

Executive Decision Report

Report on Consultation on the closure of Evesham House, housing project for people with Substance Misuse Issues

Decision to be taken on: 4 November 2013

Lead director: Tracie Rees



City Mayor

Useful information

- Ward(s) affected: All
- Report author: Bernadette Wharton
- Author contact details:
- Report version number: v1

1. Summary

- 1.1 The report seeks Executive approval following a period of consultation to close Evesham House, Housing related Support Project for people with problematic substance misuse.

2. Recommendations

- 2.1 Executive is requested to approve the recommendation as detailed below to implement the closure of Evesham House, Housing related support project for people with substance misuse issues.
- 2.2 Executive is therefore requested to support option 4.

3. Supporting information including options considered:

- 3.1 The responsibility for Housing related support services for individuals who are experiencing problematic use of substances transferred from LCC Housing department to Adult Social Care in 2012.
- 3.2 A review of this provision identified that it no longer meets the needs of the client group, the current model fails to adequately address the recovery and reintegration needs of service users, there is no early identification of those at risk of homelessness in order to assist individuals to retain tenancy and there is little support for those whom do experience homelessness to reintegrate with the community and manage tenancies. It was recommended from this review that the services were remodelled and re-procured and this project was added to the corporate procurement plan for ASC.
- 3.3 Leicester City Council is currently undergoing a broader re-commissioning process with a view to combining the resources of the current HRS substance misuse projects (Evesham and Heathfield House) to develop a new model post April 2014. A statutory 3 month consultation process is planned for this wider remodelling and re-procurement exercise
- 3.4 The welfare reforms, which came into effect on August 15th 2013, limit individual claimant's income to a maximum of £350 a week for a single person. This change

in benefits means that there will be a shortfall in rental income from the Evesham House project to LCC of £7,000 per month from 15th of July 2013.

This change and the financial risk to the Council has necessitated that ASC review the wider plans for HRS and look to implement an earlier closure of the Evesham house project. In July 2013 the decision was approved to undertake a project specific consultation process with the current residents and stakeholders affected on this potential closure of Evesham House

- 3.5 Prior to this consultation being agreed a range of discussions (exec briefing dated 1st August 2013) took place across the council to explore alternatives to closure following the introduction of the welfare reforms. These discussions included Revenue and Benefits and Housing Management to explore possibilities in reducing the housing management costs in relation to Evesham House. These discussions did not yield any alternative to closure.
- 3.6 Consultation has now taken place in relation to the potential early closure of Evesham House and a detailed report of the finding is included as appendix 1. All residents accepted reasons for change however; concern was cited on the loss of this service to the city.
- 3.7 Two members of Leicester City Council Staff will be affected by the closure. A period of collective consultation has been undertaken with these affected staff and suitable alternative employment has been offered within LCC Hostels.
- 3.8 Agreement to close the project remains in context to the re-procurement of a wider housing related support project by Adult Social Care replacing the current 100% accommodation based projects of Heathfield House and Evesham House. Key elements which were highlighted through the consultation for Evesham will be factored into the proposed new model which will be going out to three month statutory consultation in October 2013.
- 3.10 An interim service delivery model for Housing Related Support to the current client group from Evesham house will be in place until March 2014, which will mitigate the concerns raised through the consultation of the loss of this service. This support will be under the current framework contract with Action Homeless.

The following options have been considered.

- 3.9 **Option 1** - Do nothing. This is not an option because the cost of the housing benefit will leave significant deficit in rental contributions affecting both service users and Leicester city Council.
- 3.10 **Option 2** – The City Council housing department to reduce its housing management costs – discussions have been had with housing management and due to the nature of the project it is not possible to either reduce the night time staffing cover or the wider housing management costs to such an extent that would mitigate the financial risk
- 3.11 **Option 3** – The council to subsidise the financial deficit of the impact of the Welfare reforms. There is an earmarked reserve which was set-up to offset any overspending in the HRS service. The 2013/14 balance for ASC is £248k; however this is for all the affected HRS projects within the Council. The reserve has been disaggregated and there is 17k available for the Evesham project which

is not sufficient to offset the deficit.

- 3.12 **Option 4** – To decant and re-locate residents into suitable and affordable alternative accommodation to an agreed timetable, and introduce a peripatetic approach to meet the support needs of the residents. As the financial impact of Reforms took effect mid-August, it is further recommended to utilise the earmarked reserve to offset costs already incurred.

4. Details of Scrutiny

- 4.1 Dialogue has taken place with Benefits and Revenues where outline of the costings was given and the fact that Leicester City Council buildings are not exempt for the capping.
- 4.2 A range of discussions have taken place across the council including with Housing Management to explore possibilities in reducing the housing management costs the city places on each residence. This has not been successful.
- 4.4 Discussions have been on-going about the proposals with both Finance and Legal Services.

5. Financial, legal and other implications

5.1 Financial implications

Housing

Housing General Fund (HGF) operates and runs the building and ASC provide the support to the residents. HGF retains all rental income received (£140k) paid for from housing benefit. Rents pays for two night workers and domestic staff (£101k). Rent also funds building maintenance and running costs, current budget of £17k. Evesham House contributes £22k to the overall HGF budget. If Evesham House closed HGF would lose this income stream and would need to find £22k savings from elsewhere in the budget. Redeployment opportunities have been identified for staff affected by the closure and there will be no redundancy costs.

	£k
Rental income (housing benefit)	(140)
Staff costs	101
Building maintenance and running costs	17
Surplus	(22)

Evesham House residents are affected by a weekly benefits cap of £350. Rent is currently £547 per week. Taking into account other benefits residents receive this will leave a shortfall of £269 per week which would have to be met by residents. This is unrealistic given they will have no other sources of income. The monthly shortfall in rental income is expected to be £7k. The shortfall will have to be met from elsewhere

in the budget (either Housing and/or ASC) or from Discretionary Housing Fund.

<i>Per unit</i>	£	Monthly Impact*
Weekly rent	547	
Other benefit (e.g. ESA)	72	
Weekly cap	(350)	
Income shortfall	269	£7k

(*assuming max occupancy of 6 units)

Housing has no alternative use for the building. If Evesham House closed the building would transfer to another department, be returned to the HRA, or sold on the open market. The building consists of six units all with wet rooms. The layout would suit the needs of other council services seeking to provide supported living accommodation. ASC have expressed interest in using the building to provide supported living accommodation for adults. Alternatively, returning to the HRA for use as HRA dwellings would be subject to available funding to pay for conversion costs and there being sufficient HRA headroom to appropriate the property from GF to HRA.

ASC

The Drug & Alcohol Action Team (DAAT) took over the responsibility for the disaggregated Housing Related Support fund that currently supports two housing projects (Evesham House and Heathfield House). Both projects support people's recovery and management of substance misuse and related issues. The funds came with efficiency savings agreed as part of the 2013/14 budget setting process and have been achieved through negotiation with existing providers. For Evesham House, the current 2013/14 contract value is £79k and Heathfield House £143k. Both these services will be remodelled and put out to tender for April 2014 with a reduced financial envelope. The existing support contract for residents will continue, and the cost of residents' support services will be unchanged during 2013/14. For 2014/14 support will continue on a reduced financial envelope pending a re-procurement process.

Pete Coles
Principal Accountant
Housing

5.2 Legal implications

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 as appropriate, and be satisfied that it ensures the best use of financial resources available.

Appropriate risk and impact assessments and cost benefit analysis will have been conducted in respect of the service provision and delivery options going forward in light of real economic pressures both imminent and present.

Whilst this project encompasses Part B Services, these are deemed to provide some 'Social Value' and the Statutory Best Value Guidance states there should be

meaningful and adequate consultation in respects of such services. Consultation must be done fairly and transparently.

The Client Department has been 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.

Any decision will adhere to requirements as laid down in the constitution as deemed necessary.

Melanie Golding
Solicitor
Contracts & Procurement Team
Legal Services
Leicester City Council
Tel: 0116 454 1423

5.3 Climate Change and Carbon Reduction implications

No Climate change implications

5.4 Equality Impact Assessment

The Executive briefing report highlights the important role housing plays in tackling substance misuse. Our public sector equality duty requires us to understand and meet the needs of service users and determine whether service changes have any impact, particularly negative, on those needs continuing to be met. The summary in Section 1 sets out how the needs of current residents of Evesham House will continue to be met until March 2014 during their period of alcohol treatment support, at which point in time they will have exited the service.

The protected characteristics of the residents are gender (87% are male), ethnicity (85% are White British), and age (79% are between the ages of 36-55). It is anticipated that the closure of Evesham House in conjunction with the provision of interim housing related support will have no significant negative impact on current residents that would prevent them from benefiting from the alcohol treatment support they will continue to receive.

Irene Kszyk, Corporate Equalities Lead

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

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6. Background information and other papers:

7. Summary of appendices:

Appendix 1 - Consultation Report

8. Is this a “key decision”? No

Appendix 1

Consultation re:

***Proposed Closure of Evesham House,
Housing related support project for
people with substance misuse issues***

(August 5th 2013 – September 5th 2013)

Findings report

TABLE OF CONTENTS

How to use this report

Part 1	Introduction	2
Part 2	Methodology for the consultation exercise	3
Part 3	Findings	7
Part 4	Conclusion	9

How to use this report

This report collates the responses from a statutory consultation exercise that took place between August 5th 2013 – September 5th 2013 regarding the proposal to close Evesham House.

PART 1 – INTRODUCTION

Background of Service

Evesham House is a specialist supported housing project comprising 6 en-suite rooms with shared facilities to support homeless men and women who have a history of problematic drinking.

Residents engage with a structured harm reduction framework to reduce and manage their drinking issues. The service is aimed at enabling people to maintain their independence and develop the service user's confidence in managing the practicalities of life.

Evesham House opened in 2009. The housing related support is provided by the Leicester based charity Action Homeless. Leicester City Council, who own the building, provide two night staff which forms part of their housing management function.

Why we are consulting?

National welfare reforms currently being implemented will impact on the service provided at Evesham House. From 15th August 2013 there will be a shortfall in housing benefit entitlement for residents at Evesham House. The benefit income cap rule affects working age, benefit income households which eventually will limit the claimant's income to a maximum £350. Where exemptions are in place, the current residents of Evesham do not qualify. Also, as the property is owned by Leicester City Council it is also not exempt from the new benefit cap.

The shortfall means that there will be a significant financial deficit in rental contributions to Leicester City Council. As a result of this the project is no longer financially viable.

A period of consultation was carried out between August 5th 2013 – September 5th 2013. This concentrated period of time was proportionate to the number of people affected by this decision.

Comments were invited on the proposed changes from residents at Evesham House, providers, stakeholders and the staff affected. The proposal states:

“The council proposes to close Evesham House over the next few months and help the people who currently live there to move into different accommodation, which meets their individual need.”

The consultation aimed to:

- Obtain feedback on the Council’s proposal for change for Evesham House,
- Explain how changes to national government welfare reform now mean that the service is neither affordable for residents, or LCC as landlord.
- Obtain feedback on alternative proposals people may have.
- Understand the impact of the proposal on residents and to understand any unintended consequences of the proposal.

The consultation was led by substance misuse commissioning within Adult Social Care.

PART 2 - METHODOLOGY FOR THE CONSULTATION EXERCISE

The following methods were used to consult on the proposal:

a. Letters

A letter was hand delivered to 5 service users currently living at Evesham House, and 1 ex-resident who had just left the service. This letter was to let them know that a phase of consultation on the future of Evesham House was being carried out.

The following information was given with the letter:

- A frequently asked questions sheet offering information on any immediate concerns that service users may have.
- Details of further meetings that residents could attend, including an offer of a meeting with a peer mentor within the drug and alcohol treatment system to offer extra support.
- The web address for the council’s website giving more information about the consultation and an opportunity for the general public to respond to the consultation.
- A generic email address and a telephone helpline number for people to contact the substance misuse commissioning team in order to express their views.

The Action Homeless staff worked sensitively to ensure that service users were not unduly stressed or upset by the various documents sent out.

The two affected Leicester City Council night staff were briefed as part of the collective consultation exercise. They were also provided with a letter explaining that the council was going into statutory consultation.

Letters detailing the proposal and consultation exercise were sent to Cllr Glover, Cllr Moore and Cllr Naylor whom have constituency within the Braunstone and Rowley Fields areas where Evesham House is located.

Letters were sent to Leicester Members of Parliament: Rt Hon Keith Vaz, Liz Kendall and Jon Ashworth detailing the proposals and offering briefings if required. No responses were received from members of Parliament or local Councillors

An email was sent to stakeholders alerting them of the consultation and asking them to send their views.

b. Letters to and meetings with current providers

Current providers of Evesham House (Action Homeless) were sent a letter informing them of the proposal and inviting them to meet to discuss the issue.

A number of meetings were held with Action Homeless to explore the potential impact of the changes on the residents as well as consider the package of care that would be offered to service users if they were moved from Evesham House.

c. One-to-one interviews for completing questionnaire

Individual one to one sessions were offered to all 6 residents in order to complete the questionnaire. This involved an engagement officer listening to people and capturing their views using the pre-set questionnaire.

A paper copy of the questionnaire was made available to service users at Evesham House at one to one interviews and consultation meetings.

Table 1: Breakdown of questionnaire completed at Evesham

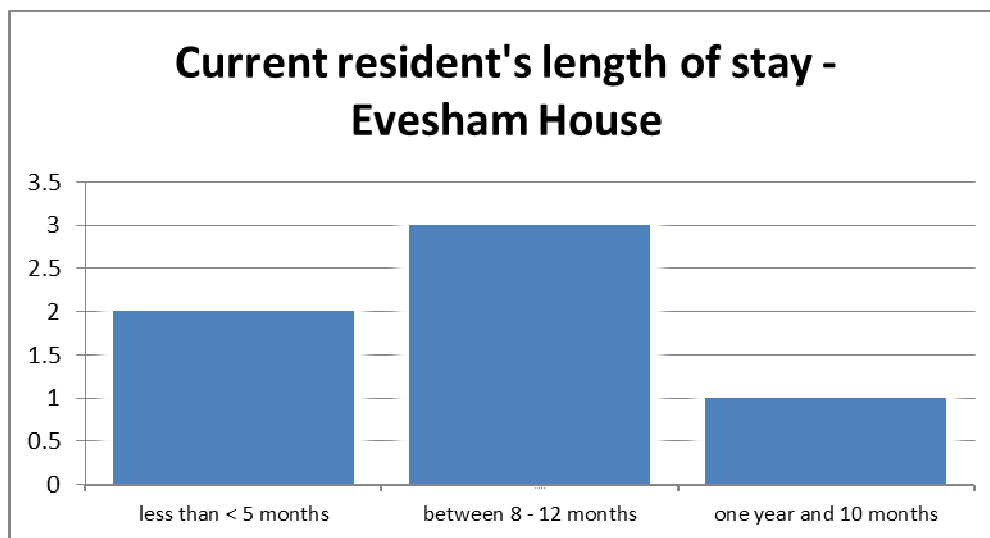
Project	Number Service Users in project	Numbers responding to questionnaire
Evesham House, Housing related support for people with substance misuse issues	6	6

Table 2: Breakdown of questionnaires received by gender and ethnic background

Male	5
Female	1

Ethnic background	Evesham House
White British	5
Other - Latvian	1

Table 3: Breakdown on length of stay for current residents



As outlined in the table above only one resident is close to the maximum stay of two years at Evesham house. Two residents have stayed for just under 5 months and three residents have lived at Evesham between 8 months and 12 months.

d. Service User consultation meetings

Three service user consultation meetings were facilitated at Evesham house. The meetings included an explanation of why the council is proposing to close Evesham House. Background information was given to explain the changes to housing benefit rules and what it means for the service at Evesham House. Residents were also given assurance that staff from Action Homeless would be working with them to seek appropriate alternative accommodation options, if the proposal to close was supported.

e. Staff and trade unions

A letter was sent to Trade Unions informing them of the proposal and the 30 day collective consultation due to take place with the two FTE Leicester City Council night staff.

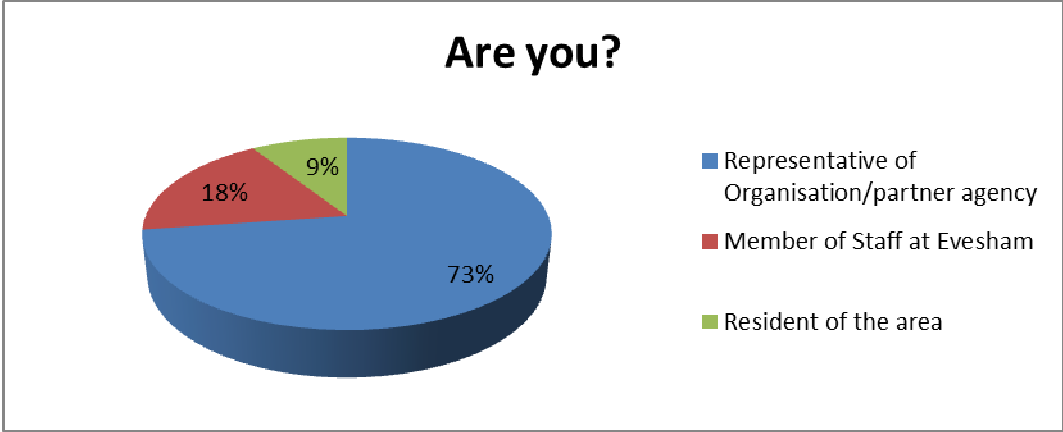
A confidential briefing note outlining the plans to address the impact of the welfare reforms on Evesham House was sent to the Trade Unions.

Three consultation meetings were held with the two FTE Leicester City Council staff. The first meeting was to inform staff of the proposal and discuss potential employment opportunities within Leicester City Council services. The follow up meetings were to work through any issues and discuss the possibilities further.

f. Online questionnaire.

The questionnaire was made available on the Leicester City Council’s website for anyone to fill in.

Twelve responses were received. Eight out of the twelve were residents in Leicester City and the majority were partner stakeholders.



PART 3 – Findings

Headline findings

95% of those that took part in the consultation were concerned regarding the impact of the closure to Evesham House. (Total 18 (residents and online responders))

All residents stated they had a good understanding of the proposal and it was apparent that residents appreciated the one-to-one meetings and group meetings that took place.

There was a lack of understanding about how the decision to close Evesham could be followed through due to the fact that residents thought that it was such a valuable service even in light of the welfare reforms.

Concern was consistently highlighted from the majority of those taking part of the potential loss of housing related support to such a vulnerable client group.

The expertise and specialist service provided at Evesham alongside the small size of the project was considered key factor in the current success of the project.

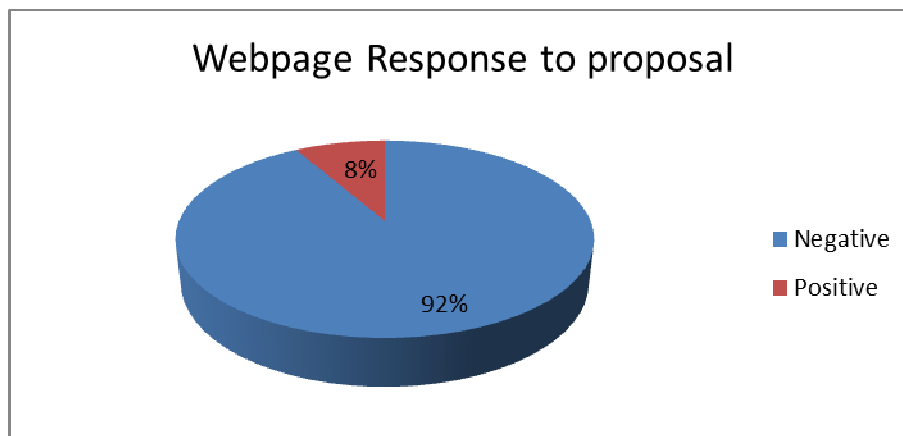
Summary points from residents and online respondents

Residents

- Everyone said they didn't want Evesham to close and could not comprehend loss of a service that is so positive.
- All residents felt concerned that no one else would benefit from this service in the future.
- All residents felt that, with appropriate support, they would be able to attain a positive move on.
- All residents highlighted the benefits of being in a small project such as Evesham. It was felt that this allowed more individual support to be offered and allowed for residents to really address issues that previously they had not been able to do.
- Residents also questioned the costs related to running the building and whether this needs to be reviewed.

Responses from Webpage

Eleven out of the twelve respondents on the webpage stated concern that such a service would be lost as a result of the closure.



One out of the 12 (8%) thought that the proposal was a good idea and this was a resident in the area where Evesham House is based.

The specialist provision that Action Homeless provide at Evesham House was recognised as key to success in working with and stabilising entrenched drinkers, alongside the small nature of the project:

“The support networks residents’ encounter with each other is key to their progress, coupled with the expertise of all staff.”

“It will be a loss to the overall hostel system, in that this specialist supported accommodation ensure that people who want to stabilise their alcohol use will be unable to do this in a separate facility. General hostels do not work for people trying to stabilise/reduce alcohol use.”

A representative from the police noted that the local the police had stated “there are very few issues with this location and the staff are usually able to deal with any issues. My issue would be how the residents would be monitored in the community.”

Overall concern was in regard to the vulnerable nature of this client group and how their needs could be accounted for in the future:

“Closing Evesham closes the door to one of the most vulnerable groups within society”

Results of Collective Consultation

As the City Council is the current landlord to Evesham House the Council entered into collective consultation both Human Resources and Trade Unions were fully involved, with two full time Leicester City Council employees. Individual consultation with the two staff has taken place and opportunities for redeployment within LCC housing services have been explored. Consultation is still on-going and trial periods are being offered in LCC projects for staff to finally decide if the new posts are suitable to their working lives.

The outcome of the consultation with LCC staff is still to be resolved; however, staff have been offered appropriate alternative employment within the Authority.

Conclusion

The overriding message from this consultation is that service users and partner agencies are concerned regarding the implications on the loss of this facility to the City.

It is fortunate and positive that the majority of residents were able to consider moving on to alternative accommodation. It is also positive that the consultation process the team undertook with the residents assisted them in coming to terms with the impact of the welfare reforms and enabled them to consider alternatives which have reduced the potential for relapse and/or negative effects on health and wellbeing to the majority of the residents.

The specialist nature of the service provided at Evesham is heralded as a success and highly regarded by stakeholders and residents alike. It is within the re-tendering of the wider housing related substance misuse services that elements of this service can be continued.

Recommendations: ASC recommend that the proposed closure of Evesham house is implemented.