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Dear Councillor

**POLICY & FINANCE COMMITTEE - THURSDAY, 26TH NOVEMBER, 2020**

I now enclose, for consideration the following reports that were unavailable when the agenda was published.

**Agenda No    Item**

- a)    Urgency Item - Next Steps Accommodation Programme (Pages 2 - 6)

**REPORT RELEASED INTO PUBLIC DOMAIN BY  
POLICY & FINANCE COMMITTEE – 31.03.22**

**URGENCY ITEMS - MINUTE OF DECISION (EXEMPT)**

Delegation arrangements for dealing with matters of urgency

Paragraph 7.2.1 of the Council's Constitution provides that Chief Officers may take urgent decisions if they are of the opinion that circumstances exist which make it necessary for action to be taken by the Council prior to the time when such action could be approved through normal Council Procedures. They shall, where practicable, first consult with the Leader and Chairman (or in their absence the Vice-Chairman) and the Opposition Spokesperson of the appropriate committee.

**Subject:**

Next Steps Accommodation Programme

**Appropriate Committee**

Homes & Communities Committee  
Policy & Finance Committee

**Details of Item** (including reason(s) for use of urgency procedure):

**Background Information**

The Ministry of Housing, Communities & Local Government launched the Next Steps Accommodation Programme on the 18 July, 2020. The £266M fund is open for applications from local authorities, with support from local partners, to enable local areas to continue to provide somewhere safe to stay for people experiencing homelessness and engage with the next stage of the Government's COVID-19 Rough Sleeping Response to end rough sleeping for good.

There are two different aspects to the Fund. One aspect is for short term/interim accommodation and the other is for long-term move on accommodation.

**Short Term/interim Accommodation**

This £105M Fund is to be used for immediate support for local authorities and can cover a range of interventions from moves into the private rented sector, to extending or procuring interim accommodation such as hotels or student accommodation and supporting individuals to reconnect with friends or family. The £105M is revenue only and must to be utilised/spent by March 21.

**Longer Term Move-on Accommodation**

This £161M Fund for 20/21 (is part of an overall £433m available for the life of this parliament) is to deliver 3,300 units of accommodation and is split in £130M capital funding and £31M revenue funding.

Different considerations will apply to the assessment of each aspect of the fund and the deadline for submission was Thursday, 20 August 2020.

The prospectus and recommended proposals were considered by SLT on 28 July 2020 and on 11 August 2020 and approval was given to proceed and submit a bid for both elements of the programme.

On the 17 September 2020, the Council was advised it been successful in securing an initial £22,846 from the £105M short-term revenue fund to deliver its winter provision for rough sleepers.

Formal announcements are still to be made regarding the £161M longer term/move-on accommodation capital fund and the remainder revenue fund.

Officers have worked collaboratively with MHCLG advisors and the Affordable Housing Growth Manager at Homes England on the bid and a phone call was received from an MHCLG Advisors on Monday 28 September 2020 setting out a proposal that requires a response by lunchtime **Wednesday 30th September** – hence the need for this urgency item.

### **Bid Summary and Proposal**

The Councils bid submission requested 80% of the capital costs to purchase the six former alms-houses’ adjacent to the retail park on Northgate, Newark and 100% revenue to deliver our vision for addressing rough sleeping and supporting those at risk of rough sleeping, as ‘First Steps’ accommodation.

However, MHCLG advisors have advised that a 55% capital contribution is looking more favourable. This would require a capital contribution from the Council of approximately £316,800 – please see table below.

<b><i>Costs for ‘First Steps’ Accommodation at Northgate, Newark</i></b>	
<b><i>Capital Dwelling Costs</i></b>	
6 Alms-houses	670,000
Additional works to properties (to reach appropriate EPC standards)	34,000
<b><i>Final Costs</i></b>	
Total Cost for 6 dwellings	<b>£704,000</b>
<b><i>Proposed Grant Details</i></b>	
MCHLG Contribution at 55% of total costs	<b>£387,200</b>
<i>Requires a 45% funding contribution from the Council/match funding</i>	<b>£316,800</b>
<b><i>Revenue Costs</i></b>	
Specialist Rough Sleeper Support Worker Post	£8,700 (2020/21) £35,000 pa for 3 years
<b><i>Proposed Grant Details</i></b>	
*MHCLG Contribution	£28,080 per year
MHCLG Contribution of the 3 year 8 week	£4,320 (2020/21)

period covered by the bid	8wks) £28,080 (2021/22) £28,080 (2022/23) £28,080 (2023/24)
<b>Total Revenue Contribution for lifetime of the bid</b>	<b>£88,560</b>

\* In the original bid we requested a FTE support worker to cover the six units of accommodation. In discussions with MHCLG they have advised that their calculations are based on a 0.8 FTE as a full time worker would be expected to cover 8-10 units and therefore their contribution is based on the 0.8.

MHCLG advisors have said that the funding programme is very oversubscribed and authorities in the accepted category have submitted bids of a 30% - 50% share. In Nottinghamshire, the majority of the authorities are likely to receive between 40% and 50% as a maximum and many have indicated already that they will accept this offer. We have managed to negotiate a slightly higher contribution for Newark and Sherwood at 55%.

In relation to the support worker provision it is anticipated that we will work with our Nott's District/Borough colleagues to commission a specialist service provider as part of a wider cross-county programme, which will feed into the collaborative Rough Sleeper Initiative.

The draft proposals for the delivery of the Councils Homelessness Prevention and Rough Sleeper Strategy for the next 3-year period suggest an expenditure of around £289,500 (requires SLT / Member approval) but it would be sensible to retain some funds in reserves given the anticipated future demand on the service.

#### Demand Data Included in the Bid Submission:

The winter night shelter assisted 42 individuals in 2019/20, the majority of which had high and complex support needs such as substance misuse, mental health and/or an offending history and poor previous tenancy history. It was also identified that many of these individuals were not using health care facilities to address new and/or ongoing needs and conditions.

As identified above, many of these individuals were vulnerably housed (sleeping on sofas, living in sheds/garages), but were not known to street outreach teams or the Housing Options Service but all were occasional rough sleepers just not in visible/high traffic areas such as shop doorways.

Based on our average usage of the winter shelter 2019/20, in addition to the numbers picked up under Covid response "Everyone In" and the weekly delta return it is anticipated that any winter provision in Newark and Sherwood for 2020/21 would need to accommodate an average of 13 households per night.

We have submitted the following figures to MHCLG following our annual Rough Sleeper Counts 2020 – 6 rough sleepers, 2019 – 2 rough sleepers with reduction attributable to successful collaborative work and winter night shelter, 2018 – 5 rough sleepers, 2017 – 4 rough sleepers, 2016 – 5 rough sleepers).

## **Financial Implications (FIN20-21/4647)**

A capital budget is required of £704,000 to purchase the 6 x dwellings, financed by the proposed MHCLG grant of £387,200 and a contribution of £316,800 from the Homelessness Reserve.

There will also be a revenue cost for the period 2020/21 to 2023/24 of £113,700 with £88,560 grant from the MHCLG and a contribution of £20,760 from the Homelessness Reserve.

The Homelessness Reserve balance is currently £739,930, and the above total requirement of £337,560 will reduce the balance to £402,370 by the end of financial year 2023/24.

Should the MHCLG grant not be awarded, the purchase should be reconsidered and reported back to Policy and Finance Committee.

## **Risks**

1. Inability to secure/negotiate a purchase (NB: We have asked our advisors if we could look for alternative provision or return the grant)
2. Revenue and Capital expenditure review/Exit Strategy would be required at the end of Year 3 – a consideration may be an asset transfer from General Fund to the Housing Revenue Account.

## **Deadline**

The Advisors have given a very tight deadline for a response to their proposal i.e. by no later than **lunchtime Wednesday 30<sup>th</sup> September** as they will be making final decisions by the end of the week for all authorities not just Newark and Sherwood.

Failure to respond within the timeline will be taken as a refusal of their proposal and the grant funding will be allocated to other authorities.

SLT considered a further report and gave their approval to proceed yesterday evening (29 September 20) subject to Member consultation and approval via the urgency item process.

## **Decision**

- a) **The Council accept the indicative proposed offer of £387,200 capital and £88,560 revenue funding from the Next Steps Accommodation Programme, which is a good comparable grant rate to unlock and commit to match fund the remainder of the scheme from the homeless reserve;**
- b) **Should the MHCLG grant of £387,000 be awarded, £704,000 be added to the Capital Programme with a contribution of £316,800 from the Homelessness Reserve;**
- c) **Should the MHCLG grant not be awarded, further consideration be made and brought back to Committee; and**
- d) **That the Director – Housing, Health and Wellbeing be granted delegated approval to purchase the properties.**

Reason for Decision

To meet increased need and deliver the Council's vision for addressing rough sleeping and supporting those at risk of rough sleeping in 'First Steps' accommodation as set out in the Council's Homelessness Prevention and Rough Sleeper Strategy and Community Plan.

**Members Consulted:**

Councillor D Lloyd Leader of the Council (30.09.20)

Councillor P Peacock Opposition Spokesperson of Policy & Finance Committee (30.09.20)

Councillor T Wendels Chairman of Homes & Communities Committee (04.10.20)

Councillor Mrs K Arnold Opposition Spokesperson of Homes & Communities Committee (30.09.20)

All Members consulted on 28 October, urgency item emailed and follow up telephone call or voice mail message left.



Signed

Date 28 October 2020