

## Homelessness Provision (Commissioning Perspective)

### Overview and Scrutiny Committee – 6<sup>th</sup> June 2018

#### 1. Background

Homelessness in all its main forms is on the rise nationally<sup>1</sup>. A mixture of pressures including welfare reforms, a shortage of housing, cuts to preventative services and the ongoing effects of the economic recession have led to an increase in statutory homelessness acceptances, placements in temporary accommodation, 'footfall' in local authority homelessness advice offices, placements in bed and breakfast, and in the most visible and harmful form of homelessness: rough sleeping<sup>2</sup>. The recent increases seen across all these areas over the last few years follow many years of declining trends.

Nottingham has a strong track record in responding to homelessness. Prevention and early intervention initiatives have proved successful in providing good outcomes for citizens in housing crisis, and the introduction of the Homeless Prevention Gateway (for which Nottingham was afforded 'Regional Champions' status by the then Department for Communities and Local Government) helped to prioritise and rationalise the use of supported accommodation to help people to recover independent living. Nottingham City Council has also sought to protect preventative Independent Living Support (ILS) and its outreach services for rough sleepers where some other local authorities have disinvested in these areas and cut services to the statutory minimum. The City also benefits significantly from its innovative and resilient voluntary sector, and from its proactive multi-agency partnership facilitated by the City's Homelessness Prevention Strategy Implementation Group.

#### 1.1 Demand pressures in Nottingham

Despite these strengths, Nottingham has not been immune to the emerging national crisis in homelessness. Over the past 7 years, the number of people estimated to be sleeping rough in the City on a given night has increased from 3 in 2011/12 to 43 in 2017/18<sup>3</sup>. Much of this increase occurred in the 2016/17 year, when the number of people estimated to be sleeping rough jumped to 35 from an average of fewer than 10 over the preceding 6 years. Similarly, there have been pressures on the Council's ability to respond to its statutory duties to provide accommodation to citizens in priority need. Following many years of nil use of 'bed and breakfast' accommodation, the Council has increasingly resorted to the use of B&B resulting in as many as 140 households accommodated in this way during peak use in October 2017.

#### 1.2 Funding pressures

The Council's expenditure on services that respond to or prevent homelessness has reduced significantly in recent years. In 2008/9, the Council spent c£26m on Housing Related Support (HRS) services (including homelessness services) designed to help citizens to live independently.

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<sup>1</sup> Crisis (2017) *About Homelessness*

<sup>2</sup> Heriot Watt University and the University of York (2016) *The Homelessness Monitor*, Crisis and JRF

<sup>3</sup> Official CLG Rough Sleeping Estimates 2010-2017

In 2011/12, the Coalition government removed the ringfence of funding to local authorities for the provision of HRS services introduced under the previous administration's Supporting People programme. The Council identified annual funding of only £12.4m available to fund HRS within the main Formula Grant, with resulting cuts offset only in part (and only temporarily) through the allocation reserves and through funds transferred from the NHS. The Council's budget for HRS has continued to reduce owing to the further loss of central government funding and ongoing budget pressures arising from the increased need for assistance (e.g. with adult social care) among citizens. These savings were made through a combination of corporate budget decisions and commissioning recommendations that have sought to protect services for vulnerable citizens and mitigate the loss of funds through greater efficiency and focus of activity commissioned.

By 2016/17, the Council's HRS budget had reduced to £8.7m pa, of which approximately £4.5m was used to commission support for homeless citizens.

Further savings to the HRS budget totalling £0.84m pa effective from 2017/18 were agreed by the Council through the 2015/16 and 2016/17 budget processes. The Council's Corporate Leadership Team supported the implementation of a number of measures to reduce expenditure on HRS by £0.25m pa from 2017/18. The outstanding savings (later revised to £0.445m pa) were deferred until 2018/19 due to advice on risk in light of an increase in the number of people affected by homelessness in the City.

## **2. Commissioning Review**

In March 2016, work started on a review of the Council's use of resources to respond to homelessness in the City. This review sought to account for a number of pressures, including:

- Adjustments needed in light of new responsibilities to be introduced by the 2017 Homelessness Reduction Act
- The delivery of £445k pa 'held' savings to the HRS budget from 18/19 onwards (see section 1.2)
- The increase in demand pressures, including the inappropriate and financially unsustainable rise in use of B&B accommodation to respond to a statutory duty

This review followed an open and inclusive model of commissioning in line with the Council's corporate Commissioning Cycle. A number of events and other approaches to engage stakeholders were arranged in order to improve understanding of the issues driving homelessness in the City and of the opportunities for the Council and its partners to respond. This included steps to engage with the Opportunity Nottingham (Nottingham's provider of the National, Big Lottery funded *Fulfilling Lives* programme), as well as with citizens with lived experience of homelessness in the City. (The latter included involvement throughout the review, from to participation in analysis through to the development of service specifications and the scoring of tenders to appoint providers to deliver services.) The review was also aligned to the development of a new Joint Strategic Needs Assessment chapter

on Homelessness to promote the development of informed proposals for the use of the Council's resources to respond to homelessness in the City.

A Council-wide programme of work was also initiated (to run in parallel with work to prepare commissioning recommendations) in order to bring together solutions to homelessness across the Council (e.g. Housing Aid, Housing Strategy, etc) and its direct partners (e.g. Nottingham City Homes). This arrangement, overseen within the same programme management and governance structure, allowed for a more immediate response to developing pressures (in particular to address the unplanned use of B&B) as well as those beyond the direct remit of commissioning.

### **3. Emergency response through the Winter Measures**

As an immediate and urgent response to the sudden increase in rough sleeping in the City, the Council agreed to fund a range of additional measures to alleviate rough sleeping throughout the 2016/17 winter (known as the 'Winter Measures'). These measures sought to build on the existing response (through Emmanuel House Nottingham Winter Shelter) and included a range of additional accommodation and support delivered in partnership with the VCS (with by an extra £100k from NCC) to protect lives throughout the coldest months.

The Winter Measures were again put into place throughout the 2017/18 winter with increased funding by NCC (at c£150k) and a revised set of measures informed by an evaluation of the previous year. New arrangements included the addition of an enhanced service for rough sleepers with the most complex needs (frequently excluded from some of the previous years' measures) and an emergency Sit-Up Shelter delivered in partnership with Nottinghamshire Fire and Rescue and the British Red Cross.

These measures helped to prevent 193 people from sleeping rough during the 2016/17 winter, rising to 258 in 2018/19.

### **4. Key recommendations from the Commissioning Review**

In December 2017, the Council (through a Leader's Key Decision) agreed to proceed with the recommissioning of homelessness services to implement new arrangements to address homelessness in the City. These services have either already been established or are expected to be fully in place by the end of Q1 2018/19.

Key features of these arrangements include:

- *Prevention* – a number of separate services that work to stop single people and families from becoming homeless have been brought together under a single contract. This service is now accessed via Housing Aid and delivered in accordance with a Personalised Housing Plan (required under the Homelessness Reduction Act). The aim of this arrangement is to allow more scope for Housing Aid to work with the provider to target support where it is most needed (e.g. whether for families or singles, those in private rents, etc) in accordance with overall demand and to ensure the focus of activity provided is squarely on the prevention of homelessness.

- *Supported accommodation* – a number of separate contracts for supported accommodation services / hostels have been brought together under two new contracts for (1) single people and those with complex needs and (2) for young people. (More info on the approach for families including the development of the Private Sector Leasing Scheme is available in Appendix 2 attached.) The amalgamation of services under two contracts is expected to help create efficiencies, as well as to allow more freedom over the type of accommodation used to resolve homelessness (rather than prescribed premises only). The capacity of these services will increase so that an additional 56 people can be accommodated at any time. We have also sought a shift in the type of premises used to encourage more dispersed units in the place of some of the larger hostel provision. This includes accommodation that we hope can be retained in some instances once the support is no longer needed. New arrangements to accommodate people with different needs have been introduced to reduce the risk (e.g. of predation, or exposure to drug use, etc) to citizens accommodated within these services. New requirements to deliver services in accordance with the principles of *Psychologically Informed Environments* (i.e. with greater consideration of behaviours and motivations) have also been introduced. Long contracts (up to 9 years) have been awarded to encourage sourcing of accommodation and capital investment.
- *Rough sleepers* – funding for No Second Night Out to pay for emergency accommodation for people new to sleeping rough has been allocated from a recurrent funding stream under the new Rough Sleepers Outreach contract. The responsibility for bringing together the Winter Measures is also contained within this contract, although funding is to be agreed with NCC each year.

Under the decision taken by Leader's Key Decision in December, funding for homelessness services has also been afforded greater protection (with a more modest reduction in spend of £47,500 pa rather than £445,000 pa).

These changes have been aligned to in-year measures to address homelessness (see section 3, p3) as part of a wider set of plans to respond to homelessness in the City. These arrangements include the in-year commissioning of supported accommodation and an overall increase in 'units' available to assist homeless households in Nottingham (projected to increase to 525 in 18/19 from 394 at April 2017).

## 5. Next steps

Nottingham's Winter Measures helped to make a significant impact on rough sleeping throughout the most recent winter, with the number of people estimated to be sleeping rough reduced to 16 from 43 recorded during the previous autumn. However, rough sleeping has since risen again following the withdrawal of these measures during April and May.

In March 2018, MHCLG announced a new £30m fund to help tackle rough sleeping in England in 2018/19. Nottingham has submitted a bid for funding for additional full-year measures to alleviate rough sleeping, building on successes of its Winter

Measures. Notice of the outcome of this bid is expected in early June 2018. Further work is also going ahead to explore the barriers to helping people off the street as part of a renewed effort to reconsider all opportunities to help to end rough sleeping in the City.

**Author:**

Bobby Lowen, Commissioning Lead  
NCC Strategic Commissioning

0115 87 63571

[alan.lowen@nottinghamcity.gov.uk](mailto:alan.lowen@nottinghamcity.gov.uk)