

# Rough Sleeping Accommodation Programme 5: Approval of grant funding to Turning Lives Around

Date: 23rd January 2023

Report of: Head of Commissioning, Adults and Health Directorate

Report to: Director of Communities, Housing and Environment

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

## Brief summary

This report seeks approval to award a RSAP5 (Rough Sleeping Accommodation Programme) grant to Turning Lives Around (TLA) for the delivery of four one bed accommodation units with support.

## Recommendations

- a) The Director of Communities, Housing and Environment is recommended to approve the use of a Department for Levelling Up, Housing and Communities (DLUHC) Rough Sleeping Accommodation Programme (RSAP5) grant to Turning Lives Around (TLA) to provide four units of one bedroom accommodation with support for people who have previously been rough sleeping. The grant available is for up to £34,875 revenue and up to £204,000 capital.

## What is this report about?

- 1 The Department for Levelling Up Housing and Communities (DLUHC) launched a grant programme in 2020 the Next Steps Accommodation Programme (now called the Rough Sleeping Accommodation Programme (RSAP). Leeds has made a number of successful bids to NSAP and RSAP Rounds 1 to 5.
- 2 RSAP aims to provide move-on homes and accompanying support services for individuals who have previously been rough sleeping who are ready to move into accommodation with visiting support. Bids were invited for accommodation and support or support only schemes. A bid was made by the Council with Turning Lives Around (TLA) to RSAP5 for a scheme to purchase and repair four one bed accommodation units and to provide support from a half time navigator post.
- 3 The Department for Levelling Up, Housing and Communities (DLUHC) has confirmed that the bid, which will strengthen the move on options for people who have previously been rough sleeping or are at risk of rough sleeping, has been successful. This report seeks authority to accept the RSAP grant and to award it to Turning Lives Around.
- 4 The funding will be used towards the cost of acquiring and refurbishing four one-bedroom properties and providing support.
- 5 Up to £204,000 RSAP5 grant is available to support the capital costs. £14,625 revenue grant has been awarded by DLUHC to support revenue costs in 2023/24 and £20,250 has been bid for in 2024/5.

## What impact will this proposal have?

- 6 The RSAP5 grant will enable TLA to purchase and repair four additional one-bedroom units of accommodation which will be used as move on accommodation for people who have been rough sleeping or are at risk of rough sleeping. This will be either direct moves into the accommodation as part of a 'Housing First' model or from other supported accommodation. TLA will work with Housing Options and other partners to identify tenants for the properties.

## How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 7 This proposal supports people to obtain suitable housing and to sustain independent living. The support provided will help people to improve their health and wellbeing, for example by connecting with relevant services as required. The capital grant will enable TLA to purchase and repair four units of accommodation to a high standard including making them as energy efficient as possible and therefore contributing to the city's Zero Carbon ambitions.

## What consultation and engagement has taken place?

Wards affected: Not yet identified

Have ward members been consulted?

Yes

No

- 8 The Executive Member for Environment and Housing has been engaged and is fully supportive of the proposed scheme.

- 9 Discussions have taken place with a range of stakeholders about the bid to DLUHC and the allocation of funds received. Further consultation will take place as part of the mobilisation of the project.
- 10 The specific location of the properties has not yet been identified. Properties will be acquired on the open market and there will be a maximum of two units on one site.

### **What are the resource implications?**

- 11 The capital cost of the project will be met from the DLUHC RSAP5 budget. TLA is also required to contribute to the cost of acquiring and refurbishing the units.
- 12 A revenue grant is available to cover the cost of a half time Navigator post for 2023/24 for 9 months from July 2023. It is expected that a revenue grant of up to £20,250 will be approved for 2024/25. The Navigator will be employed by TLA.
- 13 Monitoring processes will be put in place by the Adults and Health Commissioning Team to ensure compliance with grant conditions, value for money and quality of delivery for the duration of the grant. Payment will be based on actual costs based on submission of financial returns and will not exceed the amount approved in this report. Payment will be made in instalments.

### **What are the key risks and how are they being managed?**

- 14 The grant will be allocated to TLA to deliver the project as outlined in the RSAP5 bid and approved by DLUHC. As a result, should the recipient fail to deliver the project then there is a risk that the Council could have to repay the grant to DLUHC. This will be mitigated by payment in instalments, through monitoring of the project by Commissioning and through ongoing updates and communication with DLUHC.
- 15 Risk management is built into the project by TLA. There are risks around acquisition of properties and unforeseen issues in terms of refurbishing the properties. Issues may be availability, quality, and affordability. TLA is confident that the project is deliverable within the funds allocated. Most of the refurbishment will be carried out 'in house' by TLA's Property Services Team, with only specialist trades being contracted in and this will ensure TLA has direct control over costs.
- 16 There is a risk that there will be difficulties with recruiting the member of staff, but TLA are experienced with recruitment to similar posts and will use all existing networks to advertise and promote the vacancy.

### **What are the legal implications?**

- 17 This decision is a Significant Operational Decision and as such is not subject to call in but is a published decision. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 18 As the Council would be entering into a grant agreement with TLA, 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 or spent on matters for which the grant wasn't provided.
- 19 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 due to the UK's departure from the European Union, the preamble to the EU Procurement Directive 2014/24/EU (from which the Public Contracts Regulation 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”.

- 20 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 as set out in the PCR 2015. 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”.
- 21 It is unlikely that the grant payments proposed will fall foul of the subsidy control rules.
- 22 Funding from which any grant payment is made must be designated as “grant” money.
- 23 Awarding the grant directly 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 very low as the bid to DLUHC was made in partnership between the Council and Turning Lives Around.
- 24 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.
- 25 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, Environment and Housing should be satisfied that the course of action chosen represents best value for the Council.

## **Options, timescales and measuring success**

### **What other options were considered?**

- 26 Grant funding was applied for from RSAP5, with TLA, to specifically fund this project and to increase the number of RSAP units available for move on. Other options including working with other partners and delivering RSAP properties as a Council have also been progressed as part of other RSAP bids.

### **How will success be measured?**

- 27 Success will be measured based on the acquisition and refurbishment of four one-bedroom properties. TLA will report outcomes to Leeds City Council and DLUHC. This will include progress and outcomes relating to people who are housed, including around health and wellbeing, staying safe, reducing substance misuse, and sustaining the tenancy. Successful move-on from the service to settled accommodation and no return of individuals to rough sleeping will be measured as a successful overall outcome.

### **What is the timetable and who will be responsible for implementation?**

- 28 Mobilisation and planning for this service has already begun. The timescales are that the four properties will be acquired in the next few months and refurbished and ready for use by September 2023. The Navigator post will be filled and in post by July 2023.

## **Appendices**

- Equality, Diversity, Cohesion and Integration Screening document.

## **Background papers**

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