



MEETING
Date 18th August 2020

ITEM 05

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

Ministry of Housing, Communities and Local Government (MHCLG) Next Steps Accommodation Programme Grant application 2020/21

1. Purpose

- 1.1 As part of the 'Everyone In' initiative, approximately 15,000 people nationally who were sleeping rough, in unsafe communal settings or at imminent risk of rough sleeping have been placed into emergency accommodation during the COVID-19 pandemic. In Derby, 211 individuals have been recorded under the 'Everyone In' initiative. A total of 190 unique individuals have been placed one or more times in our commercial hotel that was commissioned in response to Covid-19 and other emergency provision. Of those 168 have been supported to achieve a positive move-on, enabling the closure of the hotel contract on 19 June 2020.
- 1.2 The Next Steps Accommodation Programme (NSAP), launched on 18th July 2020, makes available financial resources to support local authorities and their partners to prevent these people from returning to the streets and to work to bring in those remaining on the streets.
- 1.3 £161m will be made available in 2020/21 across the country to provide 3,300 homes for rough sleepers in the next 12 months. An addition £105m will be made available to enable local authorities to support people who have been placed in emergency accommodation, or who remain rough sleeping during the coronavirus pandemic.
- 1.4 The application process is through a co-produced bid, between the local authority and MHCLG. Derby Homes, on behalf of Derby City Council, have liaised with MHCLG to co-produce a bid for Derby totalling £1,899,725.
- 1.5 The closure date for applications is 20th August 2020.

2. Recommendations

- 2.1 To approve submission of a Next Stage Accommodation Programme (NSAP) bid to the Ministry of Housing, Communities and Local Government (MHCLG), for revenue funding up to a maximum of £279,725 (20/21) plus £420,000 in the following three years (£140,000 a year) and capital funding up to a maximum of £1.2 million.

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

- To delegate approval of any resultant NSAP grant award to the Strategic Director of Communities & Place and the Director of Financial Services (in consultation with the Cabinet Member for Adults, Health & Housing).
- To approve the transfer of the revenue aspect of the resultant grant award to Derby Homes, in line with the 2014 cabinet delegation of the delivery and management of the housing options and homelessness service to Derby Homes, and Teckal principles.
- Subject to successful award, to add £2,400,000 to the capital programme for 2020/21, with £1.2m grant funding and £1.2m as match funding for the grant application funded from Housing Revenue Account reserves.

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.

2.5 To delegate the acquisition of up to 20 properties to the Strategic Director for Communities and Place in order to meet the timescales required for this project.

3. Reasons

3.1 The submission of a bid will enable the Local Authority to continue to support the 'Everyone In' cohort for the remainder of this financial year.

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 MHCLG under the NSAP programme. At present the tenancy strategy does not support the use of flexible tenancies, although this will be revisited as part of the next review of the tenancy strategy. The use of non-secure tenancies is currently permitted within the existing tenancy strategy.

4. Supporting information

4.1 **CAPITAL FUNDING – ACQUISITION OF 20 1 BEDROOM SELF CONTAINED UNITS OF ACCOMMODATION**

- 4.2 The capital funding proposal seeks to invest £2.4 million of investment for 20 units of accommodation, which will provide much needed single person self-contained accommodation for this cohort. A stipulation in grant award from MHCLG 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 50% contribution from the MHCLG (£1.2m) and a 50% contribution from the Local Authority (£1.2m) funded within the Housing Revenue Account capital programme. Total funding for the acquisition of 20 units, including fees and renovation works is identified in the bid at £2.4m.
- 4.2.1 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.
- 4.2.2 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.
- 4.3 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.
- 4.4 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.
- 4.5 **REVENUE FUNDING LINKED TO CAPITAL FUNDING**
- 4.51 Support will be provided throughout the duration of the tenancy and has been included within this funding application for the last financial quarter of 2020/21, to allow time for the acquisition of the 20 properties. If revenue funding is secured, this will act as a gateway to continued revenue funding for a further four years.
- 4.6 **REVENUE FUNDING**
- 4.61 **HOUSING FIRST PILOT**
- 4.62 A small 'Housing First' pilot presents an opportunity for the local authority to re-purpose 6 self-contained 1-bedroom flats held in the HRA, for this purpose.

4.63 Housing First is a simple concept – rough sleepers are given a home through an unconditional tenancy, with significant wraparound support to help them overcome problems such as addiction or mental health issues, without the need to access temporary accommodation first. The wraparound support is not conditional, but based on choice, with significant support hours needed, particularly early on to gain trust and confidence. This approach has proven to be a huge success in Finland, all but ending street homelessness over the last 30 years. Many areas in the UK have adopted and adapted this model, including London, Manchester and Liverpool, to support the most challenging and entrenched rough sleepers with positive sustainment levels ranging from 70% upwards.

4.64 **SUPPORTED INTERIM ACCOMMODATION**

4.65 Our revenue bid includes an enhanced support package for the use of 4 units of temporary accommodation for this cohort. Traditionally those recovering from rough sleeping or at risk of rough sleeping with higher support needs are not placed in local authority temporary accommodation. Additional revenue, through this bid, will enable 4 units of temporary accommodation to be used for this cohort, through the provision of a funded support service, which will work with individuals to address challenging behaviours and transition into longer term housing pathways.

4.66 **SAFE SPACE COVID SECURE SLEEPING PODS**

4.67 With the current restrictions on shared sleeping at our Safe Space facility, we are struggling to provide emergency accommodation to those unwilling or unable to access existing housing pathways. Whilst we are using bed and breakfast bookings to accommodate those that can access this offer, we know that the support provided throughout the night at the Safe Space is often the difference in a person accessing this provision or not. We have temporarily moved the overnight safe space provision to within our hostel, however this has reduced capacity both within the hostel and in the numbers that the safe space can support. We need to create a Covid secure overnight provision back in the purpose-built safe space, through providing Covid secure sleeping units to reduce the numbers of rough sleepers requiring emergency overnight shelter.

4.68 **HIGH INTENSITY SUPPORTED ACCOMMODATION**

4.69 This element provides revenue support for 6 units of enhanced supported accommodation to rough sleepers and former rough sleepers in emergency accommodation. This project targets individuals whose support needs are currently a barrier to them accessing housing. Accommodation is provided in independent and shared accommodation. All clients receive support plans and the provider is linked in with our wider multi agency partnership ensuring a system wide approach is taken to maintaining their independence.

4.7 **CONTINUED ACCESS TO ACCOMODATION FOR INELIGIBLE CUSTOMERS**

- 4.71 This element provides 9 units of accommodation in the private sector for customers that are ineligible to access public funds due to EU law. Our intention is to make 3 placements in 3 separate 3 bedroomed private rented sector properties available for 6 months and is made available to reduce the risks associated with rough sleeping during the coronavirus pandemic.
- 4.72 Our current cohort of ineligible customers are EEA nationals. Although these individuals have low support needs, we have flexibility to offer support if needed from our RSI funded in-reach team. We will also be bringing in additional support from DWP and our local European Social Fund funded 'Opportunity & Change' programme to support the individuals into work to create lasting solutions for them.
- 4.73 **BED & BREAKFAST PLACEMENTS FOR NON-PRIORITY CUSTOMERS**
- 4.74 This element provides essential ongoing B&B placements for emergency access. This will allow us to respond to engagement opportunities as they arise and in response to changing circumstances. Current placements are funded until 31st August 2020. At present we have 9 individuals placed in bed and breakfast under 'Everyone In' initiative.

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 Ministry of Housing, Communities and Local Government. 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 Next Stage Accommodation Programme 2020-21. 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 that the bid, as presented, provides the best opportunity to continue to manage rough sleeping in Derby during this coronavirus pandemic.

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

Housing, Communities, and Local Government have relaxed some of this year's targets, however the 31 December 2020 target is currently fixed. Failure to meet the target will result in repayment of retained RtB receipts at a rate of 30% plus interest. As the grant is at a rate of 50% this would still be a favourable position for the Council. Furthermore, this risk of repayment will be mitigated by significant additional effort and the lobbying of central government.

- 7.3 We have calculated the revenue bid to be up to £279,725 in 20/21 and capital bid at £1.2 million plus revenue support of £420,000 (£140k per year) in future years related to the capital bid - the current proposals for grant support are below.

Scheme	Cost
Purchase 20 x 1 bed flats (cost £2.4m * 50%) =	£1,200,000
Revenue for support of tenants within the 20 flats purchased	£35,000 (3 months)
4 Supported interim accommodation	£21,000
4 Pods to be located within Safe Space	£40,000
6 Housing First	£63,000
6 Riverside high intensity supported accommodation units	£27,143
9 PRS rooms for ineligible customers	£19,382
B&B provision under "everyone in"	£74,200
TOTAL	1,479,725
Revenue support associated with capital bid beyond 20/21- £140k a year	£420,000
TOTAL	£1,899,725

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	14.08.20
Finance	Mazer Hussain, Group Accountant, Communities and Place	14.08.20
Service Director(s)	Clare Mehrbani, Director of Housing (Derby Homes)	14.08.20
Report sponsor	Rachel North, Strategic Director of Communities and Place	14.08.20
Other(s)		

Background papers:	
List of appendices:-	Appendix 1 - Infographic street homelessness Appendix 2 – Derby NSAP proposal Appendix 3 – Derby NSAP Annex A