Appendix 3 - Briefing Note to All Members – December 2018

CURRENT POSITION ON SOCIAL INCLUSION SERVICE FUNDING AND COMMISSIONING

1. **Background / Position to December 2018**

In November HCC took a decision to reduce its levels of funding for homelessness social inclusion services across the county by around 47%.

HCC confirmed it would be prepared to consider extending BDBC’s devolved grant arrangement beyond March 2019, but this would inevitably be on significantly reduced financial terms from August 2019. The final amount of funding would be determined following HCC’s Executive Member decision to be taken on 5 December 2018, although indicative discussions with HCC officers suggest the grant would be reduced to around £376,865 p.a. (from £746,468 p.a) from August 2019 onwards.

At its September 2018 meeting Cabinet agreed to accept the extended grant offer from Hampshire County Council (HCC) for April – July 2019. Cabinet also confirmed BDBC’s conditional willingness to extend the devolved commissioning arrangement 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.

2. **December 2018**

2.1 **HCC Executive Member Decision**

Following a stakeholder engagement and analysis of impact assessments, HCC reduced its originally intended funding withdrawal by £200k per annum. The specific purpose of the preserved investment would be to maintain support services for people most at risk and with limited alternative forms of support.

For BDBC this means that a further annual grant of £51,644 will be made available (in addition to the £376,865 anticipated in September 2018), subject to adherence with HCC’s broad service model.

2.2 **HCC’s new model**

HCC’s remaining social inclusion funding investment will be prioritised towards meeting the needs of the most vulnerable by retaining the 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.

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 – people falling outside of these categories would need to seek support from other services.
2.3 HCC’s grant offer to BDBC from August 2019

HCC will award a grant of up to £1,143,473 from 1 August 2019 for up to 32 months (to March 2021) – an initial term of 20 months with an option to extend to March 2022.

The grant will include a condition to deliver a 24/7 intensive accommodation based service and a targeted outreach support service – to ensure it aligns with the priorities agreed for the rest of the County.

The additional investment will have to deliver community support services targeted at people who would be accessing or moving on from the 24/7 services and require additional support to engage with mainstream services.

3. Implications for BDBC Pathway Model

3.1 Accommodation based services

Cabinet’s September 2018 decision recognised that under the HCC model, May Place 24/7 service would be retained. However our other key accommodation services at Mary Rose Court (MRC) and Group Homes would be decommissioned which 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 silting-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

The total contract value for the MRC and Group Home scheme is £208k per annum.

3.2 Outreach Support

The current outreach service is partly funded by MHCLG pilot funding which ends in March 2019. An ongoing contract cost of £103k per annum would be required in order to retain the service at current levels and maintain outcomes achieved in reducing rough sleeping the ongoing contract cost.

3.3 Generic Floating Support

Given the implications of the revised support service model (see 2.3 above) the current service will be decommissioned from August 2019. If service users are not eligible for the newly commissioned community support service the current service
provider will work with them to access support elsewhere. Support will therefore be accessed through:

- Homelessness support, prevention and relief services provided by the Council’s housing team
- HCC Family Support Services
- Universal support services funded by DWP to support the roll out of universal credit
- Citizens Advice Basingstoke
- HCC Wellbeing centres
- RP tenancy support services
- Other voluntary sector partners who provide services across the borough

The new, targeted community support service using the additional grant award of £51,600 per annum will be commissioned with effect from August 2019 (see 2.3 above).

4. **BDBC Homeless Pathway (August 2019 onwards)**

Subject to ongoing engagement with the Social Inclusion Partnership (SIP) it is anticipated that the optimum pathway commission from August 2019 would therefore be as follows:

<table>
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<tr>
<th>SERVICE / SCHEME</th>
<th>DESCRIPTION</th>
<th>TOTAL ANNUAL COST</th>
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<tbody>
<tr>
<td>May Place House</td>
<td>ACCOMMODATION BASED 20 bed hostel for vulnerable single homeless</td>
<td>£350k</td>
</tr>
<tr>
<td>Mary Rose Court and Group Homes</td>
<td>ACCOMMODATION BASED 19 bed hostel plus 26 move on in shared HMOs for vulnerable single homeless</td>
<td>£208k</td>
</tr>
<tr>
<td>Outreach / MEAM</td>
<td>OUTREACH SUPPORT Assertive outreach service for rough sleepers</td>
<td>£103k</td>
</tr>
<tr>
<td>Community Intervention and System Support Service</td>
<td>COMMUNITY SUPPORT To be commissioned – to adhere to the new HCC model whilst incorporating the lessons learned from the pilot initiatives and psychologically informed service models we have been able to test and trial under our locally devolved pilot initiative.</td>
<td>£51.6k</td>
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5. **Financial Considerations**

Are there new financial implications arising?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
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<tr>
<td>X</td>
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The proposed revenue budgets for social inclusion, which are due to be considered at Council in February 2019 are:
These budgets include additional funding of £51,600 from HCC to be spent on specific community intervention and system support service which is to be commissioned.

6. **Procurement / contractual considerations**

The current social inclusion contracts are due to expire on 31 March 2019. Shared Legal Services are preparing to send contract change control notices to the providers of all social inclusion contracts to extend the initial contract period so that it expires on 31 July 2019 to bring in line with Hampshire. Providers have also agreed no variation to the contract price for the period 1 April 2019 – 31 July 2019

Subject to the approval of budgets by full Council in February 2019 and mutual agreement by service providers, the intention is to utilise clauses within the contracts which enable options to extend. Accommodation services at May Place House and Outreach Support could be extended from 1 August 2019 to at least March 2021. The contract for accommodation services at Mary Rose Court has an option to extend for a 12 month period only (July 2020). The Procurement & Contract Team will work with Housing colleagues and Shared Legal Services to identify the most suitable path to ensure the provision of bed spaces at the current level continues. Any extensions to contracts must be authorised by the Executive Director of Finance and Resources as detailed in the contract standing orders

7. **Moving forward – key dates and actions**

17 January 2019 – SIP  
17 January 2019 – SP MAP  
February 2019 – BDBC Full Council Budget  
February 2019 – procurement for the provision of a community support scheme  
April 2019 – Seek approval to extend the current social inclusion contracts (see 4 above)