

Commissioning and Procurement Executive Committee – 12 April 2022

Subject:	Approval for acceptance of grant monies and delegated spending authority for refugee resettlement schemes		
Corporate Director/ Director:	Frank Jordan, Corporate Director for Resident Services Andrew Errington		
Portfolio Holder:	Cllr Neghat Khan		
Report author and contact details:	Shaun.Miles@nottinghamcity.gov.uk		
Other colleagues who have provided input:	Amy Goulden, Mandy Pride, Jo Pettifor Susan Turner, Dionne Screamon		
Key Decision	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Subject to call-in <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons: <input type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision			<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Type of expenditure:	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital		
Total value of the decision: £7,000,000			
Wards affected: Citywide			
Date of consultation with Portfolio Holder: 25.01.22			
Relevant Council Plan Key Outcome:			
Clean and Connected Communities	<input checked="" type="checkbox"/>		
Keeping Nottingham Working	<input type="checkbox"/>		
Carbon Neutral by 2028	<input type="checkbox"/>		
Safer Nottingham	<input type="checkbox"/>		
Child-Friendly Nottingham	<input type="checkbox"/>		
Healthy and Inclusive	<input type="checkbox"/>		
Keeping Nottingham Moving	<input type="checkbox"/>		
Improve the City Centre	<input type="checkbox"/>		
Better Housing	<input type="checkbox"/>		
Financial Stability	<input type="checkbox"/>		
Serving People Well	<input type="checkbox"/>		
Summary of issues (including benefits to citizens/service users):			
<p>Since 2015, refugee resettlement work has been carried out successfully, in partnership with registered charities Nottingham and Nottinghamshire Refugee Forum (NNRF) and Enable, on the basis of grant awards and Service Level Agreements (SLAs).</p> <p>As services provided to qualifying residents by these partners have grown in scope, and their specification has matured and settled, there is now a need to shift these to a service contract footing to capture the Council's specific requirements and undertake a full procurement process.</p> <p>As of 2020, previous resettlement schemes (Vulnerable Persons Resettlement Scheme and Vulnerable Children's Resettlement Scheme – VPRS/VCRS) have wound down, and new schemes, including United Kingdom Resettlement Scheme (UKRS), Afghan Citizens Resettlement Scheme (ACRS), and Afghan Relocations and Assistance Policy (ARAP) have been established.</p> <p>A report on this matter was brought to the 14 December Committee – requesting authority to participate and draw down the grant monies for refugees resettled into the partnership to 22-23 (with funding until 2025-26). This detailed and obtained approval for the urgent work underway to commission new resettlement Casework and ESOL services for the client group.</p>			

However due to the absence of the presenting Officer at the meeting Councillors were not able to obtain answer questions, and two recommendations were not approved.

This report returns those two recommendations around grant funded ad-hoc spend and delegated approval and further seeks governance approval for the drawdown of relevant grant monies up to £7,000,000 to for refugees resettled in the partnership between 2023-2026 and their legacy funding (5 years' maximum to 2031). This lines up the governance, and funding with the contracts and Home Office way of working.

Exempt information: None

Recommendations:

- 1 To approve extension of participation in refugee resettlement schemes to end financial year 2030-31, meaning new arrivals will come until end of financial year 2025-26 with a five-year funding taper.
- 2 To authorise acceptance and drawdown of relevant grant monies.
- 3 To approve continuation of Accountable Body duties in support of neighbouring first-tier authorities to deliver resettlement.
- 4 To grant delegated authority to the Corporate Director for Resident Services to approve the outcome of the tender processes commenced following previous approvals (14/12/2021) for both the Casework contract (valued at up to £2.5million over 5 years) and the ESOL contract (up to £600,000 over the 5 years), and to sign and award contracts.
- 5 To grant delegation to the Corporate Director for Resident Services to recruit 2 additional fixed term staff associated with this project in order to improve the service, governance and contractual arrangements.
- 6 To approve delegation of spending authority on other required services within NCC, County, District partners and externally with the voluntary sector and local businesses and landlords, in accordance with delegated scheme of authority, subject to compliance with Home Office Funding Instructions and Nottingham City Council's constitutional requirements, up to the end of financial year 2030-31.

1. Reasons for recommendations

- 1.1 The Resettlement programme is fully Home Office funded – staff time and redundancy costs are factored into this.
- 1.2 This work is also in accordance with Strategic Council Plan 2021-23 Key Outcome One: “To be a city that welcomes those in need of refuge or shelter”.
- 1.3 It should also be noted that central Government funding instructions are frequently changing in parameters and timescales, and are often issued after implementation has begun. UKRS funding instructions were issued in April 2021, while ARAP and ACRS funding instructions were substantially altered and reissued in August 2021 and January 2022.
- 1.4 The three schemes are now aligned in funding amount and confirmed to run for 5 years with a 3-5 year funding taper in place, so it is prudent to seek governance for the five years at this stage providing the opportunity to ensure

commissioning, staffing and service delivery are planned over the timeframe of the schemes.

- 1.5 Allowing 5 years of funding flows into NCC will enable the contracts (as described in Dec 2021 report) and staffing in the programme to be on a secure footing.
- 1.6 In addition to the current 2.3 staff permanent staff currently on this project there is the intention to recruit two fixed term posts focused on the contracts and governance side of the work specifically. This will ensure compliance with NCC's new working models and to secure efficiencies with aligned contracts/ grants.
- 1.7 Taking a five-year view enables the city to improve governance for the projects and set out improved commissioning and grant aid processes rather than responding to crisis with each new policy announcement.
- 1.8 These schemes provide for UNHCR recognised refugees, they are comprehensive in providing housing and education, advice to employment and benefits, integration and English language support.
- 1.9 Improved longevity in this funding enables supporting departments such as the Adaptations Agency, Education and CAMHS to secure additional resource for this cohort, freeing up and adding capacity in the system.

2. **Background (including outcomes of consultation)**

- 2.1 In 2015, Nottingham City Council, Gedling Borough Council, and Broxtowe Borough Council committed to play their part in resettlement of 20,000 vulnerable Syrian refugees in the UK by 2020. Community Partnerships led on delivery of this project in partnership with these first-tier authorities, and took a management fee from partner Councils grant funding to do so.
- 2.2 In 2016, these arrangements were extended to include Rushcliffe Borough and Newark & Sherwood District Councils. Community Partnerships coordinates resettlement activity across these five local authority areas and liaises with Nottinghamshire County Council around second-tier services in these localities.
- 2.3 VPRS, VCRS and UKRS are five-year migration schemes, with funding provided in a tapering arrangement across the qualifying period.
- 2.4 Over 300 individuals were resettled under VPRS/VCRS, with the last arrivals in March 2020. Funding for these arrivals will therefore continue until FY24-25.
- 2.5 Arrivals under all resettlement schemes were suspended under COVID-19 mitigations, and remain unpredictable. As funding is awarded on a per capita tariff basis, this means that anticipated budget resilience was substantially impacted over the course of 2020.
- 2.6 Over the lifespan of resettlement, Community Partnerships have engaged in a number of evaluation, learning and evaluation exercises with stakeholders at all levels of the resettlement service, in order to assess effectiveness of delivery.

- 2.7 Work to support refugees in the city under resettlement also creates capacity which can support asylum seekers and other vulnerable migrants by generating capacity in the voluntary sector.
- 2.8 Ensuring full capacity in this team makes best use of the 8% charge to the district councils participating in the partnership, and with a further 5-year commitment to the projects the money previously set aside for project end costs (redundancy and partner close down at £240,000) can be spent on improving the project and service offer.
- 2.9 This request for permission to participate and draw down this funding does not commit the partnership NCC leads to taking in the maximum number of refugees outlined here (70 people per year) and it will continue to be subject to review alongside the pressures place on our services by Home Office dispersal and other no-choice unfunded projects.
- 2.10 Previous authority for past year's income and the income in 22-23 leaves approximately £1.2million (changes daily dependant on caseloads) which added to this request generates a maximum budget of £8.2million over 9 years. Much of the spend is focused in the first two years where costs on set up and early integration are highest as is the income. Target budgets for these arrival years are higher, quickly tapering in line with the grant if no further approval to bring in more refugees is granted.
- 2.11 Indicative outline of spend major areas for illustration:

	Indicative spend area	Cost per year
Contracts	Casework	£300k- £500k per year to 2026
	ESOL	£100k per year to 2026
Housing Set up	bring private rented stock up to standard and furnish	£200k per year to 2026
Core staff team	in Community Partnerships	£170k 22-25 reduce after
Remaining spend area	Internal Council recharges, Education, CAMHS, Adaptations, Children's Services, Transport and School Transport, integration events, small grants for training and social support.	Vary depending on cases and available budget.

3. Other options considered in making recommendations

- 3.1 Decline to participate in schemes – this may result in capacity reduction or closure of key voluntary services, which would displace support needs back to Nottingham City Council, without additional resources.
- 3.2 Continue to seek year on year approval to bring in refugees through resettlement schemes – this is a time consuming process which would reduce stability for staff and service users.

4. **Consideration of Risk**

- 4.1 Without authorisation for the delegation of funding it is not possible to organise housing, transport or other support services for the cohort.
- 4.2 The authorisation to continue this work over five years will enable senior managers to ensure adequate staffing and service delivery to meet the needs of the client group and meet improved governance and spending oversights in place at NCC now.
- 4.3 The money remains ring-fenced to meeting the needs of those resettled but is designed to be at no-cost to NCC. Ensuring the process is embedded and the staff team at full strength ensures full draw down of funds owed and that other teams in NCC are reimbursed for work with this client group.

5. **Finance colleague comments (including implications and value for money/VAT)**

This report seeks approval to the participation in refugee resettlement schemes up to FY30-31, which are all funded by the Home Office. Also, the approval for spend on services as required as a part of this process to be granted to the Community Protection Director. This would facilitate the required expenditure to meet the requirements of the schemes which are expected to be no more than £7m in totality at this time for their duration. The amount of funding received is directly tied to the number of refugees being supported by the scheme and tapers over its lifetime.

A risk is that the funding is variable and could therefore be reduced depending on how many actual refugees are resettled within the region.

The current schemes include:

1. United Kingdom Resettlement Scheme (UKRS);

The UK Resettlement Scheme (UKRS) funding is for a 5 year (60 month) period dependant on arrival of the refugees and is a consolidation of 3 previous government schemes:

- Vulnerable Persons Resettlement Scheme;
- Vulnerable Children Resettlement Scheme;
- Gateway Protection Programme;

2. Afghan Relocations and Assistance Policy (ARAP);

3. Afghan Citizens Resettlement Scheme (ACRS).

Funding arrangements are grant-based, intending to ensure resettling families is cost-neutral for local authorities for at least the first year, and are ringfenced to resettlement activity.

NCC retains 8% of all partner authority grant funds as a management fee, used in part to ensure that end of project costs are covered from within existing budget and resources. Supporting other local authorities also enables NCC to have greater economies of scale when purchasing for the scheme.

To ensure a cost neutral position and avoid any unfunded pressure during the period of project, the budget manager will need to ensure all expenditure incurred is fully covered by the grant, as there is no budget to cover unfunded costs. The budget manager will also need to put in place the appropriate monitoring and reporting processes to ensure adherence to the grant conditions including end dates / renewals, in order to avoid possible clawback of grant funding or request additional funding if applicable.

Also, to ensure that all internal processes that are required in relation to meeting the requirements of the scheme are fully complied with.

A longer approval window will allow a more seamless and consistent approach to be maintained across the duration of the schemes. This includes the outsourcing of services with strict controls and agreements in partnership with Procurement to ensure value for money and effective use of available resources. Due to the possibility of changing terms/terminations/extensions these schemes must be strictly monitored and in the case of early termination of the schemes a full mitigation plan must be in place and all costs met within the MTFP.

Advice provided by Susan Turner, Senior Commercial Business Partner
16/02/2022

6. **Legal colleague comments**

- 6.1 The Council may receive the funding and act as the Accountable Body under the powers granted to it under s.1 Localism Act 2011. Any management of the fund, including distributions must at all times be in accordance with any funding obligations from Central Government.
- 6.2 The terms of any funding from government will need to be reviewed and the Council must ensure it uses the money in accordance with those terms to avoid the risk of claw back.
- 6.3 A tender process will be undertaken in order to identify a provider for the services ensuring compliance with the Council's Contract Procedure Rules and providing best value. Legal support will be provided as part of the procurement and contracting arrangements.
- 6.4 Any external spend with third parties outside of the tendered contract will need to be made in accordance with the delegation approved under this report, and in line with the Council's Constitutional requirements. A process for seeking appropriate advice and assessing the requirements should be established and suitable agreements will need to be put in place prior to funding being allocated.

Dionne Screamon, Senior Solicitor, Commercial Employment and Education 15
March 2022

7. **Other relevant comments**

Procurement

- 7.1 This report relates to the continuation of Nottingham City Council's participation in the Home Office funded refugee resettlement schemes to the

end of FY30-31, and the receipt and expenditure of associated Home Office grant funding for the provision of services for this period. It was previously determined that the external provision of refugee resettlement and ESOL services should be procured as services contracts, and following the previous approval to a procurement process being undertaken, a commissioning and procurement process is now in progress to secure ongoing provision.

- 7.2 The expenditure of all other funds under this programme must be in accordance with requirements of the UK Public Contracts Regulations and the Council's Constitution and Contract Procedure Rules, to ensure compliance and best value. In relation to any expenditure with external agencies, the Procurement Team will advise and support as required in each instance. The Council should have in place an appropriate structure and resources to enable a robust, compliant process to be followed for the allocation of funding externally, and to manage this funding through appropriate contracts or grant agreements to ensure continued performance and best value.

Jo Pettifor, Category Manager, Strategy and People, 8 March 2022

8. **Crime and Disorder Implications (If Applicable)**

- 8.1 As a vulnerable cohort, refugees are at risk of ASB, Hate Crime etc. Early intervention around harm prevention is the first priority and we work with each intake to deliver key message around Hate Crime and ASB. Community Partnerships work with Community Protection (CP) Intelligence Analysts to ensure that such matters are registered for consideration in the Tasking and Tensions Monitoring processes. In partnership with other CP teams and Notts Police, we provide intensive support with these matters.

9. **Social value considerations (If Applicable)**

- 9.1 VPRS was expanded in 2015 with the goal of providing an alternate means to reach safety without making dangerous sea crossings. Therefore, social value is created by providing a legal route to safety for vulnerable families. The funding arrangement provides us with the opportunity to build and empower smooth integration for these families, removing barriers to greater cultural integration.
- 9.2 Greater than 50% of our resettled cohort are aged 18 or below. Young people within the cohort adapt to their new cultural context much more rapidly than older generations. Therefore, families now view Nottingham as their permanent home, because their children are becoming settled and making progress here.
- 9.3 We have shifted our focus in delivery from use of social housing to private rented sector (PRS) stock. In the interim, the Council has introduced Selective Licensing with the intention of improving PRS stock in Nottingham. By working with private landlords to create compliant, affordable and sustainable PRS housing for refugees, we have made a material contribution to this strategic objective.

10. **Regard to the NHS Constitution (If Applicable)**

- 10.1 N/A

11. **Equality Impact Assessment (EIA)**

11.1 An EIA is not required because there are no significant changes to policies or practices. Overlapping impacts on domestic abuse, hate crime, issues impacting new communities and other priorities are currently managed within the Directorate.

12. Data Protection Impact Assessment (DPIA)

12.1 DPIA will be ongoing and due regard will be given to any implications identified.

13. Carbon Impact Assessment (CIA)

13.1 A CIA is not required because the work is person-centred and does not impact on CN28 plans. Additionally, all resettled households are referred by prior arrangement for an audit by Nottingham Energy Partnership which improves energy efficiency.

14. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

14.1 None.

15. Published documents referred to in this report

15.1 [Afghan relocation and assistance: funding instruction - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

15.2 [UK resettlement programmes: funding instruction 2021 to 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk)