

# Decision Pathway – Report



**PURPOSE:** Key decision

**MEETING:** Cabinet

**DATE:** 05 April 2022

<b>TITLE</b>	<b>Rough Sleeping Accommodation Programme (RSAP) Grant Funding</b>		
<b>Ward(s)</b>	City wide		
<b>Author:</b> Paul Sylvester	<b>Job title:</b> Head of Housing Options		
<b>Cabinet lead:</b> Cllr Tom Renhard, Cabinet Member Housing Delivery and Homes	<b>Executive Director lead:</b> Stephen Peacock, Executive Director Growth and Regeneration		
<b>Proposal origin:</b> BCC Staff			
<b>Decision maker:</b> Cabinet Member			
<b>Decision forum:</b> Cabinet			
<b>Purpose of Report:</b>			
<ol style="list-style-type: none"> <li>1. To seek approval to submit a bid to Round 5 of the Rough Sleeping Accommodation Program (RSAP) which includes £400,000 match funding from the Housing Revenue Account (HRA).</li> <li>2. To seek Cabinet approval to authorise the Executive Director of Growth and Regeneration to approve the grant award and accept and spend in consultation with the cabinet member for Housing Delivery and Homes.</li> <li>3. To seek Cabinet approval to authorise the Executive Director of Growth and Regeneration to spend £400,000 match funding from the HRA.</li> </ol>			
<b>Evidence Base:</b>			
<b>1. Background</b>			
<p>The number of people sleeping rough in Bristol has increased markedly since 2013, coinciding with government reductions to local authority funding and freezing of Local Housing Allowance rates. The number of people rough sleeping peaked in July 2019 with 130 people identified on a single monthly count.</p> <p>1,600 people were accommodated between March 2020 and May 2021 as part of the Everyone In initiative which supported homeless people to access self-contained accommodation during the height of the Covid-19 pandemic. This led to a reduction in rough sleeping, with 50 individuals identified as sleeping rough in the annual count in November 2020. However, homelessness has increased since the end of Everyone In, with 68 individuals identified as sleeping rough in the November 2021 annual snapshot count including a number of long-term rough sleepers.</p> <p>Addressing homelessness is a key priority in the Corporate Strategy, and BCC has undertaken a number of initiatives to prevent and relieve homelessness and support the long-term recovery of those who have experience rough sleeping. Recent initiatives include Winter Pressures and Protect and Vaccinate, and BCC recently submitted a bid for three year's funding through the Rough Sleeping Initiative.</p> <p>To support the success of these initiatives it is crucial that we continue to increase the supply of suitable move-on homes for people who have experienced homelessness to promote throughput from support accommodation pathways and to reduce expenditure on temporary accommodation. The Rough Sleeping Accommodation Programme provides funding towards this goal.</p>			
<b>2. Rough Sleeping Accommodation Programme (RSAP)</b>			
What is now called the Department for Levelling Up, Homes and Communities (DLUHC) launched the Next Steps			

Accommodation Programme (NSAP), subsequently renamed the Rough Sleeping Accommodation Programme (RSAP), to support rough sleepers into long term accommodation. The programme offers:

- Capital grant funding to secure 1 bed units to use as move-on homes for people who have experienced homelessness.
- Revenue grant funding to provide ongoing support to tenants to manage their tenancies and achieve a sustainable reduction in rough sleeping.

Supported move-on accommodation is aimed at individuals who are experiencing homelessness or seeking to move on from supported housing or temporary accommodation. Individuals receive support to build the confidence and skills to move into fully independent accommodation. The service aims to move people on into fully independent accommodation within 2 years.

BCC submitted bids to three previous rounds of NSAP/RSAP. So far, BCC has successfully secured £8,074,465 capital funding and £1,318,415 revenue funding to deliver 129 units of supported move-on accommodation, 42 of which have been delivered to date. The remaining units are on track to be available to let by the end of December 2022. Support services operated by BCC and St Mungo’s have been created and 35 of the available properties are let to individuals with a history of homelessness.

Each supported move-on unit counts as affordable housing towards BCC’s Project 1000, which aims to deliver 1000 affordable homes a year by 2024.

### 3. RSAP Round 5

To date, DLUHC and Homes England have allocated over £350 million in funding to Local Authorities and Registered Providers to provide over 5,700 homes across England. The majority of the remaining capital funding is available in 2022/23, with a small amount available in 2023/24. Revenue funding for support services is available in financial years 2022/23 and 2023/24. Revenue funding will additionally be available in 2024/25, subject to additional review process which has not yet been announced.

For capital funding, schemes need to start of site by 31<sup>st</sup> March 2023 and be completed by 31st March 2024. Schemes that are deliverable earlier will be preferred.

The deadline for submitting bids is 13<sup>th</sup> April 2022.

### 4. RSAP Round 5 Schemes

We would like to submit a RSAP bid for the following schemes:

#### 4.1. HRA New Build Developments

It is proposed that we apply for RSAP funding for a number of 1 bed units in the HRA new build development pipeline. The number of units specified has been agreed with colleagues across Housing and Landlord Services.

RSAP capital will be requested at levels to bring a positive Net Present Value (NPV), as shown in the table below, however costs displayed are high level and may change as schemes progress.

Units are dispersed, as preferred by DLUHC, as the units are designed to move people on from blocks of supported accommodation and integrate them into the community. The exception is West Street which was already identified for move-on accommodation, but which will not be viable without RSAP capital funding.

Scheme (Location)	Total Units	Size	Gross Unit Cost	Min grant needed for +NPV (at scheme level)	RSAP Units	RSAP capital request: works	RSAP capital request: furniture	RSAP capital request: total
Greville (Stockwood)	26	1b2p	£222,848	30%	1	£66,854	£3,000	£69,854
St Peters (Horfield)	30	1b2p	£160,182	30%	2	£96,109	£6,000	£102,109

Brentry (Brentry)	34	1b2p	£176,992	30%	2	£106,195	£6,000	£112,195
Brunel Ford (Ashley Down)	32	1b2p	£191,638	30%	1	£57,491	£3,000	£60,491
Inns Court/ Marshall Walk (Knowle)	12	1b1p	£199,169	40%	5	£398,338	£15,000	£413,338
West Street	7	1b1p	£237,312	44%	7	£735,000	£21,000	£756,000
<b>Total</b>	<b>141</b>				<b>18</b>	<b>£1,459,988</b>	<b>£54,000</b>	<b>£1,513,988</b>

95% of capital is available when a development starts on site. The remaining 5% is available when developments complete. All schemes are aiming to start of site in 22/23 and complete in 23/24, giving a grant payment profile as follows:

	2022/23	2023/24	Total
Capital Grant: HRA Developments	£1,438,289	£75,699	£1,513,988

#### 4.2. 1b Amercombe Walk

1B Amercombe Walk has been identified as an empty and underutilised council asset which could be refurbished into 4 self-contained flats with support from RSAP capital.

This property sits on the General Fund and has been identified as an asset which could be sold to reduce the deficit on the budget. It has been agreed that the HRA will purchase the property and refurbish in line with costs supplied by the Planned Maintenance Team. The costs involved are:

Item	Cost
Market value of property	£300,000
Total refurbishment costs	£200,000
Furniture costs	£12,000
<b>Total</b>	<b>£512,000</b>

It is estimated that 50% of the refurbishment costs (£100,000) and £12,000 for furniture could be secured through RSAP capital grant funding, in which case each unit would cost the HRA a total of £100,000.

A ProVal viability assessment has been completed, incorporating a capital grant of £100,000:

- NPV: +£117,221
- Loan Repaid Year: 35

95% of capital is available when a development starts on site. The remaining 5% is available when developments complete. Amercombe Walk aims to start of site in 22/23 and complete in 23/24, giving a grant payment profile as follows:

	2022/23	2023/24	Total
Capital Grant: Ambercombe Walk	£106,400	£5,600	£112,000

#### 4.3. East Street Mews (Southville)

In 2018, a partnership was set up between BCC, a charity called Developing Health and Independence (DHI) and local businesses and consultants to renovate an empty BCC property on East Street Mews into 11 self-contained flats for people who have experienced homelessness. BCC leased the building to DHI who had pro bono support from a number of sources to develop, refurbish and then manage the building.

Some elements were progressed, including securing planning permission for the development. However, all work stopped on the project in March 2020 due to the pandemic and, for a number of reasons, support for the project was withdrawn by pro bono providers. The building remains empty and requires substantial capital to bring it back into use.

We are currently exploring whether capital funding through RSAP could provide a solution. DHI are currently contacting partners who may be able carry out the works and/or provide additional capital funds to match an RSAP bid. BCC would not provide any capital towards the project. However, to be attractive for an RSAP bid, BCC would need to extend the lease on the building from the 12 years' left to at least 30 years. This is currently being explored by colleagues in Property Services. A viability assessment will be carried out to determine a NPV, with the aim of securing any positive value through lease charges.

#### 4.4. St Mungo's

Through previous RSAP rounds, St Mungo's has received capital grant funding to support the purchase of 33 units of move-on accommodation, 23 of which are already available. St Mungo's are interested in submitting Round 5 bids for:

- A small number of additional street acquisitions.
- A modular new build development on their land on Whitehall Road.

St Mungo's would provide the match funding for these schemes. BCC would not need to contribute any capital or revenue funding towards this scheme, but would include them in its overall RSAP bid and would have a nomination agreement to ensure the units were utilised by those who need them most.

#### 4.5. Revenue for schemes

As well as the capital bids above, BCC will request revenue grant funding to provide Support Workers for all RSAP units. As in previous rounds, costs for Support Workers will be covered by RSAP revenue grant funding and eligible service charges; no additional revenue is required from BCC. Revenue funding for support services is available in financial years 2022/23 and 2023/24. Revenue funding will additionally be available in 2024/25, subject to additional review process which has not yet been announced.

For HRA New Build Developments and 1b Amercombe Walk, BCC will bid for revenue funding for 3 additional Support Workers and 1 Senior Worker for BCC's Temporary Accommodation Team to provide support to tenants. This would expand the support the BCC Temporary Accommodation Team already provides to existing supported move-on clients, as well as adding additional management capacity.

BCC will bid for revenue for 9 months in 2022/23, and 12 months for 2023/24 and 2024/25, as follows:

BCC REvenue	2022/23	2023/24	2024/25	Total
3 X Support Worker	£79,216	£107,733	£109,888	£296,837
1 X Senior Support Worker	£29,567	£40,211	£41,015	£110,794
<b>Total</b>	<b>£108,783</b>	<b>£147,944</b>	<b>£150,903</b>	<b>£407,630</b>

External providers cannot bid for RSAP revenue directly; these must come through a local authority to ensure all schemes fit into local plans for addressing homelessness. If the schemes outlined in 4.3 and 4.4 above go ahead, BCC will therefore requests revenue grant funding for DHI and St Mungo's respectively. No revenue contribution is required from BCC towards this. The table below sets out the likely bids at the time of writing this report.

External Providers Revenue	2022/23	2023/24	2024/25	Total
St Mungo's	£45,314	£46,463	£47,641	<b>£139,418</b>
DHI	£42,266	£43,111	£43,973	<b>£129,350</b>
Total	£87,580	£89,574	£91,614	<b>£268,768</b>
Max bid (allowing for variance before submission)	£100,000	£100,000	£100,000	<b>£300,000</b>

#### Cabinet Member / Officer Recommendations:

That Cabinet:

1. Approves the submission of a bid to the Rough Sleeping Accommodation Program (RSAP) of £1,625,988 capital funding, £407,630 revenue funding for BCC and a maximum of £300,000 revenue for external providers to be allocated as outlined in this report.
2. Approves the use of match funding of £400,000 as outlined in this report.
3. Authorises, subject to successful grant award, the Executive Director of Growth and Regeneration in consultation with the Cabinet Member for Housing Delivery and Homes to accept and spend the DLUHC/Homes England grant funding of a maximum of £2,333,618 and match funding of £400,000, including procuring and awarding any contract(s) which may be over £500k, necessary for the continued implementation of RSAP, in-line with maximum budget envelopes outlined in this report, noting the associated Legal commentary.
4. Authorises Executive Director of Growth and Regeneration to invoke any subsequent extensions/variatio ns specifically defined in the contract(s) being awarded, up to the maximum budget envelope outlined in this report.

**Corporate Strategy alignment:**

This proposal aligns with the following priorities in the Corporate Strategy:

1. Increase the supply of affordable homes.
2. Reduce and prevent homelessness and rough sleeping.
3. Reduce the number of households in temporary accommodation.
4. Help prevent homelessness by building and retaining social housing.

**City Benefits:**

1. The proposal will assist people who are rough sleeping and recovering from rough sleeping to access accommodation and support, improving their health and reducing the physical and mental health impact of homelessness.
2. The accommodation will support the reduction of rough sleeping in the city and will prevent people from having to spend time on the streets and/or in emergency and temporary accommodation.
3. Supported Move-on and the associated support service is being specifically designed to increase people’s ability to sustain accommodation and increase resilience to homelessness. It will have a long-term positive effect on rough sleeping numbers in the city and help prevent repeat homelessness for individuals.

**Consultation Details:**

1. The proposals included in the bid were developed with the input from a range of colleagues in Housing and Landlord Services, homelessness sector partners, Registered Providers and other key stakeholders.
2. Consultation with Cabinet Member for Housing Delivery and Homes has taken place.
3. There is no requirement for public consultation.

**Background Documents:**

- Rough Sleeping Accommodation Programme: Prospectus and guidance (outside of Greater London): [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1051222/RSAP\\_2021-24\\_Prospectus\\_2022.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1051222/RSAP_2021-24_Prospectus_2022.pdf)

<b>Revenue Cost</b>	<b>£407,630</b>	<b>Source of Revenue Funding</b>	All revenue costs will be covered by external grant from DLUHC and eligible service charges
<b>Capital Cost</b>	<b>£1,625,988 (external grant) + £400,000 (HRA)</b>	<b>Source of Capital Funding</b>	DLUHC/ Homes England – External grant HRA
<b>One off cost</b> <input checked="" type="checkbox"/>	<b>Ongoing cost</b> <input type="checkbox"/>	<b>Saving Proposal</b> <input type="checkbox"/>	<b>Income generation proposal</b> <input type="checkbox"/>

**Required information to be completed by Financial/Legal/ICT/ HR partners:****1. Finance Advice:**

The proposals in this report aim to deliver two interlinked capital projects, HRA new build development and conversion of existing General Fund property into move on accommodation, both to reduce temporary accommodation costs by providing longer term move on accommodation for the homelessness and rough sleepers.

The RSAP capital funding bid, as detailed in this report is summarised in the table below.

Scheme (Location)	RSAP Units	RSAP capital grant requested	Furniture Cost	Total Grant Requested/H RA Contribution	22/23 (Budget profile)	23/24 (Budget profile)
Greville (Stockwood)	1	£66,854.40	£3,000.00	£69,854.40	£66,361.68	£3,492.72
St Peters (Horfield)	2	£96,109.20	£6,000.00	£102,109.20	£97,003.74	£5,105.46
Brentry (Brentry)	2	£106,195.20	£6,000.00	£112,195.20	£106,585.44	£5,609.76
Brunel Ford (Ashley Down)	1	£57,491.40	£3,000.00	£60,491.40	£57,466.83	£3,024.57
Inns Court/ Marshall Walk (Knowle)	5	£398,338.00	£15,000.00	£413,338.00	£392,671.10	£20,666.90
West Street	7	£735,000.00	£21,000.00	£756,000.00	£718,200.00	£37,800.00
Ambercombe Walk (Conversion)	4	£100,000.00	£12,000.00	£112,000.00	£106,400.00	£5,600.00
<b>Total</b>	<b>22</b>	<b>£1,559,988.20</b>	<b>£66,000.00</b>	<b>£1,625,988.20</b>	<b>£1,544,688.79</b>	<b>£81,299.41</b>
BCC match funding				£400,000.00	£380,000.00	£20,000.00
<b>Total Funding</b>		<b>£1,559,988.20</b>	<b>£66,000.00</b>	<b>£2,025,988.20</b>	<b>£1,924,688.79</b>	<b>£101,299.41</b>

**Capital****HRA New Development**

The financial appraisal has been undertaken for each scheme with total grant contributions of £1.56m (excluding the furniture grant). This produced a positive Net Present Value (NPV), indicating a net inflow of cash over the life of the project, showing a return which exceeds the cost of capital. These appraisals are based on the standard parameters which the Council uses in appraising new build and property acquisition proposals with an NPV discount rate of 3%.

Although there is a contingency of between 3-5% on each scheme, the schemes are at different stages and therefore the projected costs may increase as the schemes progress. This is currently an unquantified risk around the feasibility of the proposals and the contingency may not be sufficient.

**Property Conversion (Ambercombe Walk) – Appropriated from GF to HRA**

The value of Ambercombe Walk to be appropriated from the GF to the HRA has been determined as £300k which needs to be verified by the council's surveyors. The total estimated conversion cost is £500k where £100k from RSAP grant and £400k funded from HRA capital programme.

## Revenue

There are 2 revenue bids, one for the cost of delivery in-house i.e. the staffing costs £407k, and the cost of the external providers, £300k, which will be passported to through to them.

Although the £300k for the external providers will form part of the overall bid, the funding will only be granted to BCC, subject to the external providers securing capital funding to progress their schemes.

The additional revenue cost of the in-house delivery of this project is for 4 staff which will be fully funded by the revenue bid until the end of 2024/25. The staffing cost is based on 9 months for 22/23 and full salary cost uplifted by 2% for next two years.

The revenue funding for 24/25 is subject to funding review and yet to be confirmed. Please note that revenue grant is based on delivery of properties at agreed timescale and there is a risk of not receiving full grant where Council do not meet the milestone.

There is also risk at the end of the grant period, Council may need to either fund cost from Council own resources to maintain Supported Move on provision or convert it to general needs subject to agreement with DLUHC.

REVENUE	2022/23	2023/24	2024/25	Total
3 X Support Worker	£79,216	£107,733	£109,888	£296,837
1 X Senior Support Worker	£29,567	£40,211	£41,015	£110,794
<b>Total</b>	<b>£108,783</b>	<b>£147,944</b>	<b>£150,903</b>	<b>£407,630</b>
No. of units	22	22	22	22
Revenue per unit	£4,945	£6,725	£6,859	£18,529

## Lease Extension

The report states potential lease extension for Developing Health and Independence (DHI) from 12 years remaining to 30 years. The lease is currently on peppercorn rent and requires substantial capital to bring it back into use.

Before BCC enter into an extension on the lease, a financial appraisal should be undertaken by the service in conjunction with finance, to assess the cost benefit of the lease extension

**Finance Business Partner:** Aisha Bapu–Finance Manager 24/03/22

**2. Legal Advice:** The submission of a bid for grant funding does not raise specific legal issues. The procurement process must be conducted in line with the 2015 Procurement Regulations and the Councils own procurement rules. Legal services will advise and assist officers with regard to the conduct of the procurement process and the resulting contractual arrangements.

**Legal Team Leader:** Husinara Jones, Team Leader/Solicitor 22 March 2022

**3. Implications on IT:** I can see no implications on IT from this report.

**IT Team Leader:** Gavin Arbuckle, Head of Service Improvement & Performance, 23<sup>rd</sup> March 2022

**4. HR Advice:** The bid will fund 4 Support Workers who will be employed by BCC, and additional Support Workers who will be employed directly by external support providers. Other than this, there are no HR implications evident.

**HR Partner:** Celia Williams, HR Business Partner – Growth and Regeneration, 23<sup>rd</sup> March 2022

<b>EDM Sign-off</b>	Stephen Peacock, Executive Director of Growth and Regeneration	<b>02/03/22</b>
<b>Cabinet Member sign-off</b>	Cllr Renhard, Cabinet Member Housing Delivery	<b>14/03/22</b>

	and Homes	
<b>For Key Decisions - Mayor's Office sign-off</b>	Mayor's Office	<b>07/03/22</b>

<b>Appendix A – Further essential background / detail on the proposal</b>	<b>NO</b>
<b>Appendix B – Details of consultation carried out - internal and external</b>	<b>NO</b>
<b>Appendix C – Summary of any engagement with scrutiny</b>	<b>NO</b>
<b>Appendix D – Risk assessment</b>	<b>YES</b>
<b>Appendix E – Equalities screening / impact assessment of proposal</b>	<b>YES</b>
Appendix F – <a href="#">Eco-impact screening/ impact assessment of proposal</a>	<b>YES</b>
<b>Appendix G – Financial Advice</b>	<b>NO</b>
<b>Appendix H – Legal Advice</b>	<b>NO</b>
<b>Appendix I – Exempt Information</b>	<b>No</b>
<b>Appendix J – HR advice</b>	<b>NO</b>
<b>Appendix K – ICT</b>	<b>NO</b>
<b>Appendix L – Procurement</b>	<b>NO</b>