

Report To: Cabinet

Date of Meeting: Monday, 5 October 2020

Report Title: Next Steps Accommodation Programme

Report By: Andrew Palmer, Assistant Director Housing and Built Environment

Key Decision: Y

Classification: Open

Purpose of Report

To approve the mobilisation of the Next Steps Accommodation Programme and enhanced support services for rough sleepers, subject to the results of the current bid submitted to the Ministry for Housing Communities and Local Government (MHCLG) on 20 August 2020.

Recommendation(s)

Subject to the results of the bid:

- 1. Cabinet approves the activation of Hastings Borough Council's Registered Provider and Homes England Investment Partner status**
- 2. Cabinet grant an exemption to the council's financial operating rules under paragraph 21c of the Financial Operating Procedures, to vary our existing contract for the Rapid Rehousing Pathway service to provide additional staffing cover and landlord incentives**
- 3. Cabinet grant an exemption to the council's financial operating rules under paragraph 21c of the Financial Operating Procedures, to vary our existing contract for the Rough Sleeping Initiative Assessment Unit to provide additional staffing cover**
- 4. Cabinet grant an exemption to the council's financial operating rules under paragraph 21c of the Financial Operating Procedures to vary our existing grant funding agreements with Change, Grow Live (CGL) and Sussex Partnership NHS Foundation Trust (SPFT) to provide enhanced substance dependency and mental health support for former rough sleepers**
- 5. Cabinet grant an exemption to the council's financial operating rules under paragraph 21c of the Financial Operating Procedures, to commission additional day centre provision for rough sleepers, as part of the Clinical Commissioning Group's health inequalities programme**
- 6. Cabinet recommend to Full Council that the capital programme is amended to provide match funding of £742,000 for new Housing First units, including £442,000 reassigned from the second phase of investment in emergency accommodation**

Reasons for Recommendations

- 1. The council has submitted a bid to the MHCLG's Next Steps Accommodation Programme on**

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behalf of East Sussex Partners to help enhance services locally for rough sleepers.

Introduction

1. Following the “Everyone In” instruction issued at the start of lockdown, the council made additional discretionary temporary accommodation placements for former rough sleepers. There are currently 62 former rough sleepers living in emergency accommodation in Hastings. Across East Sussex, there are 141 former rough sleepers living in emergency accommodation.
2. Outreach services continued throughout lockdown and the number of verified rough sleepers remained low. Since lockdown measures have begun to be eased, there has been an increase in the number of people found rough sleeping. The average number of people verified on outreach counts in Hastings in September is 15. It is estimated there are currently 33 people continuing to rough sleep across East Sussex.
3. The cost of the discretionary placements we have made was originally met through our Rough Sleeping Initiative grant, however, this allocation has now been fully spent. The other interventions funded by the grant have been fully mobilised, so we are not able to re-profile funds from elsewhere in the project to cover these costs. We are currently projecting a budget shortfall of £643,00 at year-end to continue temporary accommodation placements for former rough sleepers.
4. Please note the projected budget shortfall relates to rough sleeper placements only and does not include additional costs associated with statutory homeless households accommodated over the same period.
5. The government has stated a priority to minimise the number of people returning to the streets after lockdown. In July, Hastings Borough Council’s Cabinet approved the continuation of discretionary emergency accommodation placements for rough sleepers.

Next Steps Accommodation Programme

6. The government has announced additional capital and revenue funding to continue our work with rough sleepers in its Next Steps Accommodation Programme.

£105 million revenue funding

- Continuation of emergency accommodation placements
- Private sector leasing schemes
- Landlord incentives to improve access to the private rented sector
- Winter weather provision, including SWEP services

£131 million capital funding, plus £30 million revenue funding

- Phase 1 of a four-year programme
- Phase 1 is to deliver 3,300 units of additional accommodation for former rough sleepers

- This can include acquisition and development of new accommodation, as well as re-purposing of existing stock
 - During phase 1, priority will be given to schemes which can be brought into use quickly
7. The additional resources the council secures through the grant will not be enough to fully offset the additional costs we are incurring. It was therefore important to focus our approach on those with the highest support needs, who will struggle the most to move on from emergency accommodation.

Our approach in East Sussex

8. Hastings Borough Council has led work with all district and borough councils in East Sussex to develop a consortium bid building upon our highly regarded approach to tackling rough sleeping. We utilised existing partnership structures including East Sussex Housing Officers Groups, East Sussex Homelessness Cell and the Recovery Sub-Group to engage partners from across health, social care, mental health and substance dependency services in the development of our proposals.

Capital Bid (with Revenue Support)

9. Our priority for the capital bid is to improve services for individuals with multiple and complex needs. We are intending to invest any capital grant awarded in providing new self-contained Housing First units. We are currently wholly reliant on existing social housing stock to provide these units to the Rough Sleeping Initiative (RSI), which often leads to long waiting times before people can leave emergency accommodation.
10. We are proposing to create 30 new Housing First units across East Sussex, with 10 of these located in Hastings.
11. The total capital investment across East Sussex would be £5,503,000, and the local authorities would need to provide match funding of £2,201,200. Capital grant funding would be allocated to each local authority directly if the bid is successful
12. In Hastings, the total capital investment would be £1,855,000. This is made up of £1,113,000 worth of grant funding and £742,000 match funding from the council. The cost of borrowing this amount based on the current interest rate from the Public Works Loans Board (PWLb) would be £31,208. The council has at present unallocated funding of £442,000 from the second phase of investment in emergency accommodation and it is proposed that this is used to partly match fund the Next Steps Accommodation Programme.
13. As a condition of grant the council would be required to let the units at social rents levels, which are currently £82.31 per week. Income from the rents would be used to cover borrowing costs and fund the future maintenance of the properties.
14. Investing in Housing First units will also help to reduce cost pressures on our use of emergency accommodation, by increasing the supply of move on accommodation. The average cost of placements for former rough sleepers is currently £221 per week. Individuals with high level support needs typically spend the longest time living in emergency accommodation.
15. The council would also be required to seek Registered Provider status and become a Homes England investment partner. This is because funding can only be paid to

Registered Providers. All local authorities are pre-approved Registered Providers and we will need to activate this with Homes England. We will not be required to open a housing revenue account, as the councils owns fewer than 250 units.

16. Units acquired for the purposes intended would not be subject to the Right to Buy as they would be acquired for specialist supported housing purposes and therefore be exempt from the legislation.
17. Support will be provided by existing support services commissioned through the Rough Sleeping Initiative in 2020/21. Beyond that, additional revenue funding of £645,000 has been secured to provide ongoing support to the 30 Housing First units across East Sussex between 2021/22 and 2023/24. The council would seek to commission a service via East Sussex Procurement Hub to begin when the existing contracts come to an end.
18. Any funding we secure will not be enough to fully meet our needs locally. A second phase of the capital grant is due to be announced in April 2021 and we will be working with partners to begin developing proposals for a further bid. This is likely to include the creation of further Housing First units and investment in additional supported accommodation.

Revenue Only Bid

19. Any revenue funding secured through this bid will be used to offset the cost of interim temporary accommodation. However, it should be noted that our funding award, even if successful, will only partially offset our projected additional costs.
20. MHCLG has indicated that night shelters are unlikely to be able to open this year, due to the increased risk of spreading coronavirus. We are proposing to lease additional units of emergency accommodation, to ensure we have capacity to continue to provide emergency accommodation. MHCLG have confirmed that no further winter weather funding will be available this year. We are working with community and health sector partners to ensure former rough sleepers living in emergency accommodation have access to services.
21. Key to our plans is supporting people to move on from emergency accommodation to a longer-term housing solution as soon as possible. In most cases, this will be privately rented accommodation. The Rapid Rehousing Pathway has supported 44 people to move on to a long-term housing solution since April. The project continues to support people after they have moved, to minimise the risk of them returning to rough sleeping in the future. We have bid for additional funding to increase the project by a further 2 workers until the end of March. We will also increase the landlord's incentives budget by £20,000. Due to the short timescales to deliver the project, we will mobilise this service by varying our contract for the existing service, if this element of the bid is successful.
22. MHCLG has confirmed that East Sussex has been allocated £964,300 worth of revenue funding, against our original bid of £1,335,000 for short term measures to minimise the number of people returning to the streets after lockdown. MHCLG had previously advised that the fund was very over subscribed nationally, so it is not unexpected that the final award is less than we bid for. We are awaiting further information from MHCLG as to which specific interventions they will be funding.

Financial Implications

23. The cost of continuing to provide emergency accommodation for former rough sleepers accommodated under the Everyone In instruction is £643,000. In the past, the council has

also received grant funding to support its winter weather provision (£30,000 in 2019/20), which will not be available this year. These costs will be partially offset by revenue funding from the Next Steps Accommodation Programme.

24. Increasing the supply of affordable accommodation, such as Housing First units, for individuals with multiple and complex needs is key to reducing our reliance on emergency accommodation. If our bid is successful, the council will be required to provide match funding of £742,000 to provide 10 new units of Housing First accommodation. This will incur additional borrowing costs of £31,208. The ongoing maintenance of the properties is currently estimated at £22,000 per annum. These costs will be offset by rental income of £42,801 per annum, leaving a shortfall of £10,407 which will need to be met by the council. However, based on the average cost of current placements, the cost of providing temporary accommodation for 10 individuals would be £114,000 per annum.

Additional Funding and Support

25. We have been working with colleagues from Public Health to re-purpose funding to enhance mental health and substance dependency support for rough sleepers. These services will be delivered through varying the existing services commissioned through the Rough Sleeping Initiative. The funds will also provide additional support services at the Rough Sleeping Initiative Assessment Centre.
26. The Clinical Commissioning Group has identified funding from their programme to reduce health inequalities to support services for rough sleepers. We are working with the Seaview Project and other partners to develop proposals to enhance day centre provision over the winter period for rough sleepers.

Timetable of Next Steps

27. Please include a list of key actions and the scheduled dates for these:

Action	Key milestone	Due date (provisional)	Responsible
Mobilise capital investment	30 Housing First units created across East Sussex	31 March 2021	Strategic Housing and Projects Manager
Mobilise enhanced support services	Contracts varied with existing providers	1 November 2021	Strategic Housing and Projects Manager

Wards Affected

(All Wards);

Policy Implications

Reading Ease Score: 35.1

Have you used relevant project tools?: Y

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	N
Crime and Fear of Crime (Section 17)	N
Risk Management	N
Environmental Issues & Climate Change	N
Economic/Financial Implications	Y
Human Rights Act	Y
Organisational Consequences	Y
Local People's Views	N
Anti-Poverty	Y
Legal	Y

Additional Information

Insert a list of appendices and/or additional documents. Report writers are encouraged to use links to existing information, rather than appending large documents.

Officer to Contact

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