PURPOSE OF REPORT: To inform the Comhairle of the initial findings of the Homeless Hostel Feasibility Study and to establish a reporting mechanism for considering the final report.

COMPETENCE

1.1 There are no legal, financial or other constraints to the recommendations being implemented.

SUMMARY

2.1 The Comhairle commissioned an independent feasibility study to consider the development of a Homeless Hostel for the Stornoway area. The study took account of stakeholders views, good practice from elsewhere in the country and current legislation, as well as the Homeless situation in the Western Isles. It also examined a range of service specifications and costings for the development of a 20-25 room Hostel.

2.2 The Feasibility Study will shortly be concluded and this Report sets out the initial findings of the study, prior to a more detailed consideration of the study recommendations by the Comhairle.

2.3 The initial findings of the Feasibility Study have shown that a Homeless Hostel would be a benefit to the Comhairle in its discharge of its statutory duties towards homeless persons.

2.4 However, it is likely that the level of resources required for both capital development costs and annual revenue costs, will be the key issue to be considered before a final decision is taken.

2.5 It is recommended that the Housing Strategy Member Officer Working Group considers the findings of the Hostel Feasibility Study and that a more detailed report is brought to a future meeting of the Committee.

2.6 Copies of the Hostel Feasibility Study are available in the Members lounge.

RECOMMENDATION

3.1 It is recommended that the Comhairle delegate to the Chief Executive, in consultation with the Housing Strategy Member Officer Working Group, to consider the findings of the Homeless Hostel Feasibility Study and bring a Report to a future meeting of Environment and Protective Services Committee outlining the main findings of the study and an Action Plan for progressing the issue.

Contact Officer: Iain Watson  Tel: 01851 709315  Email: iwatson@cne-siar.gov.uk

Background Papers:
1. Homeless Hostel Feasibility Study- Phase 1 Report by Knowledge Partnership, April 2008
4.1 The Comhairle has commissioned independent consultants Knowledge Partnership to carry out a study into the feasibility of developing a Homeless Hostel in the Western Isles.

4.2 The Comhairle has been faced with a shortage of suitable temporary accommodation, in particular for single people, for a number of years. This has led to an over-reliance on Bed and Breakfast accommodation, which has proved to be expensive. Although the introduction of the Old House has made an impact on this, it is likely that forthcoming legislative changes will still leave a great deal of pressure on the need for single temporary accommodation.

4.2 The study was to be carried out in two phases. Phase One was to examine the need for a Hostel, through stakeholder consultation and consideration of the scale of homelessness in the Western Isles. Phase two was to examine detailed aspects of service specification, such as the staffing, size and location. Phase Two was also to provide details of funding requirements, both construction costs and operating costs.

PHASE ONE SUMMARY

5.1 The first part of the Hostel Feasibility examined the requirement for a Homeless Hostel. The Study concluded that a Hostel was required, with the main issues being;

- Legislative changes will alter the pattern of homelessness in the Western Isles. In particular, the phased abolition of priority need will result in increased levels of homelessness presentation as households that had previously resolved their homelessness independently use homelessness assessments as a route to permanent accommodation.

- As more households present as homeless, so the demand for temporary accommodation will increase. Currently, there is a tension between the scale of temporary accommodation and the level of homelessness. It is anticipated that this tension will increase in future, particularly in Stornoway.

- The largest group of homeless applicants to the Comhairle are single people. However, there is a limited supply of 1-2 apartment housing stock. Assuming no change is made to the scale of temporary accommodation, increasing numbers of single homeless applicants will find it difficult to access temporary housing.

- Homeless households currently living in B&B and the Old House are broadly satisfied with the quality of their accommodation, but identified weaknesses in certain areas such as access to cooking facilities. Some homeless households interviewed said they wanted the Comhairle to provide them with more housing support and opportunities for social interaction. Feelings of isolation were an important problem for some clients living in B&B establishments.

- External stakeholders comprising Western Isles service providers identified limitations around some of the current temporary accommodation provision (B&B and chalets/caravans). Some weaknesses were also identified in the level of housing support offered to those who were homeless, including a lack
of move-on assistance for people allocated to a permanent tenancy. Stakeholders considered that there was a pressing need for a homeless person's hostel to tackle these gaps in support, and to provide service users with more appropriate temporary accommodation options.

- In relation to the concept of a homeless person’s hostel, all of homeless clients we interviewed were supportive of the idea and indicated that they would not have any immediate concerns about staying in this type of accommodation.

5.2 Phase One also examined issues around the type of Hostel to be provided. The main findings from this were:

- External stakeholders and existing homeless service users agreed that the proposed hostel should be located in Stornoway to facilitate residents’ access to services and facilities.

- External stakeholders were in agreement that the hostel should operate on resettlement basis. Its ethos should be to provide a safe and supportive environment that allows people to remain as residents until they are able to sustain a permanent tenancy.

- The hostel should aim to accommodate between 20 and 25 people, and should be staffed 24/7. It should offer a safe and secure environment for residents.

- Partnership working would be important to the successful operation of the hostel. Most stakeholder felt that there would be a role for their organisation to support hostel residents either through out-reach, or on-site services.

5.3 Stakeholders interviewed during the study also identified community reaction to the proposals to establish a Homeless Hostel as a key challenge. Suggested approaches to dealing with this included, arranging regular meetings with the effected neighbourhood to describe the hostel purpose, staffing the hostel from the outset to ensure any operating issues are addressed immediately, ensuring the Police are involved in the design of the building and making sure that the design of the building is visually attractive and complements the neighbourhood.

**PHASE TWO SUMMARY**

6.1 The second phase of the Feasibility Study has looked at the type of Hostel which would be most appropriate for the Western Isles. It also examines the revenue costs involved in running such a Hostel, as well as looking at the cost of constructing a hostel in the first place.

6.2 This part of the study is due to complete shortly and it is recommended that the Housing Strategy Member Officer Working Group is tasked with considering the findings of this Phase and with reporting back to the Environment and Protective Services Committee.

6.3 Issues to be considered include the capital costs involved in developing a Hostel. The Study has estimated that capital costs would be between £1.78m and £2.22m, depending on the size of building constructed. Estimated build costs from the Study are shown below.
### Estimated Hostel build costs

<table>
<thead>
<tr>
<th>Description</th>
<th>£1,200/sqm</th>
<th>£1,500/sqm</th>
</tr>
</thead>
<tbody>
<tr>
<td>New build of 25 room hostel plus shared kitchens, laundry, lounges, staff areas, meeting rooms, and plant room (925 square metres)</td>
<td>£1.14m</td>
<td>£1.42m</td>
</tr>
<tr>
<td>Site preparation, external works and services, and professional fees @ 30%-35% of build costs</td>
<td>£0.37m</td>
<td>£0.46m</td>
</tr>
<tr>
<td>Sub Total</td>
<td>£1.51m</td>
<td>£1.89m</td>
</tr>
<tr>
<td>VAT</td>
<td>£0.26m</td>
<td>£0.33m</td>
</tr>
<tr>
<td>Total</td>
<td>£1.78m</td>
<td>£2.22m</td>
</tr>
<tr>
<td>Cost per room (25 rooms)</td>
<td>£71,200</td>
<td>£88,800</td>
</tr>
</tbody>
</table>

6.4 Another important issue for the Housing Strategy MOWG to consider is the level of support provided to clients using the Hostel. The Study outlines three options along with likely staffing requirements. These are:

**Option 1 – High Level Support Option**

The High level support option is generally accepted as best practice in UK hostel provision and is an approach that is used by many UK hostels. This approach allows homeless applicants with complex needs to be accommodated by the hostel and to receive resettlement support from qualified staff. The main features of this support level are:

- En-suite bedrooms, shared lounges and cooking facilities
- 24 hour access to the service, with limited screening of applicants
- 24 hour support on site, delivered mainly by trained support workers (SQV3); adequate staff numbers to offer intensive support, accompanied visits etc
- 3 staff on any one shift
- Crisis support service
- Key-working and individual support plans designed and managed by support workers
- Access by referral to other services, for example, counselling
- Harm reduction ethos (can be implemented if appropriate)
- Through-care and resettlement approach.

Whether this style of hostel service supports 25, 20 or 15 residents, this is the highest cost option mainly because of the level of staffing required (typically 1 manager, 2 team leaders, 7 support workers including 1 relief, 4 night staff, 1 domestic and 1 administrator).
Option 2 – Medium Level Support Option

The Medium level support option may be more suited to the Comhairle given its relatively lower cost compared to the High level support approach. The main features of this option would be:

- En-suite bedrooms, shared lounges and cooking facilities
- 24 hour access to the service but with limits applied to the number of residents with complex issues who are admitted to the service
- 24 hour staff support around low level needs
- Support staff do not provide key-working; with 2 staff per shift, the focus would be on maintaining the service and addressing low level support needs. Key-working and support plans could be provided by the Comhairle’s tenancy support workers on an outreach basis (the cost of any extra staff for this have not been included in the budget)
- Crisis support service
- Access by referral to other services
- 2 staff on shift; with 15 residents, it may be possible to move to 1 staff member on shift, although this is not recommended
- Through-care and resettlement approach as far as staffing levels allow.

The proposed staffing structure for this option would be the minimum required to allow 24/7 cover (1 manager, 4 support workers, 4 night staff, 1 relief worker, and 1 domestic). Staff would work 12 hour shifts, and a minimum of 2 staff would work on each shift. This model is in accordance with Care Commission minimum staffing guidelines.

Option 3 – Low Level Support Option

The Low level support option is the lowest cost option presented here. The main features of this option would be:

- En-suite bedrooms, shared lounges and cooking facilities
- 24 hour access to the service with strict limits in place on the number of people admitted with complex needs
- 24 hour staff support around low level needs (similar to Old House)
- No key-working available on-site; option for this to be brought in from tenancy support staff and external agencies
- Crisis support service
- No individual support plans unless arranged by tenancy support staff or external agencies
- Access by referral to other services
- 2 staff on shift; with 15 residents, it may be possible to move to 1 staff member on shift (not recommended)
- Heads on bed approach (as opposed to resettlement).

The staffing structure for this option would comprise (1 team leader, 4 wardens, 4 night wardens, 1 relief warden, and 0.5 domestic). Staff would work 12 hour shifts, and a minimum of 2 staff would work on each shift.

6.5 Revenue costs vary across the three options, ranging from £493k per annum for the High Level Support, through 379k for Medium Level, down to £345k for Low Level. Income levels from rents and Housing Benefits would be used to offset the running costs, but it is likely that there would be a significant shortfall, no matter what model was used. This would be one of the issues to be considered by the Housing Strategy MOWG.
CONCLUSION

5.1 The Hostel Feasibility Study has concluded that a Homeless Hostel is required for the Western Isles. A Hostel would make a significant contribution towards meeting the Comhairle's statutory duties towards Homeless Persons.

5.2 The final Phase of the Study is due to conclude soon, so it is recommended that the Housing Strategy Member Officer Working Group consider the findings in detail and report back to the Comhairle with an Action Plan to progress the issue.