

CORPORATE LEADERSHIP TEAM'S
REPORT TO CABINET

7 January 2025

Report Title: Navigation House Refurbishment Contractor Award

Submitted by: Deputy Chief Executive

Portfolios: Community Safety, and Wellbeing & Finance Town Centres and Growth, and One Council, People and Partnerships

Ward(s) affected: Town

<u>Purpose of the Report</u>	<u>Key Decision</u>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
To provide Cabinet with an update on the procurement of a contractor for the refurbishment of Navigation House as a homeless hub and accommodation and to seek authority to appoint the selected contractor.			
<u>Recommendation</u>			
That Cabinet:			
<ol style="list-style-type: none">1. Authorise the Deputy Chief Executive, in consultation with the relevant Portfolio Holder to sign any such agreements as may be necessary to complete the refurbishment of Navigation House for its use as a Homeless Hub and accommodation.2. Authorise an amendment to the Housing Assistance Policy to include discretionary applications for creating 'accessible' supported housing provision for disabled people in housing need.3. Authorise the allocation of funding as set out in the report..			
<u>Reasons</u>			
The Shared Prosperity Fund Board have approved capital and revenue funding to develop a homeless hub for Newcastle-under-Lyme.			
In line with national strategy, the Council aims to end rough sleeping in the borough by 2025 wherever possible, and where it does occur it is rare, brief and non-recurrent and the Council has therefore embarked on an ambitious stepped approach to achieving this.			
This supports homeless individuals who are often furthest from mainstream services.			

1. Background

- 1.1 A business case and bid were developed to fund a multi-agency assessment centre with accommodation and this received approval from the Shared Prosperity Fund Board. This recognised that homeless individuals are some of the most dis-

advantaged in society and the furthest from mainstream services. This centre, purchased under the name International House, is now known as Navigation House.



1.2 Navigation House will:

- Provide safe, secure emergency accommodation to ensure “no-second night out” and provide an immediate space off the streets while investigations and referrals are done.
- Provide an environment where agencies can be available to support individuals without the need for an appointment (often a barrier to engagement).
- Provide access to Department for Works and Pension, Citizens Advice Bureau, rough sleeping services, housing providers, probation, adult social care, homeless healthcare, drug and alcohol services, etc.
- Develop relationships / trust for ongoing referrals for support, advice, medical appointments, developing paths to move on into non-emergency accommodation to continue the support.
- Offer showers and a laundry, a place to be clean and warm.
- Offer advice and support to overcome financial problems, secure job opportunities, and sustain tenancies and local affordable homes.
- Offer emergency accommodation during severe weather.
- Be a one stop shop to support all those that are vulnerable; including families to get the right help and support including around the cost of living.

1.3 The benefits to the wider community will be:

- Reduce perceived and actual anti-social behaviour in town associated with rough sleeping.
- Potential to increase footfall into town as people see reduced anti-social behaviour,
- Supporting businesses who are impacted by this cohort not being adequately supported and housed.
- Improved health of the rough sleeper cohort and impact on long term health conditions,
- Reduce impact on Police, ambulance, and hospital as rough sleepers are high users.
- Remove current reliance on expensive bed and breakfast for emergency accommodation, which is a barrier to engagement, is isolating and fuels the revolving door of individuals between bed and breakfast and rough sleeping.

1.4 The Council previously authorised the acquisition of the property for this facility. Planning permission for its conversion was granted in September 2024 Committee.

1.5 The Council has a Housing Assistance Policy which sets out how it will offer financial help for improving and adapting homes. The aim is to support residents to improve their health and wellbeing by addressing problems with unsuitable accommodation that does not meet needs. Following consultation, the previous policy approved in 2021 included a provision for applications for creating ‘accessible’ supported housing provision for disabled people in housing need.

1.6 When the policy was updated in March 2023 this provision was not included as it had not previously been used. Adopting the provision would allow Disabled Facility Grant funding to be assigned to the project to support the creation of the two-ground floor wheelchair accessible rooms for disabled residents.

2. Issues

- 2.1 Procurement of a contractor was undertaken via the Pagabo Framework using the dynamic purchasing system for small works AVP-HGS-1013 and following an initial expression of interest stage. The opportunity was advertised on 11th November 2024 with a deadline for response of 3rd December 2024.
- 2.2 8 tenders were returned by the deadline. Tenders were assessed based on 60% cost and 40% quality, the scores are outlined in the attendant confidential report.

3. Recommendation

- 3.1 That Cabinet authorises the Deputy Chief Executive, in consultation with the relevant Portfolio Holder to sign any such agreements as may be necessary to complete the refurbishment of Navigation House for its use as a homeless hub and accommodation.
- 3.2 That Cabinet authorises an amendment to the Housing Assistance Policy to include discretionary applications for creating 'accessible' supported housing provision for disabled people in housing need.
- 3.3 Authorise the allocation of funding as set out in the report.

4. Reasons

- 4.1 The Shared Prosperity Fund Board have approved capital and revenue funding to develop a homeless hub for Newcastle-under-Lyme.
- 4.2 In line with cross government strategy, we aim to end rough sleeping in the borough by 2025 and have embarked on ambitious stepped approach to achieving this. Ending rough sleeping is defined as rare, brief and non-recurrent.
- 4.3 This supports homeless individuals who are some of the most dis-advantaged in society and the furthest from mainstream services.

5. Options Considered

- 5.1 Cabinet has previously considered options around creation of the Homeless Hub and considered the acquisition of a property, refurbish it and operate it as a Homeless Hub as the preferred option. This appointment is in line with that preferred option.

6. Legal and Statutory Implications

- 6.1 The use of the Pagabo small works AVP-HGS-1013 Dynamic Purchasing Framework offers a compliant route to market in line with both the Council's internal governance procedures and Public Contract Regulations 2015.
- 6.2 The project is in line with the Council's Housing Strategy 2020 - 2024 Priority 3 Homelessness and Rough Sleeping and relevant statutory guidance with regard to homelessness and rough sleeping.
- 6.3 The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 gave local housing authorities a wide-ranging power to help acquire, adapt, repair, improve or rebuild living accommodation. The Housing Assistance Policy sets out how Disabled Facilities Grant Funding is spent in accordance with this order.

7. Equality Impact Assessment

- 7.1 The location of Navigation House is intended to be accessible for all who need the facility.
- 7.2 An Equality Impact Assessment has been undertaken for the funding. This identified a positive impact due to the project providing accessibility to services for disadvantaged individuals.

8. Financial and Resource Implications

- 8.1 The project requires expenditure of the Shared Prosperity Fund for which the Council is the accountable body. The Shared Prosperity Fund Board will receive regular updates on the project.
- 8.2 The refurbishment project will be managed by officers from the Regeneration Team in consultation with Regulatory Services.
- 8.3 The Council has been to competitive tender through the PAGABO Framework and has received 8 tenders. These have been evaluated and the preferred tender is £1,405,012.63. The Council is budgeting for £745,000 to cover the purchase of the property and mobilisation costs to seek planning permission, architecture fees and other preparatory work.
- 8.4 In relation to the ongoing maintenance, management and operation of the hub, this would include resources from Facilities Management and Regulatory Services. Where this cannot be delivered in-house the cost of external support will be covered through the project funding.

Funding Stream	£
Shared Prosperity Fund for the hub	£955,000
Shared Prosperity Fund for the night shelter	£160,000
Shared Prosperity Fund contingency	£120,000
Housing Capital Fund 2024/25	£120,000
Housing Capital Fund 2025/26	£170,000
Carbon Management Fund 2024/25	£190,000
Carbon Management Fund 2025/26	£100,000
Disabled Facilities Grant	£50,000
Funding to be allocated from the UK Shared Prosperity Fund 2025/26.	£285,000
Total funding allocation	£2,150,000

- 8.5 The Shared Prosperity Fund Board has allocated funding for the scheme. Additional funding has been allocated to the Council through the UK Shared Prosperity Fund for 2025/6, the eligibility of this funding includes further support for existing schemes such as this one. The Housing Capital Fund has funding which can be used for the development of the accommodation. The Carbon Management Fund can be used to fund the energy efficiency elements including LED lighting and control system, heating through air source heat pumps, increased loft insulation. The provision, refurbishment and fit out of the two-ground floor wheelchair accessible rooms and access to them can be funded under the Housing Assistance Policy if the wording change to include the provisions approved in 2021 Policy are approved. The funding outlined above includes the allocation of funding from the 2025/26 capital programme,

this includes the Carbon Management Programme funding and the Housing Capital Funding.

9. Major Risks & Mitigation

- 9.1 *Unable to deliver the Shared Prosperity Fund project* – consequences are loss of investment and no improvement of facilities for vulnerable local people. Control measures include project governance processes, project approval processes and the actions of the project subgroup in managing delivery of the project and associated risks and issues.
- 9.2 *Cost of inflation* – consequences, unable to deliver the full scope of actions as set out in the Shared Prosperity Fund, lesser outcome for vulnerable local individuals. Control measures, cost control within project specification, prioritisation of actions, project governance processes, project subgroup in place.
- 9.3 *Financial sustainability* – consequences, unable to deliver services to vulnerable local people as planned, failure to deliver full objectives of the Shared Prosperity Fund, partial or full closure of the hub. Control measures, business plan to set out how the hub is to be run and opportunities for creating income.

10. UN Sustainable Development Goals (UNSDG)

- 10.1 The delivery of the project supports those most vulnerable in line with the following UNSDG's:



11. One Council

Please confirm that consideration has been given to the following programmes of work:

One Commercial Council

We will make investment to diversify our income and think entrepreneurially.

Refurbishment of Navigation House is intended to contribute to a reduction in the cost of providing accommodation for those who experience homelessness and to enable the efficient delivery of services to those that need it.

One Digital Council

We will develop and implement a digital approach which makes it easy for all residents and businesses to engage with the Council, with our customers at the heart of every interaction.

Following its refurbishment Navigation House will benefit from connection to the Council's new fibre network enabling the efficient delivery of services to both its residents and service users.

One Green Council

We will deliver on our commitments to a net zero future and make all decisions with sustainability as a driving principle



The refurbishment includes works to make the building more energy efficient. This includes the removal of gas as an energy source.

12. **Key Decision Information**

12.1 This is a key decision as it involves expenditure of more than £100,000.

13. **Earlier Cabinet/Committee Resolutions**

13.1 Cabinet 19.07.22 [UK Shared Prosperity Fund](#)

13.2 Cabinet 18.10.22 [UK Shared Prosperity Fund Contract Award](#)

13.3 Cabinet 19.09.2023 [Progression of the Shared Prosperity Fund and the Homeless Hub](#)

13.4 Planning Permission issued 19 September 2024

14. **List of Appendices**

14.1 None.

15. **Background Papers**

15.1 None.