

Affordable Housing – revenue grant funding for Direct Access Hostel provision

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Purpose of the Report

The purpose of this report is to confirm grant funding towards the cost of provision of direct access hostel and related services for very vulnerable clients who would otherwise be homeless following the withdrawal of funding by Somerset County Council.

Recommendation

It is recommended that the District Executive:

1. Approve the selection of Stonham, for a one year period, to provide services to assist single adults who are in need of accommodation, to prevent homelessness and learn to live independently.
2. Approve the use of up to £240,500 of the £319,000 that was set aside in the budget for this purpose.
3. Note that £80,000 of this is to underwrite the risk associated with the structure of eligible / ineligible intensive housing management and general housing management tasks in relation to housing benefit.
4. Note that a report will be made in due course on proposals for the future ongoing delivery of the service from May 2017.

Public Interest

This report covers the provision of services to vulnerable individuals who might otherwise be homeless (in either the common sense or the legal meaning) by continuing to support the provision of a direct access hostel and related services.

It will therefore be of interest to members of the public concerned about the provision of emergency housing for those in need in their local area and to members of the public concerned about the total cost to the public purse in the event that the provision is withdrawn at the end of the current contract with the County Council.

It will be of particular interest to any member of the public who is seeking such assistance themselves, or has a friend or relative in need of such assistance.

Background

This report arises from the cessation of the 'P4A' contracts ("Pathway for Adults") issued by Somerset County Council in 2013, initially for a three year period with possible extensions.

The purpose of this contract was to assist single adults who are in need of accommodation or 'housing related support', to prevent homelessness, and learn a way to live independently. It focussed on those who have a history of homelessness and those with have offending background. The key parts of the service contract included:

- Assessment of Individual Needs
- High Support – 24hr double cover - Pathways Direct Access Hostel
- Move On Medium and Low Support Accommodation in Yeovil and Chard
- Intensive Housing Management Support

Formal consultation on the early cessation of the contracts began in November 2014. A paper was taken to the County's Cabinet on 4th November 2015 with a recommendation to cut the existing P4A contract by £1.1m. This decision was endorsed resulting in the current P4A contracts (other than mental health provision) coming to an end on 30th April 2016.

The impact for SSDC is that the existing provision will no longer be in receipt of revenue funding, and whilst the buildings will remain, there will be no funds to employ staff to deliver housing related support.

P4A services arise from the 'supporting people' (SP) regime which began in earnest in 2003, replacing a myriad of different funding sources, administered by a variety of public bodies, into one programme – but all having the characteristic of providing housing-related support to individuals and households who might otherwise struggle to maintain their existing tenure.

The Government removed the ring-fence in 2009 and effectively changed SP grant from multi-agency funding with County as administrative body to a named (but not ring fenced) fund within County mainstream funding settlement in April 2010. The (then) Housing Minister insisted that although it was no longer ring-fenced, the SP element had not been reduced. Despite this the County began a series of cost reductions in its review of SP contracts.

During the lifetime of the SP programme a number of independent studies had proven the overall worth to the public purse, the most well known of which is the cost:benefit analysis in the Cap Gemini report. Generally these studies showed that every £1 spent on SP grant saved multiples in other costs, for example through reduced costs to the criminal justice system and the health service.

The total value of the P4A contracts across Somerset during 2015/16 was approximately £2.9million, of which £1.5million has been preserved for revised mental health related services and £309,000 has been made available, under the stewardship of Mendip District Council, to a county-wide grouping, with the intention of lessening the impact on other

services. However £1.1 million has been cut completely, including the contract with Stonham (part of Home Group, one of the largest Housing Associations in the country) to provide housing related support in the 'East' of the County, covering Mendip and South Somerset.

£88,000 has been set aside from the county funding held by Mendip District Council for 'transformation' proposals submitted by Stonham, intended to help prevent repeat homelessness, including specific specialist support staff, enhancing 'peer support' and bringing in greater use of volunteers (under appropriate supervision). However these proposals can only be brought forward if there is a base retained on which to build them, and the county funding does not assist with 'steady state' provision nor any damage limitation.

Within the Stonham contract, the services for South Somerset consisted of :-

- 30 bed spaces at the direct access hostel in Yeovil (accommodation based support) with 24 hour staffing
- 20 'step-down' units in Yeovil (6 x self contained flats & 14 bedsits) & 5 in Chard (accommodation based support) (6 provided in Chard – 2 x 3 bed shared houses - 1 more than contracted)
- 26 placements of floating support (i.e. support wherever the client is placed)
- Triage and assessment at the 'service hub' (leading to potential placement in one of the above)

The direct access hostel provision in Yeovil is at a building called 'Pathways' in Newton Road. Prior to the current contract the building was known as 'Barnabas House' and was run by Barnabas, a local charitable group which has since merged with Bournemouth Churches Housing Association.

The District Council already has an existing SLA with Stonham / Home Group covering the provision of support to those in temporary accommodation in a building owned by the Council in Chard.

Risks to SSDC

The key financial risk to SSDC stems from potential increase in homelessness, both statutory and non-statutory, as clients are no longer eligible for services or where those services fail. There are similar direct risks to other partner agencies, such as the probation service.

If there is no further funding for these services and they close on the 30th April 2016 it is estimated we would need to house around half of the occupants, as we would have a statutory duty to provide accommodation under the homeless legislation. We do not currently have enough temporary accommodation units so this would result in SSDC having to use bed and breakfast accommodation for some of the most chaotic clients. The total costs of bed and breakfast for the year is estimated at approximately £319,000 (compared with last year's actual spend of £11,169). There would also be additional cost for transport and providing storage and removals for the client's belongings. Not only will there be high financial costs but the social misery of using bed and breakfast accommodation for any length of time is shown to have a direct impact on mental and physical health.

Other risks arising from the cessation of P4A contracts directly affecting SSDC and other agencies are chiefly structural and financial. There is also a social cohesion risk for the wider community which, in turn, could compound the structural and financial risks. The key structural risk is the loss of an independent agency, including other services it provides. A second structural risk is the potential loss of a building or facility which was commissioned with significant (capital) public subsidy specifically to support single adults.

Options

There are three main options available to SSDC to take effect from 1st May 2016

Option 1- Provide no direct mitigation funding

This is the 'do nothing' option, but there are likely dire consequences, some of which are listed below:

- Increase in the number of street homeless, especially in our main towns
- Increase in anti-social behaviour within our town centres
- Increase demand on health services
- Increase demand on Police to deal with the increase and anti-social behaviour
- Increase demand on housing services
- Increase in homeless acceptances
- Longer term for homeless households in temporary accommodation
- Increase in the use of bed and breakfast
- Increase in expenditure for the Housing and Welfare Service for bed and breakfast, travel, storage and removals.
- Loss of specialist buildings.

Option 2 - Bournemouth Churches Housing Association (BCHA)

Homegroup currently deliver the P4A services and lease the direct access hostel from BCHA. BCHA have submitted costings for delivering the housing related support element to vulnerable clients at the direct access hostel themselves. After comparing the costings submitted by BCHA and Homegroup, Homegroup provide better value for money and have access to the additional buildings in Sherborne Road and Chard.

Option 3 - Extend the existing SLA with Stonham / Home Group

Partner with the existing services provider Stonham to continue running the services from the same buildings albeit in a slightly different way to which the contract is run at the moment. Proposals submitted by Home Group indicate that this option will deliver the best value for money, minimises service disruption, and provides continuity for both existing residents and staff.

This option is recommended as the preferred option and can be readily achieved through amendment to the existing Service Level Agreement. The maximum cost would be £240,500 (£220,500 for 2016/17 and £20,000 for 2017/18). This includes a provision for the underwriting of housing benefit of £80,000.

Modified Service

In order to achieve better value for money SSDC has work with Stonham to modify the delivery of the service and the structure of intensive housing management and general housing management tasks in order to optimise the use of Housing Benefit that can be used to finance the delivery of the service.

Through these new arrangements:

Stonham will now provide:

- Street Rough Sleeper Team and Client Safe Sleep Provision
- High Support – 24hr double cover - Pathways Direct Access Hostel
- Move On Medium and Low Support Accommodation in Yeovil and Chard
- Intensive Housing Management Support

The SSDC Housing and Welfare Service will provide through existing budgets in 2016/17:

- Assessment of Individual Needs
- Floating Support Service

Implications for the District Executive Forward Plan

This subject will need to be revisited with respect to provision of services in 2017/18 onwards.

Financial Implications

Once-off funding of £319,000 was added to the MTFP for 2016/17 as a contingency for the extension of the existing SLA during 2016/17 and other related matters. The £240,500 sought (£220,500 for 2016/17 and £20,000 for 2017/18) recommended here is well within that contingency sum. This includes the provision to underwrite £80,000 eligible / ineligible intensive housing management and general housing management tasks in relation to housing benefit. The Housing Benefits Team is currently reviewing those eligible and ineligible costs to minimise the underwritten sum.

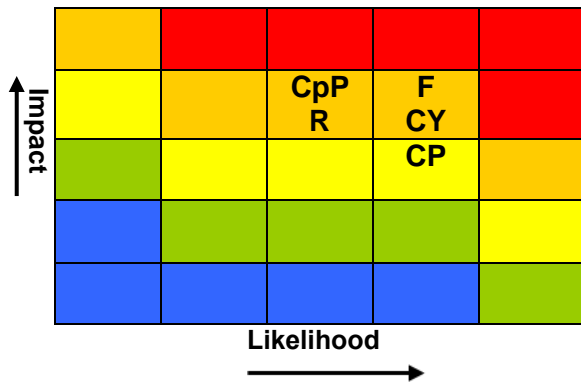
It is likely that there will need to be ongoing provision of funding in future and a further report will be made in due course. This will add an ongoing budget pressure to the future Medium Term Financial Plan.

Officers are currently in discussion with Stonham over a revised staffing structure which should retain the skills currently deployed on the service but through adjustments in split of duties provide clearer demarcation between the 'housing related support' elements and the 'intensive housing management' elements of the on-site provision. If the proposed changes are acceptable (both to Stonham and to affected staff who are currently under a statutory consultation period), it may be that some of the requested funding shortfall can be absorbed into the rental stream, further reducing the pull on the Councils contingency budgets

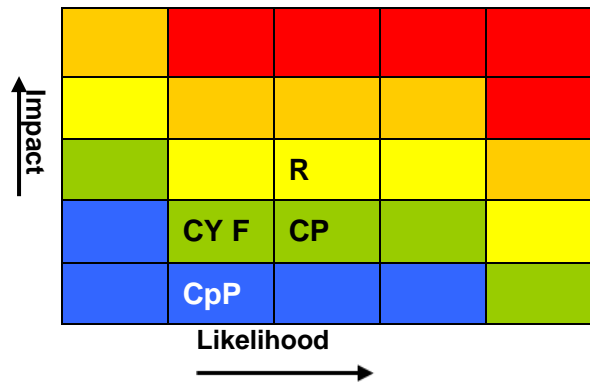
There are potential further financial implications of not ensuring the continuation of a direct access provision – not least in the potential increased reliance on B&B which is estimated to exceed the sum sought for approval in this report.

Risk Matrix

Risk Profile before officer recommendations



Risk Profile after officer recommendations



Key

| Categories | Colours (for further detail please refer to Risk management strategy) |
|---------------------------------|-----------------------------------------------------------------------|
| R = Reputation | Red = High impact and high probability |
| CpP = Corporate Plan Priorities | Orange = Major impact and major probability |
| CP = Community Priorities | Yellow = Moderate impact and moderate probability |
| CY = Capacity | Green = Minor impact and minor probability |
| F = Financial | Blue = Insignificant impact and insignificant probability |

Carbon Emissions and Climate Change Implications

It is not considered that there will be a measurable impact – positive or negative – on our carbon emissions targets.

Equality and Diversity Implications

The proposal seeks to ensure continued provision for some of the most vulnerable and 'hard-to-reach' individuals in the district

Implications for Corporate Priorities

The proposal clearly assists in addressing "Focus Three – Homes" and the major statement in the Plan:

"We want decent housing for our residents that matches their income"

Privacy Impact Assessment

This report does not directly impact on any data held of a personal nature.

Background Papers

None