

Homes for Londoners Affordable Homes Programme 2016-21 - move-on accommodation further guidance

July 2018 (revised)

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This document is supplementary to the [Homes for Londoners Affordable Homes Programme 2016-21 Funding Guidance](#), to which prospective bidders should refer.

1. Principles

1.1 Types of accommodation

Grant funding will contribute towards the capital costs of developing move-on accommodation for people leaving homelessness hostels or refuges for victims of domestic abuse, as well as for people on the streets who could benefit from a 'Housing First' approach¹. This could involve:

- the purchase and repair of existing accommodation, i.e. where the bidder purchases the property and becomes the long-term owner. The expectation is that properties will be freehold, or purchased with a long lease, and that repairs may be required to bring the properties up to a good lettable standard
- the development of new build properties. We are particularly interested in the use of modular design methods
- in exceptional circumstances, the lease and repair of existing properties, i.e. where bidders lease properties for a defined period (a minimum of five years) from the property owner and at the end of that period the property reverts to the long term owner.

A number of people ready to move on from hostels have a dog but are unable to find accommodation that will accommodate their pet. Bids that can include dog-friendly units will therefore be welcome.

This funding is for the provision of additional, rather than the redevelopment of existing, affordable housing. Bids are expected to be for named projects only.

1.2 Property size and occupancy level

The overwhelming majority of those moving on from hostels or leaving the streets are single people. For most of these, a self-contained studio or one-bed unit is likely to be the appropriate form of accommodation. However, we will consider funding a small number of multi-occupancy units (i.e. shared accommodation) for people moving on from hostels or leaving the streets, where bidders can demonstrate that this approach will result in good outcomes for residents. Many households moving on from refuges will include children, so we will aim to fund a small proportion of two-bed as well as larger family-sized homes. All accommodation for victims of domestic abuse must be self-contained.

A range of sizes will therefore be funded, with a predominance of smaller units, and most units will be self-contained.

¹ Housing First is an approach where rough sleepers with high support needs move from the streets into sustained independent accommodation and receive intensive floating support. For more information, go to <http://www.homeless.org.uk/our-work/national-projects/housing-first-england>

1.3 Client groups

The following client groups will be eligible for the accommodation developed with this funding:

- homeless people living in hostels, a [No Second Night Out](#) staging post or hub or on the streets in London. These will mainly be people who do not require the support services generally available at homeless hostels or, for those on the street, who could benefit from a 'Housing First' approach
- victims of domestic abuse living in refuges in London.

The key aims for this accommodation are twofold: to help people move towards independent living, and to free up valuable hostel and refuge accommodation so that it can be used more efficiently to provide support to those people who need it.

1.4 Support needs

Some people moving on from hostels and refuges have no or very low support needs. But others require support in their new accommodation, at varying intensities and for varying lengths of time.

Bids must specify whether or not support will be needed for the client group for which the accommodation is intended and, where it will be, the level and duration of support required.

It is anticipated that victims of domestic abuse moving on from refuges or hostels would receive support from one of the specialist outreach services operating within the capital. The properties developed for people moving on from hostels (or the streets) will effectively add to the capital's stock of [Clearing House](#) units, the residents of which currently receive GLA-commissioned floating support from the Mayor's Tenancy Sustainment Teams (TSTs), as appropriate. Where the intended client group is formerly homeless people requiring support, a TST or a similar type of service should be made available to residents.

The aim is that people who move into this accommodation will be assisted to move on to independent accommodation within two years, where appropriate. In this way, there will be greater throughput from hostels and refuges on an ongoing basis. The supporting statements that accompany bids should provide evidence of how tenants will be assisted to move on to independent accommodation.

Funding for support

Where support is required, the bidder will be expected to provide evidence that revenue funding for the support has been secured.

Where it can be demonstrated that the bidder has tried and failed to secure funding (or sufficient funding), the GLA may be able to provide funding for this purpose for a limited period.

Where revenue-funded support will not be available from any source, only people who are capable of living in independent accommodation without the need for this should be nominated to the accommodation.

The properties developed with this funding may need a higher level of housing management than other general needs housing. For example, landlords will be expected to signpost tenants to relevant services should issues arise.

1.5 Access and referral arrangements

Because of the nature and needs of the client groups to be accommodated, access to the units will be on a pan-London basis, and the GLA will work closely with local authorities to agree pan-London nomination protocols.

All referrals will be assessed centrally, to determine clients' priority and to ensure that the lettings made are appropriate and sustainable. The GLA will monitor lettings to ensure that the accommodation is being used appropriately.

The following organisations will be eligible to refer clients:

- London boroughs
- providers of hostels commissioned by a London borough
- voluntary sector organisations providing hostels directly (referrals will need to be approved by the local authority in which the hostel is situated)
- GLA-commissioned pan-London rough sleeping services, such as No Second Night Out
- refuges for victims of domestic abuse.

Referrals of victims of domestic abuse will be made to a specialist central service, which will make nominations to the units developed with this funding, ensuring that they are suitable, appropriate, safe and supported. All other referrals will be made to the Clearing House service, which is commissioned and funded by the Mayor. The Clearing House will be responsible for assessing eligibility for the units, determining the level of need for support and making nominations.

Nominations will be provided within five working days. Where no nomination is made within this period, the provider will be expected to approach the local authority for a suitable nomination from its register of people in housing need.

1.6 Tenancies and rent

We expect accommodation developed with this funding to be let on fixed term Assured Shorthold Tenancies for a maximum of two years and with rents set at levels which are genuinely affordable. Rents set at or below the GLA's London Affordable Rent benchmarks will automatically be deemed genuinely affordable. Other rent levels will also be considered - where the provider is able to demonstrate to the GLA's satisfaction that the homes would be

genuinely affordable – the rents are set no higher than Local Housing Allowance levels and there is at least a 20 per cent discount to the relevant market rent.

It is likely that most clients for these units will not be subject to the Shared Accommodation Rate, because either they are over 35, or they are exempt because they have children or are between 25 and 35 and have lived and been supported in hostels for homeless people for three months or more.

1.7 Local partnership working

We expect bids to provide evidence that the local authority in whose area the accommodation is to be funded, as well as relevant voluntary sector partners, have been fully consulted on the proposal. We would also expect evidence of the local authority's or authorities' support or, in rare cases where this has not been secured, details of their concerns.

2. Bidding for funding

In addition to the information requirements set out in the [Funding Guidance](#), bidders will be expected to provide the following supporting statements on the GLA's Open Project System (OPS) as part of their bid.

2.1 Project proposal

Bidders must provide a brief outline of the project proposal including:

- details of how the intended development will contribute towards achieving the aims for this funding, including how tenancies will be managed and tenants supported to move on to independent accommodation
- the intended client groups and how their needs will be addressed
- current planning Use Class and, where appropriate, details of whether there will be a change
- length of time that units will be available for the intended purpose.

2.2 Sustainability

Bidders must provide:

- their rent setting strategy
- evidence of revenue funding for the project, where appropriate
- a description of the level and type of support provided, including how people will be supported to live independently and to move on within two years. Bidders wishing to secure GLA revenue funding for support should outline how much funding would be required in total each year, the expected support needs profile of residents - that is the proportion of residents with low, medium or high support needs – and the annual per person cost for each level of support needs. More detailed information about the proposed provision of support will need to be provided once a bid has been submitted
- a description of links with local services and amenities
- a description of how the project will allow flexibility of use in the future, without requiring further public investment, including a suitable exit strategy.

2.3 Design

Bidders must provide:

- concept drawings and a brief design specification
- where bids include shared accommodation, a description of how statutory requirements and local environmental health standards relating to communal space will be met
- details of how units and their locality meet the safety and security needs of the client group. This is particularly important for victims of domestic abuse. Bids must set out how they will ensure that the safety and security of the client group is paramount
- where refurbishing existing properties, a statement of how they will reach an EPC rating D, or if this is not possible, an explanation of this. Advice and support on retrofitting existing homes is available through the [RE:NEW Support Team](#).

3. Assessment criteria

The GLA will assess all bids received against the following key criteria:

- deliverability within the timetables set out in the [Funding Guidance](#)
- value for money (including additional funds levered in)
- fit with the strategic priorities and aims for the funding as outlined in this document
- sustainability (including duration of provision, affordability, support and exit strategies if pan-London needs change)
- partnership working with boroughs and relevant voluntary sector providers
- quality of design.

Assessment will be on a project by project basis, with assessment and allocation decisions made on each project separately. This may lead to bidders receiving an allocation for some of their projects and having others rejected.

Bidding is open to London boroughs and private providers registered with the Social Housing Regulator. Providers must be qualified as a GLA Investment Partner before they can receive grant, and providers who are not a GLA Investment Partner will need to submit an application for qualification. The landlord of the properties must be registered with the Social Housing Regulator.

3.1 Deliverability

See [Funding Guidance](#).

3.2 Value for money

The GLA will assess bids based on the value for money that they offer when compared to other bids and how they demonstrate that their inclusion can deliver maximum impact for the funding available.

There is no set level of funding per unit and the GLA expects that the level of grant will depend upon the scope of the proposed delivery. Grant will therefore be awarded on a negotiated basis. It is intended that the £50m will produce around 850 spaces overall.

Bidders will be expected to demonstrate that they have maximised other sources of funding, including their own equity and funding derived as a result of joint working with partners.

3.3 Strategic priorities and aims

Meeting immediate demand - bidders will need to evidence that their project meets a pan-London need and, where appropriate, that it will directly and immediately relieve pressure on hostels or refuges. They will also need to agree to the referral arrangements specified in this document.

Places per unit – proposals for shared accommodation will need to provide strong justification in terms of the appropriateness for the intended client group, as well as demonstrate how the proposed shared accommodation is different to hostel accommodation.

Location – we wish to avoid the target client groups being physically isolated from the wider community. Bids will therefore be required to demonstrate that the accommodation would be provided in locations conducive to local community integration.

3.4 Sustainability

Duration of provision – we would expect units provided through the programme to be available in perpetuity. In exceptional circumstances, we may fund units available for a minimum of five years, where value for money can be demonstrated. Where properties provided through the grant are sold or demolished, we will allow them to be replaced on at least a one for one basis, either through receipts being recycled or by additional financing from the provider.

Affordability – we would expect the units to be affordable to the intended client groups.

Support – where it includes floating support, the bid should outline how it will secure and fund this for a minimum of three years.

Exit plans - bidders should ensure that there is an exit plan in place for all of their projects, including potential alternative uses of the building as affordable housing, should the project no longer be required for its initial client group. The design of the building should accommodate such a change of use without the need for significant additional expenditure.

Geographical location – we will ensure that provision is not overly concentrated within any given borough(s).

3.5 Partnership working

See section 1.7 for details.

3.6 Quality of design

See section 2.3 for details.