



Ministry of Housing,  
Communities &  
Local Government

# Next Steps Accommodation Programme:

Guidance



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# Introduction

1. The Ministry of Housing, Communities and Local Government (MHCLG) invites local authorities, registered providers, and their local partners to engage with the next stage of our COVID-19 Rough Sleeping response.
2. We have seen approximately 15,000 vulnerable people housed in hotels and other forms of emergency accommodation, since the start of the COVID-19 pandemic. This includes people coming in directly from the streets, people previously housed in shared night shelters and people who have become vulnerable to rough sleeping during the pandemic. This is a truly remarkable achievement, and one which is the result of the hard work of local government, the NHS, other health partners, agencies and charities across the country, who have helped to get people off the street and into safe accommodation, protecting the most vulnerable in society and ultimately saving lives.
3. We are at a critical stage in our continued support for rough sleepers, and those at risk, and our attention must now shift to ensure that as few individuals as possible return to the streets following this initial period of accommodation. We must also use this opportunity to take steps to end rough sleeping for good.
4. This means ensuring that the current provision that has been set up to safeguard people who were taken safely from the streets is able to continue for an appropriate length of time, with a planned transition to more sustainable interim accommodation options until vital longer-term move-on accommodation can be put in place.
5. The Next Steps Accommodation Programme makes available the financial resources needed to support local authorities and their partners to do this work. It includes capital for property costs and an attached long-term revenue stream to ensure people are supported in their new tenancies. Additional revenue funding is also available to support a range of initiatives, like moves into the private rented sector, interim accommodation and reconnection with friends and families.
6. Alongside this funding we are also making available the expertise from MHCLG's Rough Sleeping Initiative (RSI) and Homelessness Advice and Support (HAST) Adviser Teams to help coproduce accommodation provision and related support services, under the oversight of the Dame Louise Casey led COVID-19 Rough Sleeping Taskforce.
7. The MHCLG adviser teams will work hand in hand with local authorities to develop Next Steps Accommodation Programme proposals aided where appropriate both by experts on capital development schemes from Homes England's Affordable Housing Growth Team and the Greater London Authority (GLA).
8. Any queries relating to this guidance or the overall funding process should be directed to [NSAP@communities.gov.uk](mailto:NSAP@communities.gov.uk)

# Programme overview

9. There are two different aspects to this fund. One aspect is for long-term accommodation and support for rough sleepers and the remainder is for interim accommodation and support for the 15,000 vulnerable people accommodated during the pandemic. Outside of London, both these aspects of funding are administered through a single process. Inside Greater London, applications for long-term accommodation and support will be administered by the GLA, while the funding for immediate and interim support will be administered by MHCLG. MHCLG will make the final decision on allocating funding.

## **Shorter-term/interim accommodation and immediate support**

10. On 24 June, the Secretary of State announced £105 million to be used for immediate support for local authorities. The funding can cover a range of interventions, from moves into the private rented sector, to extending or procuring interim accommodation such as hotels or student accommodation and supporting individuals to reconnect with friends or family. Organisations wishing to bid for the £105 million must clearly demonstrate in their proposal how the funding will be used to rapidly support those in COVID-19 emergency accommodation. The £105 million is revenue only and to be utilised in 20/21.

## **Longer-term Move-on Accommodation**

11. On 24 May, the Secretary of State announced £161 million for 20/21 (as part of an overall £433 million for the lifetime of this parliament) to deliver 3,300 units of longer-term, move-on accommodation. Organisations wishing to bid for the £161 million must clearly demonstrate in their proposal how the funding will be used to bring forward long-term, move-on accommodation. The £161 million for this financial year is split into £130 million capital funding and £31 million revenue funding.
12. The Next Steps Accommodation Programme comprises both the £105 million and the £161 million for 20/21 although different considerations will apply to the assessment of each.

## **Further funding**

13. MHCLG and DHSC have also announced a total of £23 million for 20/21 for drug and alcohol treatment services. Whilst linked, this does not form part of the Next Steps Accommodation Programme and will be administered separately by Public Health England. The £23 million is from the £262 million announced at Spring Budget 2020. The aim of the drug and alcohol funding is to ensure that the engagement that people have had with drug and alcohol treatment services whilst in emergency accommodation is maintained as they move into longer-term move-on accommodation and to support those who have not previously engaged with treatment services. For this first year, PHE are targeting this funding at priority areas – the areas with the highest number of rough sleepers brought into accommodation with significant intervention likely required.

# What are we seeking to fund?

14. The overall objectives of the Next Steps Accommodation Programme are to reduce rough sleeping and to seek to ensure rough sleepers brought into emergency accommodation in response to COVID-19, do not return to sleeping rough. As COVID-19 remains a risk, it is also essential that people, particularly those who are at increased risk of severe illness, are kept safe.
15. Local authorities are asked to make appropriate and suitable offers for all who have been accommodated, but to have particular focus on the successful resettlement and recovery of those who have a long and/or repeat history of rough sleeping. In London CHAIN data may be used to help identify this cohort. Funding proposals will need to identify the number of their cohort within this group and set out how delivery plans will meet their needs.
16. The Next Steps Accommodation Programme, comprised of the two distinct funding streams described above, aims to bring together a range of solutions, including both short-term/interim accommodation and longer-term move-on options, and the support linked to this accommodation.
17. While there is a need for short-term interventions to help address immediate need, our ambition for the element of the fund that is for long-term accommodation (the £161m), is for this funding to deliver long-term, national assets in the form of supported move-on homes for people recovering from rough sleeping, procured and owned, rather than short term leases.
18. There is a recognition that some of the best developments are designed using a degree of innovation, employed in response to the local area or the needs of specific client groups.
19. Local areas are encouraged to consider recent publications and research to develop new ideas and concepts, and to build on appropriate good practice to develop schemes that are innovative in terms of design, delivery, management, tenure and location. The coproduction process will enable ideas to be generated and ensure that they align with funding programme.

## Assessment of health, circumstances and needs and support

20. Next Steps Accommodation Programme plans and funding proposals must be informed by an assessment of the health circumstances, care and support needs of people accommodated due to COVID-19, as well as long-term rough sleepers who have still to be assisted to access accommodation.
21. When developing personalised housing plans, local authorities and partners should seek to meet individuals' needs and ensure recovery is sustainable.
22. To ensure safeguarding needs are well met local authorities will need to work collaboratively with relevant health, care and support commissioners and providers, including in the receiving local authority area in situations where people are accommodated out of borough.

23. In particular, proposals to develop services for people with identified mental ill-health and/or substance misuse, or other social care needs will require collaboration with partners with responsibility for commissioning and delivering the relevant treatment, care and support services that will be essential to effective sustainment.
24. Next Steps Accommodation Programme plans must take account of individuals' risk of severe illness from COVID-19, the health gains they have made whilst in emergency accommodation, and the need for continuity of care for those whose needs are already being met.
25. In relation to health and wellbeing whilst COVID-19 remains a risk, it is desirable to work with NHS primary care commissioners and GPs to identify:
- People who are at a higher risk of COVID-19 making them seriously ill i.e., are they [clinically or extremely clinically vulnerable](#) and do they require accommodation that will enable shielding i.e., self-contained.
  - People whose ill-health and/or health condition might make their adherence to guidance to keep them and others safe from COVID-19 challenging in the future e.g., mental ill-health, a substance misuse problem, a learning disability. Accommodation and support will need to keep them and others safe.
  - Following the revision of priority need categories, housing authorities should carefully consider the vulnerability of applicants from COVID-19.
26. For all those identified as having a substance misuse need, consideration should be given to their current engagement with, or position in, a treatment/recovery journey, whether there is a need for detoxification and/or residential rehabilitation before placement into longer-term accommodation, or if they need long-term residential care. This assessment will need to be made in conjunction with drug and alcohol providers and commissioners.
27. For people who have ill-health/long-term conditions (including mental ill-health) and require social care and support, accommodation requirements should be informed by an assessment under the Care Act 2014, working with local authority adult social care and NHS commissioners and services.
28. For accommodation, care and support planning purposes (including reconnections), local authorities are asked to consider how the people they are targeting for funding under the Next Steps Accommodation Programme fit across four broad categories:
- High/complex/multiple needs: long-term rough sleepers, and those requiring extensive support through Housing First or supported housing with high-level management and support.
  - Medium/high needs: people who have a significant or repeat history of rough sleeping and/or have health, care and support needs best met through supported housing or housing-led placement with sufficient floating support.
  - Low/no support needs: people who are newly homeless and/or have less significant health or support needs and can be assisted through low support accommodation options, or access to housing and short-term floating support or reconnections to friends and family if deemed appropriate.
  - People whose access to statutory housing assistance and welfare is limited due to their immigration status, e.g. those with a No Recourse to Public Funds condition or EEA nationals not exercising a qualifying right, who require alternative assistance to resolve their homelessness including through reconnection or access to employment.

29. Local areas are expected to identify how support services proposed in the proposals are necessary beyond what is currently in place.

## Shorter-term/interim accommodation and immediate support

30. The Next Steps Accommodation Programme includes £105 million to be used for immediate support for local authorities. The funding will cover a range of interventions, from moves into the private rented sector, to extending or procuring interim accommodation such as hotels or student accommodation and supporting individuals to reconnect with friends or family. Organisations wishing to bid for the £105 million must clearly demonstrate in their proposal how the funding will be used to rapidly support those in COVID-19 emergency accommodation. The £105 million is revenue only and to be utilised in 20/21. All local authorities across the country should send their bids for this funding to MHCLG. More information on how to make a bid can be found below.
31. The following types of short-term accommodation will be considered eligible for funding under the programme. Funding can be used for both the provision of new accommodation, and the extension of existing accommodation:
- **Accommodation owned by a university, RP or private landlord and available for interim use.**
  - **PRS Access.** This includes guaranteed rent or deposit schemes, mediation support and training, or landlord incentives.
  - **Supported Housing.** Additional support can be offered to enable access to supported accommodation or social housing.
  - **Modular housing units** where these can be made available with necessary facilities, including power and waste connections. These can usually be placed with temporary planning permission.
  - **Hotels.** This includes funding to extend contracts, where this is the only or best solution to keep people in safe accommodation.
  - **Other forms of short-term accommodation** to ensure that no one returns to the streets. Bidders are encouraged to be creative in their proposed response to reflect the expressed needs of individual rough sleepers.
  - **Employment support and training** either to access work directly or to improve individuals' employability.
  - **Reconnections with friends and family**, including local, national and international reconnections.
  - **Other forms of immediate support** including tenancy sustainment support and immigration advice.
32. The list below sets out the considerations for short-term and interim proposals:
- Funding is available for use until 31 March 2021 and therefore schemes and projects must be delivered rapidly.
  - Any short-term accommodation secured through this fund should be demonstrably good value for money. This could be achieved through negotiation of rate of placements, alignment with existing contracting and maximisation of rental income.



- Local areas should be satisfied that properties used for short-term and interim accommodation are safe, and that accommodation is suitable for those housed.
  - Whilst there may be a continued need, the overall number of interim placements required is expected to reduce over time.
  - Where appropriate local areas should consider using this funding to provide up to 12 weeks of accommodation and support for eligible EEA national rough sleepers under the suspension of the derogation to Article 24(2) of the Free Movement Directive. EEA nationals who have been rough sleeping and are jobseekers or in their first three months of residence in the UK will be eligible for this support. This is a short-term measure until 31 December when the new immigration rules will apply – you may wish to refer to guidance provided by the Rough Sleeping and Housing Minister on 24 June:  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/896650/24-6-20 - Letter to All LAs with annexes.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/896650/24-6-20_-_Letter_to_All_LAs_with_annexes.pdf)
33. There is a small amount of emergency funding available on request for areas to manage accommodation and support pressures which are essential to keeping people off the street, before bids for the Next Steps Accommodation Programme are considered. Please notify your rough sleeping or HAST adviser if you wish to bid for this. This funding will be for costs incurred from 1 July onwards, and will be considered an advance on future bids received for the area to be deducted from amounts allocated through the Next Steps Accommodation Programme bidding process. This funding has been pre-determined by formula from a set amount, using monitoring information on the number of people accommodated in emergency accommodation.
34. For some people a voluntary return to their country of origin may be the best outcome for them, especially if it means avoiding a return to the streets.
- a. Where an individual wants to return home, local authorities can seek funding to support them to do so – in some cases this could include providing ancillary accommodation and support in order to facilitate a return.
  - b. Local authorities should support non-EEA nationals seeking to return home to contact the Home Office Voluntary Returns Service, who can offer practical support to return where appropriate: <https://www.gov.uk/return-home-voluntarily>.
  - c. Revenue funding is available to cover the costs of voluntary returns for EEA nationals only. This must be clearly filled on the proposal template.
35. Finally, we urge local authorities to consider additional pressures during the coming winter months as part of proposals.

## Longer-term Move-on Accommodation

(Organisations within Greater London should refer to the [GLA's prospectus and guidance](#) for the Mayor's Off the Street Programme.)

36. We recognise the importance of sustainable move-on accommodation and personal support for recovery from rough sleeping, therefore the Next Steps and Accommodation Programme also includes the first tranche of the £433 million for move-on accommodation and support, with £161 million available in the first year of the programme. This includes funding for capital and revenue based longer-term accommodation schemes as well as provision for the support individuals need to recover from rough sleeping. All local authorities outside of Greater London should send their bids (including annexes for each capital scheme) for this funding

to MHCLG. More information on how to make a bid can be found below. Inside of Greater London, local authorities and RPs should refer to the GLA's prospectus and guidance.

37. New units, whether supported by capital or revenue, need to be delivered by the 31 March 2021. There will be a further opportunity to bid for the Next Steps Accommodation Programme which will be announced in due course. Revenue funding can be bid for over a 4-year period (inclusive of 2020/21) where it is for support relating to the creation of additional move-on units.
38. While there is a need for short-term interventions to help address immediate need, our ambition is to deliver long-term, national assets maintained in perpetuity in the form of supported move-on homes for people recovering from rough sleeping, procured and owned, rather than short term leases.
39. There is no set level of capital funding per unit, reflecting the understanding that different forms of specialist housing and levels of care, support or intensive housing management may require different levels of government funding. However, local areas will be expected to demonstrate that they have maximised their other sources of funding, for example as a result of joint working with local partners, use of capital receipts and borrowing to lessen reliance on central government funding. Some examples can be seen in Appendix 1.
40. The following types of accommodation will be eligible under the programme for longer-term move-on units of accommodation:
  - **Purchase and repair of properties, either as freehold or on a long lease**, where repairs may be required to bring the properties up to good standard to be let.
  - **Refurbishment and repurposing of existing stock**. This includes purchasing white goods and furnishings for ready to use units. This could include schemes such as conversion of a former sheltered housing scheme into supported or move-on accommodation.
  - **Private Sector Leasing**. i.e. where the bidder enters into a contract with a Private Sector Landlord agreeing to rent units over multiple years.
  - **Development of new build properties**. Bidders should take account of the potential use of modular housing. In some instances, this can be commissioned and built faster than traditional house building, especially where units are ordered in bulk. Many types of units can be moved between sites depending on demand, and using temporary planning permission, or used as regular housing stock.
  - **Contribution towards social investment programmes that deliver the aims of the Next Steps Accommodation Programme**. This applies only to local authorities who should consider blending grant with their own sources of funding for onwards investment to deliver housing. For example, there are a variety of property funds and initiatives that have the expertise to help deliver the programme's objectives while providing a revenue return on investment. These may include one or more of the types of accommodation listed above. Local authorities should explore this approach with their adviser before continuing.
41. While we realise that private sector leasing models (with a minimum 3-year lease) may need to be part of a local solution, our ambition from this part of the fund is to secure a long-term national asset, maintained in perpetuity as supported move-on homes for people recovering from rough sleeping. Priority will therefore be given to schemes that match our ambition and that offer models of long-term stock acquisition.
42. Furthermore, while we recommend that local areas consider the full breadth of opportunities in the social housing sector, significant preference will be given to schemes that provide

additional social and supported homes, thereby growing the sector. Our strong preference is that no more than approximately 10% of housing units brought forward under the NSAP should come from existing social housing stock that is currently in use.

43. The list below sets out considerations for longer-term move-on accommodation proposals:

- Capital grant will be paid out on the following conditions:
  - Each unit of property must be available for rough sleepers, those at risk of rough sleeping or those at risk of homelessness. This is also applicable for re-lets and therefore bidders must outline how properties will be allocated accordingly.
  - Partners must seek permission from MHCLG when they want to use any property that has received capital grant funding under NSAP for a different purpose, and either recycle it into another property for the same use as the original purpose or repay the capital grant funding received.
  - For acquisitions or refurbishment schemes, units should be made available for 30 years for those rough sleeping or at risk of rough sleeping and homelessness
  - For new build, units should be made available for 60 years for those rough sleeping or at risk of rough sleeping and homelessness
  - Any investment made using the grant and subsequent reinvestment of the principal repaid from the grant must be used to deliver investments that provide accommodation available for rough sleepers, those at risk of rough sleeping and those at risk of homelessness for a minimum of 30 years.
- Rent must be set at affordable or social rent levels where social housing is the output.
- Homes for Affordable Rent are made available at a rent level of up to 80% of gross market rents including service charge. There are some circumstances however, where the target rent may exceed 80% of market rent or will be for supported accommodation units. In these circumstances the rationale for rent at this level must be made clear and the method for tenants to cover the costs be built into the project description. Where provision will be classed as temporary accommodation, the rent setting policy of such schemes will be scrutinised as part of the assessment process.
- Where revenue funding is to be used for low level repairs, units must remain available for at least the length of the programme- a minimum of 4 years.
- Where private sector leasing models are utilised, we expect them to be secured for a minimum of 3 years.
- Tenancies under this scheme should be for a maximum of two years, where appropriate – to ensure a continuing flow of this type of accommodation and support for those who need it. There will be exceptions when, as part of the regular needs assessment it is agreed that the length of tenancy can be extended. Similarly, there will be circumstances where it is agreed at the commencement of the tenancy that longer-term housing with intensive support is needed, in keeping with the Housing First model. In all circumstances the initial tenancy should not exceed 3 years.
- We appreciate that local authorities who wish to manage their own stock may find it difficult to provide a 2 or 3-year tenancy. In this circumstance, and given the fundamental need to create more accommodation to move people away from rough sleeping, you may consider developing additional units to be let under non-secure tenancies to homeless people who would not otherwise qualify for a temporary accommodation duty.
- For capital funded projects, proposals should be delivered within the local areas unless there is explicit agreement from the receiving area.
- Proposals need to match the needs of your local cohort and therefore proposals should look to meet aspirations of self-contained accommodation and options to allow pets in the premises etc.

- Where shared or supported accommodation is being considered local areas need to consider affordability for under 35s and HMO standards set out when developing proposals.
  - Support funding only bids can be made, but the bidder must make clear that the investment would bring into use a unit/s that would otherwise be unused.
  - Where a proposal does not include a request for revenue funding for support, applicants must make it clear how support for individuals is to be provided.
  - There is a recognition that some of the best developments are designed using a degree of innovation, employed in response to the local area or the needs of specific client groups. Bidders are encouraged to consider recent publications and research, to develop new ideas and concepts, and to build on appropriate good practice to develop schemes that are innovative in terms of design, delivery, management, tenure and location. This may include reference to nationally described space standards and guidelines for delivery and licencing of HMO.
  - We encourage local areas to consider options that will bring forward rapid delivery such as modular construction, temporary Planning Permissions and air-space development.
  - **Applicants should be mindful that this is an ambitious programme to deliver sustainable, supported move-on accommodation at pace, and schemes that can deliver quickly will be prioritised.**
44. We encourage organisations with particularly innovative ideas to discuss with MHCLG and/or Homes England, in advance of submitting a full proposal.

# How the fund works

## Who can bid?

43. We are seeking proposals that represent engagement and collaboration at a local level.
44. Proposals from outside of Greater London can be submitted by Local Housing Authorities (and combined authorities). We would encourage joint bids from areas.
45. London Boroughs can submit proposals for funding for shorter-term/interim accommodation and immediate support using the London-only proposal template attached separately.
46. Outside of Greater London registered providers can form part of a local area proposal through the delivery of schemes of accommodation. These will require close involvement and agreement from relevant local authorities for inclusion into the local proposal. Within London bids will be accepted directly from registered providers or councils that are also registered providers of housing. Organisations should refer to the GLA prospectus (and associated guidance) for the Mayor's Off the Street Programme.
47. The initial proposal form can only be submitted via a local authority and following initial sift the relevant registered providers and capital schemes will follow processes in accordance to Homes England or the GLA for formal bid.
48. Other types of organisations should contact their local authority in order contribute to the delivery of a local approach, these include:
  - faith, charity, and community groups
  - social enterprises
  - private sector developers
49. It will be the responsibility of local authorities to establish that they have performed due diligence to satisfy themselves of the standing of partners to their proposal. It is a statutory requirement that, where capital grant funding is paid under section 19 of the Housing and Regeneration Act 2008 to provide low cost rental accommodation, a registered provider is the landlord of the accommodation when it is made available for rent. Under this act, delivery structures involving unregistered providers in the provision of low-cost rental accommodation can be considered, where accommodation is transferred to an identified registered provider for first letting. Homes England and GLA reserve the right to make additional due diligence checks and may request further information ahead of making any grant payments.

## Coproduction process and the role of expert advisers

50. Coproduction, as adopted for the Rough Sleeping Initiative, has been well-received by local authorities across the country to develop robust plans that are locally focused on ending rough sleeping. In 2019, the plans produced as a result of coproduction, together with the tireless work of local authorities and partners, drove a net 32% reduction in rough sleeping in areas funded by the Rough Sleeping Initiative, compared to the number it would have been had the funding not been in place.

51. To deliver the Next Steps Accommodation programme, the support available for co-production has been extended. Areas can expect the following support, which will vary depending on geographical location and the scale of need in a local area:
- MHCLG Homelessness Advice and Support Team (HAST) Advisers and Rough Sleeping Initiative Advisers will collaborate with respective local authorities to ensure the development of next steps plan reflects local need and give confidence that the programme objectives can be achieved.
  - Homes England's Affordable Homes Growth Team will bring expertise in capital projects outside of London. This support will be focussed on proposals for long-term move-on accommodation and on areas where pressures are the most acute outside of London. MHCLG Advisers will also be supporting local authorities develop proposals for long-term move-on accommodation in all areas.
  - The GLA has responsibility for housing and land in London and is our delivery partner in London for this fund. Therefore, it will be essential for London boroughs to collaborate with the GLA in the coproduction of proposals for capital funding.
52. The coproduction process can help mitigate key risks inherent in a closed bidding process by allowing local authorities to rapidly develop plans appropriate to local conditions, whilst allowing MHCLG, Homes England (outside of London) and the GLA (inside of London) to retain an advisory and coordinating role.
53. As well as MHCLG, Homes England and the GLA, coproduction should be carried out in collaboration with relevant stakeholders and partners, including service users, support providers, health and social care commissioners, local voluntary organisations, probation services, registered providers and landlords.
54. Local authorities will need to engage across departments and with partners to consider the development or regeneration options in the social, supported and private sector in order to explore options for acquiring, refurbishing, leasing and building of property.
55. Local authorities should first work to identify stakeholders in these sectors and engage them in the coproduction process including with the adviser teams as necessary.

## How to submit a Proposal

56. Proposals must be drawn up via a coproduction process and will take place over a 5-week period starting 18 July.
57. Proposals must be submitted by **Thursday 20 August at 23:59**. Downloadable versions of the proposal forms are available at <https://www.gov.uk/government/publications/next-steps-accommodation-programme-guidance-and-proposal-templates>. If you have queries about the proposal process please your MHCLG adviser or email [NSAP@communities.gov.uk](mailto:NSAP@communities.gov.uk). Proposals will be assessed quickly as possible, with allocations announced as soon as possible afterwards.
58. Proposals must be submitted by a local authority on behalf of the stakeholders who have coproduced the local plan. For local authorities outside of Greater London, the proposal

template is attached separately. Inside London, potential providers should submit their proposals for shorter-term/interim accommodation and immediate support using the London-only proposal template, also attached separately. They should submit their bids for longer-term move-on accommodation in accordance with the [GLA prospectus and associated guidance](#).

59. Registered providers of housing must complete information about their capital schemes within the proposal using Annex A of the proposal form. A scheme is a proposed acquisition or development of a unit of housing or multiple units of housing that would be considered under a single planning application. An annex is required for *each* capital scheme named within a local proposal submission, and therefore a proposal may include multiple annexes.
60. Data to determine need will be taken from the Emergency Accommodation Survey Data from local authority DELTA returns. **Therefore, it is a requirement of the application process to have submitted up-to-date data through this portal.**

## Assessment Considerations

61. Below are the elements we will take into consideration when assessing proposals:

- a. **Impact:** the extent to which proposals will contribute to delivering a sustained reduction in rough sleeping.
- b. **Evidence of local need:** scale and nature, and how this has been understood.
- c. **Leadership & deliverability:** A credible but ambitious timetable to bring forward units of supported move-on accommodation, and a clear project management plan. We will also consider evidence of effective and on-going leadership in local systems, and a commitment to continuing to lead wider transformative change, learning, and service improvement.
- d. **Value for money:** A demonstration of maximised delivery and outcomes for the level of investment, including investment leveraged from other sources.
- e. **Fit with the strategic priorities:** and aims for the funding, set out in this guidance
- f. **Sustainability:** A description of the duration of the provision (including support), and strategies to maintain the provision for the intended cohort as part of our goal in establishing a “national asset” for people rough sleeping, at risk of rough sleeping or acute homelessness. Our ambition is to deliver long-term, national assets in the form of supported move-on homes for people recovering from rough sleeping, procured and owned, rather than short term leases.
- g. **Evidence of collaboration and partnership working:** Whole-system coproduction of the proposal including the on-going support.
- h. **Quality of support:** Appropriate support to people with low, moderate, and high levels of need, including access to specialist support.
- i. **Quality of design:** showing consideration of how the built environment can support / promote recovery.
- j. **Commitment to innovation:** learning, and sharing data, findings, and experience to encourage system learning locally and nationally. Compliance with data protection legislation and a named data contact.

# Payment mechanism and schedule

## Shorter-term/interim accommodation and immediate support

62. For revenue only bids, payments will be made under Section 31 of the Local Government Act 2003. Revenue payment will be made in instalments to a timetable to be shared at the point at which successful bids are announced. We appreciate the need to design a schedule that facilitates rapid delivery.

## Longer-term Move-on Accommodation

63. The GLA will administer payments for longer-term move-on accommodation in London. Details can be found in the [GLA's prospectus & guidance](#) for the Mayor's Off the Streets Fund.
64. For schemes outside of London, all capital payments to registered providers will be made under Section 19 of the Housing and Regeneration Act 2008. These payments will be issued by Homes England. Capital payments will be made in three instalments: 45% paid on acquisition; a further 50% paid on start on site (95% accumulatively); and a final 5% paid on practical completion (100%). For revenue-only bids, payments will be made under Section 31 of the Local Government Act 2003. Revenue payments, including those linked to capital bids, will be made in instalments to a timetable to be agreed at the point at which successful bids are announced.
65. For bids requesting both capital and revenue funding for long-term accommodation, these payments will be made under the Section 19 of the Housing and Regeneration Act 2008. These payments will be issued by Homes England. Capital and revenue payments will follow the above specifications.
66. To receive grant payments, partners will be required to enter into a standard grant agreement where they commit to engage with monitoring and evaluation activities. This will include regular reporting of management information.

# General funding principles

67. We want to encourage bidders to consider the long-term effects of the additional funding on delivering a reduction in rough sleeping with a focus on sustainability. This means focusing on how your bid will contribute to a system change and the lasting positive impact to which the funding will have after the lifetime of the fund.
68. It is important to consider the wider implications for the respective area/s and the role various stakeholders will have in delivering capital and/or revenue. Therefore, as part of the coproduction process, we are encouraging organisations to work collaboratively.
69. Bidders should ensure that they comply with the public sector equalities duty and they have due regard to those with protected characteristics (as defined in the Equality Act 2010) when filling the proposal template.



70. Proposals should clearly demonstrate a value for money case and should only cover costs that cannot be met through rental income or local authority owned capital options.
71. MHCLG, Homes England and the GLA will oversee the delivery of successful proposals. For outside London this will be between MHCLG and Homes England. For inside London, this will be MHCLG and the GLA. MHCLG will make the final decision on allocating funding.
72. The issuing of grant payments will be based on an agreement that recipients agree to engage with monitoring and evaluation activities. This will include regular reporting of management information.
73. Local authorities in receipt of NSAP funding will be expected to publish a full delivery plan which describes the outcomes they expect the funding to deliver and the timings to which these outcomes will be delivered. This plan will form the key performance indicators against which delivery progress and performance, and value for money will be assessed. Prior to the distribution of funding, local authorities will be asked to report the number and type of 'move-on' they expect to deliver through this funding via DELTA. This information will be used to monitor the delivery of the outcomes described in bidding proposals, alongside information set out delivery plans. All plans will be subject to peer review.
74. If you are successful in applying to the fund you will be expected to supply data for, and participate in, an evaluation of the overall programme which will be conducted by MHCLG. Data will also be used to monitor the location and use of accommodation brought forward under this scheme to ensure the principle of a "national asset" of supported, affordable housing is maintained.

# Appendix 1

## Capital Funding

- Given the current economic circumstances and the need for rapid deployment, local authorities and registered providers are advised to discuss options regarding wider local funding options to meet part of the capital costs with expert advisers as part of the coproduction process.
- Local authorities should also consider any existing capital funding streams available across the authority including:
  - Capital Receipts:
    - **Section 106 commuted sum receipts.** A commuted sum can be a financial payment by a housing developer to a local authority broadly equivalent in value in lieu of delivering affordable housing on a specific development and subsequently to be used to deliver affordable housing on an alternative site. We would encourage homeless lead officers to discuss with local authority planning and development colleagues whether commuted sums held by that authority are available for use on delivering permanent affordable housing options for rough sleepers.
    - **Right to Buy (RTB) receipts.** It is not permissible to use RTB receipts in combination with Next Steps Accommodation Programme (NSAP) funding in line with the current rules relating to combining RTB receipts and capital grant funding.
    - **2002 Regulatory Reform Order (Housing Assistance).** This gives local housing authorities discretionary powers to provide financial assistance, directly or indirectly to acquire, adapt, repair, improve, demolish or construct private housing accommodation. The key condition is that housing authorities set out the scope of the interventions that can be made in their local Private Sector Housing Assistance Policy. Disabled Facilities Grant (DFG) can potentially be used for this purpose. DFGs are a mandatory means-tested grant designed to help create an accessible living environment for disabled people through the provision of major home adaptations. A high number of rough sleepers will be physically disabled or other have other life affecting conditions. DFG could therefore represent a significant funding stream to deliver housing options for rough sleepers.
  - Borrowing Capital:
    - **Public Works Loans Board.**
      - LAs can borrow from government at favourable rates
      - 1.8% above government borrowing rate for GF investment
      - 0.8% above government borrowing rate for HRA related investment
  - Other Capital Funding generated at a Local Level