

GREATER MANCHESTER COMBINED AUTHORITY

Date: 27th November 2020

Subject: Rough Sleeper Accommodation Programme

Report of: Salford City Mayor, Paul Dennett, Portfolio Lead for Housing, Homelessness and Infrastructure

PURPOSE OF REPORT

To inform the GMCA of a newly funded programme and seek approval against delivery plans.

RECOMMENDATIONS:

The GMCA is requested to:

1. Note the allocation of funding from the Rough Sleeper Accommodation Programme
2. Note the capital and revenue delivery plans and allocated spending
3. Approve spending as detailed with delegated responsibility for minor amendments through the GMCA Treasurer Steve Wilson and Portfolio Holder Paul Dennett.

CONTACT OFFICERS:

Andrew Lightfoot, Deputy Chief Executive, Greater Manchester Combined Authority

Molly Bishop, Homelessness Strategic Lead, Greater Manchester Combined Authority

1.0 BACKGROUND

- 1.1. Following the 'Everyone In' response, Local authorities were asked to make appropriate and suitable offers for all who have been accommodated but to have particular focus on the successful resettlement and recovery of those who have a long and/or repeat history of rough sleeping. MHCLG's new Rough Sleeper Accommodation Programme fund supports this activity.
- 1.2. On 24 May, the Secretary of State announced £161 million for 20/21 (as part of an overall £433 million for the lifetime of this parliament) to deliver 3,300 units of longer-term, move on accommodation. The £161 million for this financial year is split into £130 million capital funding and £31 million revenue funding.
- 1.3. The Greater Manchester Local Authorities assessed their demand and worked with partners to enter local proposals to deliver accommodation and support where opportunities could be identified. Across these proposals, just under 150 properties have been funded.
- 1.4. The Local Authorities and housing providers, the Ethical Lettings Agency and Resonance have also come together for a collaborative proposal via GMCA that proffered speculative property acquisition and re-purposing to complement local delivery. This proposal has been successful in receiving £3.5m for 60 properties with capital and revenue funding.
- 1.5. Whilst the scale of the accommodation funded for 2020/21 does not meet total demand, this is a unique opportunity for capital funds with complementary multi-year revenue funding to provide support. We are grateful to partners for their speedy response to this chance to add to the stock of much-needed accommodation, given the current situation. A further phase of the programme for capital projects starting in 2021/22 will be open for proposals soon.
- 1.6. The following information concerns the 60 properties funded via the collaborative proposal via GMCA.

2.0 CAPITAL

Scheme	Lead Provider(s)	Units	Capital funding
Acquisition and improvement (higher value)	One Manchester (5), Great Places (5)	10	£1,006,875
Acquisition and improvement (lower value)	Rochdale Borough Wide Housing (1), Other(s) (4)*	5	£187,500
Re-purposing	Irwell Valley Housing Association (4), Other (1)**	5	£135,000
Acquisition and lease	Resonance and Ethical Lettings Agency	30	£1,335,000
Lease	Ethical Lettings Agency	10	£100,000
Totals:		60	£2,764,375

Table 1: Capital allocation

*Rochdale Borough Wide Housing (RBH) have committed to acquire and improve one low value property (likely buy-back) and will be looking to work with RBH and any other housing provider to deliver a further 4 properties within the funding allocation.

**Irwell Valley: One of the five units planned as conversion schemes has proved unviable after further investigations, and therefore we will be looking to re-allocate some of this funding to another scheme that can deliver a property within the funding allocation.

- 2.1. £1,335,000 will be invested into Resonance’s Homelessness Fund to enable existing committed investment to go further and to be focused on the Next Steps Programme key cohort group and 1-bedroom property need.
- 2.2. This Resonance Homelessness Fund is currently being set up, and has investor commitments of £20m; including the GMCA Housing Investment Fund having already committed £5m into it. Resonance have a strong track record, having acquired and leased on over 800 properties to date nationally, and are forecast to deliver 30 properties in GM by March 21 (and thereafter a further 200).
- 2.3. The Ethical Lettings Agency is made up of the following partners: Salix Homes (Lead), Stockport Homes, Bolton at Home, Wigan Council, ForHousing. They will be leasing properties acquired through Resonance, as well as delivering 10 leases outside of this pathway directly from landlords.
- 2.4. MHCLG are keen to continue to invest in the Ethical Lettings Agency and Resonance Fund to deliver properties for this programme from 2021/22 onwards.
- 2.5. Capital funding will flow directly into the Registered Providers, except in the instances of the Resonance Fund and Ethical Lettings Agency which will be passported through GMCA.
- 2.6. Rent levels for all properties delivered through this programme will be set at affordable rent or below.
- 2.7. The delivery date for tenanted properties is March 2021. This represents a real challenge due to the delay in funding allocation. 5% of funding is at risk if properties are not delivered by this date.

3.0 REVENUE

Scheme	Lead Provider(s)	Residents	Revenue funding to March '24
Social housing tenancies	Either the Registered Social Landlord of the property or existing Local Authority commissioned provider via top up	20	£262,400
Private rented tenancies	Single GM-wide provider	40	£524,800
Totals:		60	£787,200

Table 2: Revenue allocation

- 3.1. Revenue funding is confirmed from February 2020 to March 2024. Funding breaks down to £80 per person per week on average which should allow for typical support caseloads of 1:12.
- 3.2. Support will be focused on re-settlement, community integration, and tenancy sustainment. It will be critical to align the support provided to existing services and community assets.
- 3.3. For beneficiaries in social housing tenancies (20), support will be provided by either the Registered Social Landlord or via an extension of existing Local Authority commissioned services.
- 3.4. For beneficiaries in accommodation where the Ethical Lettings Agency (ELA) is their landlord (40), a GM-wide support provider will be procured. This will enable a connected support service across properties, with specific understanding of tenancy support and liaison with the ELA. This support service will have capacity to grow in the coming years, meeting the expectation of scaled funding into this model through Next Steps Accommodation Programme.
- 3.5. A procurement plan is being drawn up to establish this service contract, which will aim to be live from February 2020. GMCA will seek to procure a service that has strong asset-based and personalised support practise, and that can deliver in an integrated way with existing services and community assets.
- 3.6. Revenue funding will flow directly to the Registered Providers, for their 20 units, and for the Resonance Fund and Ethical Lettings Agency units will come to GMCA to fund the procured service as outlined.

4.0 ALLOCATION

- 4.1. Allocation of properties secured through this funding will look to manage the demand across Greater Manchester Local Authorities to best meet the top priority cohort for this first phase of the programme.
- 4.2. MHCLG will require Registered Providers and Local Authorities to formalise the allocation process via Local Lettings Policy and/or a Policy Statement.
- 4.3. Properties will be allocated against the local priority demand in the first instance and when/if this is met, will then look to Local Authorities with the greatest demand/supply challenge. This is expected to be Manchester City Council in the first instance, and then Salford City Council. This approach seeks to support the overall demand challenges in Greater Manchester and recognises the differences in housing markets across the sub-region, which will be used to provide opportunity for suitable rehousing to top priority areas. This approach has been agreed by the 10 local authority Leaders.

5.0 GOVERNANCE

- 5.1. GMCA will enter into a Grant Funding Agreement with Homes England/MHCLG for the 40 units to be secured via the Resonance/Ethical Lettings Agency partnership and the Ethical Lettings Agency itself, details of which are awaited at time of production of this report.
- 5.2. GMCA will establish appropriate service level agreements (SLAs) and grant funding agreements (GFAs) with delivery partners covering the capital and revenue elements of the programme. Direct agreements will be in place between Homes England/MHCLG and the relevant Registered Providers for the other 20 units.
- 5.3. Oversight of the programme delivery will be embedded within the existing homelessness governance structure, which includes both housing and infrastructure leads (Strategic Housing Group) and cross-sector homelessness leads (GM Homelessness Programme Board).
- 5.4. A formal update report will be brought to GMCA at 6 month intervals. This will cite progress and outcomes as well as any significant changes to the programme delivery as set out above, which will be discussed and approved with the Portfolio Lead, Mayor Paul Dennett, and the Treasurer, Steve Wilson.

6.0 RECOMMENDATIONS

- Note the allocation of funding from the Rough Sleeper Accommodation Programme
- Note the capital and revenue delivery plans and allocated spending
- Approve spending as detailed with delegated responsibility for minor amendments through the GMCA Treasurer Steve Wilson and Portfolio Holder Paul Dennett.

APPENDIX 1

GMCA Critical Delivery Timeline – Rough Sleeper Accommodation Programme (2020/21)

Activity	Delivery timeline
Approval at GMCA full meeting	November 2020
Grant Agreement with MHCLG and Homes England	November 2020
Grant Agreements and Service Level Agreements between GMCA and delivery partners	November 2020
Properties re-purposed / acquired and improved	November 2020-January 2021
Property allocation via Local Authorities	January 2021
ELA support provider procurement	December 2020 – January 2021
Social housing support providers confirmed	January 2021
Support providers delivery start	February 2021
Tenancy start (latest)	March 2021