

To seek approval from the Director of Communities, Housing and Environment to accept the Accommodation for Ex-Offenders grant from the Department of Levelling Up, Housing and Communities

Date: 10th March 2023

Report of: Head of Commissioning, Adults and Health

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

The purpose of this report is to detail the funding made available to continue the Accommodation for Ex-Offenders project from the Department of Levelling Up, Housing and Communities. This project has been running since September 2021 and an opportunity was made available in 2022 to submit an extension bid to continue beyond April 2023.

Recommendations

- a) The Director of Communities, Housing and Environment is recommended to approve acceptance of grant funding of £304,000 over a two-year period, April 2023 to April 2025, and that grant funding is allocated to BARCA (£80,000 per annum for two staff) and £72,000 per annum to Housing Options for landlord costs.

What is this report about?

- 1 This report seeks approval to accept further Government grant funding to continue the Accommodation for Ex-Offenders (AfEO) project from 1st April 2023 to 31st March 2025.

The AfEO project, an initiative open to all Local Authorities, has been running in Leeds since 2021. In early 2021, the Ministry of Housing, Communities and Local Government (now DLUHC) launched the Accommodation for Ex-Offenders Fund, a £13 million programme to fund local authority led schemes to develop sustainable accommodation provision in areas of high need by increasing access to private rented sector (PRS) tenancies for ex-offenders who are, or are at risk of becoming, homeless.

- 2 The Council was successful in attracting funding of £271,000 with the pilot starting in September 2021. It involves close partnership work between officers in Housing Options who identify suitable people leaving prison, in partnership with Probation colleagues, and the liaison with landlords who offer properties to the scheme.
- 3 Two support workers employed by BARCA, part of Engage Leeds, provide support to people housed through the scheme, helping them set up a tenancy and gain independent living skills, and comply with any probation requirements.
- 4 The Leeds scheme continued beyond 1st September 2022, into a further six-month period using existing funding surplus, and to date has successfully accommodated in the region of 40 people into tenancies.
- 5 DLUHC requested interest in September 2022 to submit a bid for further funding to extend the service a further two years, beyond March 2023. The Council and delivery partners submitted a bid which was successful, based on evidence gathered during the initial pilot period, to continue the service for 1st April 2023 to 31st March 2025.
- 6 The continued project will consist of 3 workers who will be employed (a Housing Offender Partnership Coordinator based in Leeds Housing Options, and two support workers from BARCA Leeds to help individuals maintain their tenancies) to drive forward the work of this project. The Coordinator within Leeds Housing Options works closely with private sector landlords to build up a portfolio of properties using a range of financial interventions, ensure the use of available tenancies is maximised by the project, and links up with strategic partners in Probation to identify individuals who are suitable for the scheme from the weekly prison release data.

What impact will this proposal have?

- 7 This proposal will allow the AfEO project to continue for a further 2 years, helping provide accommodation options for people leaving prison who are not in priority need and would otherwise be at risk of homelessness or rough sleeping.
- 8 Continued delivery of this service will ensure people who are vulnerable, or who may present risk of re-offending are accommodated and receive support. This will contribute positively to strategic aims to reduce re-offending and homelessness.
- 9 Good working relationships have been established since the project first started, the work of BARCA and officers in Housing Options is recognised as the main contribution to its success. We are keen to maintain these arrangements.

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 10 The main objective of the service is to ensure people leaving prison are adequately housed, avoiding homelessness, and engaging with support services such as Forward Leeds to tackle any substance misuse problems on release from custody.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

- 10 Consultation around the extension bid took place with officers from Adults and Health, Leeds Housing Options, BARCA Leeds the current commissioned support providers and key partners within the Leeds Housing Offenders Group.

What are the resource implications?

- 11 The cost of the two-year extension of the project will be met by a Government grant from the DLUHC Accommodation for Ex-Offenders Fund. The grant will be for £304,000 in total.

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

- 11 The project should have sufficient funding to support the three workers connected to the service, any other costs are variable depending on the landlord incentives and bonds to enable properties to be accepted into the scheme. This funding will be closely monitored over the period of the extension to ensure the costs are met within the available budget.
- 12 DLUHC has indicated that funding will be paid each six months, depending on performance reaching agreed outcomes, of 36 new tenancies each year. Monitoring of performance will be necessary to ensure these targets will be met. Regular meetings take place between partners each quarter to update on performance and general management of the scheme.
- 13 The grant will be paid to BARCA Leeds and Leeds Housing Options to deliver and manage the 3 posts. As a result, should BARCA and Leeds Housing Options fail to deliver the project then there is a risk that Leeds City Council could have to repay the grant. This will be mitigated by payment in instalments, through robust monitoring of the project by Adults and Health Commissioning Team, through ongoing independent evaluation and regular updates and communication with the Government AfEO office.

What are the legal implications?

- 14 As the Council would be entering into a grant arrangement with Engage Leeds who wish to provide the 2 Housing Support Workers, 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.
- 15 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 UKs 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”.

- 16 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”

Options, timescales and measuring success

What other options were considered?

- 14 The Council wishes the current project to continue, following the submission of the 2-year extension bid in November 2022 and using the existing model was considered to be the best option.

How will success be measured?

- 15 The two-year extension period from April 2023 will be closely monitored by DLUHC with requirements of six-monthly progress updates to meet agreed targets in order to receive further funding. The bid is based upon reaching 36 new lettings in each 12-month period, which is considered to be realistic based on the experience of delivery since September 2021, in particular challenges around property supply to expand available property numbers.

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

- 17 The grant agreement and governance for the AfEO project will be completed by 1st April 2023, allowing continuation of the project without interruption. Officers within Adults and Health commissioning will provide overall management of the service, co-ordinating regular updates between delivery partners.

Appendices

None

Background papers

None