



Ministry of Housing,
Communities &
Local Government

£20 million Private Rented Sector Access Fund

Bidding Prospectus

Withdrawn



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October 2018

ISBN: 978-1-4098-5334-3

Contents

Ministerial Foreword	4
Chapter 1: Introduction	5
Chapter 2: Programme principles	6
Chapter 3: Bidding for funding	7
Chapter 4: Timetable	13

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Ministerial Foreword

Last month we published the Rough Sleeping Strategy which sets out how we will achieve our manifesto commitment of halving rough sleeping by 2022, and ending it by 2027.

The Rough Sleeping Strategy contains a range of targeted measures that will ensure some of the most vulnerable people in our society receive the support they need.

The private rented sector plays an important role in this effort – it offers a route out of homelessness and rough sleeping, and is a vital part of delivering the homes this country needs.

Evidence shows that some people experience difficulties in accessing and sustaining private rented sector tenancies, particularly those on low incomes. This can lead people to become homeless, or remain in temporary accommodation.

In recognition of these issues, I am today announcing the launch of the Private Rented Sector Access Fund, which will make available £20 million to fund schemes that will enable better access and sustainment of tenancies for those who are, or at risk of becoming homeless and rough sleeping.

This targeted fund sits alongside other work we committed to in the Rough Sleeping Strategy, in order to ensure vulnerable people receive the support they need to navigate housing options at a local level. This includes the development of a new fund to support the set up or extension of local letting agencies to support homeless people, which we will be announcing further detail on shortly.

The Private Rented Sector Access Fund compliments existing government action to tackle homelessness and rough sleeping. It sits alongside our £1.2 billion funding programme to tackle homelessness, and the Homelessness Reduction Act, the most ambitious legislative reform in decades, to ensure more people receive the help they need, at an earlier stage.

It also forms part of our wide-ranging reforms to rebalance the relationship between landlords and tenants, and deliver a fairer, more affordable, higher quality and more secure private rented sector. Through the Tenant Fees Bill we are seeking to save tenants' money by banning unfair letting fees and capping tenancy deposits, and we recently consulted on overcoming the barriers to landlords offering longer tenancies.

As I have set out previously, it is absolutely vital that we are led by evidence of what works to tackle homelessness. Private rented sector access schemes have been shown to open up accommodation for those who need support, and I am looking forward to seeing how the schemes funded through the project develop, which will grow our evidence base to effectively tackle homelessness and rough sleeping, for good, whilst continuing to support those in need.

Rt Hon. James Brokenshire

Chapter 1: Introduction

1. Evidence shows that in certain circumstances people experience difficulties in accessing and sustaining private rented sector tenancies. The overarching aim of this £20 million project is to fund local authority led schemes to increase access to, and sustainment of, new private sector tenancies, or support in sustaining existing tenancies for those who are, or at risk of becoming, homeless.
2. A private rented sector access scheme is a term used to describe any type of intervention which is designed to increase access to, or sustain, private rented sector tenancies for those who are, or at risk of becoming, homeless. Access schemes can be comprised of a wide variety of elements, and commonly include the following:
 - **Guaranteed rent or deposit scheme/bonds:** provide full or proportion of tenancy deposit or rent payments, or some form of guarantee to landlords.
 - **Procurement:** contacting landlords and agents to seek out private rented properties and tenancies.
 - **Property management:** managing the property on the landlord's behalf for the purposes of placing a person/household into private rented sector accommodation.
 - **Mediation support and training:** provide mediation support between landlord and tenant throughout tenancies should any issues arise, or provide tenancy training to prospective tenants/landlords.
3. There are already schemes operated by local authorities and the third sector across the country, and they can be used to either prevent homelessness, or relieve a homeless crisis where it does occur.
4. This fund will enable the introduction of new schemes, or bolster and extend the coverage of already existing schemes, which are focussed on increasing access and/or sustainment of private rented sector tenancies.
5. It is the intention that funding local authority schemes through the £20 million fund will support 8,965 people who are, or at risk of becoming homeless, into sustainable private rented sector accommodation.

Chapter 2: Programme principles

Aim

6. The overarching aim of this £20 million is to fund local authority led schemes to increase access to new private rented sector tenancies, or to support in sustaining existing tenancies for those who are, or at risk of becoming, homeless.

Objective

7. This targeted fund will be focussed on schemes that will provide additional support for single homeless people and/or reduce the numbers of households in temporary accommodation through delivery of the below outcomes, in order to support the government's ambition of preventing and reducing homelessness and rough sleeping.

Outcomes

8. Bids will need to demonstrate how their scheme(s) will support the government's desired outcome for the fund – to support 8,965 homeless households (or those at risk) into the private rented sector through the creation of new tenancies, or support in sustaining existing tenancies.

Types of schemes

9. The fund will be open to any type of intervention that is targeted at achieving the above aims, objectives and outcomes to support homeless people, or those at risk.
10. This could include schemes that are focussed on pure affordability pressures, including rent or deposit guarantees/bonds, or non-financial elements, such as procurement, mediation, tenancy training, the funding of social letting agencies, etc. No type of intervention will be expressly precluded as part of the competition and each bid will be judged on its merits in accordance with the assessment criteria set out below.

Tenancy type and length

11. The fund will only be open to schemes which either create or sustain private rented sector tenancies for those who local authorities owe a homeless duty towards. Any scheme focussed on a different type of tenure or person/household will not be eligible for funding.
12. In relation to outcomes, the minimum term tenancy created, or existing tenancy sustained by schemes should be for a period of 12 months.

Chapter 3: Bidding for funding

Who should bid?

13. Bidding is open to all local authorities and we would particularly welcome cross-authority bids, which is reflected in the assessment criteria detailed below.

Amount of funding

14. There is no minimum or maximum bid accepted as part of the competition, and each bid will be judged on its merits in accordance with the assessment criteria. However, bids should be proportionate to the size of the fund and scale of the project, and linked to the target outcomes.

Timing for project

15. The £20 million funding has been made available for the financial year 2018/2019, and for 2019/2020. Schemes will therefore need to be in a position to mobilise and spend the money provided, and support people as soon as possible, but before March 2020. Bids that cannot provide this guarantee will not be considered.

How to bid

16. Bids must be submitted through completing the template attached at **Annex A**, along with the achievability questionnaire at **Annex B**, and submitting this to:

L20mPRSAccessFundQueries@communities.gov.uk.

17. **This is a one-off bidding opportunity.** The competition will run from 10th October 2018 until **23rd November 2018 at 12pm.**

18. Bidders are encouraged to limit their application to 2,500 words, and should ensure that all elements of the bid are evidenced based.

19. If local authorities have any queries about the bidding process they should email:

L20mPRSAccessFundQueries@communities.gov.uk.

Assessment of bids

20. Officials within the Ministry of Housing Communities and Local Government will assess all bids received, and Ministers will take the final decision on which bids to support.
21. Bids will be assessed against the below criteria using the specified scoring method (the scoring methods are explained after paragraph 22).

Assessment criteria

Criterion	Description	Weighting	Reason for criteria
1	<p>Data (Scoring method C)</p> <p>Are you willing to capture data on the progress of your scheme and provide us with quarterly reports?</p>	Pass/Fail	We want to build on our evidence base of what works in this space.
2	<p>Value for Money (Scoring method B)</p> <p>Our analysis shows that these schemes are a cost-effective option for local authorities to deliver homelessness services – both in supporting single homeless people and families - in comparison to other types of homelessness intervention.</p> <p>Bidders will be assessed based upon both</p> <p><u>Temporary Accommodation (TA) target savings:</u></p> <p>Through identifying the number of households the scheme will support and the associated savings this would have on the cost of TA.</p> <p><u>Prevention or relief of single homeless and target number of people helped:</u></p> <p>Through identifying the number of single homeless people that will be prevented or relieved from becoming homeless through the scheme.</p> <p><i>Bidders must show that the impact of the proposed new scheme/extension of an existing scheme in terms of the people it will support is additional to existing provision</i></p>	<p>Total: 25%</p> <p>12.5%</p> <p>12.5%</p>	<p>It is essential that government programmes demonstrate value for money (that the benefits of an action exceed the costs).</p> <p>Please provide your target savings on TA. This will also allow us to understand how the target savings relate to the cost of the scheme.</p> <p>Please provide your target number of people helped and the expected cost of the prevention or relief. This will allow us to calculate the</p>

	<p><i>offered by the local authority.</i></p> <p>Bidders must provide credible evidence to support their estimates of the number of people supported and TA cost savings. Bids will be excluded from the competition where we judge there is insufficient evidence to substantiate the benefits and value for money being claimed.</p>	<p>Pass/Fail</p>	<p>cost per person helped to establish the cost effectiveness of this part of the scheme.</p>
<p>3</p>	<p>Sustainability</p> <p>Another key outcome for the fund is that it lays the foundations for sustainable private rented sector (PRS) access schemes. Given that evidence shows no form of PRS access scheme is self-sustaining (it requires inflow of money to operate), bids must demonstrate how they propose to sustain the schemes beyond the period of funding, for a minimum period of 12 months.</p> <p>For example, local authorities may wish to make clear that any money saved as a result of people being supported through the scheme, instead of any other type of homeless intervention, will be allocated to ensure the scheme is sustained long term. (Scoring method A)</p> <p>Bidders should also outline how the scheme fits alongside other work they are undertaking to ensure that people are being supported to access and sustain PRS tenancies. (Scoring method A)</p>	<p>Total: 20%</p> <p>15%</p> <p>5%</p>	<p>We want to ensure that schemes funded continue beyond the life-time of the project.</p>

	(If relevant) Where schemes include guaranteed rent/deposits, bids must commit to allocate any of the guaranteed rents/deposits that have been returned back into the scheme. (Scoring method C)	Pass/fail	
5	<p>Achievability</p> <p>Please complete the questionnaire attached.</p> <p>Bidders must explain their scoring and we will use this information to either confirm or adjust their rating.</p>	Total: 20%	We want to make sure that schemes actually achieve the savings proposed, and the desired outcomes of the project are reached.
6	<p>Authority/authorities need (Scoring method B)</p> <p>Bidders will be assessed against the need of local authority/authorities to access the PRS as a means of supporting them to deliver their homeless services.</p> <p>Bidders will be assessed based upon the rates of homelessness the local authority(s) – calculated by level of homelessness acceptances per 1000 households in the local authority(s).</p> <p>Data used will be from March - the latest published homelessness statistics available.</p>	Total: 25%	We are aware that there are particular local authorities who are in need of accessing the PRS as a means of delivering homelessness services and are keen to fund schemes to operate in those areas.
7	<p>Cross-authority working: (Scoring method A)</p> <p>We are keen to make sure that the PRS and funding provided by central government is managed efficiently and effectively. Where relevant, local authorities should make clear how they will work with other local authorities to deliver the scheme.</p> <p>Bidders should make clear where they will locate PRS stock to support people/households through their proposed scheme.</p>	Total: 10%	We are keen to make sure that the PRS and funding provided by central government is managed efficiently and effectively.

	<p>If any stock is utilised by the local authority from outside of their area, the bidder should provide evidence of how they will, or have sought to, mitigate any issues caused to the other local authority.</p> <p>This could include seeking agreement to do so with the other local authority, or making clear that the other local authority has a surplus of PRS properties which they do not require to use in order to deliver their homelessness services.</p>		
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Scoring methods

22. Bidders will be scored against each of the criteria above, according to the extent to which they meet the requirements of the competition. The total score will be calculated by applying the weighting set against each criterion outlined above.

Scoring method A

Score	Description
1	Not Satisfactory: Proposal contains significant shortcomings and does not meet the required standard
2	Partially Satisfactory: Proposal partially meets the required standard, with one or more moderate weaknesses or gaps
3	Satisfactory: Proposal mostly meets the required standard, with one or more minor weaknesses or gaps.
4	Good: Proposal meets the required standard, with moderate levels of assurance
5	Excellent: Proposal fully meets the required standard with high levels of assurance

Scoring method B

Value for money
Bidders will be scored based upon the number of people supported (which is evidenced based through drawing on existing data and making clear how this support will actually meet the needs identified)/ and or the amount of TA savings attributed to the scheme. The highest number of people supported/highest level of TA savings will receive 5 points. All others will receive a proportion of this score on a scale of 1-5.

Authority/authorities need
Bidders with the highest homelessness rate will be awarded 5 points, and all others will receive a proportion of this score on a scale of 1-5 in accordance to their homelessness rate.

Scoring method C

23. Any bids which do not expressly agree with the assessment criteria subject to this scoring method will automatically be excluded from the competition.

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Chapter 4: Timetable

24. The application process commences on 10 October 2018, and will remain open to receive new applications until 23rd November 2018 at 12pm.
25. Bid assessment will be carried out over the four weeks following the end of the competition, and it is our intention to make the first payments to the successful bids by December this year.
26. Payment under the Private Rented Sector Access Fund will be on a per scheme basis. Funding will be paid out in accordance with the timescales specified for the scheme.

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