

# Policy Committee

30 October 2023



**Reading**  
Borough Council  
*Working better with you*

<b>Title</b>	Single Homelessness Accommodation Programme (SHAP)
<b>Purpose of the report</b>	To make a key decision
<b>Report status</b>	Public report
<b>Report author</b>	Selina Ma, Acting Rough Sleeping Initiatives Team Manager (Contracts and Commissioning)
<b>Lead Councillor</b>	Cllr Ellie Emberson, Lead Councillor for Housing
<b>Corporate priority</b>	Thriving Communities
<b>Recommendations</b>	<ol style="list-style-type: none"><li>1. That Policy Committee authorises the application to DLUHC for Single Homeless Accommodation Programme (SHAP) funding in the maximum sum of £647,789. The grant will cover both revenue and capital expenditure to (a) purchase six additional units and (b) acquire one additional Housing First support worker.</li><li>2. That, subject to the successful outcome of the application outlined in point 2 above, the Assistant Director of Housing and Communities, in consultation with the Lead Councillor for Housing, be authorised to enter into a grant agreement with DLUHC for it provide SHAP funding of a maximum sum of £647,789.</li><li>3. That Policy Committee approve the budget of £705,900 to match fund the capital element of the grant, funded through a combination of S106 contributions and Housing Revenue Account borrowing.</li><li>4. That Policy Committee approve the total capital spend of £1,185,900 to purchase six homes as set out in the body of the report.</li><li>5. The Assistant Director of Housing and Communities be delegated to purchase the relevant properties.</li></ol>

## 1. Executive Summary

1.1 This report seeks authority to bid for capital funds to the value of £480,000 and revenue funds to the value of £167,789 from the Department for Levelling Up, Housing and Communities (DLUHC) Single Homelessness Accommodation Programme (SHAP) to purchase and provide support to six additional Housing First units from 1<sup>st</sup> April 2024 to relieve and prevent rough sleeping in Reading.

1.2 The maximum grant funding ask is £647,789 comprised of both revenue and capital funding. The table below shows the proposed grant funding split between revenue and capital:

	2024/25	2025/26	2026/27
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<b>Revenue</b>	£56,600	£54,185	£57,003
<b>Capital</b>	£480,000		
<b>Total</b>			£647,789

- 1.3 The SHAP capital programme assumes the acquisition of 6 one-bedroom properties at a total estimated cost of £1,185,900. The programme is funded with £480,000 of DLUHC grant and £705,900 of match funding (S106 £44,000 and HRA borrowing £661,900).

## 2. Policy Context

- 2.1. In 2018, the Government published their national Rough Sleeping Strategy and Action Plan aiming to halve rough sleeping by 2022 and eliminate it by 2027. In 2019, Reading's Rough Sleeping Strategy 2019 – 2024 was published to support this aim with key priorities being (1) Early intervention and prevention; (2) Recovery and community intervention; (3) Rapid intervention; (4) United support and enforcement action in Reading and (5) Provision of information and alternative ways for the public to give/support to those on the streets.
- 2.2. In April 2022, the Council was awarded DLUHC grant funding through the Rough Sleeping Initiative (RSI) 2022-25 to fund Housing First and tailored off the streets support. The contracts were awarded, following an open tender exercise, to St. Mungo's for 30 months from 1<sup>st</sup> October 2022 to March 2025.
- 2.3. In September 2022, the Government published their new cross-government strategy 'Ending rough sleeping for good', setting out how they are investing £2 billion over the next three years to tackle homelessness and rough sleeping. The Single Homelessness Accommodation Programme (SHAP) was announced as part of this strategy, with the aim to increase the supply of good quality, specialist accommodation and housing-led approaches.
- 2.4. Reading has limited existing Housing First provision, currently sourced through a combination of its own stock and registered providers accommodation. The funding under SHAP would allow Reading to increase its provision of longer-term accommodation meeting the needs of vulnerable residents to support in recovery and integration into the wider community. The expansion of Housing First provision will consequently improve throughput in existing supported accommodation widening the reach of these services to other individuals that require an off the streets offer. Expanding Housing First fits with Reading's approach under RSI 2022-25, moving from outreach towards in reach support once people are accommodated, helping them to sustain their accommodation long term.

## 3. The Proposal

- 3.1. It is proposed that, subject to grant funds being allocated and awarded by DLUHC to Reading under SHAP, RBC purchase and provide support to six additional Housing First units from 1<sup>st</sup> April 2024.
- 3.2. The revenue funding would provide for one additional FTE Housing First support worker over three years, from April 2024 to March 2027. The additional role would complement the existing Rough Sleeping Initiative (RSI) grant funded contract delivering Housing First.
- 3.3. There is an 'evergreen' grant funding condition which requires that properties purchased under the SHAP scheme will need to be made available to the single homeless cohort in perpetuity.

### Other Options Considered

- 3.4. To not submit a bid for grant funding from the Single Homeless Accommodation Programme to purchase and provide support to an additional six Housing First units.

#### **4. Contribution to Strategic Aims**

- 4.1. The report's recommendations contribute to the Council's Corporate Plan theme of Thriving Communities by:
- Tackling inequality in our society, to ensure everyone has an equal chance to thrive whatever their economic, social, cultural, ethnic or religious background
  - Building relationships and strengthening the capacity and resilience of the voluntary and community sector
  - Prioritising the needs of the most marginalised groups and the most vulnerable adults in our communities
- 4.2. Tackling the effects of the pandemic, such as increased unemployment, long term health problems, mental health issues and social isolation where rough sleeping/risk of rough sleeping is the ultimate symptom of these effects.

#### **5. Environmental and Climate Implications**

- 5.1. The Climate Impact Assessment tool indicated there will be net nil impact as a result of this proposal. This impact is expected due to all six properties to be refurbished in line with the Council's existing stock and therefore is likely to result in improved thermal efficiency.

#### **6. Community Engagement**

- 6.1. The funding application to SHAP is being co-produced with DLUHC, as informed by significant on the street intelligence and ongoing needs analysis of those sleeping rough/at risk of sleeping rough.
- 6.2. In February 2022 RBC undertook a self-assessment to assess strengths and gaps, specific cohort needs and how Reading plans to shape services and outcomes for rough sleeping groups over the next three years.
- 6.3. To inform this self-assessment and support compilation of priorities, Homeless Link provided an independently facilitated workshop with commissioned, statutory services including Public Health, VCS and faith sector partners. All of Reading's Homelessness Partnership (HoP) partners were invited to give their views. This was followed up by an on-line survey which asked sector partners to prioritise the themes they had identified in the workshop. Findings confirmed that specialist, 24/7 staffed projects for women, complex couples and those experiencing mental ill-health are a priority for Reading.

#### **7. Equality Implications**

- 7.1. Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to—
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 7.2. An Equality Impact Assessment (EqIA) is not relevant to this decision and it has been determined that the decision will not/could not have a differential impact on people with a protected characteristic.

#### **8. Legal Implications**

- 8.1. Section 120(1)(2) of the Local Government Act 1972 (LGA) and section 2(1)(2)(4)(a)(4)(c) and (5) of the Local Government Act 2000 give the Council the power to acquire land. Under section 120(1)(2), the Council may by agreement acquire any

land, whether situated inside or outside its area, for any purpose for which it is authorised by the LGA or any other enactment to acquire land. This power is exercisable even if the land is not immediately required for that purpose. Until it is needed for the purpose for which it was acquired, any land acquired under this subsection may be used for the purpose of any of the Council's functions.

- 8.2. The Council will need to enter into the DLUHC's grant agreement and comply with the conditions for the grant. Section 9 of the Housing Act 1985 gives councils the power to provide housing accommodation by erecting or acquiring houses. This could include erecting or acquiring houses to be used for temporary accommodation. Any such temporary accommodation erected or acquired using the Section 9 power would need to be accounted for within the HRA by virtue of Section 74(1) of the Local Government Housing Act 1989, unless the accommodation is leased to the Council for a period of 10 years or less, in which case it would need to be accounted for within the General Fund.

## **9. Financial Implications**

- 9.1. The grant funding request is for £647,789, comprised of both revenue and capital funding.
- 9.2. The SHAP business case assumes the acquisition of 6 one-bedroom properties at a total estimated cost of £1,185,900. The programme is funded with £480,000 of DLUHC grant and £705,900 of match funding (S106 and HRA borrowing).
- 9.3. The properties will be ready for letting, once any refurbishment works have been carried out (£20,000 refurbishment costs per property assumed in the business case), resulting in an immediate revenue stream.
- 9.4. The financial viability of each acquisition will be assessed before an offer is made and properties will only be considered once an assessment of their condition has been carried out by the Housing Surveying Team.
- 9.5. The financial viability of the proposed 6 acquisitions has been evaluated against the approved 30-year HRA business plan. The financial viability has returned a positive Net Present Value (NPV) and enhances the overall position within the 30-year HRA business plan.
- 9.6. Grant funding would be awarded under s.31 of the Local Government Act 2003 meaning that spend will be restricted to the activities laid out in the bid application. The grant received would be ringfenced to meet these activities. Should there be delays in the recruitment of the additional Housing First support worker or purchase of the units or underspend that requires grant carry-over into the next financial year, written permission would be requested by RBC from DLUHC. If this permission was not granted, and their decision was not to allow the repurposing or carry-over of funds that resulted in a surplus, clawback provision may be enacted by DLUHC.

## **10. Timetable for Implementation**

- 10.1. The deadline for the bid submission is 10<sup>th</sup> November 2023. It is expected that DLUHC will confirm successful awards by 15<sup>th</sup> December 2023.
- 10.2. The deadline for capital delivery under the scheme is March 2025. It is intended that the new Housing First role will be recruited to and in post by 1<sup>st</sup> April 2024.

## **11. Background Papers**

- 11.1. There are none.

## FINANCIAL IMPLICATIONS

The financial implications arising from the proposals set out in this report are set out below:-

### 1. Revenue Implications

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Employee costs (see note1)				
Other running costs				
Capital financings costs				
<b>Expenditure</b>		£56.6	£54.185	£57.003
Income from:				
Fees and charges (see note2)				
Grant funding (specify)				
Other income				
<b>Total Income</b>		£56.6	£54.185	£57.003
Net Cost(+)/saving (-)		Nil	Nil	Nil

The net cost of the proposal can be funded from (specify service and approved cost centre budget).

**Note 1:** Specifying any one off early retirement and redundancy costs. With regard to early retirement costs set out capitalised pension cost and pay back period in a separate paragraph.

**Note 2:** In a separate table/appendix set out detailed fees and charges proposals and sensitivity analysis.

### 2. Capital Implications

Capital Programme reference from budget book: page line	2023/24 £000	2024/25 £000	2025/26 £000
Proposed Capital Expenditure		£1,185,900	
Funded by			
DLUHC grant		£480,000	
Section 106		£44,000	
Other services			
Capital Receipts/Borrowing		£661,900	
<b>Total Funding</b>		£1,185,900	

**Note:** where more than one option /proposal is being made it may be easier to set out the above information in an Appendix.

### 3. Value for Money (VFM)

Staff costings for grant applications have been benchmarked against existing provision and known market salaries, provider on-costs, overheads and inflationary salary increases to ensure VFM.