

Report sponsor: Strategic Director of Place and
Cabinet Member for Housing, Property and
Regulatory Services
Report author: Director of Housing Services

Single Homeless Accommodation Programme (SHAP) Bid – Children and Young People at Risk of Rough Sleeping

Purpose

- 1.1 The Single Homeless Accommodation Programme (SHAP) through the Department of Levelling Up, Housing and Communities (DLUHC), encourages Local Authorities to bid for capital and revenue funding to deliver adequate housing pathways for vulnerable young people aged 18-25 who are experiencing or are at risk of homelessness or rough sleeping.
- 1.2 Derby City has been invited to bid as a target authority based on our statutory statistical returns identifying need.
- 1.3 The objective of SHAP is to increase the supply of high-quality accommodation with accompanying support to address gaps in homelessness pathways
- 1.4 Within Derby City, care leavers, young people previously cared for as children in need, who may have had care experience and/or young people at substantial risk of rough sleeping have been identified through a Local Authority led Strategic Gap Analysis as target groups which would benefit from an increased supply of accommodation with support.
- 1.5 Bids must be placed no later than 10th November 2023, with awards expected to be determined by January 2024.
- 1.6 Capital Funding is available to support the purchase and repair of properties, with completions by 31st March 2025, along with up to three years of support (revenue) funding.

Recommendation(s)

- 2.1 To approve a Single Homeless Accommodation (SHAP) capital bid to the Department of Levelling Up, Housing and Communities (DLUHC)/Homes England of up to £650,000 to support the acquisition of 10 properties to provide accommodation for vulnerable young people aged 18-25 at risk of homelessness or rough sleeping, noting the requirement for a standard form of contract between the Council and Homes England.

- 2.2 To approve a SHAP revenue bid of up to £460,000 to deliver a three-year programme of transitional and social work accommodation-based support, and associated activity to vulnerable young people aged 18-25 at risk of homelessness or rough sleeping, noting the requirement for a memorandum of understanding between the Council and DLUHC and subsequent payment of revenue grant via grant determination under Section 31 of the Local Government Act 2003.
- 2.3 Subject to successful bid:
- To delegate approval of acceptance of the resultant grants to the Strategic Director for Place and Strategic Director of Peoples Services, following consultation with the Director of Finance (S151) and cabinet leads for Housing, Property and Regulatory Services and Childrens Social Care, Learning and Skills, subject to acceptable grant conditions.
- 2.4 To passport relevant capital grant to Derby Homes Ltd to use to support their acquisition of 10 1- or 2-bedroom properties to be let on Assured Shorthold Tenancies to vulnerable young people identified by Childrens Services through an agreed pathway.
- 2.5 To note that, by agreement, the specific Derby Homes Ltd properties may be swapped in or out of the agreed pathway if more suitable alternate units become available.
- 2.6 To approve the administration of the revenue aspects of the grant within the Councils' Children's Services Directorate.
- 2.7 To delegate approval to Strategic Director for Place and Strategic Director of Peoples Services, following consultation with the Director of Finance (S151) and cabinet leads for Housing, Property and Regulatory Services and Integrated Adult Care and Health, to submit and accept additional bids to the SHAP fund, if other opportunities present themselves before the deadline, as outlined in section 4.10 of this report.

Reason(s)

- 3.1 To enable an increase in targeted accommodation for vulnerable young people aged 18-25 at risk of homelessness and/or rough sleeping which meets their accommodation and support needs.
- 3.2 This proposal helps the Council to meet its statutory duties to prevent Homelessness and Rough Sleeping under the Homeless Prevention Act 2018.

Supporting information

- 4.1 Through a local authority strategic gap analysis, 48 vulnerable young people have been identified as requiring accommodation and transitional support. These comprise care leavers, and young people assessed as children in need who are not yet ready for independent living and those at substantial risk of rough sleeping or who are already rough sleeping.

- 4.2 The proposed capital bid will support the purchase of 10 properties by Derby Homes Ltd from the open market. These will be one- or two-bedroom properties dependent on market availability.
- 4.3 With an anticipated 50% SHAP grant for the acquisition and any repairs, Derby Homes will fund the remaining 50% through cash reserves and/or loan finance. These properties will be owned and let by Derby Homes Ltd on Assured Shorthold Tenancies to vulnerable young people nominated through an agreed pathway with Childrens Services. There is a requirement in the grant conditions that properties purchased through this bid are held for a period of 30 years to be used for those at rough sleeping.
- 4.4 Rents will be set at Affordable Rent Levels and will include a basic white goods package.
- 4.5 Subject to Cabinet approval, the capital element of the bid, if successful, will be transferred to Derby Homes Ltd who will draw down capital grant directly from Homes England through their Investment Management System IMS. Funding paid by Homes England will be subject to a standard form of contract.
- 4.6 Support services are key to delivering successful outcomes. The proposed bid has been designed to provide transitional support workers, who will provide structured support and facilitate long-term trusting relationships. Transitional support will be based on a trauma informed care approach, within a psychological informed environment.
- 4.7 The proposed revenue bid will fund 2 full time equivalent (FTE) transitional support workers, and 0.6 FTE Social worker posts for 3 years, alongside an activities budget to be accessed by support workers to develop trusted relationships and aide transition to independent living. In addition, the revenue funding would enable additional therapeutic support such as creative arts therapy, and includes an element of support for accommodation-based cost such as decoration, furniture, support with utilities costs, decoration etc. This aspect of the bid will support vulnerable young people in both the newly acquired properties and more broadly across other transitional accommodation identified by children's services.
- 4.8 Subject to Cabinet approval, the revenue element of the bid, if successful, will be administered by children's services, who will recruit and supervise the transitional support workers and social work posts, and oversee and administer all revenue aspects of the grant. Revenue funding paid directly from DLUHC to the local authority will be subject to a Memorandum of Understanding between DLUHC and the Council and will be paid via grant determination under Section 31 of the Local Government Act 2003.
- 4.9 Bids must be targeted, place based and co-produced with DLUHC advisors and Homes England, guided by a council-led Strategic Gap Analysis. The proposed bid has been designed to meet identified local need and has been co-produced with DLUHC advisors and Homes England.

- 4.10 Capital Bids must be made through the Homes England Investment Management System (IMS). Revenue bids must be submitted via DLUHC Citizen Space, with a basic revenue Funding profile also submitted in IMS.
- 4.11 In addition to the above, the Council may also have the opportunity to purchase an existing social housing property from another Registered Provider and use for accommodation for rough sleepers some of whom may be disabled or have significant health issues. Such a bid may also provide an opportunity to commission an associated support service to meet the needs of this cohort. Whilst the details of this are still to be worked through, recommendation 2.7 of this report asks for a delegation to Strategic Director for Communities and Place and Strategic Director of Peoples Services to submit an additional bid if that opportunity materialises before the grant deadline. The additional bid will be somewhere in the region of £1.3m

Public/stakeholder engagement

- 5.1 The proposed bid has been co-produced with DLUHC and Homes England, and designed by service leads from both Derby Homes and Childrens Services.

Other options

- 6.1 The Council could choose to purchase properties and use the capital grant towards these purchases. The council would need to commit funding from the Housing Revenue Account to achieve this. The council is restricted by law in the types of tenancies it can issue. Such tenancies would need to be introductory tenancies, secure tenancies, or contractual tenancies in discharge of the councils' duties to provide interim accommodation to those owed duties under the Homeless Reduction Act 2018, These options do not optimise the intended pathway for young people which is to provide accommodation and support to young people most at risk of rough sleeping for up to three years to align with the revenue aspect of the grant..
- 6.2 There are other initiatives which would benefit from properties owned by Derby Homes. This includes:
- properties acquired to aid bed & breakfast move on (which would also create general fund savings)
 - larger properties – to house overcrowded families, and the property be exempt from the right to buy.
- 6.3 In financial terms, the investment in properties owned by Derby Homes for these properties, delivers the greatest savings for the Councils General Fund – providing the Council do allocate into the properties to those at most risk of street homelessness.
- 6.4 The advantage of 50% Capital Grant on these acquisitions is not available to fund other initiatives which would benefit from properties owned by Derby Homes.

Financial and value for money issues

- 7.1 The Capital grant will be managed by Derby Homes who will own the properties. Capital payments will be made in three instalments: 45% on acquisition; a further 50% on start on site; and a final 5% on practical completion. For schemes not involving acquisition, payments will be made in two instalments: 95% at start on site and 5% at completion. For schemes involving acquisition of existing properties which are ready for immediate occupation, a single tranche of grant will be paid at the acquisition stage.
- 7.2 The revenue grant will fund 2 full time equivalent (FTE) transitional support workers, and 0.6 FTE Social worker posts for 3 years and administered by children's services Revenue payments will be made quarterly in arrears for the following periods:
- Quarter 1: 1 April – 30 June
 - Quarter 2: 1 July – 30 September
 - Quarter 3: 1 October – 31 December
 - Quarter 4: 1 January – 31 March
- 7.3 No match funding is required from Derby City Council.

Legal implications

- 8.1 The Homeless Reduction Act 2018 requires local authorities to provide interim accommodation to eligible people who are homeless or threatened with Homelessness. The Single Homeless Accommodation Programme (SHAP) bid will provide interim accommodation to vulnerable people that meets their need.

Internal Legal Advice will be sought in relation to the review of the grant agreement and signing of the letter of legal opinion.

Climate implications

- 9.1 A climate Change Impact Assessment has been completed, see diagram below;



- 9.2 Energy- the project scores positively for energy as it is anticipated that the properties purchased will meet at least an EPC C rating.

Socio-Economic implications

- 10.1 The people identified in this target cohort are among the most disadvantaged in the city and the proposed purchase of these properties and support to be provided targets their needs
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Other significant implications

- 11.1 Covered in the report.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Olu Idowu	19.09.23
Finance	Amanda Fletcher	20.09.23
Service Director(s)	Clare Mehrbani	14.09.23
	Suanne Lim	14.09.23
Report sponsor	Rachel North	21.09.23
	Cllr Shiraz Khan	
Other(s)		

Background papers:

List of appendices: None