

Executive Decision Report

Homelessness Spending Review

Decisions to be taken by: Assistant City Mayor – Housing

Decision to be taken on: 16 December 2014

Lead director: Ann Branson

Useful information

- Ward(s) affected: All
- Report author: Ann Branson and Martin Clewlow
- Author contact details: 375101/ 375128
- Report version number: 5

1. Summary

- 1.1 This report follows on from the adoption and implementation of the Homelessness Strategy 2013 to 2018, which moved services away from a culture of crisis and rescue to prevention and support. New services commissioned have now been in place since the 1 April 2014.
- 1.2 The Homelessness Spending Review has focused on gathering data to assess the success of implementing the Homelessness Strategy and performance data on newly contracted services. The data gathered has enabled us to assess the current need for services and the likely impact of any future changes.
- 1.3 The review, so far has identified a number of efficiencies and areas where service change is required to realise savings. Assistance to carry out the review has been provided by the CPMO, the Research and Intelligence Team, a Partnership and Strategy Officer, the Housing Transformation Team and an external consultant, Daksha Patel from Janjer Associates. Officers have also visited neighbouring authorities to compare costs against levels of service.
- 1.4 This report identifies £515k savings without changing our current strategy and £185k savings from elsewhere in the housing general fund.
- 1.5 It is anticipated that further savings may arise from floating support services for homelessness prevention without changing the strategy but it is too early to identify them in this new service. This issue will also be covered in the report in March 2015.

2. Recommendations

- 2.1 To agree in principle estimated savings of £375k (**R1**) and (**R2**) as listed in **Appendix A** which can be implemented with no change to the current Homelessness Strategy subject to the outcome of consultation with staff, trade unions and the current provider where required.
- 2.2 To agree that the Director of Housing in consultation with the Assistant Mayor for Housing implements changes to how housing advice and

assistance is provided making best use of web-based information and self-service so that face to face time with clients continues for the most vulnerable. These changes will be made in the context of the Council's overall review of how it provides customer contact and the Customer Service Centre functions. The Homelessness Reference Group will be consulted about any changes proposed. The estimated savings are £140k. **(R3)**

- 2.3 That the voluntary sector is invited to submit proposals to provide a buddying scheme to address loneliness and isolation within the single homeless population at an estimated annual cost of up to £15k pa.
- 2.4 To reflect the anticipated savings in the approved budget and budget strategy, and reduce budgets accordingly by the following amounts:
 - 2014/15 £333k;
 - 2015/16 £567k;
 - 2016/17 £700k;
- 2.5 To delegate authority to the Director of Finance to determine the specific budget ceilings affected.
- 2.6 Officers to review needs data to determine if the level of floating support can be reduced further, keeping current criteria **(R4)** and report back to the Executive in March 2015.
- 2.7 To note that £185k of Housing General Fund savings have been identified from efficiencies already made or forecast within the Renewal and Grants Service. **(R5 and R6)**

3. Review of the New Homelessness Strategy.

- 3.1 The new Homelessness Strategy was agreed in August 2013 and has now been partly implemented. All the new services commissioned for families, singles and couples were in place by the 1 April 2014. Data available from the 1 April to 30 June 2014 indicates that the majority of households meeting the eligibility criteria for temporary accommodation are being placed. Of the 49 families eligible for temporary accommodation all were placed and of the 190 singles, 172 were placed
- 3.2 The aim of the strategy was to prevent people from becoming homeless, from 1 April to 30 June 2014, 301 (83%) households (families, singles and couples) were prevented from becoming homeless after advice and assistance was provided. The percentage of households prevented from becoming homeless is increasing, compared with last year's figures (from 72% to 83%). The number of households prevented from becoming homeless is decreasing, compared with last year's figures (from 1,525 for 13/14 to an estimated 1,204 predicted for 14/15).
- 3.3 The strategy also aims to reduce repeat homelessness and the Revolving Door Team in-conjunction with other services works with people on the

repeat homelessness list. The number of people on the list as at 30 June 2014 was 88.

The list is of people whose repeat homelessness has become most entrenched. The work of the team has helped to find successful solutions for most of the 102 people removed from the original list during 2013/14. We have also identified that a significant percentage of people approaching us requesting temporary accommodation have come to us before. From 1 April to 30 June 2014, 33% (155) have previously asked for temporary accommodation within the last two years and this percentage has remained fairly constant. It is hoped this proportion can be reduced as the new strategy takes full effect.

- 3.4 The Outreach Team together with partners continue to prevent and reduce rough sleeping in Leicester. The rough sleeper average of 9 people for 2013 is the lowest recorded average number of rough sleepers since 2008. The team have reconnected 38 people from 1 April to 30 June 2014, to their city/country origin this financial year to date, which has helped keep the rough sleeping figures so low. A recent rise in rough sleeping during the summer was dealt with through a swift and focused multi-agency response.
- 3.5 We are currently collecting and analysing needs data for floating support services, we have already determined that additional provision commissioned but not yet called off from P3 will not be required.
- 3.6 In conclusion we have assessed that we have the appropriate level of temporary accommodation required to place people based on our current eligibility thresholds, but less floating support is required.

4. Repeat Homelessness Research

- 4.1 We commissioned the Council's Research and Intelligence Team to carry out research into the causes and solutions for repeat homelessness. Repeat homelessness tends to affect single people; some families are more likely to experience repeat 'generational' homelessness.
- 4.2 The key findings of the repeat homelessness research into single people were:
- Non – returners usually have had a one off reason for homelessness such as a relationship breakdown and usually had no intention of remaining homeless long term. Once in settled accommodation, the clients interviewed said that floating support services, if required, had enabled them to sustain their current tenancies.
 - Returners had more chaotic backgrounds, often mental illness and drug and alcohol dependencies. For some of these clients early intervention and referral to intensive support services had helped to break the cycle of repeat homelessness.
 - Some of the returners stated that their parents had experienced homelessness.
 - The research identified the key characteristics of returners and often loneliness factored into people abandoning settled accommodation.

4.3 Options to reduce repeat homelessness identified were:

- Identify potential returners and ensure appropriate support services are assigned to them early on.
- Better signposting and referrals by agencies to appropriate support services.
- Important that the Think Family Programme continues to address behaviours to prevent generational homelessness.
- Buddying schemes for clients experiencing loneliness.

4.4 Most of the options to reduce repeat homeless above could be provided Through existing resources and through partnerships with the voluntary sector.

4.5 The No Second Night Out project currently has a mentoring scheme that supports people for a short period of time. We consider it would be worthwhile for the voluntary sector to set up a volunteer buddying scheme for a longer time period and we propose that £15k pa is provided to support this initiative.

5. Contribution of the VCS to address homelessness

5.1 A short survey was carried out on the contribution the VCS makes to addressing homelessness in the city, 24 organisations were asked to provide information about services that were not funded by the City Council. A quarter (6) of the organisations contacted, responded to the survey. The key findings of this research were:

The organisations that responded had helped 1331 households during 2013-14.

The organisations are funded from a variety of sources including the BIG Lottery Fund and received in approximately £700k in total in 2013/14.

The majority of organisations that responded stated that their funding was short-term and would end within the next three years.

5.2 The government has announced new funding is available to help homeless and vulnerable people. This funding can mainly be accessed by the voluntary and community sector with the support of local authorities. Leicester City Council will continue to work in partnership with the voluntary and community sector and support opportunities for the sector to access new government funding to help homeless people in the city.

5.3 If these sources of funding dry up, implementation of the Homelessness Strategy will be put at risk.

6. Efficiency Savings that can be achieved within the current strategy (Appendix A)

6.1 Level of temporary accommodation keeping our current criteria.

The number of singles and couples who met our current criteria between 1 April and 30 June 2014 was 190. Based on this data our current level of provision is appropriate and no reduction is proposed. We currently commission 130 units externally and have 131 units internally for single people and couples. During this period we were able to place 91% of the people that met our criteria for temporary accommodation. The people that were not placed found their own solutions or were offered alternative solutions. People not placed did not go onto rough sleep. Therefore we assess our current level of accommodation to be appropriate.

6.2 Reduce level of private sector floating support keeping current criteria (R1)

6.2.1 188 units of floating support have been commissioned from P3; so far 94 of these units have been called off. It is recommended that we don't call off the additional 94 units as the needs data indicates that this extra level of provision is not required. This recommendation would require no services to be decommissioned and the saving would be £248k in 2014/15.

6.3 Reviewing the running costs of internal temporary accommodation (R2)

6.3.1 A review was carried out to identify efficiencies in how we run our internal accommodation based support services. This has identified that potential efficiencies could be achieved by improving working practices and making changes to the current staffing structure. This will be progressed through the Council's Organisational Change procedures which includes consultation with staff and trade unions. These changes have the potential to realise savings of £127k per annum from 2015/16.

6.4 Review of how the Housing Options Service is provided (housing advice and assistance) (R3)

6.4.1 To provide a more effective service the external assessment of housing advice and assistance has recommended the following:

- Explore the cost and benefits of transferring the frontline housing registration service (waiting list) function from Housing Options to the Customer Service Centre
- Explore the cost and benefits of transferring the housing registration telephone help line from Housing Options to the Customer Service Line
- Examine the staffing structure to explore cost savings, improve business efficiencies and identify staffing required to deliver core services. As outlined above this will be progressed through the Council's Organisational Change procedures.

6.4.2 It is anticipated that if the recommendations from the external assessment are implemented it will result in savings of £140k net. Further savings will

be realised as more customers' access services using digital media and the implementation of new IT systems.

6.4.3 The assessment also included a benchmarking exercise with Neighbouring authorities Derby and Nottingham. This exercise found that whilst the actual budgets are not significantly different the roles and responsibilities do vary in services provided across all three cities. In both Derby and Nottingham for example the council's housing registration services are managed by separate bodies and are not part of the homeless service. The review found that in Leicester 70% of face to face activity and 44% of telephone activity at the Housing Options Service relates to housing registration enquiries.

6.4.4 We propose that:

- The Housing Options, housing registration line (line 1) service is incorporated in the Corporate Customer Service Line and resources will be transferred from Housing to the Corporate Resources and Support department. There would be no impact for the customer apart from a change in telephone number.
- That the possibility of re-locating Housing Options Officers to the Customer Service Centre is explored. This would require sufficient space for Housing Options Officers at York House. The Housing Options Service provides low level face to face advice, booked appointments and assists people who are in crisis in emergency situations. Details and financial implications will be discussed with the Assistant Mayor for Housing and the Assistant Mayor for Neighbourhood Services.

7. Floating support services for tenants in the private sector

7.1 We offer floating support services to those leaving the homelessness pathway and to those at risk of losing a private sector or housing association tenancy. We currently spend approximately £800k per annum on in-house and external services (£248k on the external provider P3, £300k on Private Sector Star and £250k on the Revolving Door service who are both internal providers). All together these services should be able to support 388 clients per annum.

7.2 It is clear from the first three months data (as outlined in paragraph 6.2.1) that the current level of floating support commissioned is too high, savings of £248k are proposed. Officers consider that there may be potential for further reduction based on our current threshold. We will collect, analyse and review data for a further six months to determine future levels of provision. Recommendations on any changes in provision will be included in the report to the Executive in March 2015. **(R4)**

8. Ongoing risks to the overall Homelessness Strategy

8.1	<p>The risks are that:</p> <ul style="list-style-type: none"> • There is an increase in the number of people who come to us saying that they are facing homelessness because of the impact of Universal Credit after October 2016. • We fail to prevent homelessness. • We have insufficient temporary accommodation and/or access to settled accommodation. • Support packages fail to prevent homelessness and repeat homelessness. • Families who have been residing at Border House are unable to access the private rented sector because of previous tenancy failures or because landlords don't wish to take people on benefits.
8.2	<p>Mitigation</p> <ul style="list-style-type: none"> • Private Rented Sector Development – the service is working with the Leicestershire districts, using funding from central government to improve working with the Private Rented Sector in the City and the County. (Homefinder Scheme) • Severe Weather Provision – funding is available to help hostels to accommodate additional people during severe weather. • A bid has been submitted to the Single Homeless Fund (DCLG funding), from the County and the City to improve cross boundary and multi-agency working. The bid highlights how councils and services can work in a more joined up way and provide better advice to services users. Funding has been received that will focus on improving the hospital discharge procedure for people with mental health needs. • We will carry out more proactive prevention work with tenants and landlords to explore the impact of universal credit through floating support services and the Income Management Team.
8.3	<p>If these risks are not mitigated the outcomes will be:</p> <ul style="list-style-type: none"> • For families, rise in use of bed and breakfast which can become very costly, very quickly, for the council and is undesirable for family life. • For single people, rough sleeping. We may not have statutory duties to assist most of them and it is difficult to predict the impact on the city. Few people actually resort to rough sleeping (94 individuals on 2013/14). Most will 'sofa surf' or live in overcrowded households potentially causing tension and disruption for families and friends.

9.	Details of Scrutiny
9.1	

10.	Financial, legal and other implications
10.1	Financial implications
<u>Peter Coles, Principal Accountant. Ext 374077</u>	
10.1.1	Permanent savings of £333k have been identified this year rising to £700k in 2016-17. These are as a result of efficiency savings in the homelessness and housing options service and in the housing renewals and grants service. The savings will contribute towards the council's spending review programme.

10.2	<u>Legal implications</u>
Melanie Golding, Barrister/Solicitor. Ext 371423	
10.2.1	The Authority is mindful of its overriding statutory obligations, professional and strategic priorities and a duty to act reasonably, proportionately and fairly in any decision-making process. The Authority is obliged to take into account Value for Money and Best Value considerations in the delivery of the project(s) as appropriate, and be satisfied that it ensures the best use of financial resources available.
10.2.2	Appropriate risk and impact assessments and cost benefit analysis will be conducted in respect of the service provision and delivery options going forward in light of real economic pressures both imminent and present.
10.2.3	The Client Department should also be averted to the Public Law overlay and potential for challenge or Judicial Review. Will this or any decision on the project affect the public law rights or legitimate expectations of any person? The impact of all decisions made in relation to the project must be reasonably assessed without predetermination.
10.2.4	The Client Department must also consider any non-contractual commitments, policy or otherwise made which may give rise to legitimate expectation i.e. the Leicester Compact. There is a risk if the Authority were to act in breach of a written agreement. Client Department will need to seek advice on any contractual mechanisms available in any current contracts that may or may not be relevant. Presently, a framework contract exists which will not require any consultation as there is no guarantee of re-provision under the agreement.
10.2.5	Decisions most susceptible to public law challenge will be at a strategic level where a radical cut of 30% or above is intended for any service.

10.3 Climate Change and Carbon Reduction implications

Louise Buckley, Graduate Project Officer (Climate Change), 372 293

- 10.3.1 There are no climate change implications associated with the recommendations in report

10.4 Equalities Implications

Irene Kszyk, Corporate Equalities Lead. Ext 374147.

- 10.4.1 The Homelessness Strategy was agreed with an accompanying Equality Impact Assessment; please refer to this document for implications on service users and potential services users. Overall the proposals in this report will not impact or change the delivery of the Homelessness Strategy. Proposals included in this report relate to changes to the current staffing structure. It is proposed that this will be progressed through the appropriate Council's Organisational Change procedure which includes consultation with staff and trade unions. As part of this process separate EIAs will be carried out in relation to any potential staffing changes. Proposals to relocate council services within the City Centre have no implications in terms of access for service users or potential service users.
- 10.4.2 In relation to Homelessness trends we can only predict likely future impacts. Current trends for welfare reform outcomes indicate that single men (as indicated by take up of discretionary housing payment) and disabled people (as indicated by loss of benefit/income as a result of being assessed as fit for work) are being most adversely affected. The Government has stated that it will further increase its welfare reforms in future and the impact of these changes will need to be monitored. A key assumption of the Government has been that improvement in the country's post recessionary economic picture will raise people's incomes. Recent media reports of suppressed wage increases and the prevalence of part time jobs indicate that economic recovery will not provide the mitigating action anticipated in 2010 by the Government to address the negative impacts arising from welfare reforms. The likely result should this trend continue will be increasing pressures on low household incomes leading to further tenant arrears and evictions. It is against this economic and social context that the implementation of the homeless strategy and the potential negative impacts arising for local people by protected characteristic, will need to be continually revisited.

10.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

10.5.1 **HR Implications**

Karen Demmer - HR Team Manager

10.5.2 As outlined in the report some of these proposals may entail changes to staffing structures and numbers and types of roles. It will therefore be necessary to meaningful consult with staff and trade unions on these changes via the appropriate Council procedures. Sufficient time will need to be allowed to ensure that full consultation can take place. An open dialogue with HR should be maintained in order to plan and manage this.

- 11. Background information and other papers:**
Homelessness Strategy 2013-2018
Repeat Homelessness Research into Single People
Survey of Voluntary and Community Sector Contribution to Address Homelessness
External Assessment of Housing Options Advice and Assessment Services
- 12. Summary of appendices:**
Appendix A – Homelessness Spending Review Savings Schedule
- 13. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?**
No
- 14. Is this a “key decision”?**
Yes
- 15. If a key decision please explain reason**
Savings in excess of £0.5m

Homeless Spending Review Savings Schedule

Continuing Current Strategy: Efficiency Savings				
		14/15 £k	15/16 £k	16/17 £k
R1	Reduce level of floating support keeping current criteria (Phase 1)	248	248	248
R2	Review of running costs of in-house temporary accommodation	0	64 (in year)	127
R3	Review of how Housing Options service is provided		70 (in year)	140
Total		248	382 (in year)	515
Options for Service Reduction				
R4	Reduce level of floating support keeping current criteria (Phase 2). Can be estimated when further data is available.	0	0	tbi
Savings elsewhere in Housing General Fund				
R5	Ending of home improvement agency (Exec agreed 10 June 2014)	85	85	85
R6	Management review in Renewal and Grants		100	100
Total		85	185	185
Grand Total		333	567	700

Summary of Savings (Continuing current strategy)		£k	%
Service area	Total Spend £k		
Homelessness Services	3,396	375	11.04%
Housing Options	1,112	140	13%