

**WEST NORTHAMPTONSHIRE COUNCIL**

**CABINET**

**13<sup>TH</sup> JULY 2021**

**CABINET MEMBER RESPONSIBLE FOR CULTURE, LEISURE AND HOUSING:  
COUNCILLOR ADAM BROWN**

<b>Report Title</b>	<b>MHCLG's Rough Sleeper Accommodation Programme funding</b>
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## **List of Appendices**

### Appendix A: Exempt financial modelling

#### **1. Purpose of Report**

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- 1.1. To agree recommendation to Council to approve an increase in the Housing Revenue Account (HRA) capital programme to acquire ten 1-bedroom properties for the Rough Sleeper Accommodation Programme, funded from Homes England grant and HRA borrowing.

#### **2. Executive Summary**

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- 2.1 On 1 July 2021 (deadline for submission), an application for funding was submitted (subject to Cabinet approval) for the Government's Rough Sleeper Accommodation Programme (RSAP), which covers the West Northamptonshire Council area.
- 2.2 The aim of RSAP is to provide accommodation for rough sleepers, available as long-term assets, and accompanying support services to achieve a sustainable reduction in rough sleeping.
- 2.3 A combination of funding from both the HRA and Homes England is required to purchase ten 1-bedroom properties to help support rough sleepers.
- 2.4 The funding application also includes a proposal for revenue funding for a Tenancy Sustainment Officer (fixed term for 2.5 years) to work with rough sleepers identified as part of the programme to help them into more settled accommodation.

#### **3. Recommendations**

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- 3.1 That Cabinet recommend Council to approve:
- the increase in HRA Capital programme of £1.32m to purchase and refurbish ten 1-bedroom properties through the HRA, in order to accommodate and support people who have been sleeping rough or are threatened with sleeping rough, funded by MHCLG/Homes England RSAP grant and HRA borrowing.

#### **4. Reason for Recommendations**

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- To provide rough sleepers with sustainable housing solutions, to reduce rough sleeping and enable people who have slept rough to thrive.

#### **5. Report Background**

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- 5.1 The Rough Sleeper Accommodation Programme (RSAP) is part of a range of measures to meet the Government's commitment to ending rough sleeping, including the former Rough Sleeper Initiative and the Next Steps Accommodation Programme (NSAP) funding bids. The RSAP prospectus can be found here:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/994775/RSAP\\_2021-24\\_Prospectus.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/994775/RSAP_2021-24_Prospectus.pdf)

- 5.1 The former Northampton Borough Council secured funding for the NSAP programme in August 2020. The bid included the purchase and refurbishment of fifteen 1-bedroom properties for rough sleepers, including those that needed to move out of emergency accommodation to prepare themselves for social or private tenancies.
- 5.2 Since the successful NSAP bid, fifteen 1-bedroom flats across Northampton have been acquired and refurbished. All fifteen properties have been offered to customers, with the last customers moving in at the end of June 2021. These homes are being managed by Northampton Partnership Homes (NPH) and the residents are being supported by a dedicated Tenancy Sustainment Officer.
- 5.3 The success of NSAP and a requirement for additional properties has prompted an application for further funding from the RSAP.
- 5.4 A bid was produced in collaboration between the council and MHCLG, Homes England and NPH, and submitted on 1 July (deadline for submission), subject to approval from Cabinet.
- 5.5 The bid proposes capital funding through Homes England grant funding and Council HRA borrowing to acquire and refurbish ten 1-bedroom properties. In addition, MHCLG revenue funding is also being requested to fund a full-time tenancy sustainment officer (fixed term for 2.5 years).
- 5.6 It is envisaged that the properties to be procured through the scheme will be a combination of ex-council homes (i.e. people wishing to sell their properties back to the Council via the Right of First Refusal), as well as exploring opportunities on the open market across the West Northants area. Properties will be close and easily accessible to the relevant support services. Regard will also be had to the ease of maintenance and management, to any social or community implications of the proposed uses, and to any strategic property issues in the area concerned.
- 5.7 As with the NSAP scheme, customers would be given a two year non-secure tenancy agreement, during which time they would be supported by a dedicated Tenancy Sustainment Officer and the relevant support services, in preparation for more settled accommodation, either in the social or private sector.

## **6. Issues and Choices**

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- 6.1 Following an iterative process, including advice given by MHCLG and Homes England, it is believed that a realistic bid for grant has been submitted for their consideration. It is anticipated WNC will be notified by the 4<sup>th</sup> August 2021 whether the bid is successful.

## **7. Implications (including financial implications)**

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### **7.1 Resources and Financial**

- 7.2 A similar approach to financial modelling that was used for the successful NSAP initiative, has been applied to the RSAP scheme.
- 7.3 The main financial issue arising from this report is the affordability of the RSAP scheme on the HRA. It is important that all housing acquisitions are capable of funding themselves through the charging of appropriate rent in order to ensure that the HRA sustainability is maintained, both in terms of debt servicing and maintenance costs.
- 7.4 The business case assumes the Council will receive Homes England funding, without which the scheme would be unviable and unlikely to go ahead, therefore the scheme is dependent upon successful award of this funding. The result of the funding bid is due on the 4<sup>th</sup> August 2021.
- 7.5 Assuming Homes England funding is secured, the scheme is viable and provides a positive financial impact to the HRA and General Fund. If HE grant is not secured the scheme will not proceed.
- 7.6 The total increase in budget to be approved is £1.32m to acquire ten 1 bed dwellings, funded by HE grant and borrowing. The scheme has been appraised over the thirty-year HRA business plan life and shows a positive contribution to the HRA. The cost of capital therefore is affordable at an increase of approximately £27k per annum. Full details of the financial considerations can be found in exempt **Appendix A**.
- 7.7 **Legal**
- 7.3.1 Whilst there are no immediate legal implications, it is noted at paragraph 5.6 above that part of the proposal includes MHCLG/Homes England grant funding.
- 7.3.1 If the Council's bid proposal is successful the Council will be required as part of the condition for grant funding to execute and abide by the conditions of a Grant Agreement which includes a provision of a Legal Opinion to which the Council will be subject. Advice relating to the same will be provided as and when required to support the proposal.
- 7.8 **Risk**
- 7.8.1 If the bid is unsuccessful, the programme will not progress, and this may have an impact on the number of rough sleepers. This risk has been mitigated by participating in a collaborative and iterative process with MHCLG and Homes England.
- 7.9 **Consultation**
- 7.9.1 There has been extensive consultation with MHCLG, Homes England and Northampton Partnership Homes.
- 7.10 **Consideration by Overview and Scrutiny**
- 7.10.1 The Overview and Scrutiny committee has not considered this report and its recommendation.

**7.11 Climate Impact**

7.11.1 There are no climate/environmental impacts.

**7.12 Community Impact**

7.12.1 There are no foreseen community impacts.

**8. Background Papers**

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8.1 None