

Report of: Executive Member for Housing and Development

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|-------------------------------|-----------------|-----------------|
| Meeting of: | Date: | Ward(s): |
| Executive meeting | 14 October 2021 | All |
| Delete as appropriate: | | Non-exempt |


**SUBJECT: The GLA/MHCLG Rough Sleeping Accommodation
Allocation of Funding Programme 2021-2024****1. Synopsis**

- 1.1 The aim of this report is to advise the Executive of the outcome of a capital and revenue funding bid made to the Rough Sleeping Accommodation Programme 2021 – 2024 managed by the GLA/MHCLG funding programme.

2. Recommendations

- 2.1 To approve the borrowing of £15 million within the Housing Revenue Account to supplement this funding provided by the GLA/MHCLG to enable the council to purchase 60 one bedroom properties.
- 2.2 To note the capital funding totalling £4.2 million allocated to Islington Council by the MHCLG/GLA and to commence the purchase 60 one bedroom former ex Right to Buy properties in Islington to accommodate former rough sleepers with a connection to Islington.
- 2.3 To note the revenue funding totalling £1,871,940, and commence the provision of this support service within the 60 properties purchased for people who slept rough on Islington.
- 2.4 To approve the budget increases as outlined in 4.1.3

3. Background

- 3.1 Islington Council accommodated 425 people who slept rough in Islington from the 23rd March 2020 to the 30th June 2021. 105 of these people remain in first stage emergency temporary accommodation.
- 3.2 The council and partner agencies conducted a physical rough sleeping count on the evening of the 22nd July 2021 and the morning of the 23rd July 2021. This rough sleeping count identified 11 people sleeping rough in Islington. 3 of these people identified sleeping rough had been provided with accommodation and 8 people were new to sleeping on the streets of Islington during the week of the 22nd July 2021.
- 3.3 During the last 18 months the council has significantly reduced the numbers of people sleeping rough to between 3- 8 people sleeping on the streets of Islington each night. However, it appears people are starting to live on the streets of Islington due to the economic fallout of the COVID19 pandemic. 68% of people sleeping rough on the streets of London are new to sleeping on the streets, due to the financial fallouts of COVID 18 and Brexit.
- 3.4 The GLA/MHCLG has now secured further funding for London from the Government's four-year £433m national fund to deliver longer-term move-on accommodation and associated support for rough sleepers – the Rough Sleeping Accommodation Programme (RSAP). £194.4m nationally is being made available for 2021-24, of which £66.2m (£48.3m of capital and £17.9m of revenue) has been allocated to the GLA.
- 3.5 Therefore, Islington Council secured 9% of the available capital funding in London and 10% of the revenue funding available in London.
- 3.6 In 2020/21, the GLA was allocated £93.4m of Rough Sleeping Accommodation Programme funding to deliver 900 homes and provide up to four years' support to the residents of those homes - £57.8m of capital funding and £8.9m a year of revenue funding for four years. Allocations for 903 homes were announced in October 2020. Please note Islington Council secured capital and revenue funding for 30 properties located at Stacey Street £3.309m revenue grant and £3.433m capital grant.
- 3.7 This fund was launched last summer, at a momentous time for rough sleeping in Islington. In response to the COVID-19 pandemic, the GLA, in partnership with Islington Council, took swift action to ensure Islington's rough sleepers were protected from the virus. Since March 2020, 352 homeless people have been given emergency accommodation in Islington.
- 3.8 Islington Council and the GLA are committed to implementing Sadiq Khan the Mayor of London's In For Good principle, so that everyone accommodated receives an offer of support so that they do not need to return to rough sleeping. The operation to move people on is at least as challenging as that to move everyone in and longer-term accommodation will be needed for the vast majority of those accommodated.
- 3.9 The current crisis underlines the importance of this funding. But it is not only needed for those in emergency accommodation as a result of the pandemic. It is also required to provide longer-term homes for those who left the streets a while ago and are currently in hostels or other supported housing and ready to move on with their lives. There is also a pressing need for longer-term homes for those who remain or arrive on the streets, particularly given predictions of increasing homelessness arising from the economic impacts of COVID-19.

- 3.10 The funding is flexible and can be used for a wide variety of schemes and approaches on a capital or revenue-only basis or with a combination of capital and revenue.
- 3.11 A key feature of this fund is that it includes an element of revenue funding. For every home delivered with the 2021-24 funding, up to three years' support may be able to fund.
- 3.12 Islington Council propose to submit a revenue bid totaling £1,871,940 to provide support for the 60 homeless people accommodated through this funding programme. This funding will be distributed, as follows:

| Role | Yr 1 21-22 | Yr 2 22-23 | Yr 3 23-24 |
|---------------------------------------|-----------------|-----------------|-----------------|
| 1 x project manager – PO4 | 53,500 | 54,770 | 56,050 |
| 6 x officers – PO1 | 269,700 | 274,800 | 281,580 |
| 1 x monitoring/contract officer - PO2 | 46,930 | 48,150 | 49,460 |
| 2 x psychologist | £182,000 | £185,000 | 190,000 |
| Personal Budget for residents | 60,000 | 60,000 | 60,000 |
| Total | £612,130 | £622,720 | £637,090 |

Grand Total: £1,871,940

- 3.13 The aim of the programme is to boost delivery of affordable accommodation for rough sleepers, former rough sleepers or those at risk of rough sleeping, and to provide them with the support they need to move on and rebuild their lives.
- 3.14 **The key objectives are:**
- To ensure that as few people as possible return to the streets from emergency accommodation put in place during COVID-19. As COVID-19 remains a health risk, it is also essential that people, particularly those who are at increased risk of severe illness, are kept safe;
 - To continue to ensure a response to those who remain or arrive on the streets who are at risk of COVID-19;
 - To ensure longer-term accommodation and support solutions for those already in a rough sleeping pathway – enabling them to move on to independent living; and
 - To free up spaces in hostels so that supported accommodation is available for those that need it.
 - Access to affordable accommodation;

- Improved mental and physical health, well-being and resilience;
- Greater financial inclusion;
- Engagement with treatment, for those with substance misuse needs;
- Engagement with employment, education, training, volunteering or meaningful activity; and
- Move-on to fully independent living.

4. Implications

4.1 Financial implications:

- 4.1.1 It is estimated that the combination of GLA (HRA) capital grant of £4.2m and HRA borrowing of £15m will facilitate the purchase of 60 one bedroom dwellings in Islington and that the GLA (general fund) revenue grant bid totalling £1.9m (payable over 3 years) will enable the appropriate support to be provided.
- 4.1.2 The financial viability assessment based on a 30 year cash flow indicates a breakeven position based on rents being set at the relevant Local Housing Allowance (LHA) rate which means the cost of HRA borrowing (interest) is covered by the net rental income received.
- 4.1.3 Although the overall impact on both the HRA & General Fund budgets is net nil the following increases in both expenditure & income budgets are required in 2021-22:-

HRA EXP. Budgets

Capital (dwelling purchases) £19.2m

HRA INCOME Budgets

Revenue RCCO (short term) £15m

GLA (Capital) Grant £4.2m

In the medium term the HRA will borrow £15m at a cost of around £450k per year to be funded from NET Rents £450k – these budgets will be adjusted in a future budget setting cycle.

General Fund EXP. Budgets

Staffing £552.1k

Other Resident Exp. £60k

General Fund INCOME Budgets

General Fund GLA (Revenue) Grant £612.1k

- 4.1.4 In order to avoid GLA grant claw back & for the Council to retain the full £4.2m GLA capital grant the service needs to be provided for 30 years. At the end of the 30 year term, if the service was no longer required, the Council would need to sell an estimated 21 of the 60 dwellings in order to repay the debt the remaining 39 properties could be retained for general needs purposes & let at social rent.
- 4.1.5 Given the Council's aim to continue to house rough sleepers accommodated during the Covid-19 crisis & the fact that ongoing grant funding that currently supports this is

uncertain, the purchase of these 60 dwellings in the HRA will in the medium/long term prevent a future Housing General Fund budget pressure of around £150k.

4.1.6 There remains a risk that we cannot sustain the delivery of the service for the full 30-year period, this could arise for example if we cannot secure ongoing revenue funding & it is deemed critical to the provision of the service.

4.1.7 In this event we would potentially have the option to sell. House prices in Islington have risen by around 12% over the last 6 years so it is not unreasonable to assume we could sell the dwellings if necessary & both repay the proportion of the grant claw back & redeem the outstanding debt.

4.2 Legal Implications:

4.2.1 The Council has legal duties under the Homelessness Reduction Act 2017 to help secure housing accommodation for people who are homeless or under threat of homelessness. Under sections 9 and 17 of the Housing Act 1985 the Council has the necessary power to acquire land and buildings for housing purposes to provide housing accommodation as proposed in this report.

4.3 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:

4.3.1 Purchasing 60 existing one bedroom properties will contribute positively to the council's environmental commitment, by purchasing existing properties and improving/reducing the carbon outputs through the capital works programme and reducing the use of natural resources.

4.4 Resident Impact Assessment:

4.4.1 The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

4.4.2 S149(3) provides that having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; and (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

4.4.3 This programme will contribute positively to the council equality of opportunity principles, the Human Rights of individuals and the elimination of rough sleeping in Islington.

- 4.4.4 A Resident Impact Assessment was completed on the 21st May 2021, and is attached to this report as Appendix one.
- 4.4.5 As a public authority, the council must take account of the provisions of the Human Rights Act 1998 and not act in a way, which is incompatible with a Convention right. Under Article 8, any interference with the right to respect for a person's private and family life and home must be proportionate and Article 14 requires that there must be no unjustified discrimination within the scope of human rights on any grounds, such as sex, race, colour, language, religion, political or other opinion, national or social origin, association with a national minority, property, birth, or other status.

5. Reason for recommendations

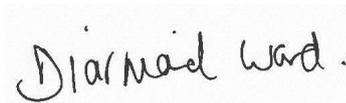
- 5.1 To assist the council's commitment of eliminating rough sleeping in Islington

Background papers: none

Appendices: Resident Impact Assessment

Final report clearance:

Signed by:



30 September 2021

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