

Next Steps Accommodation Programme

Briefing

Introduction

On 18th July, the Ministry of Housing, Communities and Local Government (MHCLG) announced new funding for the Next Steps Accommodation Programme (NSAP). The programme and fund have been created to ensure no return to rough sleeping for the nearly 15,000 people brought into temporary accommodation during the coronavirus outbreak. We welcome the new funding and are pleased it is now available for bidding.

The funding has two streams: accommodation with support (£105m) and long-term move on accommodation (£161m of a 4-year total of £433m), making a total of £266m this financial year. These funds will work alongside the existing £100m Move-On Fund, which will continue to deliver accommodation and support for rough sleepers moving from hostels, and domestic abuse survivors and their families moving on from refuges.

Housing associations stand ready to help with the next stage of the rehousing effort, and many National Housing Federation (NHF) members want to begin housing those who have been given temporary accommodation. Whilst housing associations cannot bid directly for the funding, we know many of our members will want to work closely with local authorities to access the programme. Many housing associations are also keen to acquire refurbishment schemes that will be eligible for funding.

We have reviewed the funding [guidance](#) for the national programme and summarised the key points most relevant to housing associations. In this briefing you will find details on:

- Short-term accommodation with support.
- Long-term move on accommodation.
- Funding for drug and alcohol treatment.
- Application process.

The London programme prospectus is available [here](#).

Short-term accommodation with support

This part of the fund (£105m) is to ensure that current temporary provision can continue. It can also be used to make sure there is a planned transition to more sustainable interim accommodation until longer-term move-on accommodation is put in place.

It is revenue-only funding and needs to be utilised in 2020/21. It should be used for a range of interventions like moves into the private rented sector, extending or sourcing interim accommodation such as hotels or student accommodation and reconnection with friends and family.

Long-term move on accommodation

This part of the programme is made up of £130m capital and £31m revenue funding and it needs to be used in this financial year with the aim to deliver 3,300 units of accommodation.

The national fund is specifically aimed at rough sleepers in hotels, whereas a portion of the London fund is also available for supporting survivors of domestic abuse to move on from refuges.

Funding for drug and alcohol treatment

MHCLG and the Department of Health and Social Care (DHSC) have also announced £23m of funding for 2020/21, which can be used for drug and alcohol treatment services. The aim is to ensure that the engagement people have had with drug and alcohol treatment whilst in emergency accommodation is maintained as they move into longer-term accommodation. The funding may also be used to support those who have not previously had treatment. This will be administered separately by Public Health England (PHE) and is targeted at priority areas across the country in the first year. We will share further information on this fund once it is available.

Application Process

Who can apply?

The initial proposal form can only be submitted via a local authority. If the proposal is accepted, housing associations and capital schemes will work with Homes England, or the Greater London Authority (GLA) within London, to make a formal bid.

Local authorities will need to engage with partners to consider options in the social, supported and private sector to explore options for acquiring, refurbishing, leasing and building property. Housing associations should get in touch with local authorities to make sure they are involved in this process.

Coproduction

MHCLG expects local authorities to design bids for accommodation and support services through a coproduction process. The MHCLG's Rough Sleeping Initiative experts and Homelessness Advice and Support Adviser Teams will be available to work with local authorities to develop these proposals. They will be supported by Homes England's Affordable Housing Growth Team and the GLA (within London).

As well as MHCLG, Homes England and the GLA, coproduction should be carried out with relevant stakeholders and partners, including housing associations, service users, support providers, health and social care commissioners, local voluntary organisations and probation services.

Local areas are encouraged to develop schemes that are innovative in terms of design, delivery, management, tenure and location and generate ideas through the coproduction process.

Given the current economic circumstances and the need for rapid deployment, local authorities and housing associations are advised to discuss funding options with expert advisers as part of the coproduction process.

To ensure safeguarding needs are met, local authorities will need to work with health, care and support commissioners and providers.

Housing association involvement

The government is encouraging housing associations to work with local authorities to help them submit their proposal, in partnership with support providers, the MHCLG adviser teams, Homes England (outside London) and the GLA (inside London), although the actual bid needs to be submitted through the local authority.

Where capital grant funding is paid under section 19 of the Housing and Regeneration Act 2008 to provide low cost rental accommodation, the landlord must be a housing association. Delivery structures involving unregistered providers can be considered where accommodation is transferred to an identified registered provider for first letting.

Housing associations must give information about capital schemes within the proposal using Annex A of the proposal form for each scheme. 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.

How to apply

Proposals must be submitted by a local authority on behalf of the stakeholders who have coproduced the local plan. All local authorities outside Greater London should send their bids (including annexes for each capital scheme) for this funding to MHCLG. Inside Greater London, local authorities should refer to the GLA's [prospectus and guidance](#).

Proposals must be submitted by Thursday 20 August at 23:59.

If you have queries about the proposal process please ask your MHCLG adviser or email NSAP@communities.gov.uk.

What will be funded

Short-term

The following types of short-term accommodation and support will be considered eligible for funding (new accommodation or the extension of existing accommodation):

- Accommodation owned by a university, housing association or private landlord and available for interim use.
- Private rented sector accommodation.
- Supported housing.
- Modular housing units.
- Hotels.
- Other short-term accommodation.
- Employment support and training.
- Reconnections with friends and family (local, national and international).
- Other forms of immediate support
 - tenancy sustainment support
 - immigration advice.

Funding is available for use until 31 March 2021 so schemes must be delivered rapidly and demonstrate how this will be done.

Where appropriate, local areas should consider using this funding to provide up to 12 weeks of accommodation and support for eligible European Economic Area (EEA) national rough sleepers under the suspension of the derogation to Article 24(2) of the Free Movement Directive. Revenue funding is also available to cover the costs of voluntary returns for EEA nationals.

Local authorities should consider additional pressures during the coming winter months as part of proposals.

Long-term

New units funded in this round need to be delivered by the 31 March 2021. There will be a further opportunity to bid for the Next Steps Accommodation Programme later. 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 new move-on units.

The following types of accommodation will be eligible:

- Purchase and repair of properties.
- Refurbishment and repurposing of existing stock, including purchasing white goods and furnishings.
- Private sector leasing.
- Development of new build properties, including modular housing.
- Contribution towards social investment programmes.

MHCLG recommend that local areas consider opportunities in the social housing sector, and that preference will be given to schemes that provide additional social and supported homes

to grow the sector. **No more than 10% of housing units brought forward should come from existing social housing stock that is currently in use.** 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. Rent must be set at affordable or social rent levels where social housing is the output.

For tenancy length, the guidance states that:

“Tenancies under this scheme should be for a maximum of two years, where appropriate...In all circumstances the initial tenancy should not exceed 3 years.”

We have queried this with MHCLG, given the implications for stability for tenants and the Housing First principles.

MHCLG have confirmed that they are working through their accountability processes and will have more to offer later on in the process. They would expect providers to honour this condition, as a key aim of the programme is to ensure the units are available for as many people as possible, but tenancies can be renewed to avoid a situation where after three years someone with complex needs is left unsupported – it will be left up to local discretion.

Tenancies offered by a local authority will be ‘non secure’ (on the basis that the offer is made ‘in pursuance’ of a homelessness duty). Tenancies offered via a housing association under the scheme should be assured shorthold tenancies.

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.** Allocations will be made with delivery before 31 March 2021 as a key factor. MHCLG expect housing associations to make this target but will review any delays on a case-by-case basis.

What will be assessed

MHCLG encourages bidders to consider the long-term effects of the funding on reducing rough sleeping as a whole and focus on how bids will contribute to system change.

Proposals should clearly demonstrate value for money. There is no set level of capital funding per unit but local areas will be expected to demonstrate that they have maximised other sources of funding first, and identify how support services set out in the proposals are necessary beyond what is currently in place.

Proposals must be informed by an assessment of the health circumstances, care and support needs of people accommodated due to the coronavirus outbreak, as well as long-term rough sleepers who have still to be assisted to access accommodation.

Local authorities are asked to give particular focus to resettling people with a long history of rough sleeping but also consider how the people they are targeting for funding 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.