

APPENDIX 6



Keystage Housing

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Date: 25th June 2021

Reference: KH-NH-02

To: Martin Lawrence
Strategic Housing Manager

Address: North Hertfordshire District Council
Council Offices, Gernon Road,
Letchworth Garden City, SG6 3JF

Dear Mr. Lawrence

Re: The Lord Lister Hotel, 1 Park Street, Hitchin, SG4 9AH

I write following our meeting of 23rd June 2021. Firstly, I would like to extend again my gratitude to you for the time you, Cllr. Gary Grindal and Mr. Ian Fullstone made for the hearing of our proposal to develop The Lord Lister Hotel for the purpose of creating a new Homelessness Assessment and Resettlement Hub for North Hertfordshire.

I am pleased now to formally set out our proposal to you in writing for your fuller consideration.

Introduction

Keystage Housing is a Community Interest Company, incorporated in 2018, for the social purpose of providing housing and housing related support to vulnerable and disadvantaged people with limited housing options at their disposal. Keystage Housing does not hold any assets and typically leases its properties from private landlords, some of whom invest exclusively in partnership with Keystage Housing and others introduced and accessed through our market engagement activities.

Keystage Housing is a values based organisation. We are driven by our social purpose to enhance the lives of people who need support to find and sustain a home and we strive to grow in cognisance of our success, believing that opportunity should be equal and not subject to chance in the quality of the “established” provision in any given area. Similarly, by not being constrained in our geography we are always developing new partnerships, spreading our good practice and learning by the good practice of others, all of which benefits not only our delivery but the delivery by others in the areas in which we operate.

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Our Values

Our values inform everything that we do and every decision that we make. Our staff teams are selected specifically according with their ability to demonstrate living these values in their work history and their outlook on the world. By holding these values at our core we are able to grow in confidence, safe in the knowledge that new services will operate upon the same foundations that have bred great success before.

				
OPPORTUNITY	CREATIVITY	INTEGRITY	KINDNESS	BELIEF
We work tirelessly to make the impossible, possible	We are imaginative, receptive of change, always looking for better solutions	We are honest and open, always seeking to do the right thing	We are friendly, generous, and considerate to everyone	We trust people, have faith in them, and work collaboratively with everyone

Our Proposal for North Herts

Property and Acquisition Details

Address: The Lord Lister, 1 Park Street, Hitchin, SG4 9AH.

Property Type: Former hotel consisting of internal and external communal space and 21 x ensuite bedrooms for single household occupation (max. 2 persons).

Tenure: Freehold.

Additional Information: Planning consent for the building of 1 x 1 bed flat in the external grounds.

Purchase Price: £1,250,000.

Total Acquisition Cost: £1,323,750 – inclusive of SDLT, Conveyancing, Finance Arrangement and Valuation fees.

Proposed Breakdown of Acquisition Costs:

Funding Source	Funding Amount	% Contribution
Bank Finance	£750,000	57%
O'Grady Investments Limited	£373,750	28%
NHDC Grant	£200,000	15%
Total	£1,323,750	100%

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O'Grady Investments Limited is an investment partner of Keystage Properties Limited. O'Grady Investments shall provide both capital towards the cost of acquisition and security to access the requisite remaining finance. Grant funding by North Herts District Council will support the acquisition further by contributing to the deposit and other acquisition expenses, as outlined above. Over the duration of the proposed lease, this will equate to £20,000 per year for the provision of a 21 bed Homelessness Assessment and Resettlement service for the next 10 years.

O'Grady Investments Limited shall issue a Head Lease of not less than 10 years to Keystage Properties Limited, a Registered Provider of Social Housing, who will develop the property for the purpose of creating and operating a Homelessness Assessment and Resettlement Hub consisting of 21 self-contained units of accommodation to prevent and relieve homelessness in North Hertfordshire.

O'Grady Investments Limited and Keystage Properties Limited already operate similar arrangements in partnership with Luton Borough Council and West Northamptonshire Council, relieving and preventing homelessness via our Homelessness Assessment and Rapid Resettlement Pathway schemes.

Lease Details:

Lease Term: 10 years (minimum)

Head Lease: Keystage Properties Limited (Registered Provider Number: 4725)

Sub Lease/Service Level Agreement: Keystage Housing C.I.C (Company Number: 11518376)

As a Registered Provider of Social Housing, Keystage Properties Limited falls under the compliance and regulatory framework of the Regulator of Social Housing. Therefore, the Head Lease being issued to Keystage Properties Limited, instead of Keystage Housing C.I.C for example, provides assurance to stakeholders, partners and commissioners that the property will be operated in full compliance with the Regulatory Framework, including any sub-lease arrangements.

Keystage Housing C.I.C will manage and operate the property on a day to day basis under the terms of a sub-lease or Service Level Agreement to do so by Keystage Properties Limited for the duration of the lease (10 years) in accordance with the terms of the Head Lease, including full compliance with the Social Housing Regulatory Framework. As a not for profit organisation, Keystage Housing will also agree rents locally (in accordance with the Rent Standard), with Housing Benefit; recognising the nature of the provision, including the requirement for Intensive Housing Management Support.

Service Delivery

Keystage Housing intends to develop The Lord Lister Hotel to provide 21 units of self-contained (one household) accommodation for the purposes of preventing and relieving homelessness in people with a local connection to North Hertfordshire. The Homelessness Assessment and

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Resettlement Hub will provide accommodation for males, females and couples; female accommodation separate to the main building and secured by access control systems and CCTV.

The aim of the Homelessness Assessment and Resettlement Hub is to determine the most appropriate housing option in each individual or couple and work with them to coproduce a personalised plan to work towards achieving this goal. Our assessment of need considers the history of housing and homelessness, financial circumstances, family and relationships, physical and mental health, drug and alcohol misuse, offending history and any other individually distinct characteristic which might serve as a barrier to housing.

In the last 18 months we have prevented or relieved homelessness in more than 500 people across our services in Northampton and Luton. Over 85% of the people that have resided with us and moved on have done so successfully, into suitable longer-term accommodation. Our success comes from working closely with other social housing providers and supporting people to be ready for the opportunity to move on into next stage accommodation, including hostels, social housing, Housing First, Next Steps Accommodation and Private Rented. Readiness comes from supporting people to resolve historical debt and arrears, securing personal identification, opening a bank account, accessing benefits, budgeting, motivating engagement in drug or alcohol treatment, advocating with other statutory services e.g., Probation, GP, Social Care, Mental Health etc. and the development of independent living skills. We anticipate the average length of stay at the North Herts Homelessness Assessment and Resettlement Hub to be between three and six months, depending on complexity of need in each resident but of paramount importance is not setting people up to fail by prematurely attempting to move them on without being ready.

We would operate the Homelessness Assessment and Resettlement Hub 24 hours a day, 7 days per week, to provide the requisite levels of security and public assurance regarding safety of the project in the community; as well as providing residents also with support any time of day or night. Our staff are trained to de-escalate confrontation, identify vulnerabilities in emotional and mental well-being, recognise the signs and symptoms of drug use and respond to drug overdose, as well as being First Aid trained. Our recruitment seeks to prioritise prospective team members who express values in kindness, compassion, empathy and care but coupled with a resilient and bounded approach to working with people with multiple and complex needs.

In addition to the coproduction of the Personalised Outcome Plan with the resident, staff are also trained and will deliver in every case, assessments of risk and a Risk Management Plan, to ensure the safety of the resident, other residents, staff and the general public. With a strong Criminal Justice influence to our risk assessment and risk management process, Keystage Housing C.I.C. has been able to accommodate individuals that many other providers might otherwise refuse to support. We believe that everyone has the right to opportunity and everyone has the capacity to learn and change, we also recognise that change is cyclical and motivation fluctuates, so we're never surprised by needing to sometimes reset by taking a few steps back to go forwards again.

We will review progress on a weekly basis with each resident, whilst in between each review, supporting the resident to achieve their planned goals or carry out any actions identified for ourselves. We will develop close working relationships with other agencies who will hopefully use

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the Hub as a resource for their own endeavours, campaigns and key working activities. In our other projects we have resident drug and alcohol workers from the drug and alcohol service, dedicated GP and Mental Health resources commissioned by CCG, weekly scheduled visits by other support charities, for example the Hep C Trust, partner with food charities to provide food for those experiencing food deprivation and regularly liaise with and attend professionals meetings with Social Care, Probation, Police, Health etc.

We have established a good working relationship with Haven First already by developing a step-down project in Hitchin to take residents who are ready to progress out of hostel accommodation. The Homelessness Assessment and Resettlement Hub will also support the provision of services by Haven First by preparing people for the step-up into hostel accommodation or by preventing homelessness in those who unfortunately are asked to vacate due to compliance issues. In such cases, the Homelessness Assessment and Resettlement Hub will be able to address the issues underpinning behaviour to hopefully reset and try again, recognising that change and success is not always realized at the first time of asking, sometimes not even second or third either. In addition to Haven First, we will also seek to develop fruitful relationships with other local housing providers, including Settle and private landlords.

Referral and Eligibility Criteria

Keystage Housing works differently with each Local Authority partner depending on their particular need. As such, the eligibility criteria to access the Homelessness Assessment and Resettlement Hub would be agreed with North Hertfordshire District Council, although it is our intention that the provision be operated solely for use by people with a local connection to North Hertfordshire. Keystage Housing operates an online referral form, centralising all referrals into one secure place, it envisaged that this would be the process adopted also by North Herts. Typically, Keystage Housing does not operate an eligibility or exclusion list but will consider every application on its merit, fully recognising that people at risk of rough sleeping will present with multiple and complex needs by very definition of their circumstances.

Out of area referrals would only ever be accepted by prior agreement with NHDC, the benefit of Keystage Housing operating services elsewhere though being that it may be prudent occasionally to make reciprocal moves within Keystage Housing to and out of area, particularly where this is required for public protection purposes.

Mobilisation

Keystage Housing seeks to mobilise in two phases with Phase 1 focused on the winter period (October 2021 – March 2022) and Phase 2 focused on providing an accommodation based complex needs service from April 2022 to March 2024, with the purpose of the evolution of the provision reviewed at this stage to determine best use to meet need at that time and in line with Haven First potentially opening their hostel in Letchworth around this time too.

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Phase 1

This phase will serve a particular focus to relieve homelessness during the winter period. Homeless Link is working alongside MHCLG to distribute £3m (£1m Capital and £2m Revenue) grant funding to support services to develop their buildings into self-contained units and to increase and enhance support to people whilst “in” over winter. The timing of this creates a great opportunity for the Lord Lister to convert each bedroom into a self-contained unit by the addition of a kitchenette, which will of course bring benefit beyond just the winter period but also an opportunity to source additional funding for the purposes of delivering support, beyond that which would be procured by Housing Benefit for the provision of Intensive Housing Management. The short-term nature of the fund would enable us to operate within existing planning use class, whilst also being of benefit in terms of it enabling an expedited opening (1st October 2021) and opportunity to build an evidence base in support of the site being suitable for a longer-term provision to operate from, as per Phase 2. An application has been submitted by Keystage Housing for Capital Grant Funding of £100,000 with a Revenue Fund application to follow, due by July 2021.

Phase 2

During Phase 1, Keystage Housing will be acting upon plans to mobilise Phase 2, effectively the longer term purpose and funding arrangements for the provision after winter. The need for an accommodation based complex needs service has been outlined in meetings facilitated by North Herts with Herts County Council and is outlined in the North Herts Housing Strategy, which states,

“The homelessness review reports that single homeless people are found to be increasingly presenting with multiple support needs, including mental health issues and drug and alcohol addictions. Despite having complex needs, many of these single applicants will not meet the definition of vulnerability required to have a priority need⁴⁰, and therefore to be owed an accommodation (main housing) duty by the Council. Figures on homelessness decisions show that over the past five years, up to and including 2017/18, the number of (single) households who were deemed to be homeless but not in priority need has increased fourfold.” (Page 26)

By way of a strategy to meet this need, the NHDC Housing Strategy 2019-2024 sets out,

“Accommodation for single homeless people in the district is currently limited. We will work with local partners to improve the accommodation provision for this client group and especially for those with complex support needs.” (Page 29)

As such, we will seek to work with NHDC and HCC to secure the resources required to staff and deliver an accommodation based complex needs service for single homeless people in North Herts, beyond the expiry of any Winter Transformation Funding that we are awarded. A longer-term provision can still operate without additional revenue funding, subject to agreed rents with Housing Benefit, although without additional revenue funding the provision would have to operate a less intensive service, akin to a housing related support service rather than be able to serve, in all cases,

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the complexity of need; particularly those whose homelessness is most severely entrenched and problematic.

Planning and the Local Community

As outlined already, we have had discussions with planning and are assured that we would be able to operate the Lord Lister in the short-term under its existing planning use class. The Lord Lister currently has permission to be used for the provision of short-term, temporary accommodation by issuing of a Licence to Occupy. Keystage Housing would continue to make stay conditional, subject to the terms of a Licence to Occupy and as such can be seen to operate within existing use class. Further, during the period of COVID, many hotels have been used for the purpose of providing temporary accommodation to those otherwise homeless at a time of increased public health risk, such a precedent also supporting the use of the property within its existing use class during winter.

As we move towards Phase 2 we will continue to liaise with planning, with whom conversations have been positive, to determine what change, if any, might be required to the planning use class. Planning have indicated that Phase 1 will assist in determining public opinion and suitability of the site for any longer-term planning application and that by being in operation already, we will likely have a strong evidence base upon which to support the continuation of the provision. Other positive factors include the location being non-residential, with the footfall and traffic likely to reduce from before rather than cause adverse impact to neighbouring properties. It will also be advantageous for local businesses to see a longer-term reduction in rough sleeping in the town centre.

Keystage Housing has good experience in navigating planning issues, with our Homelessness Assessment and Rapid Resettlement Pathway project in Northampton having opened in November 2021 with permission to operate whilst retrospectively applying for a change in use class. The building previously operated under the provisions of C2, incidentally the use class of our facility in Luton, however, it was determined by Northampton that the application should seek to operate under the sui generis use class. We worked with our consultants to develop and present our case that our application should be supported, which it was unanimously. Further, in recognition of the particular expertise that Keystage Housing brings and evidenced, it was determined that the change in use class was conditional only on Keystage Housing operating the building and that no other provider could assume the same use class as afforded us.

Naturally, at point of planning and beyond, there is opposition within the immediate local community to the operation of such a facility. We understand and recognise that there is a stigma attached to homelessness and an honest ignorance that breeds fear. We seek to work with our neighbours and our local communities to educate people about the causes of homelessness and to allay fears through engagement and opportunity to get involved. A good recent example of this was our opening of a 5 bed HMO in Hitchin which met with neighbour concern about anti-social and criminal behaviour. Through our willingness to engage by visiting with neighbours, we were able to allay fears and in fact some of these same neighbours are now our biggest advocates, having met with our residents and provided them with food, clothing and other donations. There

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are still times when it is right for a neighbour to complain, for example if there is a noise issue, which incidentally we experienced. However, we promise to always respond positively and quickly and in delivering upon this promise to resolve the complaint, faith in us and support for the initiative has grown further still.

2024 and Beyond

As outlined, the lease term will be a minimum of 10 years. Much can and will happen between now and 2024, particularly with the hostel planned to be built and open by then, potentially negating the Lord Lister from needing to operate as an emergency provision to relieve homelessness. However, it will remain available to the Local Authority in whatever form of social housing is needed at that point. Whilst it is our intention to operate in North Hertfordshire for at least the next 10 years, further assurance is provided naturally by the Head Lease being with Keystage Properties Limited, the objects of which can only be to provide social housing. If successful with the Winter Transformation Fund for capital funding, by making each bedroom self-contained, the property will be significantly future proofed for use in another form outside of emergency and short-term accommodation, perhaps to offer longer-term step down from the hostel instead, for up to two years. Principally though, Keystage Housing will work with NHDC and HCC to determine the next steps for the property and to maximise any investment made by the Local Authority into the provision.

Next Steps

The proposal set out is contingent on the expediency by which The Lord Lister can be acquired. To be eligible for Winter Transformation Funding and to bring this facility into operation as soon as practicably possible, we must be in a position to operate by 1st October 2021, including the completion of some, if not all, of the planned refurbishment to satisfy the grounds upon which we have applied for Winter Transformation Funding.

The acquisition is progressed now as far as it can without the readiness of available funds to meet the costs set out above. Therefore, to deliver upon the timetable, the soonest decision by NHDC to grant [match] fund the project is required and ideally before the 5th July 2021, by when applications to the Revenue Fund close. Given the value we place in our integrity, it would be preferable not to make a further application to the Winter Transformation Fund without knowing the decision of NHDC and so as not to proceed in a manner which might otherwise be to the detriment of other schemes across the Country similarly applying to the same fund.

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