Homelessness Social Inclusion Services
Cllr Mrs Terri Reid, Deputy Leader and Portfolio Holder for Housing the Arts and Regeneration

Report to Cabinet
Ward(s): All
Key Decision: Yes
Appendix 1: Estimating alternative homelessness costs
BDBC – Report to Cabinet - Supporting People homelessness Services, September 2015
https://democracy.basingstoke.gov.uk/ColListDocuments.aspx?CommitteeId=142&MeetingId=419&DF=29%209%202015&Ver=2

Papers relied on:
Hampshire County Council – Consultation Information Pack 2018

BDBC - Report to Community Environment and Partnerships Committee Multi Agency Rough Sleeping Plan and Making Every Adult Matter Update, March 2018

HCC – BDBC Social Inclusion Grant – Paper to Executive Member for Adult Social Care an Health, 25 July 2018

Foreword - Cllr Mrs Terri Reid, Deputy Leader and Portfolio Holder for Housing the Arts and Regeneration

I am delighted to be able to bring forward a recommendation to Cabinet to seize the opportunity of extending our inspirational and innovative pilot for commissioning homelessness support services locally and in partnership.

The pilot was developed within an environment of increasing levels and complexity of demands at the same time as depleting financial resources. The challenges, particularly financial, have intensified since our partnership journey began - which simply underlines the imperative for us to continue our work.

The Social Inclusion Partnership has demonstrated the level of improved outcomes the community can achieve when combining a determination and commitment to resolving complex homelessness issues. This work has received national recognition and acclaim, and includes a significant reduction in levels of rough sleeping which recorded in November 2017.

The vital role statutory housing authorities must take to lead and inspire our communities in order to prevent and deal with homelessness has been given added emphasis following introduction of the Homelessness Reduction Act 2017. This is to be welcomed and I commend the recommendations of this report to Cabinet.
Recommendation to Cabinet

1. Cabinet accept the grant offer from Hampshire County Council in order to extend the local Social Inclusion Services model approved by Cabinet in September 2015, for four months from April – July 2019.

2. Cabinet confirm BDBC’s conditional willingness to then extend the devolved commissioning arrangement for homelessness social inclusion services beyond August 2019 for a period of up to 3 years until 2021/22 – subject to final confirmation of financial and actual terms of grant from HCC and the financial offer being no less than £376,865 per annum from August 2019.

3. Cabinet give delegated authority to the Executive Director of Borough Services to approve the terms of grant conditions, including outcome performance measures, in consultation with the Section 151 Officer and Monitoring Officer.

Background, corporate objectives and priorities
The outcomes achieved from developing and implementing our unique devolved commissioning arrangement for delivering key homelessness support and prevention services have played a pivotal role in helping the Council meet its statutory duties and strategic housing objectives.

Supporting homeless and vulnerable people and improving residents’ quality of life by preventing homelessness are key priority strands of the Council’s Housing and Homelessness Strategy 2016-20 and the Council Plan 2016-20.

Glossary of terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tr>
<td>DWP</td>
<td>Department for Work and Pensions</td>
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<td>HCC</td>
<td>Hampshire County Council</td>
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<td>MAP</td>
<td>Members Advisory Panel</td>
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<td>MEAM</td>
<td>Making Every Adult Matter</td>
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<td>MHCLG</td>
<td>Ministry for Housing Communities and Local Government</td>
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<td>MTFS</td>
<td>Medium Term Financial Strategy</td>
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<td>NLWS</td>
<td>Night Light Winter Shelter</td>
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<td>SIP</td>
<td>Social Inclusion Partnership</td>
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Main considerations

1 Executive Summary

1.1 This report sets out the business rationale for the Council to seek to continue its devolved commissioning arrangement for social inclusion homeless services from 2019.

1.2 An initial three year devolved commissioning arrangement was agreed between HCC and BDBC from April 2016, whereby HCC provided BDBC with
an annual grant in order for BDBC to commission local services directly through an innovative partnership approach.

1.3 The report highlights the significant achievements and unique outcomes for dealing with homelessness made as a result of our local partnership approach, the extent of many of which were unanticipated when the pilot commenced. It also highlights that the introduction of the new Homelessness Reduction Act 2017 now requires local housing authorities to proactively broaden and extend their homelessness prevention and support activities.

1.4 Moving beyond 2019, HCC has already taken a decision (in November 2017) to reduce its own levels of funding for homelessness social inclusion services across the county by around 47%. In order to allow sufficient time to implement this decision, HCC’s current social inclusion contracts and grant to BDBC would be extended by up to 6 months from April 2019 on current terms meaning that no changes to funding levels would take place until August 2019.

1.5 HCC has confirmed it would be prepared to consider extending BDBC’s arrangement beyond March 2019, but this would inevitably be on significantly reduced financial terms from August 2019. The final amount of funding will be determined following HCC’s Executive Member decision to be taken in December 2018. However, in order to have time to recommission services HCC requires BDBC to formally confirm by no later than Friday 14 September 2018 whether or not we wish to consider continuing a devolved local arrangement after August 2019.

1.6 The report highlights the significant risks and implications were we to cease our local arrangements, of which the financial costs in particular (set out in Appendix 1) would be considerable.

1.7 By retaining a locally devolved arrangement the Council would also be able to continue its trailblazing work in conjunction with the Social Inclusion Partnership (SIP) in continuing to achieve additional positive outcomes for our most vulnerable residents. It would be through the strategic SIP partnership that a refreshed programme of housing support services from 2019/20 determined by pooling remaining homelessness resources can be scoped and commissioned in a way which achieves optimum outcomes following expiry of the current contract programme in 2019.

2 The Proposal

2.1 This report proposes Cabinet conditionally accept a potential offer by Hampshire County Council (HCC) to continue our devolved funding and commissioning arrangement of housing support services for homeless and socially excluded people (primarily single homeless people).

2.2 To allow sufficient time to implement service remodelling as a result of the funding cuts, HCC has agreed to extend the current funding and grant arrangement by up to 6 months following expiry of the 3 year 2016/17 agreement in March 2019. The report recommends accepting this extension.
2.3 The current annual grant received from HCC is £746,468 per annum. Indicative discussions with HCC officers suggest HCC is likely to reduce this to around £376,865 from August 2019 onwards.

2.4 Our conditional post- August 2019 acceptance would be subject to the final terms upon which a devolved grant will be made, which will be determined through a formal decision by HCC’s Executive Member for Adult Social Care and Health to be taken in December 2018.

3 Key issues for consideration

3.1 Background

3.1.1 The funding and commissioning of homelessness related support services was historically provided by County Councils under Supporting People programmes as discretionary programmes of activities.

3.1.2 In 2015 BDBC’s Cabinet took the bold decision, with the support and cooperation of HCC, to develop a local commissioning model using a grant direct grant from HCC. This was in response to significant levels of service cuts being proposed by HCC at the time which, together with radical new distribution and commissioning arrangements, would have compounded the impact of funding reductions for BDBC. The 2015 Cabinet report can be found here: https://democracy.basingstoke.gov.uk/CeListDocuments.aspx?CommitteeId=142&MeetingId=419&DF=29%2f09%2f2015&Ver=2

3.1.3 In creating a devolved arrangement, the aim was to foster and develop a local community-led response to homelessness through a partnership approach in order to achieve better and more efficient outcomes for our residents. This would be delivered through a new, dynamic Social Inclusion Partnership (SIP) - a strategic partnership of local stakeholders committed to reducing homelessness and advancing social inclusion in the borough.

3.1.4 There has been ample documented evidence to demonstrate how our innovative approach has generated extraordinary and unprecedented achievements since inception. The pilot could and should be regarded as a resounding success, receiving regional and national acclaim as a model of best practice. The outcomes were collated and presented through the subject of a detailed report to the Community Environment and Partnerships (CEP) Committee at its meeting in March 2018 - found here: https://democracy.basingstoke.gov.uk/documents/s11955/Multi%20Agency%20Rough%20Sleeping%20Plan%20and%20Making%20Every%20Adult%20Matter%20MEAM%20-%20update.pdf

3.2 Current Social Inclusion Services in Basingstoke and Deane

3.2.1 BDBC supplements the current annual HCC grant in order to commission social inclusion services within the borough to meet our statutory and strategic housing which deliver the following outcomes:

<table>
<thead>
<tr>
<th>SERVICE / SCHEME</th>
<th>DESCRIPTION</th>
<th>OUTCOMES (2017/18)</th>
<th>TOTAL ANNUAL COST</th>
<th>FUNDING SOURCE</th>
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<tbody>
<tr>
<td>May Place House</td>
<td>20 bed hostel for vulnerable single homeless</td>
<td>62 referrals received (58 accepted) 41 successful moves</td>
<td>£350k</td>
<td>HCC Grant</td>
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Mary Rose Court and Group Homes
19 bed hostel plus
26 move on in shared HMOs for vulnerable single homeless
52 referrals accepted, 24 successful move-ons
£208k HCC Grant

Community Floating Support
Carrying out homelessness prevention, information, advice for anyone at risk of homelessness
623 cases assisted (523 through drop-ins), 788 positive move-ons recorded (demonstrates repeat assistance)
£150k HCC Grant

Outreach / MEAM
Assertive outreach service for rough sleepers. Support and development / engagement for those entrenched rough sleepers with complex and multiple needs.
The service supported 167 vulnerable and complex clients of whom only 31 disengaged and failed to reach a positive outcome
£103k HCC Grant, BDBC, and MHCLG funding

Pilot and pump prime initiatives
The funding supported or underpinned a number of initiatives which had a range of outcomes. Includes Real Change campaign, Camrose Centre,
Range of outcomes include 350 vulnerable people gaining support from the Camrose Centre, 40 rough sleepers accommodated in the nightshelter, a programme of comprehensive cross-agency training and £35k+ charity fundraising
65k BDBC funding

TOTAL

£876K

3.3 Additionality benefits of our Local Model

3.3.1 In addition to the positive outcomes emanating directly from the commissioned services, the locally devolved arrangement has produced a significant range of enhanced benefits which were unanticipated when the pilot commenced, including:

- Absolute reductions in rough sleeping – by 42% from 2016/17 to 2017/18, which bucks national trends in this area.

- A new Winter Night Shelter which has provided essential shelter and help for the most vulnerable during winter months. During 2017/18 a total of 40 vulnerable rough sleepers were able to access this service. The financial value of this distinctive voluntary sector provision could otherwise have totalled a minimum of £2.25 million.

- Enlightened involvement and input from experts by experience with “lived” understanding of homelessness.

- Raised community awareness and engagement in relation to homelessness, mental health and rough sleeping – including from local schools and businesses.

- Fund raising to deliver new services (leading to increased opening hours for the Camrose Centre and new level access showering facilities)

- The creation of a new, local Making Every Adult Matter (MEAM) partnership Coalition which has secured national endorsement and recognition together with whole system redesigns and changes
- Using the MEAM partnership approach, delivering a high-performing specialist outreach service offer to rough sleepers and most vulnerable with chaotic lifestyles.

- Progressing pioneering approaches to redesigning homelessness support and prevention services through working with Southampton University’s department of clinical psychology.

- Completion of a comprehensive Street Audit.

- Cost savings and procurement efficiencies, including shared training, reflective practice and pooled resources.

- Whole system improvements and changes between services and agencies, leading to innovative outcomes being secured for some individuals with highly complex and challenging needs.

- Improved information sharing and intelligence gathering in order to achieve psychologically informed and enhanced outcomes for service users.

3.3.2 The enhanced experience, best practice, enthusiasm and reputational advantages the Council and its partners have gleaned as a result of developing our innovative local pilot have enabled us to inform, lead and shape future discussions and policy developments at national level in respect of homelessness, supported housing and funding opportunities. This is particularly advantageous at this point in time given further significant changes to funding for supported housing are currently being developed by Government (see Section 3.7.2 below).

3.4 HCC’s proposed model

3.4.1 HCC will continue to spend £2.4million annually on Homelessness Support Services across the county from August 2019.

3.4.2 HCC has consulted on a proposed a model which suggests targeting this funding on meeting the needs of the most vulnerable homeless people, while those with less critical needs would be signposted to other options for support. This would involve funding intensive 24/7 supported housing services used by people sleeping rough or at risk of sleeping rough and reducing the amount of money spent on ‘move on’ supported housing and community support by approximately 70% of the current amount. Any remaining funding for community support services would only be available for people who are moving on from the supported housing schemes and single homeless people with complex support needs. “Generic” community floating support services would therefore not be funded.

3.4.3 Details of HCC’s proposed model for consultation can be found here: http://documents.hants.gov.uk/Homelessness-Consultation-InformationPack2018.pdf

3.4.4 In practice the new model would mean:

- Maintaining direct access accommodation based resources where available (in the main, hostel-type provision such as May Place)
- Only commissioning other accommodation based services where no hostel-type service exists within a locality
- With the residual investment, significantly reducing levels of community based (or “floating”) support – with a disproportionately higher reduction in areas (such as BDBC) where accommodation based services exist.

3.4.5 HCC’s consultation (from 15 June – 10 August 2018) has sought views of service users and key stakeholders on this proposed new approach. Analyses of the outcomes will inform a final decision to be taken on the matter by the Executive Member for Adult Social Care and Health in December 2018.

3.5 Applying HCC’s proposed model to Basingstoke and Deane

3.5.1 If BDBC’s services were to revert to being commissioned under HCC’s proposed consultation model, May Place House would be delivered as a county-wide resource, available to anyone within the county whether or not they are locally connected to BDBC. Currently access to the service has been retained and prioritised for local people - this was a primary motivation in developing the devolved arrangement in 2014.

Using May Place as a County resource would result in the loss of vital supported housing spaces for local people. The estimated additional financial cost for BDBC of each bed “lost” to a local person at May Place is circa £23,000 per annum (see Appendix 1 for detailed calculations).

3.5.2 Under the proposed HCC model, BDBC’s key accommodation services at Mary Rose Court (MRC) and Group Homes would be decommissioned. This would lead to the closure of 45 bed spaces, 19 of which are located in a purpose-built building. In turn this would lead to:

- The loss of strategically invaluable accommodation based services – particularly MRC, which also accommodates the Council’s emergency provision for extreme weather conditions
- Homelessness for current service users
- Swift sitting-up and blockages within May Place, ultimately leading to a total homeless pathway breakdown
- Increased use of bed and breakfast for vulnerable single people.
- Significant additional financial costs for BDBC which is estimated at £941,068 per annum (see Appendix 1 for detailed calculations)

3.5.3 Under HCC’s proposed re-model, significant changes and reductions would also impact floating housing support services. This may have particular implications within BDBC as the specialist outreach service delivered through our local model has been a particularly key component in the successful reduction in numbers of rough sleepers recorded in the borough in 2017/18.

3.6 The Homeless Reduction Act (HRA) 2017

3.6.1 Since launching our local pilot in in 2016/17, parliament has imposed significant new homelessness duties on all housing authorities through the Homelessness Reduction Act 2017. This legislation places firmer and more widespread statutory responsibilities on housing authorities to prevent
homelessness, including ensuring detailed personalised support plans are produced and implemented for all potentially homeless people who approach the Council for help.

The overall impact of the new provisions are that, since April 2018, local housing authorities have unequivocal statutory responsibilities to be more proactive in terms of providing support and putting more preventative measures in place, to address the needs of wider groups of people than previously.

The new legislation undoubtedly imposes challenging requirements on all local housing authorities, but this should be regarded as a welcome opportunity for enabling Councils to ensure vulnerable people at risk of homelessness receive the requisite support and assistance required.

In readiness for implementation of the new provisions within BDBC, recruitment of two additional new housing support officers has been approved and recruitment processes already commenced. The posts will enable the Council to focus on prevention, early intervention and support in line with the ethos and purpose of the new legislative requirements. The additional resource will also increase staff capacity to provide the necessary casework support by within the housing team.

4 Options Analysis

4.1 Option 1 - End the local devolved model.

This would require BDBC extending contracts for the existing commissioned services until 31 July 2019, whereupon the local devolved pilot would effectively come to an end and HCC’s newly commissioned county approach would begin.

This option is not recommended. In addition to the potentially significant adverse implications inferred within HCC’s consultation model (outline in Section 3.5.3 above) and resulting increases in homelessness, there would be substantial negative reputational and financial implications for the Council. In particular the noteworthy momentum and positive engagement around homelessness (which has been a marked achievement of the local pilot) would be lost – including many of the additional spin-off outcomes which are outlined in 3.4.1 above.

Consequently, the Council would struggle to achieve key strategic objectives within its Housing and Homelessness Strategy and Council Plan 2016-20. Potentially exciting and productive opportunities to seize new funding and commissioning powers emanating from the government’s current review of supported housing funding would also be lost.

The significant additional cost implications of ceasing a devolved arrangement are highlighted in 3.6.1 and 3.6.2 above.
4.2 **Option 2** – Confirm BDBC’s conditional willingness to extend the devolved arrangement – subject to final confirmation of financial and actual terms of grant.

Although this option will inevitably involve a profoundly reduced funding offer, the clear value of retaining locally determined leadership of our community-led homelessness approach has been demonstrably proven throughout the period of our pilot.

Arguably, the disadvantages of returning to an HCC model would be doubly compounded by dismantling and reversing the gains collectively achieved through the SIP since 2015.

An indicative amount of £376,865 per annum (from August 2019) has been suggested through discussions with HCC officers, although this will require formal ratification by HCC’s Executive Member for Adult Social Care in December 2018. The recommendation within this report suggests that a figure of any less than this amount be considered unacceptable by BDBC.

Once Cabinet confirms its conditional approval to HCC a revised commissioning programme can begin to be determined and co-produced through the SIP. This will include ascertaining what alternative funding and resources opportunities can be pursued in order to mitigate the impact of HCC’s grant funding reduction.

**Corporate implications**

5 **Legal Implications**

5.1 The Council’s current Social Inclusion contracts contain clauses that the Council has to provide 6 months’ notice to extend. The options to extend are for 2 x 12mth periods. Therefore variation to contracts will need to be agreed in order to either extend for 6 months until August 2019 or be amended to a 3 month notice period.

5.2 There is a risk that current service providers may not agree to an extension although this is currently assessed as being low due to the ongoing level of engagement and dialogue officers are undertaking with them.

6 **Financial implications**

6.1 An HCC grant offer (subject to confirmation in December 2018) is estimated to reduce our current grant level of £746,500 by around £369,600. In 2018/19, the cost of services and pilot initiatives currently being commissioned is £838,900, including BDBC funding of £92,400.

6.2 In return for the grant, the council is likely to have to (subject to HCC confirmation) conform to HCC’s model and therefore be required to provide a core frontline service which includes accommodation based services and outreach floating and resettlement support.

6.3 However, within this the Council does have the ability to determine the total level of expenditure and how this is allocated across different areas. For instance the council could reduce the level of expenditure in areas that will not
result in increased bed and breakfast costs although given the nature of statutory services delivered through the housing and homelessness budget these are unlikely to be achievable in entirety within the available service budget. The Council may therefore wish to divert funding from other non-essential areas of the Council’s overall activities in order to meet its statutory homelessness duties.

6.4 The minimum level of spend required to provide accommodation based homelessness support including specialist floating support to the most vulnerable is £661,000. In 2019/20 this exceeds the estimated level of HCC grant by £160,600, with £284,100 for each year onwards. It is proposed that this is funded in the following order:

(i) Firstly by re-directing council funded budgets of £92,400, which are currently spent on pump prime and pilot initiatives.

(ii) Secondly by using additional flexible homelessness grant of £127,800 that the council has recently been notified it will receive from the government which is not included in the Medium Term Financial Strategy (MTFS). This funding is specifically intended for homelessness prevention and has been ring fenced for that purpose. However, there is a risk that the amount of grant could change annually depending on government funding and grant formulas.

(iii) Finally by using up to £210,000 of the budget pressure provision, which is included in the Medium Term Financial Strategy. Any of this provision not required would reduce the council’s savings targets.

7 Risk management

7.1 There are clearly significant risks and adverse implications (including financial) were the Council to cease operating a locally devolved pilot (Option 1)

7.2 A risk assessment has been completed in accordance with the council’s risk management process and has identified no significant (Red or Amber) residual risks for Option 2 that cannot be fully minimised by existing or planned controls or additional procedures

8 Equalities implications

8.1 An equality impact assessment has been carried out to consider the implications of the HCC proposal and possible options for BDBC’s homelessness support offer in relation to the Public Sector Equality Duty and the protected characteristics groups (Equality Act 2010). This assessment concluded that any loss to the current service provision for homeless people in the borough would disadvantage this group significantly in relation to housing. It could also have an impact on service users’ health, wellbeing and future life chances. The assessment identified a number of individuals, such as those with certain health conditions or disabilities, which would be more adversely impacted by the proposals than other groups.

8.2 Although HCC has identified some actions to mitigate the impact of the proposals, there is a concern that these might not have the desired impact.
This assessment will be revisited when the HCC consultation has concluded and Cabinet view has been received at its meeting in September 2018.

9 Consultation and communication

9.1 HCC’s consultation has sought to establish the following:

- The extent to which consultees agree or disagree with the proposal to maintain funding for intensive 24/7 services, and reduce funding for ‘lower’ level and/or ‘move-on’ supported housing services and community support services
- The impact the change is likely to have
- Any alternative models or proposals for how the savings could otherwise be achieved

9.2 To ensure all views and responses could be coordinated and streamlined, all stakeholders and service users in BDBC have been contacted and directed towards HCC’s consultation questionnaire. Key events took place at May Place House and the Camrose centre where service users were able to discuss the proposals with HCC and BDBC officers.

9.3 The SIP has been fully appraised and engaged on the specific matter of future HCC funding from the outset. HCC officers attended the SIP’s most recent meeting on 23 July 2018 and provided a detailed presentation on the proposed model for consultation.

9.4 A briefing note to all council members was circulated in June 2018, with responses directed towards HCC’s questionnaire.

9.5 A meeting of the Supporting People Members Advisory Panel (MAP) took place on 24 July 2018. Members of the MAP endorsed the proposed approach set out within this paper and requested further input and consultation on the matter following scheduled decisions by HCC’s Executive Member in December 2018.

9.6 A communication and marketing plan will be drafted to ensure key partners, users of all the relevant services and local residents are kept informed and updated of developments where appropriate.

10 HR implications

10.1 There are no staff implications related to either option.

Conclusion

11 Summary and reason for the decision

11.1 This report emphasises the role of and obligations on BDBC as the housing authority with statutory duties towards homelessness reduction.

11.2 This report has highlighted the markedly enhanced outcomes and opportunities the Council and its partners have secured through the SIP since
embarking on a locally devolved commissioning model for social inclusion and homeless prevention services from 2016/17.

11.3 Clearly, any decision by BDBC which reverts commissioning responsibility for these vital services away from the current locally commissioned model to a county-wide model of provision will have significantly adverse impacts – including financial, social, political and reputational. It would cease the momentum secured and potentially reverse the achievements made.

11.4 HCC has already decided to apply significant funding reductions to its county social inclusion service programme from August 2019. A comparable reduction is likely to be applied towards BDBC in the event we continue our devolved arrangement, although the potential amount of grant from August 2019 suggested by HCC officers will not be confirmed until December 2018.

11.5 The conclusion of this report is that BDBC should affirm its willingness to continue a devolved arrangement subject to final determination by HCC of the proposed terms and level of grant to be offered. It will then be able to continue our progressive work with our SIP partners to establish and commission an optimum range of services

12 The options considered and rejected

12.1 The option of ending the local devolved model on culmination of the current funding arrangement in July 2019 has been considered and rejected.

Date: 11 September 2018
Decision taken by: Cabinet

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<th>Lead officer</th>
<th>Kate Randall - Service Lead for Housing and Social Inclusion</th>
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<td>Report author</td>
<td>Kate Randall</td>
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<td>Version</td>
<td>Final</td>
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<td>Dated</td>
<td>September 2018</td>
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<td>Status</td>
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<td>It is considered that information contained within this report (and appendices) do not contain exempt information under the meaning of Schedule 12A of the Local Government Act 1972, as amended, and therefore can be made public.</td>
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