
Cabinet

31st August 2021

Name of Cabinet Member:

Cabinet Member for Housing and Communities - Councillor D Welsh

Director Approving Submission of the report:

Director of Public Health and Wellbeing

Ward(s) affected:

All

Title:

Refugee Transition Outcomes Fund (RTOF) Project

Is this a key decision?

Yes- the decision to be taken in this report will have a significant effect on people living or working within two or more wards in the City

Executive Summary:

Coventry has a long tradition of welcoming people to the city from all over the world. The City Council supports this tradition and aims to enable and empower all those who have arrived in our welcoming city to thrive and prosper. In line with this aim, the City Council Migration team has managed and continues to manage projects and partnerships across a number of externally funded programmes including through EU (Urban Innovative Actions) and UK Government (Ministry of Housing Communities and Local Government and Home Office) projects. It also has a strategic responsibility for supporting newly arriving migrants and plays a key part in supporting the city's Local Migration Network.

Following a competitive bidding process, Big Issue Invest (BII) were successful in their bid for outcome-based funding for the Home Office project known as The Refugee Transitions Outcomes Fund (RTOF). A condition of the fund was that projects must include Social Impact Bonds, which allow for up-front cash investment to be provided by a social investor so that the Home Office only pays for outcomes if and when achieved.

Social Impact Bond projects entail the setting up of a Special Purpose Vehicle (SPV), which is a subsidiary to the social investor, in this case BII. The bid was a consortium regional bid comprising Birmingham, Coventry, Sandwell and Wolverhampton local authorities with the largest cohort of asylum seekers accommodated locally and respective partner organisations. The Council and its partners (St. Francis Church of Assisi, Ashley Community Housing (ACH) and Spring Housing) supported development of BII's bid and have been awarded £622,283 of funding through the RTOF.

The Big Issue Group is dedicated to supporting and tackling the issue of poverty and inequality in the UK. Founded in 2005, Big Issue Invest extends The Big Issue's mission by financing the growth of sustainable social enterprises. Since 2013, BII has invested into successful Social Impact Bonds/Social Outcomes contracts from a dedicated Outcomes Investment Fund (£10m) and is currently managing commitments of over £7m into 19 investees.

The RTOF is a £13.99m Home Office initiative which seeks to improve employment, housing and wider integration outcomes for newly recognised refugees. The project is funded until March 2024 and will enable the city to offer intensive support to former asylum seekers granted leave to remain in the last 18 months.

The total regional project award is £2,463,900 and aims to support 361 individuals across four local authority areas. Coventry's portion of the funding is £622,283 which will assist 93 people, with Coventry City Council's portion of the outcome funding being £184,237 and Coventry City Council's partners portion of the outcome funding being £438,046. There remains the potential to increase number of participants supported over the lifetime of the Project, but it is dependent on the success of the project and the availability of additional funding from the Home Office.

Whilst the proposal was based on a partnership approach, delivery across each Local Authority area is based on local delivery models supported by local providers with considerable experience of working with this cohort of participants.

Recommendations:

The Cabinet is requested to:

- 1) Note the success of the partnership work between Coventry City Council, other Local Authorities and the wider delivery partnership in developing the funding bid.
- 2) Note that BII and its consortium bidding partners (which include Coventry City Council) have been successful in their bid for the Home Office funding.
- 3) Authorise Coventry City Council to accept funding up to £622,283 under RTOF subject to satisfactory conclusion of (4) below.
- 4) Delegate authority to the Director of Public Health & Wellbeing, following consultation with the Director of Finance and the Director of Law and Governance, to undertake all necessary due diligence which shall also include the authority to enter into any legal agreement necessary to facilitate the ability for Coventry City Council to participate in the project.

List of Appendices included:

Appendix 1 - RTOF Outcomes

Background papers:

None

Other useful documents

None

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title: Refugee Transitions Outcomes Fund (RTOF) Project

1. Context (or background)

- 1.2 Coventry has a long tradition of welcoming people to the city from all over the world. The City Council supports this tradition and aims to enable and empower all those who have arrived in our welcoming city to thrive and prosper. In line with this aim, the City Council Migration team has managed and continues to manage projects and partnerships across a number of externally funded programmes including through EU (Urban Innovative Actions) and UK Government (Ministry of Housing Communities and Local Government and Home Office) projects. It also has a strategic responsibility for supporting newly arriving migrants and plays a key part in supporting the city's Local Migration Network.
- 1.3 In addition to the work supporting Refugee Resettlement, the Council have been able to build and grow the infrastructure and support that Coventry can offer to existing Refugee and Migrant communities through the expansion of projects and securing of funds. These projects include ESOL for Integration Fund, Specialist Training and Employment Programme (STEP), work on the EU Settlement Scheme and more recently MyCoventry.
- 1.4 Work on the now concluded Building Bridges project demonstrated the importance of the period after a former asylum seeker is granted leave to remain, and the difficulties that can be experienced when individuals are not promptly connected to support around housing, integration and employment support.
- 1.5 The Home Office currently accommodate around 900 asylum seekers in dispersed accommodation in the city, with an addition of almost 300 individuals living in temporary hotel accommodation. Of this number, we would expect typically two thirds to acquire some sort of refugee status. At present the city receives no funding from the Home Office to support the impact of either asylum seekers whilst their cases are being considered, or those successful. RTOF is therefore a funding pilot which will provide support to this cohort of refugees, and evidence to support further investment by the Home Office.
- 1.6 The RTOF is a pilot scheme led by the Home Office to support refugee integration and self-sufficiency. The Home Office selected six pilot areas in high asylum dispersal areas in England to be awarded funding:
 - West Midlands
 - Greater Manchester Combined Authority
 - Liverpool City Council
 - North East Strategic Migration Partnership (led by Middlesbrough Council)
 - Plymouth City Council
 - South Yorkshire and Humber (led by Sheffield City Council).
- 1.7 The RTOF is an outcomes fund, meaning it will use a payment by results (PbR) approach whereby payments are made by the Home Office to the BII SPV for specific outcomes as they are achieved. (Appendix 1 includes details of outcomes to be achieved)). A condition of the fund was that projects must include Social Impact Bonds which allow for upfront cash investment to be provided by a social investor whereby the Home Office only pays for outcomes if and when they are achieved. In this case, the successful social investor was Big Issue Invest (BII) who were able to demonstrate their commitment to invest in the local delivery model in each of the four local authority areas, and their track record of participation in previous successful PbR initiatives.

- 1.8 Social Impact Bond projects entails the setting up of a Special Purpose Vehicle (SPV), which is a subsidiary to the social investor, in this case, BII. The SPV is fully owned by BII and will act as a contracting entity.
- 1.9 The SPV's purpose is to facilitate the flow of finance attached to Social Impact Bonds and then close down after the project ends. They also have the potential to become co-owned by local authorities or main providers in order to form part of the local legacy of the project. In the case of RTOF, the SPV will act as a finance vehicle and contracting entity only. To cover the costs of the SPV set-up and associated management and admin requirements, BII will receive 4% of the overall project funding (approx. £100k across the region)
- 1.10 The Council are recruiting 2 dedicated members of staff and they along with existing Migration Team staff will deliver the project and achieve the targeted outcomes. The BII SPV will provide payment of these staff costs who will in turn will claim funding based on outcomes from the Home Office.
- 1.11 It is anticipated that BII SPV will enter into contract separately with Coventry City Council and Coventry City Council's partner organisations. Participation in the RTOF is subject to the satisfactory negotiation of this contract.

2 Options considered and recommended proposal

- 2.1 There remains an option to decline the offer of the funding. This option has been discounted as it will mean less resources being available to support refugees in the City when demands on the city from this cohort of individuals would continue to persist. No other funding from the Home Office has been made available to specifically support this cohort of refugees.
- 2.2 The recommended option is for the Council to accept the RTOF funding and for the Council to enter into contract with the SPV. The acceptance of this funding will support us in ensuring that refugees granted status within the last 18 months are supported comprehensively to maximise their contribution to society in the City's growing economy. The funding will also develop good practice across the four cities and add to the evidence base around how refugees can be supported into successful outcomes.

Summary of the key partners in delivery of the Refugee Transitions Outcomes Fund

2.3 Coventry City Council £184,237 (Migration Team)

- 2.3.1 The Council Migration Team will manage the project, co-ordinate and oversee the work locally to ensure outcomes are met and will provide employment support to participants on the programme through an Integration Officer. The Integration Officer will lead the partnership in meeting the outcomes of the funding by identifying eligible participants, reducing silo working and duplication across the city and ensuring that participants receive the most appropriate level of support. The Integration Officer will also directly support 13 participants into sustained employment. This approach is based upon Coventry's successful Local Authority Asylum Liaison Support Officer model (LAASLO), which links with existing services, provides essential liaison support as asylum seekers transition to become refugees. Given that LAASLOs support asylum seekers within Coventry, the Integration Officer will provide coordinated and strategic oversight that ensures that eligible participants that secure refugee status are identified for RTOF at the point of refugee decision. This coordination role will help facilitate and avoid disruption of the individual's progression towards integration.

2.3.2 The Council will also ensure that learning from various strands of the project are shared, culminating in the final evaluation and knowledge-share at the end of the project.

2.4 **St Francis Employability £73,295**

2.4.1 St Francis are a Church/Community Centre with strong community ties in Radford and across Coventry, promoting meaningful contact between host and migrant communities, offering services including specialist employment support, Job clubs, Volunteering, ESOL, Training, Food bank and destitution support alongside childcare facilities that reduce barriers for communities to engage.

2.4.2 St Francis will source volunteering opportunities to 40 individuals supported through RTOF to help them gain valuable experience in a working environment with a view to enabling individuals to find sustainable employment.

2.5 **Ashley Community Housing (ACH) £169,983**

2.5.1 Ashley Community Housing (ACH) supports refugees and migrants with specialised training, employment and housing support. ACH is a leading provider in refugee integration services, operating in the West of England and the West Midlands whilst offering advice and assistance across the UK and beyond. ACH will provide end to end employment, housing and integration support to 40 participants with a view to ensuring long term sustainability of housing tenancies and employment.

2.6 **Spring Housing £194,768**

2.6.1 Spring Housing Association supports people in housing need across the West Midlands to move into and sustain their accommodation. Spring Housing will provide end to end employment, housing and integration support to 40 participants with a view to ensuring long term sustainability of housing tenancy and employment.

Table 1: Summary of Funding request

CCC Migration Team	£184, 237
St Francis Church of Assisi	£73,295
Ashley Community Housing	£169,983
Spring Housing	£194, 768
Total	£622,283

3 Project Governance

3.1 The governance structure and delivery partnership is demonstrated in the organogram below. Broadly it covers:

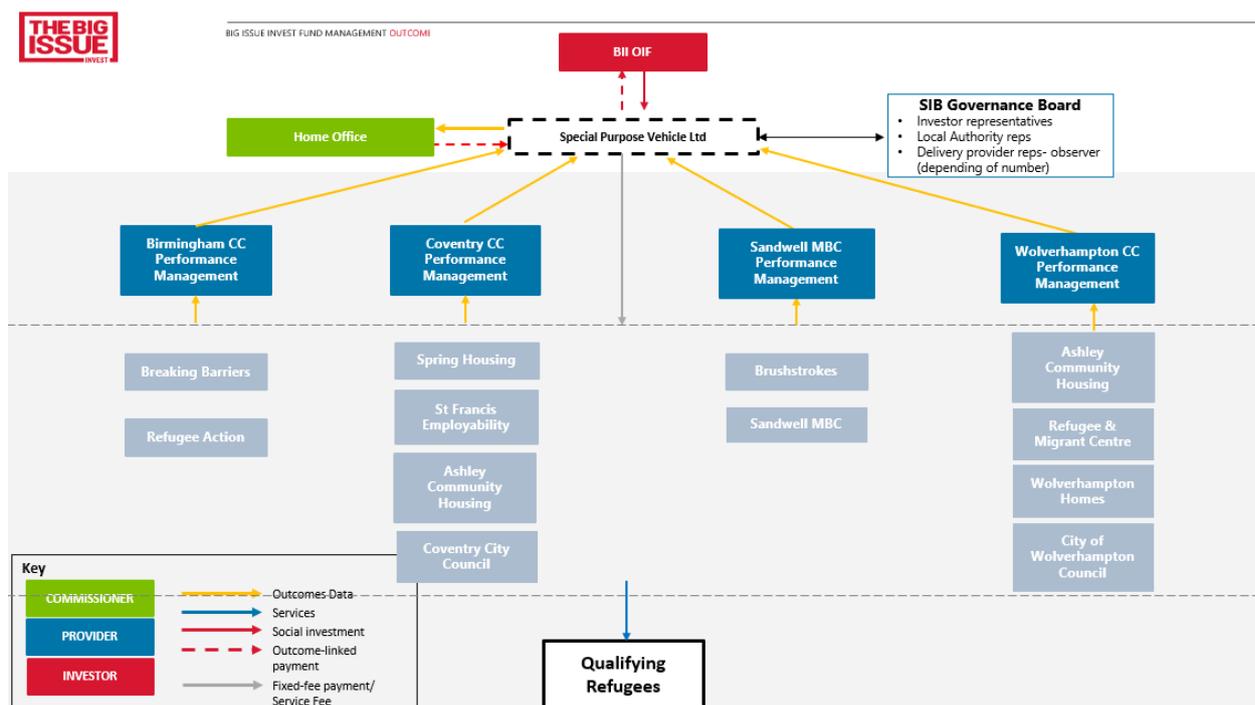
3.2 **Special Purpose Vehicle** – this will be owned 100% by BII and act as a vehicle solely to facilitate financial and outcomes flows for the duration of this project.

Social Impact Bond Governance Boards – these will be set up by BII in conjunction with the local authorities. Each local authority will have representation at every governance board, as will delivery partnership organisations as necessary. The governance boards will be underpinned by a Terms of Reference and / or Memorandum of Understanding. A provisional structure for this element of governance is:

Strategic governance	SPV Board governance	Operational governance
Quarterly/half yearly to review the aspiration/vision and impact with a view to longer term sustainability and impact – investor, commissioners, strategic partners,	Monthly to review data, learning, outcomes, impact, performance, finance – investor, commissioners, key delivery partners, other stakeholders including service users.	Weekly/fortnightly – meetings to review operational success, blockages, client feedback.

- **Local authorities** - All local authorities will be party to a Performance Management agreement with the SPV which sets out their performance management function within the project. LAs having a performance management function will build on their existing relationships with providers, their role and oversight as a single point of contact and allow local access to data and learning from delivery which will inform future plans.
- **Delivery Partnership** - Delivery partners will be party to a contract with the SPV and measured through KPIs.

Organogram



4. Results of consultation undertaken

- 4.1 In preparation for this proposal, face to face meetings (pre Covid-19) and remote Microsoft Teams meetings (during Covid-19 national lockdown) were held with organisations over 4 months, including consultations with wider (external) stakeholders and internal Council teams. Local organisations were invited to take part in a stakeholder session and put forward proposals to become part of the successful bid.
- 4.2 The proposal was informed by work that the Council have been undertaking over the last 6 years to identify local needs of former asylum seekers and address local, social and economic inequalities that hinder integration. Developed with learning earlier successfully delivered projects, including findings from the local Coventry Migration Network that includes voluntary, statutory and private sector organisations working together to support refugees and newly arrived communities to integrate into the city.

5. Timetable for implementing this decision

- 5.1 Subject to the successful completion of agreements with the Home Office and the SPV the project will run from September 2021 to March 2024. Once final agreement has been reached each delivery partner will enter into a Partnership Agreement that sets out their contribution to the project in terms of outcomes and amount of funding available to them. This process is expected to be completed by the end of September 2021.
- 5.2 The project will run until March 2024. Currently, it is not anticipated that there will be an extension to this timetable. However, other Home Office projects have successfully negotiated extensions in the past.

6 Comments from the Director of Finance and the Director of Law and Governance

6.1 Financial implications

- 6.1.1 The total grant awarded across the West Midlands region is £2,463,900 with Coventry's element receiving £622,283 over the lifetime of the project. The breakdown of the £622,283 between partners is set out in Table 1 at the end of section 2 above. The City Council element of the project is estimated to cost £184,237.
- 6.1.2 The Council are recruiting two dedicated members of staff and they, along with existing Migration Team staff, will deliver the project and achieve the targeted outcomes. The BII SPV will provide payment for these staff costs who will in turn claim funding based on outcomes from the Home Office.
- 6.1.3 Payment by the Home Office to the SPV is based on outcomes. There are set rates for each outcome. If all partners achieve all of their targets, then the SPV will be able to recoup their full investment. If outcomes are not fully achieved, the loss will be borne by the SPV.

6.2 Legal implications

- 6.2.1 It is anticipated that the contractual arrangements will be as follows:
- 6.2.2. BII SPV will be the accountable body under the funding provided by the Home Office.
- 6.2.3 Following the conclusion of any contractual arrangement between the Home office and BII SPV, Coventry City Council will enter into contract with BII SPV which will set out the Council's involvement in the project including any targeted outcomes that Coventry City Council will aim to deliver.

6.2.4 Legal Services (as part of its due diligence) will ensure that any risk to Coventry City Council is adequately managed and mitigated prior to entering into contract.

6.3.5 The Council has the power to enter into the arrangements within this report pursuant to its power contained within section 1 of the Localism Act 2011 (“General Power of Competence”).

6.2.6 BII and BII SPV and the partner organisations (which include Coventry City Council) participated in a compliant procurement process in accordance with the Public Contract Regulations 2015.

7 Other implications

7.1 How will this contribute to the Council Plan (www.coventry.gov.uk/councilplan/)

7.1.1 Inward migration into the City has been a significant factor in population growth in recent years and RTOF will support the wider delivery of the Council’s key objectives by supporting community cohesion and ensuring that participants on the programme contribute to the City’s economic prosperity and cultural diversity. Additionally, the following specific issues will be addressed:

- **Protecting our most vulnerable** – The programme is aimed at a vulnerable group of our society including a section of our population who seek asylum after having to flee their home countries due to threats and fear of their life.
- **Helping local people into jobs** - RTOF provisions are based upon identified local best practice, and will deliver specialist employment support, and career mentoring to support participants into sustained employment, targeting parts of the economy with staff shortages.
- **Fostering community and social links** – Most of the delivery will take place in key community-based settings to build a sense of belonging as well as develop beneficiaries’ own skills. This approach builds connections between communities to improve people’s lives and foster integration.
- **Increasing the supply, choice and quality of housing.** Through our delivery partners, ACH and Spring Housing, RTOF seeks to provide secure, stable and sustainable tenancies to participants on the programme. Participation in RTOF will also reduce pressure on other statutory and voluntary services.
- **Improving Language and Learning** - To encourage empowerment and participation in community settings, RTOF will support participants to increase their language skills through ESOL support alongside volunteering to facilitate community cohesion, engagement and skills development.

7.2 How is risk being managed?

7.2.1 The Council will oversee the £622,283k RTOF funding and will be responsible for ensuring that the funding is spent in compliance with the programme’s regulations, and this will include ensuring that partners meet their contractual obligations.

7.2.2 The Council has a good track record for designing and delivering successful projects targeting newly arrived communities and for maintaining and achieving effective financial controls along with well-established procedures for managing public funds and these will be applied to the RTOF project.

7.2.3. The following key risks have been identified across the programme that could have an impact on the success of the project. Risks will be monitored regularly to ensure any mitigating action can be expedited swiftly to reduce risk:

Risk	Impact	Likelihood	Proposed actions
Partner withdraws from the project	Minor	Possible	Coventry City Council, Migration Team are part of the local Migration Network and have strong relationships with external organisations and are very well connected throughout the city. We have a pool of additional organisations who could fulfil the role of a partner withdrawing.
Project unable to achieve outcome target for SPV to draw down funding from Home Office	Serious	Remote	Project outcomes will be discussed at both a strategic and operational level through the governance structure highlighted in the report. The SPV have committed to accept full financial risk against any outcomes that may not be met. Participation in the project will not put the City Council at risk financially as the SPV will reimburse any expenditure that is made on the project up to a maximum of £622,283..
Key delivery staff leave their posts.	Serious	Possible	For any delivery staff leaving posts, vacancies will be publicly advertised to replace vacant positions. Interim arrangements whereby other team members temporarily support the project will also be implemented whilst recruitment is being undertaken.
Project outcomes will not be met due to changes to Covid-19 Guidance	Serious	Possible	Confident that delivery partners already have experience with hybrid/blended models of delivery and supporting participants solely on-line if required to do so due to further Covid-19 restrictions.
Cost to Council of project delivery is higher than amount included in bid	Minor	Possible	Costs of Migration projects are monitored on a regular basis. If costs appear to be higher than expected then steps will be taken to manage all costs within the overall Migration budget

7.3 What is the impact on the organisation?

7.3.1 HR Implications

To ensure the successful delivery of this project, additional staff resources will be required. Any new staff will be recruited on a temporary fixed-terms basis.

7.3.2 Equalities / EIA

The participants on the programme will be from newly arrived communities from diverse ethnic backgrounds. With refugees being some of the most disadvantaged and vulnerable

groups in the City, many of the elements of this programme are designed to assist and support them to achieve better housing and employment outcomes. The programme will focus on skills, development, volunteering opportunities, employment and housing support, as well as social connections to address local, social and economic inequalities that hinder integration.

7.4 Implications for (or impact on) climate change and the environment

The project will seek to minimise negative environmental impacts by encouraging project staff to use public transport and keep electronic records where possible. Covid-19 has necessitated partners to provide innovative solutions to delivery which has either seen a hybrid/blended model of delivery or delivery that is fully on-line. It is anticipated that elements of this type of delivery will continue, thereby reducing the need to travel to and from meetings and classes (where appropriate). This will in turn, impact positively on the environment and help reduce the City's carbon footprint.

7.5 Implications for partner organisations

The funding will have a positive implication for the voluntary sector/partners by bringing in additional resources, capacity and infrastructure into the city. The funding also aims at promoting community cohesion and enhancing the contribution residents are making towards the economy and more importantly the social fabric of the city.

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Councillor D Welsh	Cabinet Member for Housing and Communities	-	05/08/2021	09/08/2021

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