



Derby City Council

COUNCIL CABINET
9 November 2016

ITEM 12

Report of the Cabinet Member for Integrated
Health & Care

Housing Related Support – consultation on savings

SUMMARY

- 1.1 This report provides proposals in relation to achieving further savings from the housing related support expenditure as part of the wider consultation process for setting the Council's budget for 2017/18. This service area has already been subject to significant cuts since 2013, due to the reducing budget the Council now has to fund services, as a result of grant reductions from Central Government.
- 1.2 The report recommends that specific consultation takes place to assess the impact of withdrawing Council funding for two housing related support services, and to assess the impact of changing the way the remaining four services are funded into the future.

RECOMMENDATION

- 2.1 To agree to an 8 week public consultation exercise commencing with immediate effect as set out in section 4.2 and 4.3 of the report;
- 2.2 To agree to receive a report on the consultation outcomes and analysis following an Equalities Impact assessment, so that Cabinet can consider these before making a final decision.

REASONS FOR RECOMMENDATION

- 3.1 Cuts to the housing related support budget (formerly the Supporting People Grant) were originally proposed in the budget setting exercise during Autumn 2011 and again in 2013. The cuts were proposed as measures to enable the Council to deliver a balanced budget and were built into the Council's financial plans from 2012/13 – 2015/16.
- 3.2 Given the pressures on Council resources, further savings from the housing related support expenditure are proposed in the MTFP from 2010/7/18.



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Report of the Strategic Director of People

SUPPORTING INFORMATION

4.1 As at the end of February 2013, the projected spend on housing related support to the year end was £9.450m per annum. Following an extensive consultation exercise in 2013, Cabinet agreed new commissioning priorities and a procurement programme commenced to achieve savings. The budget was finally set at £3.765m for 2013/14, reducing to £1.382m in 2015/16. This is the current level of budget in 2016/17 and it is being used to fund the following areas of activity:

Organisation / Service Name	Annual value	Customer Group	Service Type and nature of support
Refuge Domestic Violence refuge	£160k	Adult Women with children	Refuge for women at risk of domestic abuse
Derby Homes – Milestone House Single homeless people	£300k	Single people and couples	hostel for single homeless people
Derby Homes – Single Point of Entry Single Homeless People	£160k	Single people and couples	Advice service for single homeless people
Riverside – Centenary House Drug and Alcohol High Intensity	£310k	Adults	Hostel for people with complex drug and alcohol issues
Riverside Young People	£175k	Young People	Accom & support service for young people at risk between the ages of 16 and 18
Action Housing Drug and Alcohol Medium Intensity	£136k	Adults	Recovery and reablement services
Action Housing High Risk Offenders	£85k (of which £37k income is received from the PCC)	Adults	Accom & support services high risk offenders.

All services, apart from those being delivered by Derby Homes, hold a contract with the Council. Milestone House is owned by the Council, and there is a service level agreement in place with Derby Homes.

4.2 **Current position & consultation proposals** – The five HRS contracts are beyond their initial term, with a one year extension having been offered only until the end of March 2017. Given the importance of the services in supporting vulnerable people, consultation on the impact of changing the funding arrangements and achieving

savings will need to take place before a decision can be considered by Cabinet. One of the services has agreed to cease operating with effect from December 2016 due to performance issues - this is Action Housing's medium intensity drug and alcohol accommodation based service. It is not proposed to recommission this. For the remaining services, it is proposed that the Council commence consultation to obtain feedback on the impact of the following proposals:

1. That, on the Council's behalf, Derby Homes continues to support the delivery of the service provided by Refuge, and also the support service at Milestone House, and the Single Point of Entry, within their available resources. This would be as part of their Housing Options offer.

2. That by April 2017, Public Health will take over the commissioning and funding of Centenary House, strengthening it to become focused more on supporting people with complex alcohol and mental health issues to avoid hospital admission, or to exit hospital more quickly. This change would be achieved by varying the existing contract and extending it for up to three years.

3. That the by April 2017, the Council will cease to fund the following two contracts, and these will not be renewed or retendered:

Action Housing High Risk Offenders	Accommodation and support services for Housing Related Support for High Risk Serious Offenders.
Riverside Young People	An emergency crisis intervention accommodation based service for young people at risk between the ages of 16 and 18.

4.3 The consultation timeline is as follows, and Appendix 2 sets out the consultation approach.

Activity	Outline Timescale
Formal Consultation period <ul style="list-style-type: none"> - Web presence launched - Survey live - Workshops and customer meetings - EiA's - Ongoing data input of surveys 	21 st November – w/c 9 th Jan 2017
Data input/headline analysis	January 2017
Report back to Cabinet with full analysis of consultation and recommendations	8 th February Cabinet

OTHER OPTIONS CONSIDERED

5.1 Retaining ongoing Council funding for all existing housing related support services has not been put forward as an option, given the position the Council faces in trying to set a balanced budget for 2017/18. The proposals being consulted upon represent the best scenario whereby four of the seven services are able to be funded via an alternative mechanism.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Olu Idowu, Head of Legal Services Amanda Fletcher, Head of Finance David Cox, Head of HR n/a Kirsty Everson, Acting Service Director – Integration & Direct services
For more information contact: Background papers: List of appendices:	Kirsty Everson 01332 642743 kirsty.everson@derby.gov.uk None Appendix 1 – Implications Appendix 2 - Consultation proposal

IMPLICATIONS

Financial and Value for Money

- 1.1 Since 2012, a total of £8.144m has already been saved by reductions to the housing related support budget. As preventative services, there is likely to be an impact on Council statutory services, particularly relating to temporary accommodation that the Council has a duty to provide for people deemed as “statutorily” homeless. Although these are likely to be mitigated should the proposals being consulted upon receive agreement, there remains a potential pressure that could emerge in the budgets the Council makes available for temporary accommodation and B&B that are managed via the Housing Options services within Derby Homes.

In addition, Milestone House currently provides income into the Council through rents paid. If Derby Homes cannot continue to run the service as a homeless hostel, it is unlikely that rental income at the current level could be achieved if the use of the building changed.

Legal

- 2.1 Housing Related support services are non-statutory, however a proportion of services are complementary to statutory adult social care and homelessness services. Any decision affecting the commissioning of the services can only be taken after the Council has satisfied itself that anyone who is likely to be vulnerable and is accessing services are assessed to establish whether they may have eligible social care needs, or rights under homelessness legislation. An up to date equalities impact assessment will also need to be completed to determine the impact of any decision on vulnerable groups.
- 2.2 Albeit a discretionary service, it is one that makes welfare provision. No consultation has so far been undertaken with relevant stakeholders on the proposals contained within the report, including current beneficiaries of the scheme, therefore it is imperative that this must be done. The consultation process must be conducted objectively and transparently, including setting out the options to closure (where services may have to close) that have been considered, and discounted, with clear justifications provided.
- 2.3 The Council will need to work with housing related support providers who are also landlords to establish whether individuals will be able to retain their current occupancy, and the Council’s Housing Options service will need to assist to minimise and manage the immediate risk of homelessness as far as possible.

Personnel

- 3.1 The reduction and de-commissioning of housing related support services will have a significant impact on affected organisations as the majority of funding pays for staffing. Sufficient notice is built into the contracts to allow organisations to appropriately manage their responsibilities as employers; however there will inevitably be an impact on the local economy where services have to cease operating.

There is also likely to be an impact on a number of Council services and members of the workforce as a result of the potentially additional demands and enquiries from people whom could have previously accessed housing related support services - such as social care teams, Housing Options and Derby Direct. The increase in demand for information and assistance is likely as housing related support has played a key role as a preventative service.

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- 4.1 None specifically arising from these proposals

Equalities Impact

- 5.1 Equalities impact assessments were undertaken on the previous savings to the housing related support expenditure, and the findings were summarised in the previous Cabinet reports. These assessments will need to be updated to reflect the change in focus from budget reductions to one of budget cessation; they will also need to be considered before a final decision is made as there is likely to be an impact on a number of groups as a result of the proposals.

Health and Safety

- 6.1 Should a decision be taken to cease funding housing related support, decommissioning plans will need to be drawn up with affected providers, including considerations in terms of the health and safety of individuals being supported. For those individuals who are likely to be at most risk, providers will need to be encouraged to make referrals into the other voluntary and community based services to maintain a level of ongoing support, even though this is likely to be at a significantly lower level. The Housing Options service and Derby Advice services will also need to be made for general advice on housing matters.

Environmental Sustainability

- 7.1 None specifically arising from these proposals

Property and Asset Management

- 8.1 Where Services are delivered from Council owned building(s) the withdrawal of funding may lead to the closure of buildings. Where building(s) are closed early, full consultation with Strategic Asset Management and Estates will be required to determine the future use of the building(s). Closure of building(s) and the transfer of

the responsibility for the management of the buildings to the Council will produce a resource pressure until the future use is decided and implemented.

Risk Management and Safeguarding

9.1 There are a number of strategic risks associated with these proposals:

Previous consultations about reducing the funding for housing related support has attracted a substantial amount of interest from affected organisations and partners - including representations from individuals receiving services. The key issues raised previously have been:

- Concerns about the Council's ability to provide advice and information to vulnerable people;
- Concerns about the increases in potential rough sleeping and use of Bed and Breakfast accommodation following the cuts;
- Concerns about the potential rise in offending and anti-social behaviour as a result of the cuts;
- Concerns about the escalation of an individual's health condition without sufficient on-going support.

Previous impact assessments have suggested that there is likely to be an increase in rough sleeping and homelessness from people who fall below statutory thresholds, but whom none the less are vulnerable. These are likely to be people with low level drug and alcohol problems, as well as people with offending backgrounds.

Housing related support services have provided the Council with an alternative way of providing temporary accommodation under homelessness legislation – this group of people are may be more likely to approach the Council for assistance, increasing the demand for services such as Derby Advice, Housing Options and Derby Direct.

During previous funding cuts in this area, where housing related support had been provided to someone with mental ill health, a learning disability, or to someone with a physical disability, individuals received a social care support assessment as per the requirements of the Care Act 2014. Further funding changes are likely to place additional strain on social care budgets and resources, should there be more people who approach the Council as a result of any service closures.

Since previous reports on housing related support expenditure have been considered, new statutory duties have emerged under the Care Act (2014) whereby Councils need to provide advice and assistance to potentially vulnerable people in their area. Although the Act does not specify housing related support as a statutory service, the preventative nature of the support and advice offered is assisting the Council to discharge this duty.

Corporate objectives and priorities for change

10.1 The services that have been funded to provide housing related support services have assisted the Council to deliver against the following outcomes:

- A thriving sustainable economy– by contracts being successfully awarded to local organisations and businesses
- Good health and wellbeing – by supporting vulnerable people to be as independent as possible and learn independent living skills
- Being safe and feeling safe– housing related support services are targeted at people whose circumstances make them vulnerable and help mitigate their Vulnerability.

Ceasing to provide funding for housing related support will have an impact on the Council and partners' ability to deliver against these outcomes. There are currently 5 organisations receiving funding for housing related support, who in turn support over 150 individuals at any one time. Reducing the overall spend on this area will have an impact on those service users who would not reach the statutory thresholds for care or health services. Individuals' capacity to live independently and make a positive contribution to their communities will be affected and therefore wider Council priorities will be affected. The anticipated increase in demand and pressures on statutory services such as homelessness, adult social care, health services and services for 16 and 17 year olds leaving care will need to be carefully monitored and additional resources deployed wherever possible.