

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD3046

### Title: Single Homelessness Accommodation Programme

#### Executive summary:

The Mayor has secured funding from the Department for Levelling Up, Housing and Communities (DLUHC) to deliver the Single Homelessness Accommodation Programme (SHAP) in London. SHAP will fund affordable homes and associated support for rough sleepers with high or complex needs; and young people who are homeless, or at risk of homelessness.

Nationally, £270.6m (£175.4m of capital and £95.2m of revenue) will be made available for SHAP to deliver homes during 2023-25, and for three years of associated support up to March 2028. London's indicative allocation, which will be confirmed in December 2022, is circa £75.2m of capital and £31.4m of revenue. The GLA will also receive DLUHC funding to administer the programme.

This decision seeks approval for the GLA to receive, allocate and expend SHAP funding for homes, support and administration.

#### Decision:

That the Mayor approves:

- receipt by the GLA from the Department for Levelling Up, Housing and Communities (DLUHC) of London's capital and revenue funding allocation from the national £270.6m Single Homelessness Accommodation Programme (SHAP), on the basis set out in the SHAP Memorandum of Understanding (MOU) with DLUHC, to support the delivery of affordable homes for former rough sleepers, and young people who are homeless or at risk of homelessness; and the provision of up to three years of support to people housed in this accommodation
- capital delivery for the programme to run from 1 April 2023 through to 31 March 2025, with revenue for support concluding on 31 March 2028
- allocation of the above capital funding to deliver homes and revenue funding, to provide specialist support to meet the needs of the indicated target groups
- receipt and expenditure of funding from DLUHC for the GLA's SHAP-related staffing, legal and other administrative costs
- the delegation of authority to the Executive Director of Housing and Land to approve the final version of the SHAP MOU with DLUHC; the final allocation value to London of this funding; and individual funding allocations in line with decision-making processes for the Affordable Homes Programme (as set out in Mayoral Decision Making in the GLA) and the SHAP MOU.

#### Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

8/12/22

## **PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. The Mayor is securing funding from the government's new £270.6m national fund to deliver accommodation and associated support for rough sleepers – the Single Homelessness Accommodation Programme (SHAP). This new fund forms part of the cross-government Rough Sleeping Strategy that was announced on 3 September 2022. It has been developed to help meet gaps in current provision for former rough sleepers with high or complex needs; and young people who are homeless, or at risk of homelessness.
- 1.2. The delivery of the Rough Sleeping Accommodation Programme highlighted gaps in provision which that programme was not designed to meet. These gaps were primarily related to the absence of sufficient high-support accommodation-based services with on-site staffing. SHAP has been developed to help meet these gaps in provision.
- 1.3. £270.6m (£175.4m of capital and £95.2m of revenue) nationally will be made available for the delivery of homes during 2023–25, and the provision of up to three years' support to the residents of this accommodation. While London's final allocation is still being confirmed, current modelling sets out that around £75.2m of capital and £31.4m of revenue is expected to be allocated to the Mayor. SHAP is expected to fund 2,400 long-term supported homes nationally, of which around 800 are expected to be in London.
- 1.4. The GLA and DLUHC will enter into a Memorandum of Understanding (MOU) that sets out the basis for the agreement between DLUHC and the GLA in terms of how the SHAP funding is allocated to the GLA to administrate and the responsibilities of each of the parties. The MOU will cover: the indicative allocation set out in this MD; the intention that up to 800 homes are delivered in London, in line with the programme principles set out in this MD; and the way in which the GLA and DLUHC will interact on the programme. It also confirms that DLUHC will fully fund all revenue or capital allocations that are ministerially agreed, provided the allocations are spent within the agreed financial year(s) and in accordance with the terms of the grant.

#### Capital and revenue funding to deliver homes and provide support

- 1.5. The grant funding will be able to be used for a wide variety of schemes and approaches on a capital-only or revenue-only basis, or with a combination of capital and revenue. The following delivery routes are eligible under the programme:
  - purchase and repair of properties, either as freehold or on a long lease
  - refurbishment and repurposing of existing stock, including former hostels and care homes
  - lease and repair on shorter-term leases, although longer-term homes will be favoured
  - acquisition of existing properties that require no or minimal work to bring them into use ('existing satisfactory')
  - development of new-build properties (including modern methods of construction), including modular homes, although this is expected to be minimal due to the programme timeframes
  - contribution towards social investment programmes that deliver the aims of SHAP.
- 1.6. The homes delivered through the programme will be geographically dispersed throughout the capital. A variety of delivery approaches will enable the fund to maximise the number of homes delivered. All homes will be affordable.

- 1.7. A key feature of this fund is that it includes an element of revenue funding. For every home delivered within the programme, there is the possibility of funding for up to three years' support. Support can be provided by the housing provider delivering the homes; by an organisation partnering with the housing provider, including local authorities; or through the Mayor's Tenancy Sustainment Teams. Support will typically consist of caseworkers, each working with a set number of tenants on areas such as tenancy management, financial inclusion, documentation and move-on planning; and specialist roles supporting individuals to address issues including substance misuse and mental ill health.

#### Administration funding to deliver the programme

- 1.8. The GLA will receive funding to cover staffing, legal and other administration costs associated with delivering the programme in London. Any GLA posts created will be subject to parallel approval through establishment control processes.

#### Co-production and bidding process

- 1.9. Funding guidance for SHAP will be published on the GLA's website shortly, and continuous bidding is expected to open later in this financial year. A prospectus and guidance will set out that bids will be considered from housing associations, local authorities, charities and others who have an ambition to develop SHAP homes. All bids will need to be supported by the relevant local authority. The prospectus will also cover funding criteria and preferences. Assessment will prioritise funding schemes that procure freehold or long-term leasehold interests in properties, rather than short-term leases. Preference will be given to schemes providing homes that are additional to, or bring additional homes into use in, the sector. This includes schemes that would involve significant modernisation, conversion or adaption – particularly where not undertaking such works would leave properties vacant in the long-term, moribund or set for disposal.
- 1.10. The GLA and DLUHC will support organisations to produce bids. Bids will be periodically assessed by GLA and DLUHC officers, and in accordance with criteria set out in the guidance. Following joint review, they will make recommendations for funding allocations. Individual funding allocations will be approved by the Secretary of State for DLUHC and the Executive Director of Housing and Land for the GLA (see paragraph 1.13).

#### Delegated authority

- 1.11. As an affordable homes delivery programme, the established operational processes for the Affordable Homes Programme will be aligned with wherever possible.
- 1.12. Funding allocations are subject to ministerial approval by DLUHC. They will then be approved by the Executive Director for Housing and Land, in line with decision-making processes for the Affordable Homes Programme (as set out in Mayoral Decision Making in the GLA) and the SHAP MOU.
- 1.13. This decision delegates authority to the Executive Director for Housing and Land:
- to approve the final version of the MOU, in line with the agreed principles of this MD
  - to approve receipt of the final London allocation of capital and revenue funding (including administration funding) when the exact amount is confirmed
  - to take decisions on individual allocations in line with the established internal processes for the Affordable Homes Programme, and delegated decision processes set out in Mayoral Decision Making in the GLA.

## **2. Objectives and expected outcomes**

- 2.1. The aim of the programme is to boost delivery of affordable homes for two groups of Londoners with high support needs – former rough sleepers, and young people who are homeless or at risk of homelessness – and to provide them with the support they need to move on and rebuild their lives. Approximately a third of delivery will focus on provision for young people, although this will potentially require a smaller proportion of the allocated capital fund compared to delivery for high and complex needs.
- 2.2. The key objectives are:
  - to meet unmet needs by ensuring appropriate accommodation and support solutions for those with high or complex needs who are sleeping rough, or are already in a rough-sleeping pathway
  - to provide a route into longer-term accommodation and a support pathway for young people who are homeless or at risk of homelessness
  - to provide opportunities for sub-regional and pan-London services to meet the needs of groups from whom demand in any single borough is too low to justify a borough-specific service
  - to free up spaces in hostels by providing move-through in existing pathways.
- 2.3. DLUHC has not set specific targets on outcomes, with the aim of being sufficiently flexible on a range of positive outcomes; but has agreed to monitor the T1000 cohort (identified as the most entrenched rough sleepers in London) as an outcome indicator to assess impact.
- 2.4. Outcomes will include:
  - more appropriate options for people with high or complex needs who are sleeping rough; and young people who are homeless, or at risk of homelessness
  - fewer people sleeping rough in London
  - more young people prevented from becoming homeless/sleeping rough
  - greater 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
  - move-on to lower levels of support or fully independent living, where appropriate.

## **3. Equality comments**

- 3.1. Under section 149 of the Equality Act 2010, as public authorities, the Mayor and the GLA are subject to a public-sector equality duty; and, in the exercise of their functions, must have 'due regard' to the need to:
  - eliminate discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Equality Act 2010
  - advance equality of opportunity between people who share a relevant protected characteristic and those who do not

- foster good relations between people who share a relevant protected characteristic and those who do not.
- 3.2. Relevant protected characteristics under section 149 of the Equality Act are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
- 3.3. Of those seen rough sleeping in 2021-22:
- 48 per cent were non-UK nationals
  - 6 per cent were from Gypsy/Romany/Traveller communities
  - 50 per cent had a mental health need
  - 35 per cent had at least two support needs around drugs, alcohol and mental health; and 10 per cent had support needs in all three areas
  - 17 per cent were women
  - 59 per cent were between 26 and 45
  - eight per cent were under 26
  - 12 per cent were over 55
  - 20 people were under 18.
- 3.4. The most recent data from Centrepoin's Youth Homelessness Databank reports that 15,200 homelessness approaches were made to London local authorities by young people in 2020-21.
- 3.5. As those with protected characteristics of race and disability are over-represented among rough sleepers, the proposals in this paper are likely to have positive impacts on Black, Asian and Minority Ethnic Londoners, and those with disabilities. As the majority of people sleeping rough are men, more men than women are likely to benefit from this provision. Younger Londoners (18-25) are also likely to benefit from this programme, given the focus on part of this provision for young people at risk of homelessness.

#### 4. Other considerations

##### Key risks and issues

- 4.1. Key risks are set out in the following table:

Risk description	Risk rating	Mitigating action
Poor uptake and scheme failure. All starts and completions must happen within two years, with capital funding substantially back-loaded. The majority of schemes will need to start and complete in a single financial year due to the profile of the capital funding, so securing enough schemes in that small window will be very challenging. It will reduce scope for some	Medium	The programme will be promoted widely among investment partners, and increased engagement will take place during the forthcoming bidding round(s) with London boroughs and other registered providers. Any issues that may deter bidding will be promptly reviewed. GLA officers will work closely with successful bidders to identify delivery risks and any potential delivery delays at the earliest opportunity; and to provide additional support to overcome barriers to delivery by the end of the programme. GLA officers are working in partnership with DLUHC

delivery methods (e.g. no new-build) and create a high risk of schemes falling out of the programme due to slippage.		officials to promote the programme, and assess proposals, and will support providers to develop robust proposals and challenge planning assumptions. Models that can be delivered more quickly than new-build – such as refurbishment, remodelling and acquisition – are included within the parameters of the programme.
Providers are unable to find alternative revenue funding for support after the initial three years. The lack of revenue funding continues to be a challenge for supported and specialist housing delivery.	Medium	The Mayor continues to lobby for a longer-term commitment to revenue funding from DLUHC in the supported and specialist housing sector. Officers are working with partners in the bidding and assessment stage to contextualise bids within wider support pathways. Plans are in place through development of SHAP contracts to identify ways, and strengthen longer-term usage, of accommodation for vulnerable clients in the event of revenue funding ending.
Existing GLA staffing capacity is insufficient to successfully deliver this large and complex programme; funding for additional staffing is not forthcoming/timely, or is insufficient.	Medium	GLA officers are in negotiation with DLUHC regarding the funding to be made available for GLA staffing. The programme is unlikely to proceed unless sufficient resources for staffing is provided.
Support providers being provided with grant funding perform poorly.	Low	Bids for support funding will be assessed against a range of criteria, including required skills, knowledge, expertise and capacity to provide appropriate and high-quality support. Robust grant agreements, rigorous and thorough GLA monitoring and oversight, and excellent relationships between the GLA and support providers will identify risks of poor performance so they can be rectified quickly and appropriately.
Difficulty securing support services. Capacity within the supported housing sector is under strain. Feedback from many Rough Sleeping Accommodation Programme support providers suggests that recruiting to support roles has been slower or less successful in recent months, with increasing reliance on agency staff for short-term roles. This is supported by wider sector intelligence about staff in rough-sleeping services leaving for different industries due to burnout, longer hours and low pay.	Low	The lead-in time for the programme, with schemes not beginning capital delivery until next financial year, should provide sufficient time for partners to commission or recruit to support services and officers will work to engage the support market in the lead-up to bidding. The GLA is also supporting work to build staffing capacity in the sector via the Life Off the Streets group, including training and development offers for the sector and bespoke jobs fairs at City Hall.
Cost and market instability undermining viability. The current economic situation, with rising inflation and interest	Low	The GLA has contributed to the development of the programme modelling with these factors in mind, and officers will continue to manage risks relating to this in programme risk management.

rates, make it an increasingly challenging delivery environment. Providers will see increased costs for capital delivery that may make the already high grant rates unviable.		Officers will work closely with providers to ensure modelling is as robust as possible within the national socio-economic context.
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#### Links to Mayoral strategies and priorities

- 4.2. Since 2016, the Mayor has coordinated efforts through his Life Off the Streets taskforce to identify, implement, lobby for, and monitor the effectiveness of interventions to tackle rough sleeping. In his London Housing Strategy, the Mayor set out his aim that there should be a sustainable route off the streets for every rough sleeper in London. In June 2018, he published his Rough Sleeping Plan of Action which outlines the steps that need to be taken by City Hall, the government and others to achieve this.
- 4.3. Since taking office, the Mayor has been expanding the pan-London rough-sleeping services the GLA funds and commissions. These services collectively form his Life Off the Streets programme. They are services for rough sleepers, or initiatives to tackle rough sleeping, that cannot or would not be provided at a London borough level, as they are pan-London or multi-borough in their remit.
- 4.4. The projects funded through SHAP (for which this MD seeks approval) will help meet Policy 7.2, "Supporting Rough Sleepers off the Streets", of the Mayor's London Housing Strategy. This will occur through a range of actions to help meet the stated central aim of the Mayor, "to ensure there is a route off the streets for every single rough sleeper in London". The GLA works closely with partners in local authorities, London Councils, DLUHC and the charity sector to develop projects that will support rough sleepers off the streets; and provides pan-London leadership and coordination. The projects funded by SHAP will form part of proposal B of the same policy, which states:
- "The Mayor will fund and commission a range of pan-London services and other initiatives to complement those provided by local councils. These will focus on identifying rough sleepers and intervening rapidly to support them off the streets, providing specialist support for particular groups, and helping rough sleepers stay off the street."*
- 4.5. The projects and services funded through this MD will also help meet the objectives of the London Health Inequalities Strategy. Addressing homelessness and rough sleeping is one of the seven objectives set by the Mayor to achieve the aim that all Londoners benefit from an environment and an economy that together promote good mental and physical health.
- 4.6. As 50 per cent of individuals seen sleeping rough in London in 2020-21 had a mental health need, supporting rough sleepers through the services and projects funded via this MD will additionally meet Aim Two, "Healthy Minds", of the London Health Inequalities Strategy.
- 4.7. The aims of the Mayor's core rough-sleeping services include ensuring that all those new to the streets have an immediate route off the streets. The projects and services in this paper form a key part of this, and link to the several of the nine recovery missions that are part of the Mayor's COVID-19 London Recovery Programme. By helping excluded and marginalised groups, which are highly represented in London's rough-sleeper population (see 3.2., above), and working in partnership with local authorities, housing associations and charities, these projects will help meet the "Robust Safety Net" aim, and several of the projects will support the "Mental Health and Wellbeing" and "Building Strong Communities" recovery missions.

#### Consultations and impact assessments

- 4.8. The London Housing Strategy sets the strategic framework underpinning SHAP; and was subject to public consultation and equalities impact assessments in 2017-18.

- 4.9. The Rough Sleeping Plan of Action was developed with the support of the Mayor's Life Off the Streets taskforce, which includes representatives from across London's homelessness sector.
- 4.10. An equality impact assessment was completed by DLUHC when developing SHAP, and officers are conducting a screening assessment to localise this assessment to the London region. Any findings from the screening will inform plans during the development of the programme and future programmes to reduce inequality for Londoners.

#### Conflicts of interest

- 4.11. The officers involved in the drafting and clearance of this form have identified no known conflicts of interest.

## **5. Financial comments**

- 5.1. The decision is seeking approval for the GLA to receive and allocate London's allocation of the nationally available £270.6m (£175.4m of capital and £95.2m of revenue) from DLUHC, to deliver homes for the Single Homelessness Accommodation Programme (SHAP) and provide support for people in those homes. The homes are expected to be delivered during 2023 to 2025. The decision is also seeking approval for the GLA to receive funding for the administration of this programme, which would be approved by the Executive Director of Housing and Land when the MoU and the figures are finalised.
- 5.2. Approval is also sought to delegate authority to the Executive Director of Housing and Land to approve funding allocations in line with decision making processes for the Affordable Homes Programme, as set out in Mayoral Decision Making in the GLA) and the MoU with central Government for the Single Homelessness Accommodation Programme.
- 5.3. The indicative profile of the delivery funding from DLUHC is set out below, exclusive of the revenue for programme administration, and is subject to change within the total programme envelope for inside and outside of London:

	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>Total</b>
Capital (£m)	14.1	61.0	0	0	0	75.1
Revenue (£m)	2.11	7.24	10.4	8.47	3.14	31.4
<b>Total (£m)</b>	<b>16.25</b>	<b>68.27</b>	<b>10.44</b>	<b>8.47</b>	<b>3.14</b>	<b>106.57</b>

- 5.4. The GLA will receive grant receipts from DLUHC for all revenue and expenditure costs for the SHAP programme. The grant will be paid to the GLA quarterly in arrears. DLUHC would also provide funding to the GLA, to cover the costs for staffing including the internal corporate recharge cost per externally funded post, legal and other administrative costs associated with delivering the SHAP programme.

## **6. Legal comments**

- 6.1. Section 30 of the Greater London Authority Act 1999 (as amended) (GLA Act) gives the Mayor a general power to do anything that he considers will further one or more of the principal purposes of the GLA. The principal purposes, as set out in section 30(2), are:
- promoting economic development and wealth creation in Greater London
  - promoting social development in Greater London
  - promoting the improvement of the environment in Greater London.

- 6.2. Given the above, and section 34 of the GLA Act, which allows the Mayor to do anything that is calculated to facilitate, or is conducive or incidental to, the exercise of any of his functions (including his functions under section 30), the GLA is empowered to receive funding from the government and provide financial assistance for the purpose of the recipient providing affordable housing and/or tenancy support.
- 6.3. In determining whether or how to exercise the power conferred by section 30(1) of the GLA Act, the Mayor must:
- have regard to the effect that these decisions will have on the health of persons in Greater London, health inequalities between persons living in Greater London, the achievement of sustainable development in the United Kingdom and climate change and its consequences (sections 30(3-5) of the GLA Act)
  - pay due regard to the principle that there should be equality of opportunity for all people (section 33 of the GLA Act).
- 6.4. In taking the decisions requested of him, the Mayor must also have due regard to the Public Sector Equality Duty – namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010; and to advance equality of opportunity, and foster good relations, between persons who share a relevant protected characteristic (race, disability, sex, age, sexual orientation, religion or belief, pregnancy and maternity, and gender reassignment) and persons who do not (section 149 of the Equality Act 2010). These matters will also need to be taken into account when preparing the funding guidance and when assessing specific bids for funding proposals and entering into funding agreements.
- 6.5. In respect of paragraphs 6.3 and 6.4, the Mayor should have particular regard to section 3 (above) of this report.
- 6.6. In addition to the above, where the Mayor is proposing to use the power conferred in section 30(1) of the GLA Act, the Mayor must consider consulting in accordance with section 32 of the GLA Act (see sections 4.8 to 4.10 above). The Mayor will need to consult in accordance with section 32 of the GLA Act, as appropriate, prior to entering into any funding agreements.
- 6.7. Where funding is to be granted by the GLA for the provision of low-cost rental accommodation, it should be noted that sections 31 to 36 of the Housing and Regeneration Act 2008 (as amended by section 333ZE of the GLA Act) will apply. This includes a requirement upon the GLA to impose a condition ensuring that a registered provider of social housing is the landlord when the accommodation is made available for rent.
- 6.8. The award of GLA funding under this programme is not a payment for services and is not therefore subject to the requirements of the Public Contracts Regulations 2015. This notwithstanding, the GLA is still subject to the overarching duties of fairness and transparency. Officers must ensure that the funding is distributed fairly, transparently, in accordance with the GLA's equalities duties and in a manner that affords value for money in accordance with the GLA's Contracts and Funding Code.
- 6.9. Legal advice should be sought on the forms of funding agreement to be used for this funding programme, including advice as to any subsidy control requirements, and no commitment to fund should be made before the relevant funding agreement is entered into.
- 6.10. Section 38 of the GLA Act provides that any function exercisable on behalf of the Authority by the Mayor shall also be exercisable by, amongst others, any member of staff of the Authority, if or to the extent that the Mayor authorises and subject to any conditions imposed by the Mayor. The Mayor may make the requested delegation to the Executive Director of Housing and Land, if he so chooses.

## **7. Planned delivery approach and next steps**

7.1. An indicative timeline is set out below:

<b>Activity</b>	<b>Timeline (indicative)</b>
Publication of funding guidance	Q3 2022
Production of bids	Q3 2022
Moderation of first round of bids	Q4 2022
Delivery of first homes begins	From Q1 2023
Delivery of homes completes	By end of Q4 2025
Delivery of support	Up to three years from last capital completion

### **Appendices and supporting papers:**

None.

### Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

### Part 1 – Deferral

**Is the publication of Part 1 of this approval to be deferred? NO**

### Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

**Is there a part 2 form – NO**

### ORIGINATING OFFICER DECLARATION:

Drafting officer to  
confirm the  
following (✓)

**Drafting officer:**

Alex Skerten has drafted this report in accordance with GLA procedures and confirms the following:

✓

**Sponsoring Director:**

Tim Steer has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

**Mayoral Adviser:**

David Bellamy has been consulted about the proposal and agrees the recommendations.

✓

**Advice:**

The Finance and Legal teams have commented on this proposal.

✓

**Corporate Investment Board**

This decision was agreed by the Corporate Investment Board on 5 December 2022.

✓

### EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

**Signature**



**Date**

07/12/2022

### CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor.

**Signature**



**Date**

03/12/2022

