



Report of Head of Commissioning, Adults and Health

Report to Director of Communities and Environment

Date: 7 April 2021

Subject: Provision of a 9 Bed Move on Accommodation Service for men who are homeless, vulnerably housed or rough sleeping

Are specific electoral wards affected? If yes, name(s) of ward(s): Kirkstall	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary

1. Main issues

- A building in Kirkstall has been used by the Council to house people who are homeless or vulnerably housed for the last 20 years. The building is owned by Home Group and the Council has had a contract with Home Group for a support service on site. The contract ended on the 31st March 2021. The building was due to be developed for an alternative use but that is now not going to happen in the short term.
- The Council now has an opportunity to continue to use this building, which has 9 self-contained flats and potential for two emergency beds, and offers a high standard of accommodation.
- The Council will use this accommodation to provide additional temporary supported accommodation as a move on option for people who are homeless and who were previously supported in emergency accommodation throughout the pandemic during the last year.
- The cost for the accommodation and support will be a mixture of Housing Benefit for the housing management costs and up to £220,000 for the support costs. The support costs will be funded by grant from the Ministry of Housing, Communities and Local Government (MHCLG).

- The building will be used for male clients only and 24 hour experienced staffing and security will be in place to ensure that adequate support is provided and that the building is supervised at all times.
- The building has become available from 31st March 2021 and therefore is ready for immediate use. The proposal is to use the building for one year initially

2. **Best Council Plan Implications** (click [here](#) for the latest version of the Best Council Plan)

This proposal supports a number of the Council's Best Council Plan priorities including

- a. **Safe, strong communities** – keeping people safe from harm and protecting the most vulnerable;
- b. **Health and Well-being** – ensuring support for the health and social care sector to respond and recover from covid-19; and
- c. **Housing** – minimising homelessness through a greater focus on prevention and reducing the number of people rough sleeping.

3. **Resource Implications**

- The proposal is to use the building for one year initially and to fund housing management costs from Housing Benefit and support using grant funding from the Ministry of Housing Communities and Local Government.
- The proposal is that Home Group put in place a Management Agreement with St George's Crypt for use of the building. The Crypt would use Housing Benefit to fund the housing management costs related to the building and the Council would pay grant for support costs of up to £220,000 for 2021/22 with funds from the Ministry of Housing, Communities and Local Government.

4. **Recommendations**

The Director of Communities and Environment is recommended to:

- a) Approve the acceptance of the MHCLG grant of £220,000 revenue funding.
- b) Agree to continue to use the 9 bed accommodation to provide additional temporary supported accommodation.
- c) Approve allocation of a grant to St George's Crypt for a value up to £220,000 for 12 months, starting April 2021.

1. **Purpose of this report**

- 1.1 The purpose of this report is to seek Director approval for the proposed funding and delivery arrangements outlined in this report for use of a 9 bed building in Kirkstall for supported accommodation. This will enable the Council to increase the amount of move on accommodation available as emergency accommodation provided in response to the COVID-19 pandemic is reduced.

2. Background information

- 2.1 As part of the 'Everyone In' initiative, approximately 15,000 people nationally, who were sleeping rough, in unsafe communal settings or at imminent risk of rough sleeping were placed into emergency accommodation during the COVID-19 pandemic. The Council is ensuring that people are supported to move from emergency accommodation into supported or more permanent housing. An additional building is available to use for the next year. Grant funding is available to cover the support costs. Main issues:
- 2.2 On the 27th March 2020, in response to the government guidance of the Covid-19 pandemic, Leeds City Council established additional emergency accommodation.
- 2.3 The Council is now looking at how people can be moved from emergency accommodation into supported or more long term accommodation with the right support in place to meet their needs.
- 2.4 The Council has identified an opportunity to provide a number of self-contained units that will be used to deliver emergency and supported accommodation for some of these vulnerable customers. One of these options is the use of a 9 bed property, formerly used as supported accommodation. This will provide safe supported accommodation that can be accessed 24 hours a day, 7 days a week, to men who are homeless, vulnerably housed or rough sleeping.
- 2.5 The facilities will include 9 self-contained one bedroom flats and has the potential to provide a further two spaces for emergency accommodation. An onsite staff office will allow for support and security to be provided on a 24/7 basis. The building is available to the Council from Home Group who own the building. Support will be provided by an experienced provider who currently support homeless and vulnerable people in the city. The units will be leased on a license, meaning that the provider has the ability to assist clients to claim Housing Benefit and to pay rent. The rent will be used for housing management costs.
- 2.6 The project follows the best practice model of providing self-contained emergency accommodation with onsite support, provided during the pandemic. Clients will receive support whilst housed in the building and will be assisted to move into more permanent accommodation.
- 2.7 Wrap around support will include support from staff based in the building and from other agencies involved as part of a partnership approach.

3. Corporate considerations

3.1 Consultation and engagement

- 3.1.1 The proposed accommodation meets the needs and preferences of people housed in emergency accommodation as expressed via an evaluation which included consultation with clients who have experienced homelessness.
- 3.1.2 The Council's Executive Member for Communities has been engaged and is fully supportive of the proposed scheme.
- 3.1.3 Ward members have also been consulted and are supportive of the scheme.

3.1.4 The specific location of the property has not been identified in this report in order to protect the vulnerable residents that would be supported by this project.

3.2 Equality and diversity / cohesion and integration

3.2.1 **National Rough Sleeping Strategy:** The government published its national rough sleeper strategy in August 2018. The national strategy includes the targets to halve rough sleeper numbers (from the 2017 baseline) by 2022 and to end rough sleeping by 2027. The national strategy is rooted in three 'pillars':

- To prevent new people from starting to sleep rough;
- To intervene rapidly when people start to sleep rough to help them off the street; and
- To promote a person's recovery once they are off the street to build positive lives and to prevent a return to rough sleeping.

3.2.2 The delivery of the proposed accommodation identified in this report directly contributes to the Council's response to homelessness and the additional pressures that Covid-19 has placed on some of the most vulnerable people living in Leeds.

3.2.3 Other initiatives are underway to address and support homelessness prevention in the city, however, this accommodation has been identified as a priority for the city due to the vulnerable nature of the proposed residents.

3.2.4 The provision of this accommodation will therefore have a significant positive impact on this group and support wider council initiatives in preventing homelessness in the city.

3.2.5 An Equality, Diversity, Cohesion and Integration (EDCI) screening has been completed to evaluate the impact of the delivery of this accommodation. A copy of the EDCI screening document is attached for reference at Appendix 1.

3.3 Council policies and the Best Council Plan

3.3.1 Housing has been identified as one of the Best City priorities and this accommodation will directly support the following priorities:

- Housing of the right quality, type, tenure and affordability in the right places;
- Minimising homelessness through a greater focus on prevention; and
- Providing the right housing options to support older and vulnerable residents to remain active and independent.

3.3.2 The provision of this accommodation will also directly contribute to the achievement of a number of the key performance indicators the Council will use to measure success including:

- Growth in new homes in Leeds; and
- Number of affordable homes delivered.

Climate Emergency

3.3.3 There are no specific proposals in regard to this accommodation which relate to the Council's climate emergency targets. The accommodation will meet all necessary Building Regulation requirements appropriate to the intended residential use.

3.4 Resources, procurement and value for money

3.4.1 The accommodation will house tenants who will be eligible for Housing Benefit. This will be used to support housing management costs and rent to the landlord. The delivery of this project also requires revenue funding for the operational management and support costs of the building of approximately £220,000. This element of the cost will be met from grant funding from the MHCLG.

3.4.2 A grant will be provided to St George's Crypt to cover the cost of providing support to residents of the building. A grant agreement will be put in place and the delivery of this provision will be monitored by the Adults and Health Integrated Commissioning Service.

3.5 Legal implications, access to information, and call-in

3.5.1 This report is a Significant Operational Decision. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules

3.5.2 Approval is being requested from the Director of Communities and Environment to enable the Council to progress the delivery of this accommodation within agreed timescales to provide move on opportunities from emergency accommodation as soon as possible.

3.5.3 As the Council would be entering into grant arrangement with the named organisation, the Council will have no contractual control over enforcement of the terms. The only sanction available with grant payments is for the Council to claw-back grant monies unspent.

3.5.4 There is a risk of challenge that a grant payment is not a grant. Legally there is some confusion about when a grant can and cannot be used as there is a fine line between a grant (which is not caught by the procurement rules) and a contract for services (which is caught by the procurement rules). Although no longer directly applicable to the UK's departure from the European Union the preamble to EU Procurement Directive 2014/24/EU (from which the Public Contracts Regulations 2015 were transposed into English law) is still persuasive and the directive makes it clear at paragraph (4) that "the mere financing, in particular through grants, of an activity, which is frequently linked to the obligation to reimburse the amounts received where they are not used for the purposes intended, does not usually fall within the scope of the public procurement rules".

3.5.5 As such, unconditional grants are unlikely to meet the definition of a contract set out in the Public Contracts Regulations 2015 (PCR 2015). However, where grants are used with strict qualification criteria and an obligation to pay back money if certain targets are not reached, the position is less straightforward

and it is possible that an arrangement referred to as a grant could actually meet the definition of a contract set out in the PCR 2015 and, if it does, the PCR 2015 may apply. It is therefore extremely important to ensure that, if providing grants, the process followed does not fall within the definition of a “public contract” as set out in PCR 2015 which states –“contracts for pecuniary interest concluded in writing between one or more economic operators and one or more contracting authorities and having as their object the execution of works, the supply of products or the provision of services”

- 3.5.6 Grants may be in breach of state aid but it is unlikely that the grant payments proposed will fall foul of the state aid rules.
- 3.5.7 Funding from which any grant payment is made must be designated as “grant” money. If the Council wish to make a grant, the money must be in the Public Health “grant” block. If it is not, it can normally be moved from other blocks in the Council budget into the grant block.
- 3.5.8 Awarding the grants to the named organisation in this way could leave the Council open to a potential claim from other providers, to whom this grant could be of interest, that it has not been wholly transparent. However the risk of this would appear to be low.
- 3.5.9 As this is a grant it is not subject to the council’s Contracts Procedure Rules or within the Public Contracts Regulations 2015 but good practice and transparency will be observed throughout.
- 3.5.10 There is no overriding legal obstacle preventing the award of the grants and the contents of this report should be noted. In making their final decision, The Director of Communities and Environment should be satisfied that the course of action chosen represents best value for the Council

3.6 Risk management

- 3.6.1 The accommodation will be delivered via the use of an existing property. A Management Agreement will be put in place between Home Group and St George’s Crypt, the support provider. This will cover mitigation of any risks associated with the building itself such as fire safety and insurance and will also ensure that regular support is put in place by the provider.
- 3.6.2 A decision on the overall Rough Sleeper Initiative funding bid for 21/22 to MHCLG has not been received as yet but an allocation of £500k has been made by MHCLG to fund emergency accommodation and move on accommodation costs in 21/22. The funding for this facility will be paid out of this grant.

4. Conclusions

- 4.1 The provision of this self-contained accommodation for 9 clients and the potential for two emergency beds will enable the city to safely house and support some of the most vulnerable residents in Leeds, who have been even more impacted by the Covid-19 pandemic.

- 4.2 Funding will be available from MHCLG grant to cover the cost of support. An experienced support provider will receive a grant to provide 24 hour support in the building, 7 days a week.
- 4.3 Appropriate governance arrangements are in place including regular contract management meetings, quality meetings and overview of contract risk.

5. Recommendations

The Director of Communities and Environment is recommended to:

- a) Approve the acceptance of the MHCLG grant of £220,000 revenue funding.
- b) Agree to continue to use the 9 bed accommodation to provide additional temporary supported accommodation.
- c) Approve allocation of a grant to St George's Crypt for a value up to £220,000 for 12 months, starting April 2021

6. Background documents¹

- 6.1 None.

¹ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.