



Report sponsor: Strategic Director of
Communities and Place
Report author: Head of Housing Options and
Homelessness

DLUHC Rough Sleepers Accommodation Programme (RSAP) Grant application 2022/23

1. Purpose

- 1.1 In January 2022 The Department of Levelling Up, Housing and Communities launched a further bidding opportunity through the Rough Sleepers Accommodation Programme (RSAP) for the period 1st April 2022 to 31st March 2023. This makes available financial resources to support local authorities and their partners to prevent people from returning to the streets and to work to bring in those remaining on the streets.
- 1.2 Derby has successfully bid into DLUHC's predecessor programmes Next Steps Accommodation Programme (NSAP) in 2020/1 and RSAP 2021/2, enabling the acquisition of 30 units of accommodation for those with a history of rough sleeping, rough sleeping or recovering from rough sleeping. These grants have enabled both the acquisition of properties and associated support for individuals through revenue funding.
- 1.3 A submission has been developed for RSAP 2022/3 which would see Derby acquire a further 10 units of accommodation for those with a history of rough sleeping, rough sleeping, or recovering from rough sleeping, with associated revenue funding to provide appropriate support.
- 1.4 Whilst bidding for this round of RSAP we have been informed as part of our co-production with our DLUHC advisor, that the submissions for the Midlands are over-subscribed compared to other areas of the country. As a result, bidding will be highly competitive on price, value, and deliverability. Derby is in a good position having previously successfully delivered this programme on time and on budget.
- 1.5 Derby Homes, on behalf of Derby City Council, have co-produced a bid with DLUHC for Derby totalling £621,250. This is split £540,000 capital and £81,250 revenue. The capital funding is a 45% contribution towards the acquisition of 10 properties. The remaining 55% to be funded through the Housing Revenue Account (HRA). The revenue funding is two year funding (Q4 2022/23 and 2023/2024) towards support for people awarded non-secure tenancies in the properties.
- 1.6 DLUHC have advised us that they may (before the submission date) extend the revenue proposal for a further 12 months - to include 2024/2025. Approval is therefore sought to bid for up to £687,550. This would be split £540,000 capital and revenue for £147,550.

1.7 The closure date for applications is midday 12th April 2022.

2. Recommendations

2.1 To authorise the submission of a Rough Sleepers Accommodation Programme (RSAP) bid 2022/3 to the Department of Levelling Up, Housing and Communities (DLUHC), for £540,000 capital funding (2022/23) and revenue funding up to a maximum of £147,550 which comprise of £16,250 in Q4 2022/23, £65,000 in 2023/2024 and if applicable £66,300 in 2024/2025.

2.2 If Derby City Council is successful in the bidding process:

- To delegate approval of the acceptance of the resultant DLUHC RSAP grant to the Strategic Director of Communities and Place, following consultation with the Strategic Director of Corporate Resources and Cabinet Lead for Adult's Health and Housing, subject to acceptable grant conditions.
- To authorise the transfer of the revenue aspect of the resultant grant award to Derby Homes, in line with the 2021 Partnership Agreement.
- Subject to successful award, to add up to £1,200,000 to the Housing Revenue Account capital programme for 2022/23, with £540,000 grant funding and £660,000 as match funding for the grant application funded from Housing Revenue Account reserves.
- To delegate the acquisition of up to 10 properties to the Strategic Director for Communities and Place in order to meet the timescales required for this project.

2.3 To authorise Derby Homes to identify and process all necessary grant payments to third parties in relation to the project, in line with existing agreed processes and subject to the approval of the Strategic Director of Communities and Place.

2.4 To approve the use of non-secure tenancies for the purpose of allocating to the newly acquired properties, in line with the requirements of the bid.

3. Reasons

3.1 The submission of a bid will enable the Local Authority to continue to expand the availability of supported accommodation for those at risk of rough sleeping, rough sleeping or with a history or returning to rough sleeping.

3.2 The bid also seeks to increase the availability of accommodation for rough sleepers, and those at risk of rough sleeping.

3.3 The bid will provide the necessary resources to ensure appropriate levels of support for those with complex needs and challenging behaviours and will offer enhanced pathways for those currently unwilling or unable to access existing pathways.

- 3.4 In line with the Council's finance procedures rules, cabinet approval is required prior to submitting a bid for external funding and for accepting a bid for external funding.
- 3.5 The bid requires the use of non-secure or flexible tenancies wherever capital is provided by DLUHC under the RSAP programme. At present the tenancy strategy does not support the use of flexible tenancies, although this is included in the refreshed tenancy strategy to explore further, but consultation is yet to commence. The use of non-secure tenancies is currently permitted within the existing tenancy strategy.

4. Supporting Information

4.1 CAPITAL FUNDING – ACQUISITION OF 10 1 or 2 BEDROOM SELF CONTAINED UNITS OF ACCOMMODATION

- 4.2 The capital funding proposal seeks to invest £1.2 million of investment for 10 units of accommodation, which will provide much needed single person self-contained accommodation for this cohort. A stipulation in grant award from DLUHC is that these properties must be used solely for those recovering from rough sleeping, or at risk of rough sleeping for a period of 30 years (60 years for new build – not possible to deliver within the financial year). This investment is based on a 45% contribution from the DLUHC (£0.54m) and a 55% contribution from the Local Authority (£0.66m) funded within the Housing Revenue Account capital programme. Total funding for the acquisition of 10 units, including fees and renovation works is identified in the bid at £1.2m.
- 4.3 Suitable properties will be identified in parallel with our existing acquisitions programme by staff who already have the knowledge and experience in this area. Work has already commenced on the identification and valuation of suitable properties.
- 4.4 DCC's in house valuers and legal team will undertake the valuations, negotiations and conveyance process with external resource brought in through existing frameworks. Derby Homes will provide the Property Surveyor resource to identify and schedule the work required to each property to bring it up to the necessary lettable standard and post purchase they will undertake those works. Where necessary they will secure additional contractor resource via existing frameworks to ensure the properties are to standard and ready for residents to move into within the required timescales.
- 4.5 A further requirement in the bid guidance is that properties acquired for this purpose must be subject to reviewable tenancies such as flexible tenancies or non-secure interim tenancies. This is to ensure that the expansion of available properties for those recovering from rough sleeping, or at risk of rough sleeping, is maintained over time and used for those who will see the greatest benefit in both the accommodation and associated linked support package.

- 4.6 We propose, subject to approval, to use non-secure interim tenancies to comply with this aspect of the bid. Move on from these non-secure interim tenancies will be through existing housing pathways into longer term accommodation.

4.7 REVENUE FUNDING LINKED TO CAPITAL FUNDING

- 4.8 Any allocation of capital funding will act as a gateway to continued revenue funding until 31st March 2024 specifically for this purpose. DLUHC have indicated that future Grant awards will be made available for all NSAP and RSAP funded initiatives during 2023/2024.

5. Public/stakeholder engagement

- 5.1 The bid has been developed taking into consideration the views and opinions of representatives of the Strategic Homeless Board, Homeless Liaison forum members and lead advisors from the Department for Levelling Up, Housing and Communities. Cabinet Member for Adults, Health & Housing has been consulted and is supportive of this bid.

6. Other options

- 6.1 The Council could choose not to submit a bid under the Rough Sleepers Accommodation Programme 2022/23. This is not recommended and would threaten the ongoing viability of the Cities Rough Sleeping Strategy and risk an increase in rough sleepers, with the additional risks associated with the coronavirus and those rough sleeping.
- 6.2 The Council could choose to bid for alternate provision to support rough sleepers in the City. We feel that the bid, as presented, provides the best opportunity to continue to manage rough sleeping in Derby.

7. Financial and value for money issues

- 7.1 All financial impacts will be met through the HRA or Derby Homes. The revenue grant will be passed to Derby Homes and they will manage the associated risks, such as compliance with grant conditions and the risk of overspend. The capital funding, and any associated risks, will be managed, as part of Council's HRA capital programme. The impact of these proposals will be to reduce rough sleeping and their associated costs and operational impacts. Without the investment, homelessness costs will increase, some of which would be bed and breakfast which remains a general fund cost.
- 7.2 There is a possibility that in delivering this capital project, resources could be diverted away from work to meet the Right to Buy (RTB) expenditure target. The Ministry for Department for Levelling Up, Housing and Communities have relaxed the time within which RTB funds have to be spent within, from 3 years to 5 years. This relaxation should remove the risk of not using RTB funds within time and the resulting

repayment of RTB receipts including interest. This RSAP capital grant is at a rate of 45% this would still be a favourable position for the Council, compared to the RTB grant rate of 30%.

- 7.3 The calculated revenue bid to be up to £81,250 in total for 2022/23 and 2023/24 with a capital bid at £0.54 million. However, if an additional year of revenue funding is added to the Grant application a further year of revenue funding will be requested with a value of £66,300

Scheme	Cost
Purchase 10 x 1 bed flats (cost £1.2 * 45%) =	£540,000
Revenue for support of tenants within the 10 flats purchased (Q4 2022/23)	£16,250
Revenue for support of tenants within the 10 flats purchased (2023/2024)	£65,000
TOTAL	£621,250
Potential Revenue for support of tenants within the 10 flats purchased (2024/2025)	£66,300
TOTAL	£687,550

8. Legal implications

- 8.1 Other than noting that the bid addresses the application criteria, there are no other legal implications arising from the report.

9. Other significant implications

- 9.1. N/A

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Olu Idowu, Head of Legal Services	07/04/2022
Finance	Amanda Fletcher Head of Finance for Projects & Transformation	07/04/2022
Service Director(s)	Clare Mehrbani, Director of Housing (Derby Homes)	05/04/2022
Report sponsor	Rachel North, Strategic Director of Communities and Place	07/04/2022
Other(s)		

Background papers:
List of appendices: Appendix 1 –
infographic street homelessness