

Informal Cabinet Report Front Sheet

Report Title	MHCLG: Next Steps Accommodation Programme Bid Proposal
Strategic Director	
Divisional Director	John Wilkinson
Responsible Officer	Graham Sabourn
Portfolio Holder	Tim Ball

Cross-Portfolio Issue?

Yes

Is this item confidential?

No

Summarise purpose of the report (maximum of 200 words):

On the 18th July the Ministry of Housing, Communities and Local Government (MHCLG) launched their Next Steps Accommodation Programme (NSAP). This scheme gives Local Authorities the chance to bid for up to £266m of funding to provide support and accommodation for rough sleepers. The deadline for proposals is 20th August.

Working with partners Housing Services have developed a £2.6m bid proposal which comprises the following elements:

- 1) Interim support for housed rough sleepers (Revenue bid: £255k);
- 2) Platform for Life (Capital bid: £633k)
- 3) Repurposing of Grosvenor House as tiered supported housing scheme (Capital bid: £1m/Revenue bid: £296k)
- 4) Repurposing of General Needs Accommodation (Capital bid: £6k/Revenue bid: £156k)

The author is informally requesting a steer from cabinet on whether the bid should be submitted.

Summary in bullet points – key issues on which a view is required:

Bid Background

The Next Steps Accommodation Programme (NSAP) grant was launched on 18th July with a deadline for proposals by 20th August. The programme combines two previous Government funding announcements regarding rough sleepers, these being:

- £105m to provide interim support for the 15,000 vulnerable people housed during the pandemic;
- £433m to provide 6,000 new supported homes to ensure rough sleepers continue to be provided with suitable accommodation.

The NSAP includes the full £105m interim support funding and an initial £161m tranche of the supported housing element giving a total grant pot of £266m. The remaining £272m of supported housing grant will be released in a later phase.

It should be noted that the timescales for delivery on NSAP grant does not allow for full procurement processes to be used and an Exemption from Standing Orders will need to be agreed should the bid be successful.

There are no specific provisions around recovery of grant in the unlikely event of a failure to deliver. However, MHCLG have advised that in the case of revenue funding this would impact on future funding bids and that capital is only claimed once spent.

The full bidding document can be viewed here:

<https://www.gov.uk/government/publications/next-steps-accommodation-programme-guidance-and-proposal-templates>

Strategic Background

On Thursday 26th March, in response to the Covid-19 crisis, Dame Louise Casey, leading the government's response on rough sleeping, wrote to every local authority with a directive to get "everyone in" by Sunday 29th March. In total 69 rough sleepers were assisted in B&NES as part of this initiative including those who needed to be decanted from the Manvers Street Hostel and SafeSleep provision due to social distancing rules and those who were helped to return to family or friends under the Reconnection Policy. Of these 69 the Council directly housed 42 in several locations, including Grosvenor Place, [REDACTED] the YHA and two vacant flats.

The Rough Sleeper Exit Strategy, agreed by Recovery Board on 24th June, contained a number of actions including: pivoting our Homeseach policy towards rough sleepers and former rough sleepers; decommissioning the YHA provision; maintaining the other provision to the end of the year; and investigating other longer-term housing option including the feasibility of converting Grosvenor House into a permanent tiered supported housing scheme for former rough sleepers.

The bid proposal is therefore informed by, and supports, the actions agreed in the Rough Sleeper Exit Strategy. It would enable the Council to recover committed revenue funding and provide up to 32 units of supported housing for former rough sleepers, 28 of which would be directly provided by the Council with the management out-sourced to a specialist provider.

Bid Proposals

Working with partners and following conversations with MHCLG we are proposing to submit the following four bid items:

1) Interim support for housed rough sleepers (Revenue bid: £255k)

As part of the Rough Sleeper Exit Strategy the Council agreed to continue to fund the additional costs associated with maintaining the existing cohort of housed rough sleepers in Grosvenor Place, [REDACTED] and the two flats until the end of the calendar year. This includes such items as: specialist advice and support, waste and cleaning, basic maintenance, supply of personal items and security. This element of the bid will seek to recover these committed revenue costs whilst extending the period until the end of the financial year and adding Council management costs. As such this element carries no risk to the Council and simply aims to recover already committed costs.

Financial Details:

<i>Revenue Costs:</i>	<i>£,000</i>
Support Cost	232
Council Management (10%)	23
Total:	255
<i>Funded by:</i>	
MHCLG Bid	255

This will sit under the interim support element of the bid.

2) Platform for Life (Capital bid: £633k)

This is a development of our existing and very successful low-support housing model for young-people currently run in partnership with the YMCA. The model uses the upfront loading of capital costs to deliver a mortgage free property so that the rent, which is set at LHA rates, can be used to support the individuals and maintain the property. As such there are no ongoing revenue implications. The model typically works with up to four people sharing a property. The operating model will be modified to ensure that the Council retains ownership but with the support provided by a suitably experienced partner, such as, Julian House, DHI etc.

The proposals are for two 4bed properties and will require support from the Council via the Affordable Housing programme. This can be accommodated in the current programme. There are no ongoing revenue implications.

Financial Details:

<i>Capital Costs: 2x 4bed units</i>	<i>£,000</i>
Purchase costs	900
Transaction costs	50
Total:	950
<i>Funded by:</i>	
MHCLG Bid (2/3 rd share)	633
Affordable Housing budget (1/3 rd share)	317

This will sit under the supported housing element of the bid.

3) Repurposing of Grosvenor House as tiered supported housing scheme (Capital bid: £1m/Revenue bid: £296k)

The current use of Grosvenor House's 20 self-contained flats has proved very successful. The proposal involves making this a permanent tiered supported housing scheme for former rough sleepers. The scheme would accept former rough sleepers who move-on from the existing direct access homeless shelter run by Julian House. During their stay, which is likely to last 1-2 years, they will be provided with specialist support and assistance to enable them to transition to permanent housing in the private or social sector. The scheme will be tiered with those requiring less support being located on the upper floors which will be accessed through a secure door, thus facilitating the transition to permanent housing. To be clear this would not be a rough sleeper shelter but supported move-on accommodation.

Financial Details

The financial elements of the high-level business case, and which are detailed below, have been informed through a range of supporting evidence, including the use of a cost consultant, bench marking of other similar schemes and financial analysis using Proval, the financial appraisal tool. As such there is a good level of confidence in the figures. However, it should be acknowledged that given the time constraints several assumptions, particularly around the building condition, have been required.

Capital Cost

<i>Capital Costs</i>	<i>£,000</i>
Purchase costs	1,600
Refurbishment costs	1,000
Total:	2,600
<i>Funded by:</i>	
MHCLG Bid	1,000
Scheme financing	1,400
Affordable Housing Grant budget	200

The proposal will require support from the Council via the Affordable Housing programme, and which can be accommodated in the current programme. Whilst there are revenue implications the scheme is self-financing as detailed below.

Revenue Implications

<i>Revenue Costs (annualised)</i>	<i>£,000</i>
Management & support (commissioned) ⁽¹⁾	268
Voids & bad debts (5%) ⁽²⁾	16
Reactive (day to day) repairs & maintenance ⁽²⁾	22
Proactive (lifecycle) repairs & maintenance ⁽²⁾	16
Financing costs ⁽³⁾	70
Total:	392
<i>Funded by:</i>	
Rent (20 units @ £305 p.w.)	318
MHCLG Revenue bid (4 yrs only)	74

Notes:

- 1: Based on information provided by Julian House
- 2: Financial modelling with Proval using sector evidence & commissioned QS advice.
- 3: Revenue available to support the £1.4m element of acquisition

4) Repurposing of General Needs Accommodation (Capital bid: £6k/Revenue bid: £156k)

[REDACTED] in Bath owned and managed by Home Group. At present it is being used as general needs accommodation for people moving on from supported accommodation. Local needs have changed and Home Group propose allocating it as a women and couples project solely for former rough sleepers. If approved, this would be the first and only of this type of provision in Bath & North East Somerset and would address a major barrier in reducing rough sleeping numbers. Estimated duration of stays would be 1-2 years, with support towards independent living being integral. The building does not require any refurbishment and the only capital cost is the installation of CCTV.

Financial Details

Capital Cost

<i>Capital Costs</i>	<i>£,000</i>
CCTV	6
Total:	6
<i>Funded by:</i>	
MHCLG Bid	6

Revenue Implications

<i>Revenue Costs (annualised)</i>	<i>£,000</i>
Support costs (Home Group)	33
Council Management (10%)	3
Total:	36
<i>Funded by:</i>	
MHCLG Bid (4 years only)	39

General Note on Revenue Element of Bid

It should be noted that the MHCLG revenue bid is limited to March 2025 and therefore we need to be clear on how the Grosvenor and [REDACTED] schemes would be funded post-2025.

It should also be noted that the current provision was in response to a public health emergency and at very short notice. The result of this is that the current group of people who were accommodated [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] This will impact on the cost of commissioned support meaning that scheme will be self-financing using rent receipts alone post 2025.

In addition and throughout the term of the grant, officers will continually monitor performance of the prevention pathway and ensure that alternative funding opportunities are identified and explored.

MANDATORY SECTION – must be completed

Please give details of any issues concerning the following:

Community Engagement

At this stage there has been no community engagement. However, the local ward Councillor has been advised, and is supportive, of the proposal to use Grosvenor Place

Climate Change

At this stage it is unclear what energy efficiency improvements can be made to Grosvenor Place. However, the refurbishments costs include a comprehensive sum for such items.

Equality Issues

The delivery of supported housing has a positive impact on equality. It provides housing for those residents who are unable to compete on the open-market and may otherwise be forced to sleep rough on the streets. Just as importantly it also provides support and assistance to equip these residents with the skills, training and resilience to transition to permanent housing, either in the private or social sector.