

**MAYOR OF LONDON**

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# **Single Homelessness Accommodation Programme**

Prospectus and Guidance for London

December 2022

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## Foreword

No one should have to suffer the injustice of living a life on the streets, deprived of shelter, warmth and basic necessities, but we know it is sadly the case for too many Londoners. Since 2016, City Hall has worked together with councils, housing associations and the development industry to tackle the housing crisis affecting all Londoners, and we know that there are some Londoners that housing inequality hits hardest. There are multiple, complex and overlapping drivers behind rough sleeping and homelessness and in London too many adults and young people are marginalised by a lack of suitable housing to meet their needs.

So I am proud that London's Single Homelessness Accommodation Programme (SHAP) will support hundreds of the most vulnerable Londoners into safe, warm, supported housing.

London has secured a share of a national funding pot of £270.6m, of which £175.4m is capital to enable homes to be brought forward during 2023-25 and £95.2m is revenue for three years of associated support, up to March 2028. This programme will address the unmet housing needs of entrenched rough sleepers and young people who are homeless or at risk of homelessness by providing an opportunity to bid for long-term supported housing and housing-led accommodation for Londoners who are sleeping rough, as well as young people at risk of homelessness.

This new programme is just one way in which the Mayor and I are delivering on our Housing Strategy to meet London's diverse housing needs, and support people sleeping rough off the streets. Alongside our other programmes for supported and specialist housing and our Affordable Homes Programme 2021-26 we are working to make sure the homes London needs are delivered over the coming years. We are committed to ensuring that as well as increasing the supply of housing our funding drives up standards in relation to design, sustainability, building safety, and equality, diversity and inclusion. This programme includes the latest standards to make sure that all Londoners are benefitting from high quality affordable housing.

Not only will this programme deliver these much-needed homes with support, it is also an investment in the development and sustainability of the supported and specialist housing sector in what we know are incredibly challenging times for delivery. The Mayor and I understand the critical importance of support funding, alongside the delivery of homes, to provide Londoners with high-quality, tailored support to meet their needs. This programme will be able to assist young people in their transition to adulthood and adults in their recovery from rough sleeping thanks to the support funding attached to it. This is what makes this programme, with its revenue funding, so important. We will continue to lobby

government for longer-term investment in the sector so that homes like these can be sustainably delivered for years to come.

I am proud of our achievements already but we know there is more to do, and I look forward to working with providers across the capital to see more homes delivered. Over 1,000 homes with support for rough sleepers have already been achieved in London over the last two years. This new programme is an opportunity to go even further in our collective work to make rough sleeping and homelessness a thing of the past in the capital, and build a better, fairer and more supportive housing market for London.

**Tom Copley**

**Deputy Mayor for Housing and Residential Development**

## Introduction

The Mayor has secured London's share of the national Single Homelessness Accommodation Programme (SHAP) funding to deliver much-needed homes, with support, for people sleeping rough who have a long history of rough sleeping or complex needs; and for young people (aged 18-25) at risk of or experiencing homelessness or rough sleeping. The programme aims to increase the supply of good-quality, specialist supported accommodation and housing-led approaches. Nationally, £270.6m (£175.4m of capital and £95.2m of revenue) is being made available for SHAP to deliver homes during 2023-25, and for three years of associated support, up to March 2028. This new programme will assist the Mayor to meet the commitments outlined in his Housing Strategy to meet London's diverse housing needs, and support people sleeping rough to come off the streets.

Alongside this funding, the Mayor is also making available expertise from the GLA's Rough Sleeping and Specialist and Supported Housing teams; the Department for Levelling Up, Housing and Communities' (DLUHC's) Rough Sleeping Initiative (RSI); and Homelessness Advice and Support adviser teams, all of whom will work with potential bidders to develop proposals. The GLA and the DLUHC will not only work closely with stakeholders on bid development, but will also work in partnership to assess and moderate bids once they are submitted.

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## Key Terms

In this prospectus, the following terms have the meanings set out below:

- a. '**Council**' means the local housing authority and borough council for the London Borough.
- b. '**Strategic Gap Analysis**' means the statement the relevant council will submit to the DLUHC via Citizen Space, setting out local need in the area. More information on this can be found in section 'How to apply for SHAP funding'.
- c. '**Bid**' means the individual costed capital and/or revenue grant funding request submitted by the organisation who will lead the delivery of the scheme to the GLA's Open Project System (OPS). More information on this can be found in section 'How to apply for SHAP funding'.
- d. '**Applicant**' means the organisation submitting the capital and/or revenue funding application on OPS for a project.



# Programme Overview

## ***What is SHAP?***

1. The objective of the Single Homelessness Accommodation Programme (SHAP) is to fund the delivery of accommodation, with support, to address gaps in homelessness pathway provision. SHAP will target two groups: those with the longest histories of rough sleeping, or the most complex needs, to help them recover from rough sleeping and its associated traumas; and vulnerable young people (age 18-25) at risk of or experiencing homelessness or rough sleeping. The focus will be on longer-term accommodation. Given the likely support needs of these target groups, supported housing, Housing First and housing-led schemes will be within scope.
2. Local authorities or sub-regions of London should integrate provision through SHAP with wider support as may be necessary – including for mental health, substance misuse, domestic violence and abuse, or rehabilitation of offenders. The programme encourages local partnerships and national government to deepen understanding of how to develop local solutions to address gaps in provision, how to deploy existing resources and assets to prevent or end rough sleeping in localities and how to develop accommodation and support in which those people most at risk or excluded are able to feel safe and comfortable. Ultimately, the programme aims to help end rough sleeping, including through preventative action with young people who may be most at risk, and facilitating recovery, self-development and independent living within the target groups
3. SHAP is backed by a fund of over £200m nationally to provide capital funding for schemes alongside three years' revenue funding. More information can be found in the section 'Timeline'.
4. The GLA will support prospective applicants to produce bids, assess schemes, administer payments (more information on this can be found in the 'Payment' section) and monitor scheme delivery.
5. Councils will play a key role in framing the need for SHAP funding at a local strategic level. They will be supported, through bid development, to submit a strategic gap analysis statement identifying gaps in local housing pathway provision relating to SHAP's target groups. Capital bids will need to be submitted by registered providers (RPs) who are investment partners of the GLA – these do not need to be councils, but they will need to demonstrate how they meet the needs identified by councils in their strategic gap analysis. Councils, other RPs, charities and support providers can submit bids for revenue to deliver support. Further information about submitting a bid can be found in the section 'How to apply for SHAP funding'.

6. The GLA's capital grant agreements require that grant funding is paid directly to the landlord of the homes provided. Landlords receiving GLA capital grant are required by law to be registered with the Regulator of Social Housing as an RP.

Any queries relating to this prospectus, or the programme more generally should be directed to [roughsleepinghomes@london.gov.uk](mailto:roughsleepinghomes@london.gov.uk) or your Area Manager.

### ***What outcomes is SHAP looking to achieve?***

#### **Principles of the fund**

7. Below are the key principles of SHAP, which should be considered when potential bids are being developed:

a) **Targeted:** SHAP aims to address gaps in homelessness pathway provision by funding accommodation with high levels of support. Funding will be directed to areas where data suggests high levels of need for accommodation and support for SHAP's target groups:

- Those with the longest histories of rough sleeping or the most complex needs, to help them recover from rough sleeping and its associated traumas;
- Vulnerable young people (ages 18-25) who are experiencing or are at risk of homelessness or rough sleeping.

It is expected that the focus will be on longer-term accommodation rather than short-term temporary accommodation. Supported and specialist housing, Housing First and housing-led schemes suitable for these groups are within scope of the programme.

b) **Place-based and co-produced:** Local systems and communities are best placed to identify specific gaps and to design local solutions. A council-led strategic gap analysis will need to identify what resources are available across the local system, and how SHAP will fill gaps in/enhance local strategy. GLA and DLUHC advisers, will support local authorities through the bid process. Local authorities should consider sub-regional working as necessary to meet the identified local need. For joint bids between local authorities, a lead council will need to be identified as the accountable body.

c) **Multi-disciplinary partnerships:** To achieve the objectives of SHAP, local systems will need to collaborate to co-design the best local solutions to address entrenched patterns of rough sleeping and provide the right support for young people at risk. This will include commissioners and service providers; Integrated Care Partnerships; public health, voluntary, community and social enterprise

(VCSE), and business sectors who should develop tailored and holistic support as appropriate across housing and homelessness, health, skills and employment, substance misuse, criminal justice, skills domestic abuse.

d) **Design and innovation:** SHAP will provide an extended period of bid production, supporting high-quality and innovative bids that remain deliverable within the timescales of the programme; and provide good value for money, energy efficiency and environmental sustainability. This will include: the type of accommodation, which may include modular homes and modern methods of construction (MMC); modernising and reconfiguring former hostels, care homes and listed buildings; social investment-backed local property funds; and the linking of accommodation and support with healthcare, employment and skills programmes. Support services must be suitable for each individual in order to best support them in their recovery.

e) **Funding sustainability:** SHAP provides capital funding to 31 March 2025, and up to three years of revenue funding (including up to two months of implementation costs). Funding recipients and their partners are encouraged to consider this three-year revenue period as 'scaffolding' to allow SHAP schemes to become embedded in local pathways, while commissioners and leaders review their commissioning cycles and available resources to ensure schemes are sustainable beyond the grant-funding period. Local authorities will need to consider how bids fit with wider funding streams, including the RSI, the Rough Sleeping Drug and Alcohol Treatment Grant, and the Homelessness Transformation Fund, as appropriate.

## ***Timeline***

8. Bidding will open in January 2023 and remains open through a period of continuous market engagement (CME). The CME period will last for up to 12 months, subject to available funds. Applications will be considered on quarterly assessment dates within the CME period (or more regularly as necessary). Dates will be specified once CME begins.

9. During the CME period, local authorities will be able to access support via DLUHC advisers for the development of their strategic gap analysis; and GLA and DLUHC advisers will work with bidders to develop their bid(s). Further information can be found under the section 'How to apply for SHAP funding'.

10. All bids must have the support of the council in which the intended project is located. Part of this will be determined through how well the bid references and meets the gaps identified by the local authority's strategic gap analysis. Bids can be submitted at any point until available capital and revenue funding has been allocated. After each cycle of allocations, the DLUHC will publish the funds remaining nationally for future bids.

11. Capital delivery of schemes funded under SHAP must complete by March 2025. Revenue funding for support will be available for three years (including up to two months of implementation costs before direct support delivery commences). Bids should demonstrate how revenue support will be aligned with capital delivery.

## Capital Funding

### *Delivery Route*

12. The objective of SHAP is to increase the supply of high-quality accommodation, including supported housing, or housing-led accommodation, for the two target groups. There is limited scope for revenue-only schemes – further information on this can be found in the section ‘Revenue Funding’.

13. The following delivery routes will be eligible for funding through the GLA (more detailed information can be found in the GLA’s [Capital Funding Guide](#)):

- a) Purchase and repair of properties, either as freehold or on a long lease. We would expect at least 60 years minimum remaining on any leased property. The minimum use requirement for a SHAP funded scheme is 30 years.
- b) Acquisition of existing properties which require no or minimal work to bring them into use (known as ‘existing satisfactory’);
- c) Refurbishment and repurposing of existing stock.
- d) Development of new build properties (including MMC, where the requirements of the [Capital Funding Guide](#) are met).
- e) In limited circumstances, lease and repair schemes can be considered (minimum five years).

14. The following delivery route may be eligible in limited circumstances under the programme, where this route will deliver programme objectives:

- f) A contribution towards social investment programmes that deliver the aims of SHAP. Please discuss this with your relevant GLA Area Manager, and Supported and Specialist Housing team contacts, to enquire further about the terms of social investment schemes.

15. Preference will be given to schemes that provide additional homes, or bring additional homes into use within the sector. This includes schemes that would involve significant modernisation, conversion, or adaption – particularly where not undertaking such works would leave properties long-term vacant, moribund or to be disposed of.

16. In some circumstances, schemes using properties in which historical grant has been invested can be considered. Any historical grant must be highlighted to the GLA at the point of bidding.

### ***Capital delivery plans and planning requirements***

17. We will prioritise funding for bids that set out credible, well-developed plans to deliver quality homes at identified properties in a timely manner, although indicative bids will also be considered. Applicants will be required to submit delivery milestone information as part of their application. This will need to cover the pre-planning engagement period; internal approvals processes; start on site; and practical completion. Delivery information for capital bids submitted to the GLA will be captured in the GLA's Open Project System (OPS).

18. We will also look for evidence of close collaboration with council development teams and the local planning authority, including information about any requisite planning application or pre-application engagement, and the proposed timeline for obtaining planning approval. Bids should include an assessment of the likelihood of their approval.

### ***Property requirements***

19. The design of SHAP homes should meet the needs of the target client groups; and provide a safe and comfortable environment for them to live in. Design of the schemes will need to address clients' needs, whilst meeting the safety, space and sustainability requirements outlined below.

20. Applicants should consider how units and their locality meet the safety and security needs of the client group. This is particularly important for survivors of domestic abuse; and those with protected characteristics, as defined in the Equality Act 2010, or other characteristics that put them at risk.

21. A best practice guide on how to achieve safe design can be found on the [Secured by Design \(SBD\) website](#). SBD is the official police security initiative that works to improve the security of buildings, and their immediate surroundings, to provide safe places to live, work, shop and visit.

22. Applicants should also consider how schemes will meet the sensory needs of autistic people. The National Development Team for Inclusion provides some guidelines for this and other useful links on their webpage, [Supporting autistic people flourishing at home and beyond: considering and meeting the sensory needs of autistic people in housing](#).

23. Applicants are required to provide furniture and white goods in all homes delivered through the

## **Building Safety**

24. Following the tragic fire at Grenfell Tower in 2017, the Mayor wants to ensure London is at the forefront of best practice in fire safety – especially when delivering affordable homes. The fire; the subsequent discovery of widespread use of unsafe materials on high-rise buildings across the country; and the systemic failures set out in Dame Judith Hackitt's Independent Review of Building Regulations and Fire Safety have highlighted the urgent need for reform. Furthermore, several damaging fires in blocks below 18 metres have demonstrated the need to move away from arbitrary height thresholds as a way of managing safety risk.

25. Bidders must meet the Mayor's Building Safety Standards to be eligible for capital grant funding through the SHAP and will be required to self-certify compliance with these requirements in advance of receiving payments from the new programme. The GLA reserves the right to monitor compliance of these requirements through spot checks in the annual compliance audit process.

26. Applicants will be required to meet **all** five standards set out below, where there is capital grant requested from the GLA for new development:

a) The following buildings must include automatic fire suppression systems, including (but not limited to) sprinklers:

- All purpose-built blocks of flats (including conversions) of any height
- All supported and specialist accommodation

b) No combustible materials may be used in the external walls of all homes and buildings, regardless of their height

c) All new build homes must include access to water supplies for firefighting in accordance with Water UK's national guidance document

d) For all homes, applicants must register any in-built electrical products, such as white goods, with the manufacturers' registration service. Applicants must also encourage residents to register white goods with manufacturers for every product where it is possible to do so.

e) For all homes, applicants must ensure that information about product registration, product recalls and electrical safety is made available to residents.

27. For refurbishment, remodelling and acquisition projects, where capital grant funding is requested, only **requirements b, d and e** must be met and this will be without exception.

## **Design**

28. The Mayor wants to ensure affordable homes exhibit high-quality design that is socially and economically inclusive and environmentally sustainable, which support Good Growth principles. The new London Plan and the Good Quality Homes for all Londoners London Plan Guidance set out clear policies and guidance on achieving high quality design and standard in housing, which partners are expected to adhere to when building new homes.

29. In line with new London Plan requirements, the GLA is including nine design standards that set minimum standards for **new** affordable homes in London. To qualify for funding, proposed schemes are expected to meet, or exceed, all the specified design standards set out below. The GLA reserves the right to assess that the standards have been followed through compliance audit.

### **Design standards**

a) All homes must meet minimum floor space standards, including storage. Information on minimum space standards can be accessed in the [Affordable Homes Programme Funding Guidance](#)<sup>1</sup>

b) All homes must have a minimum floor-to-ceiling height of 2.5 metres between finished floor level and finished ceiling level.

c) The number of homes accessed from a single core must not exceed eight homes per floor. All homes with three bedrooms or more must be dual aspect.

d) All homes must provide for direct sunlight to enter at least one habitable room for part of the day.

e) For new-build developments with 10 or more homes, at least 10 per cent of dwellings should meet Building Regulation M4(3) requirements for wheelchair-user dwellings. All other new-build dwellings within the development should meet Building Regulation M4(2) requirement for accessible and adaptable dwellings.

f) All developments of 50 or more residential dwellings must be subject to an independent design review as part of the planning process.

30. Only in exceptional circumstances, where agreed by the GLA, will exemptions be made in line with the [exemptions framework](#).

31. For shared accommodation different space standards will apply, in line with all relevant policy, and to be agreed with the GLA. Sharing ratios will also need to be considered by

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<sup>1</sup> Design Standards Table, p40, Affordable Homes Programme 21-26 Funding Guidance



applicants, in relation to how many people share a bathroom and a kitchen and agreed with the GLA.

### ***Sustainability and net zero-carbon homes***

32. The Mayor is committed to ensuring the capital leads the way in tackling climate change by making London a net zero-carbon city by 2030. To support this goal the GLA will expect that new homes are environmentally sustainable and meet zero-carbon targets.

33. Applicants for capital funding are required to adhere to six new sustainability standards as a condition of funding. These reflect new London Plan requirements, and will already be familiar to partners committed to sustainability. Adherence to these standards will mean new affordable homes funded by the Mayor go beyond building regulation requirements; and will ensure sustainability is at the heart of the new affordable homes in London. By monitoring the environmental performance of completed homes, the Mayor can recognise and promote best practice within the housebuilding industry.

#### **Sustainability standards**

- a) All developments of 10 or more homes must be net zero-carbon. This must include at least a 35 per cent reduction in on-site carbon dioxide emissions against Part L 2013 of the Building Regulations, of which there must be at least a 10 per cent reduction from energy-efficiency measures. Any shortfall in emissions must be paid into the borough's carbon offset fund.
- b) All referable development proposals must calculate whole life-cycle carbon emissions through a nationally recognised Whole Life-Cycle Carbon Assessment; and demonstrate actions taken to reduce life-cycle carbon emissions.
- c) All developments of 10 or more homes must submit data to the GLA's 'Be Seen' monitoring portal in accordance with relevant guidance. All developments of 10 or more homes must be at least air quality neutral.
- d) All developments of 10 or more homes must meet either: relevant borough Urban Greening Factor target scores; or, where none exist, the interim score of 0.4.<sup>2</sup>
- e) All developments of 10 or more homes must demonstrate, through an Energy Strategy, how they will reduce the potential for internal overheating in accordance with the cooling hierarchy.

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<sup>2</sup> As set out in the London Plan – Intend to Publish Version (2019), or any subsequent published version of the London Plan.

34. Only in exceptional circumstances, where agreed by the GLA, will exemptions be made. Further information about the Mayor's expectations in relation to sustainability standards are available on the [Design and Sustainability page](#) of the GLA website.

### ***Modern Methods of Construction***

35. The Mayor is committed to modernising London's construction sector and ensuring a more resilient, sustainable and innovative approach to homebuilding, by encouraging greater uptake of MMC.

36. The Mayor adopts the Government's MMC Definitions Framework when referring to MMC systems, as summarised below. Further guidance about the MMC Definitions Framework is available on the GLA website.

37. Each of the seven categories within the MMC Definition Framework fall within the GLA's definition of MMC:

#### **Category Definition**

1. Pre-Manufacturing: 3D primary structural systems.
2. Pre-Manufacturing: 2D primary structural systems.
3. Pre-Manufactured components: Non-systemised primary structure.
4. Additive Manufacturing: Structural and non-structural.
5. Pre-Manufacturing: Non-structural assemblies and sub-assemblies.
6. Traditional building product led site labour reduction/ productivity improvements.
7. Site process led labour reduction/ productivity/ assurance improvements.

38. Applicants will be required to identify the types of MMC systems used on projects submitted for funding under the SHAP. The GLA may also request updates at other stages of the development process.

39. Any project designs are subject to GLA approval.

### ***Longevity***

40. The expectation is that other than properties funded as lease and repair, properties funded via the GLA will have a life expectancy of at least 60 years for new-build; and at least 30 years for rehabilitated or acquired existing properties. Applicants should note that

property longevity is not the same thing as grant liability, and separate requirements will apply – see ‘Grant Recovery’ section for further detail.

## Supported Housing

41. Guidance regarding supported housing standards can be found under the [National Statement of Expectations](#). Bids to deliver supported housing will be particularly assessed against the standards in the section 'ensuring safe and good quality supported housing'.

## Revenue for support funding

42. Revenue funding for each project will be available for up to three years, including up to two months of implementation costs, before client support begins. The three-year support funding period will be measured from the start of revenue drawdown and will apply to each project as a whole (rather than on an individual unit basis). Where not all units in a project become available for use at the same time, the agreed revenue profile on the OPS should reflect this phased delivery. Applicants and their partners are encouraged to consider this three-year revenue period as 'scaffolding' to allow SHAP schemes to become embedded in local pathways, while commissioners and leaders review their commissioning cycles and available resources to consider the sustainability of schemes beyond the grant-funding period.

### ***Support Services***

43. The types of support service to be provided should be guided by the identified needs of the client group. However, the main models that are considered suitable to be funded through the programme include:

- a) 24/7 on-site supported accommodation, such as hostels
- b) on-site support from nine to five, Monday to Friday
- c) housing-led support models (these are models that borrow from the Housing First approach, but are not considered to be pure in adherence to all of its principles)
- d) Housing First (guidance on the principles of Housing First can be found on the [Homeless Link Website](#) and on the [Cymorth Cymru Website](#)).

Other models will be considered if they are demonstrably appropriate for the identified client group and can credibly deliver the desired outcomes of the programme.

44. Support services are key to delivering the outcomes of this programme. Support providers must ensure the safe operation of services – including all essential requirements around safeguarding and risk management, and credible levels of resource, with appropriately trained staff to achieve the desired outcomes. The support service may be delivered by a different provider to that of the capital funding, and both bids must make reference to each other. Where relevant to the nature of accommodation, support should include plans for assisting individuals through any transitions through the housing pathway.

45. Support models should be designed to address the specific anticipated support needs of the identified client group. Bids should set out the support to be provided for the service user based on their individual needs, the structure of their proposed support team and the timeline for hiring support staff. Where appropriate to the nature of the scheme, support should be based on a trauma-informed care approach. Multi-disciplinary collaboration in preparing and delivering support will be crucial to achieve positive outcomes for SHAP's target groups.

46. Applicants should seek input from those with lived experience whilst developing their support proposals.

47. The accommodation provided may require a higher level of housing management than general needs housing. If this is considered necessary it should be made clear in any bid, and any impacts on financial modelling and affordability should be addressed.

48. Further requirements of revenue funding bids are detailed in the [SHAP Support Guidelines](#). Applicants should refer to this guidance document when completing their application.

### ***Revenue only projects***

49. This programme will not fund provision that would otherwise be funded through existing commissioning cycles in councils' core budgets. There will, however, be scope for revenue-only funded schemes where a bid can demonstrate that this type of funding will provide additionality and fulfil programme objectives.

50. Revenue-only projects will need to demonstrate that the property to be used complies with required capital standards; and is available to the client group for the duration of revenue funding. 46. All revenue projects (those with or without an associated capital bid) will need to be submitted through GLA OPS.

51. All revenue projects (those with or without an associated capital bid) will need to be submitted through the GLA OPS.

52. Where a revenue bid is being submitted without a request for capital funding, applicants will be required to upload a Nil Grant bid to OPS for the specialist accommodation that the support service proposes to use.

## Terms of occupancy, rents and service charge

53. Schemes should adopt terms that provide the most security for the tenant, balanced against the operational and management needs of the scheme; these terms must be in line with the Regulator of Social Housing's [Tenancy Standard](#). Schemes where the landlord and occupancy arrangements indicate a licence agreement is appropriate can be considered. Tenancy length should be appropriate to the type of development, and the conditions attached to tenancy agreements should be designed to support the needs of the individual(s). For example, pets should not be arbitrarily prohibited by the terms of the lease.

54. Rent must be set at Affordable Rent levels, [London Affordable Rent](#) benchmarks or Social Rent levels; and must be compliant with the Regulator of Social Housing's [Rent Standard](#). Social investment-funded projects can set rents based on Local Housing Allowance levels.

55. Service charges may be levied in addition to Social Rent and should be included within the Affordable Rent. Bids will need to demonstrate that proposed service charges are proportionate to the management services required and are genuinely affordable.

## Equality, Diversity and Inclusion

56. The Mayor is committed to creating a fairer, more equal and more integrated city where all people feel welcome and able to fulfil their potential. Inclusive London, the Mayor's equality, diversity and inclusion strategy, sets out how he will help address the inequalities, barriers and discrimination experienced by different groups of people in London.

57. One important way to reduce inequality is by taking action to tackle the housing crisis. The disproportionate impacts of homelessness, overcrowding and poor-quality housing that affect particular groups of Londoners, notably those from Black, Asian and Minority Ethnic backgrounds, can be tackled by building more affordable homes.

58. The Mayor is committed to supporting increased diversity in the built environment sector and expects partners to contribute to his vision of a more equal, diverse and inclusive London by meaningfully enhancing their organisational practices, procurement methods and engagement with communities.

59. All applicants will be contractually required to meet minimum standards outlined below within one year of their grant allocation being approved by the GLA. These standards seek to implement the [Mayor's Good Work Standard](#) 'diversity and recruitment' pillar; and are being introduced to reflect the Mayor's commitment to ensuring London is a more equal, diverse and inclusive city for all.

60. The Mayor recognises that some organisations are already working hard to promote equality, diversity and inclusion, and hopes that the funding requirement will enhance existing initiatives, as well as embed minimum standards across the sector.

### **Equality, diversity and inclusion standards**

1. All applicants must offer diversity and inclusion training for all employees.
2. All applicants must implement a zero-tolerance approach to all forms of discrimination, harassment and bullying.
3. All applicants must broaden recruitment channels and encourage application from diverse and under-represented groups.
4. All applicants must collect and monitor workforce data to benchmark the diversity of their workforce against the local area of the organisation.



5. All applicants must publish their gender and ethnicity pay gaps. Smaller organisations may be exempt from this requirement if this would risk breaching the privacy of individual employees.

61. In addition, the Mayor encourages all applicants in larger organisations to work towards achieving accreditation through his [Good Work Standard](#), which brings together best employment practice, and links to resources and support, from across London to help employers improve their organisations.

62. All applicants are expected to develop, publish and implement an Equality, Diversity and Inclusion Action Plan for their organisation within a year of their grant allocation being approved by the GLA. They must provide annual updates on implementation of this action plan. This will ensure all providers build on their current achievements, and will include at least one action from each of the following three themes:

- Theme 1: Organisational equality, diversity and fairness
- Theme 2: Sustainable and diverse supply chains
- Theme 3: Working together with Londoners

63. The GLA will produce full guidance on the type of actions that would be considered appropriate under each theme, which will be published on the GLA website in due course to assist partners when developing their action plans. Prior to the full guidance being published, an indicative overview of the three themes and examples of actions will also be provided. Partners will be able to tailor actions to their organisational needs and are encouraged to explore ambitious actions that result in meaningful change. Further information on the Mayor's approach to supporting diversity in employment can be found in the [Supporting Diversity Handbook](#) and the [Employer Guidance for the Mayor's Good Work Standard](#).

### ***London Living Wage***

64. Applicants receiving grant through this programme will be expected to ensure that their employees and workers are paid the London Living Wage; and should endeavour to ensure that consultants, contractors and sub-contractor employees similarly meet this requirement. This will be a contractual obligation of funding.

## Assessment criteria

65. Once bids have been submitted, they will be individually assessed by the GLA and the DLUHC. Recommended bids will be submitted to ministers for approval before being communicated to applicants.

66. The following criteria will be used to assess each bid:

- a. **Local need for and impact of schemes** on the indicated target group, and on the wider local homelessness and housing system. This will be assessed through data provided in the Monthly Rough Sleeping Survey; council DELTA returns; CHAIN reports; and quarterly H-CLIC returns. Local authorities will have the opportunity to outline additional information indicating need and impact; current pathways for the target groups; the gap between need and provision; and how SHAP funding will fill those gaps. This will include consideration of how individuals will be supported to transition through the housing pathway as appropriate to their level of need.
- b. **Collaboration and support.** Applicants should provide evidence of collaboration and partnerships with local stakeholders, as set out in paragraph 7, item c, and collaboration with individuals with lived experience from the target groups, in the design of bids and their subsequent delivery. Applicants should also set out whether they have the necessary internal support for the delivery of their bid if approved.
- c. **Quality of Accommodation and Support.** Applicants should consider quality (including environmental sustainability) and suitability of the accommodation, ensuring it is fit for purpose; the tenure type is justified; and the accommodation is suitably located and integrated with relevant services and amenities. Applicants should also consider the quality and appropriateness of support proposed, ensuring it considers the individual needs of the service user.
- d. **Deliverability.** Schemes should be deliverable within the timescales of the programme. We will require information including milestone dates for acquisition, start on site and practical completion, together with clearly defined roles for delivery partners. Revenue bids should include timelines for activities such as staff recruitment; service implementation and wind down; and other key activities. Whilst indicative schemes will be considered, a bid that has identified accommodation, and can demonstrate that negotiations with delivery partners are at an advanced stage, is likely to receive a higher deliverability score. We will also assess compliance with relevant statutory and regulatory requirements and guidance, including (where applicable) the requirements of the GLA's [Affordable Housing Capital Funding](#)

**Guide.** Applicants should evidence effective consideration of delivery risks and credible mitigation options where possible. Councils should evidence effective consideration of delivery risks and credible mitigation options where possible as well as consideration of a longer-term exit strategy for the property should it cease to be needed for its intended purpose.

e. **Value for money.** Applicants will be expected to demonstrate that they have taken steps to maximise value for money (including grant per unit and revenue cost per person per year; revenue cost per positive outcome; and alignment of capital and revenue funding requests). Councils should also utilise other sources of funding where possible – for example, as a result of joint working with local partners; use of capital receipts; and borrowing to lessen reliance on central government funding. Longevity of the capital asset will also be taken into account.

f. **Sustainability.** We will take into account the duration of time the unit will be available exclusively for SHAP's target groups, as well as plans for revenue sustainability after the SHAP funding stream concludes.

67. Applicants must ensure that they comply with the public sector equalities duty under section 149 of the Equality Act 2010. They should consider whether there is the need for specialist provision for specific groups. Applicants must ensure that there is a process for undertaking needs assessments of all individuals accessing SHAP homes; and that accommodation provision is informed by an individual's health and care needs.

## How to apply for SHAP funding

68. The SHAP application process consists of two elements: a council-submitted strategic gap analysis; and an individual capital and/or revenue funding bid (submitted by the lead organisation for each bid).

### ***Strategic Gap Analysis***

69. Councils will be supported through bid production to consider the need for provision within relevant pathway(s) for the target group for the particular area. The strategic gap analysis should set out details of this need.

70. This summary will be considered alongside the data sources set out in paragraph 65a to provide Bid assessors with a picture of need in the area.

71. Councils should consider any RSI self-assessment, Joint Strategic Needs Assessment (JSNA), homelessness strategy and/or sufficiency strategy in the area to supplement this analysis.

72. Where a locality has need in both pathways (i.e. rough sleepers and young people at risk of homelessness), a strategic gap analysis will be required for each. This is due to the distinct components of each pathway.

73. Individual bids for SHAP funding will be viewed in the context outlined by the relevant strategic gap analysis. This is to ensure that SHAP funding is aligned with the council's analysis of need.

74. For clarity, a strategic gap analysis for a pathway only needs to be submitted once for the duration of the SHAP programme, regardless of how many bids are submitted from the locality.

75. Strategic gap analyses should be submitted online through the DLUHC Citizen Space portal.

### ***Capital Funding***

76. Bids for capital funding for delivery routes eligible through the GLA should be submitted via the GLA's OPS. Bidders will be provided with further information about specific GLA OPS requirements when the system is open for bidding. In advance of this,

information will be made available to assist with assembling bidding information for project proposals.

77. Organisations not currently registered to use the GLA's OPS are advised to request access using the details provided on the [OPS homepage](#).

78. OPS bids should contain detailed scheme-specific information including costings, any expected income (e.g., income from rents, service charges and other public funding) and a delivery timeline. The bidding organisation will be the grant recipient and will need to hold a secure legal interest in the scheme property (or be seeking to acquire it) before funding can be claimed.

### ***Revenue Funding***

79. All bids for SHAP revenue funding in London should be submitted via OPS using the Revenue for Support SHAP template.

80. Organisations not currently registered to use the GLA's OPS are advised to request access using the details provided on the [OPS homepage](#). Guidance on how to use OPS can be found on the [GLA Website](#).

## Next steps following bid approval

81. If an application is successful, funding recipients will need to meet the following requirements before they can receive SHAP grant funding from the GLA.

### ***Registered Provider status***

82. Capital grant recipient organisations, which will be the landlord of homes built with capital funding for Social or Affordable Rent from the GLA, are required by law to be registered with the Regulator of Social Housing as an RP. Organisations must be registered before any funding can be drawn down and the accommodation is let. Applications to become an RP can take time to process, assess and achieve registration. Allocations to non-registered organisations will not be made via the GLA if their registration is not already well progressed. For more information on timescales and the RP application process, please see the [RP guidance](#). Non-registered organisations interested in delivering SHAP homes are strongly encouraged to partner with a local RP to deliver their scheme(s). The GLA can help broker such partnerships where required.

### ***Investment Partner Qualification***

83. Organisations with projects approved for capital funding under the SHAP must qualify as a GLA investment partner before they can receive a grant. Any organisation that is not an existing GLA investment partner, or that currently has a Restricted Investment Partner status, will need to apply for qualification. Further information about the GLA investment partner qualification process can be found on the [GLA Website](#).

### ***Terms of grant***

84. Applicants will need to enter a standard form contract with the GLA to secure grant funding through this programme. Contracts may vary slightly depending on the applicant and projects being funded, but ultimately all funding agreements will retain the key provisions of the standard form contract. Template contracts for standard delivery agreements will be published on the GLA website in due course.

85. Completed contracts will include the agreed delivery milestones for the projects that the GLA has committed to fund. The GLA will monitor performance of applicants against these delivery milestones on an ongoing basis. The GLA will be flexible when issues with programme delivery are flagged at an early stage; but will reserve the right to review a provider's grant allocation where a partner cannot deliver a project, or to replace it with an equivalent project where indicative allocations are no longer achievable.

86. Applicants who are requesting funding for contribution towards social investment schemes that deliver the objectives of SHAP should consider blending grant funding with their own sources of funding for onward investment to deliver housing. Councils should explore this approach with their Area Manager before continuing their bid development. Where investment is made using grant monies to capitalise an investment vehicle, subsequent reinvestment of the principal repaid from the returns following investment of the grant monies must be used to deliver further investments that provide accommodation for SHAP's target groups, available for a minimum of 30 years, on an evergreen basis until such funds might be exhausted.

### **Payment**

87. Grant funding from the GLA will be paid via the OPS following the execution of a SHAP contract. Payments will be made to the lead organisation that submitted the OPS bid. This is the case with both revenue and capital funding.

88. Capital payments will be made in three instalments: 45 per cent on acquisition; a further 50 per cent on start on site; and a final 5 per cent on practical completion. For schemes not involving acquisition payments will be made in two instalments: 95 per cent at start on site and 5 per cent at completion. For schemes involving acquisition of existing properties which are ready for immediate occupation, a single tranche of grant will be paid at the acquisition stage. For social investment schemes, full capital payment will be made upfront based on the forecast start on site date.

89. Revenue payments, including those linked to capital bids, will be made quarterly in arrears according to the agreed payment schedule set out in the OPS. Funding may be claimed for up to three years, as detailed in paragraph 12.

### **Subsidy Control**

90. While the GLA has designed this programme to comply with subsidy control rules, applicants also have a responsibility to ensure they are not over-compensated from the point of view of the subsidy control rules.

91. The GLA will require applicants to make returns about the actual costs incurred and income on the project for both public accountability and subsidy control compliance. The GLA is designing a process that will minimise costs to it and providers. This will include the submission (and certification) of actual costs incurred, and income; and a process to ensure a more detailed review of costs for each grant recipient at least once during the programme. More information will be supplied about the details of this process once it has been finalised.

92. If any providers are found to have been over-compensated, they will be required to repay any over-compensation to the GLA.

## ***Monitoring and reporting on progress***

### **Initial delivery and implementation**

93. Applicants will be required to report regularly against agreed milestones as specified in the named project, and to update GLA officers on progress and any delays as they occur.

94. Applicants will be required to keep forecasts and delivery expectations up to date in the OPS, and to report on delivery at regular intervals.

95. As part of programme and contract management, the GLA will carry out an annual procedural compliance audit on a sample of capital schemes to ensure requirements have been met. More information about this is available in the programme management guidance in the Affordable Housing Capital Funding Guide.

### **On-going service delivery**

96. Once support services have started, service providers will be expected to comply with a schedule of regular (monthly) reporting, including submission of KPI data (such as support caseloads, occupancy levels and tenancy ends) via the OPS.

97. A quarterly project report will also be required in order to claim revenue payments. Details of the monitoring and reporting requirements will be specified in the relevant grant agreement.

98. The GLA will complete an audit of a sample of support services throughout the life of the programme. Applicants and their partners will be required to support and comply with this process.



## Grant Recovery

### ***General Conditions of Grant Recovery***

99. SHAP capital funding is social housing assistance and is given in perpetuity. The grant will remain in the land/property where it was invested until a relevant event for recovery occurs, and the grant is repaid or recycled in accordance with the terms of the [Recovery Determination 2017](#) and/or any recovery events specifically set out in the capital funding agreement.

100. Unless and until a relevant event occurs and grant is repaid/recycled in accordance with those terms, the grant liability will pass to successive owners of the land/asset in accordance with the provisions of legislation.

101. SHAP funding must be used for the furtherance of provision of homelessness accommodation. Therefore, when a relevant event for grant recovery occurs (as set out in the [Recovery Determination 2017](#) and/or the capital funding agreement), providers and local authorities must notify the GLA and either repay the grant or, in the circumstances permitted in the [Recovery Determination 2017](#), agree to recycle it into similar provision.

## **Other formats and languages**

For a large print, Braille, disc, sign language video or audio-tape version of this document, please contact us at the address below:

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**[www.london.gov.uk](http://www.london.gov.uk)**

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