

LONDON BOROUGH OF CAMDEN	WARDS: All
REPORT TITLE Greenwood Annexe Refurbishment for Temporary Accommodation Use	
REPORT OF Director of Housing Support Services	
FOR SUBMISSION TO Housing Board CIP Gateway	DATE 15 September 2020 6 October 2020
SUMMARY OF REPORT <p>Greenwood Annexe is a disused former sheltered housing block with 24 void units of accommodation and it is proposed to refurbish it to provide self-contained units of temporary accommodation for homeless families in Camden, at an estimated capital cost of up to £0.8m.</p> <p>There is an increased need for in-borough temporary accommodation, exacerbated by Covid-19 and the expected subsequent economic impact on households.</p> <p>The site is currently managed by CIP and is part of a wider redevelopment plan, subject to approval, that will take substantial time to plan, fund and deliver.</p> <p>It has been calculated that the refurbishment cost would make the business case viable if 24 units can be provided for up to 9 years or less if capital refurbishment cost is lower. There are 8 guardians currently in situ who can be given 31 days notice to vacate.</p> <p>The site would be returned to CIP for likely demolition or sale to facilitate the redevelopment of the site, subject to a notice period to enable decant.</p> <p>Local Government Act 1972 – Access to Information No document that require listing were used in the preparation of this report</p> <p>Contact officers Lisa-Marie Bowles – Homelessness Programme Manager Email: lisa-marie.bowles@camden.gov.uk Sheena Anyanwu – Head of Temporary Accommodation Group sheena.anyanwu@camden.gov.uk</p>	
RECOMMENDATIONS Housing Board are asked to support the refurbishment of Greenwood Annexe at an estimated cost of up to £0.8m for future use as temporary accommodation.	

1. REPORT SUMMARY

- 1.1 This report provides a summary on the current context of temporary accommodation in Camden, the proposal for refurbishing the Greenwood Annexe, key risks and issues, options and recommendation.
- 1.2 Housing Board is requested to review the points made, identify any areas of concern, and approve the recommended option to refurbish Greenwood Annexe so that Cabinet Members can be briefed and works can commence, subject to CIP Gateway approval on 6 October.

2. CONTEXT

- 2.1 Under the homelessness legislation local authorities have a duty to prevent homelessness but to offer suitable temporary accommodation (TA) to households whose homelessness cannot be prevented. The Council currently manages and procures a range of TA for families and single persons to enable it to meet its homelessness duties. The portfolio comprises in-borough leased, LBC owned family hostels, specialist accommodation and a small number of housing association managed properties. Camden is compelled to spot purchase expensive nightly paid “Annexes” across London when in-borough TA is not available or not suitable for a homeless household. Annexes are self-contained flats and houses located across London, mainly in north and north east London. They are often describes as hotel annexes because payment for the accommodation is on a nightly rate similar to payments for hotels.
- 2.2 It is difficult to procure annexes in-borough, as Camden is a high housing cost area. Amounts requested from landlords are usually in excess of what Housing benefit can cover. Currently 92% of TA annexes are outside of Camden.
- 2.3 The Council has committed to find accommodation in Camden for all vulnerable households in accordance with the Pan London Inter Accommodation Agreement (IBBA). Those who meet this criteria but are placed outside of Camden due to lack of availability, retain priority to move back into TA in Camden as soon as the opportunity arises.
- 2.4 Currently the Council has 482 households living in temporary accommodation, 265 units (55%) is annex accommodation and 243 of these units are outside of Camden.
- 2.5 67% of households living in temporary accommodation are families with children and 52% of these households are living in annex accommodation outside of Camden.
- 2.6 The Council has long recognised the challenges faced by families living in unsuitable temporary accommodation which is compounded when vulnerable households have to move outside of their home borough. Recent research by the housing charity Shelter ‘We’ve got no home’ (December 2017) highlights the negative impacts experienced by children living in temporary accommodation. Some of the key findings of the report are:

- No space for children to do homework
- Children affected by long commutes to schools back in their home districts
- Children unsettled by frequent moves to different temporary accommodation

- 2.7 The MTFS project 'Remodelling the Council's Temporary Accommodation Hostel Portfolio' was agreed by Cabinet in December 2018 seeks to improve Camden's portfolio of temporary hostel accommodation so that it better meets the needs of homeless households. The programme will help deliver on the commitments in our Homelessness and Rough Sleeping Strategy, our Camden 2025 ambition that everyone in Camden should have a place they call home and, the specific commitment in Our Camden Plan that "We will make sure that everyone has a sustainable roof over their head or is on a pathway to achieving this, minimising homelessness and rough sleeping."
- 2.8 Remodelling the portfolio will provide in-borough temporary accommodation which is more responsive to family needs and offers an opportunity for the Council to avoid the uncertainty of the high costs of securing such accommodation in the private sector.
- 2.9 Discussions about potentially using Greenwood Annexe for meanwhile use temporary accommodation began in June 2019. The need to use this accommodation has now become more urgent due to the Covid-19 related loss of 24 units of Belmont hostel accommodation (due to the need to create exclusive use of facilities i.e. non-shared bathrooms and kitchens).

3. PROPOSAL

- 3.1 The proposal is to refurbish the Greenwood Annexe for meanwhile use to provide 24 self-contained units as temporary accommodation for homeless families for up to 9 years. The cost of refurbishment and operating costs to be met from rent and service charge income.
- 3.2 A survey was carried out externally which estimated refurbishment costs to be £1,253,691 including 20% contingency and overheads. A second opinion internal survey was carried out in August by Capital Works. The results are due on 18 September but it is estimated costs could be well under £1m. Once received the financial costs and rents will be recalculated to confirm costs and the number of years that the property will be needed to make the business case viable.
- 3.3 The funding could come from the Temporary Accommodation Purchase Programme (TAPP) which is purchasing former Right to Buy properties Part of this programme's scope offers opportunities to refurbish long term void properties in disrepair for use as TA. The unit cost of refurbishing the Greenwood Annex units would be under £40,000. Even though the units would only be available for up to 9 years compared with an assumed 30 years for units purchased under the TAPP, they still represent good value (a studio purchased through TAPP would cost between £300,000 and £350,000).
- 3.4 Temporary Accommodation Purchase Programme Budget Breakdown

	£	Number of units
Capital budget approved by Cabinet	£22,100,000	
Exchanged/completed purchases	-£5,336,103	13
Offers accepted	-£7,771,130	18
Pipeline	-£2,725,377	6
Possible Greenwood Annex	-£1,000,000	24
Possible Conversions	-£495,000	4
Capital available	£4,772,390	
Total		65

- 3.5 If the proposal is to proceed Camden would have to compensate the organisation VPS, which has spent money refurbishing 8 properties in Greenwood for guardian occupation.
- 3.6 The site is currently managed by CIP and is part of a wider redevelopment plan, subject to approval. It is proposed that CIP manage the workstream to decant the 8 guardians and remove the security gates to enable access for works, then handover the site to Capital Works who will project manage the refurbishment works. Once works are completed the building will be handed over to the Temporary Accommodation Group. When it is required, the site could be returned to CIP for likely demolition to facilitate access for the redevelopment of the site and other such adjacent schemes.
- 3.7 It is proposed to use the new voids measured term contractor to undertake the works, who has been through a competitive tender process.
- 3.8 **Estimated Timelines if no change of use planning application required:**

Action	Date
Survey with Costs Completed	18 Sept 2020
CIP Gateway	6 Oct 2020
Serve Notices for Vacant Possession	7 Oct for vacant possession 9 Nov 2020
2 week contractor lead in	12-26 Oct 2020
Start on site (12 week programme)	27 Oct 2020
Complete works	12 Feb 2021
Contingency for completion	12 March 2021

Capital works has advised that works could be completed as early as December 2020, if works begin in October and there are no delays. Vacant possession is not required in October as initial works can begin with guardians in situ.

4 KEY RISKS AND ISSUES

- 4.1 There is a risk that the building is needed for redevelopment sooner than the 9 years duration required to make the business case viable. CIP Gateway may not approve this meanwhile use on 6 October.

- 4.2 A change of use planning application may be required which would delay works by around 12 weeks and create a financial challenge, as money from identified funds may no longer be accessible. However, the intended use is as self-contained temporary accommodation for homeless families where the use and layout will be very much the same as when it was a sheltered scheme. Planning has advised internal refurbishment and reconfiguration would not require permission as long as the units remain self-contained with their own facilities and the number of units is not reduced. If no change of use has occurred then no permission would be required. In terms of the proposed use, 'temporary' opens up the risk that if occupation is of a very transient nature with families accommodated on a very short-term basis and if there are increased levels of care and supervision and any significant sharing of facilities then it might be argued that the new use could fall within C2 or even a hostel use. Assuming a current C3 use, as long as the units remain self-contained with non-shared facilities and the degree of supervision/care is relatively minimal a change of use requiring permission is unlikely to occur. Planning recommends seeking a Certificate of Lawfulness for the proposed use to reduce risks.
- 4.3 There is a risk that the estimated project costs may exceed the estimate. This would have an impact on the Temporary Accommodation Purchase Programme meaning it could acquire fewer properties.
- 4.4 The works may be delayed which would delay the availability of the units for use as TA increasing the Council's spend on nightly paid accommodation (annexes). A strong project management approach with regular monitoring, inspection and financial reporting is required to mitigate.
- 4.5 There are 8 guardians currently in occupation who can be given 31 days notice to vacate. There is a risk that guardians will resist vacating the premises or cause reputational damage to Camden if evictions are publicised, especially during the Covid-pandemic. To mitigate CIP will manage the workstream to decant guardians and work closely with VPS, the organisation that places guardians, with the aim of placing them in alternative guardian properties. Some works can begin whilst the guardians are situ.
- 4.6 Camden will have to re-compensate the organisation VPS, which has spent money refurbishing 8 properties in Greenwood for guardian occupation. VPS are to provide a full financial and works description of building works completed. This should be issued as soon as possible to facilitate an on-site inspection.

5 OPTIONS

- 5.1 **Option 1 – Do nothing.** The Temporary Accommodation Purchase Programme can continue to purchase former Right to Buy properties on an incremental basis but this will take longer, and there will be fewer than 24 units with the remaining funding and fewer families housed. There will be a shortage of TA and high cost nightly annexes will have to be paid for, often out of borough. There is a risk that the Council could breach its statutory homeless duties.

- 5.2 **Option 2 – Refurbish the Greenwood Annexe for meanwhile use as temporary accommodation.** The Greenwood Annexe, a former sheltered housing block, represents good value for money, as it is an empty asset that Camden owns and needs in order to meet its statutory homelessness obligations. The 24 units are large, self-contained and suitable for small families. It offers better value for money than buying individual properties. Alternative accommodation options would be more expensive because Camden would have to finance a costly lease which would defeat the objectives of our homelessness strategy and MFTS projects, or purchase a property where costs would be much higher.
- 5.3 **Option 3 – proceed with refurbishment option for Camden Living.** This would require expensive reinforcement works and exceed the agreed budget for the project.
- 5.4 **Option 4 – sell or demolish the site now** as part of a wider CIP masterplan including adjacent schemes Torriano School, Greenwood and Rowstock. It will take time to understand how viable an option this is with a business case.

6. RECOMMENDATION

- 6.1 The recommendation is to approve **option 2** to refurbish Greenwood Annexe for temporary accommodation meanwhile use, provided that the building can be operated long enough to recoup the refurbishment and operating costs through rent and service charge income.

REPORT ENDS