Link and other housing providers, one option identified was the proposal to develop Lodge II. This would be a smaller version of The Lodge in a group configuration. Of the identified group, 75% will be ex rough sleepers from The City. Rehousing this group of 15 will free up bed spaces in the Lodge to allow other long term rough sleepers to be accommodated.

Current Position

6. In 2012, St Mungo's, in partnership with The City, applied for funding from Central Government to refurbish an additional building to provide permanent move on accommodation for guests from the Lodge, to be titled Lodge II.
7. As set out in the report presented to committee in July 2013, a building has been identified for Lodge II. The building is in Middle Street and is currently leased to PRHA on a peppercorn rent by the City. It is an ideal location for Lodge II as staff from the current Lodge based at Leather Lane Market, adjacent to Chancery Lane Tube station, will be able to cover both sites. The City owns the land and the building at Middle Street. The building is used as a hostel for 20 ex rough sleepers from the City.
8. The proposal is for the current provision at Middle Street to be relocated to Southwark to a purpose built building located at Grange Road. The land and the buildings at Grange Road belong to St Mungo's. It is proposed that there will be a new build in the gardens at Grange Road, comprising of 14 units, and an annex in the main building comprising of 8 units. The total number of units will be 22, therefore increasing the bed space by two.
9. It is anticipated that once planning has been approved for the development at Grange Road, building will commence hopefully in winter 2013. Residents from Middle Street will move in July 2014 to Grange Road. Work will then commence on Middle Street with an expected completion date April 2015.

Financial and Risk Implications

10. The building at Grange Road and the conversion of the annex will cost approximately £2,200,000. The monies required may in part be achieved from any Section 106 receipts that may be anticipated in respect of 2 Fann Street. In the event that a change of use is proposed by St Mungo's, the monies in total will be reimbursed to the City.

11. Lodge II will cost approximately £800,000. The table below identifies where the money will come from.

Central Government Grant which will be claimed by St Mungo's	£400,000
St Mungo's	£200,000
External Funding to be sourced	£200,000
Total	£800,000

Approaches are being made to other organisations to help source the 200K external funding.

The financial risk is reduced due to already allocated funds. It is not envisaged that either of the proposed sites will overspend on the allocated budgets, however if there is an over spend the City liabilities are limited.

There are other potential risks associated with the proposed project. This could include issues to do with planning permission, external funding and the partnerships, however all the indications are that these will be minimal.

The proposed project will be submitted for consideration to the City's Corporate Project Board (CPB). The progress of the project through the CPB will be reported back to Committee.

Legal & Property Implications

12. It is proposed that PRHA seeks consent to assign the peppercorn lease to St Mungo's for Middle Street. There are 16 years until this lease needs to be renewed. This is a City Fund asset managed as part of the Investment Property portfolio. The approval will be subject to any conditions contained within the lease.

St Mungo's would assign a lease of 16 years to PRHA for Grange Road.

Any legal costs for the City will be managed by local risk budget. PRHA and St Mungo's will be responsible for their legal costs.

HR Implications

14. There are no known HR implications.

Community Strategy & Other Significant Implications

15. The aim of reducing the number of rough sleepers in the City links directly with the Inclusive and Outward Looking City theme of the Community Strategy as well as the Housing Business Plan.

Consultees

16. The Town Clerk, Chamberlain and Comptroller & City Solicitor have been consulted in the preparation of this report.

Conclusion

17. This is an exciting opportunity to expand bed availability for rough sleepers in The City and in Southwark. Both facilities would provide priority access for City rough sleepers. By achieving additional bed spaces the City will be supporting and addressing the government's target of zero rough sleeping and pan London provision.

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THE LODGE

An award winning, innovative project to help long term rough sleepers move off the streets

April 2012

"The Lodge is a brilliant example of what can be achieved by joint partnership and it has been a pleasure to be involved. My thanks go to the team at the Lodge and the guests."

Davina Lilley,
Head of Housing Needs at the City of London Corporation



"The Lodge is a towering achievement and has exceeded even its own intent and ambition. Through the daily work of Isaura [the manager of the Lodge] and the staff, we have raised the bar for how partners can work dynamically to create a homely environment where entrenched rough sleepers become guests. Many have contributed to this becoming a reality, especially the Lodge's neighbours and the building's leaseholder, Origin Housing Association – we acknowledge and thank all of them."

Charles Fraser,
Chief Executive, St Mungo's



BRIEFING