

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	13 FEBRUARY 2017	AGENDA ITEM:	7
TITLE:	PROPOSED SAVING TO HOMELESSNESS PATHWAYS SERVICES		
LEAD COUNCILLOR:	COUNCILLOR RICHARD DAVIES	PORTFOLIO:	HOUSING
SERVICE:	HOUSING AND NEIGHBOURHOODS	WARDS:	BOROUGHWIDE
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**1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1 The Council commissions a range of Homelessness Support services - these include Homelessness Pathway accommodation to meet the needs of vulnerable single homeless residents and to support the reduction of rough sleeping numbers in the Borough; an Outreach service for rough sleeping in Reading; and a Floating Support service to prevent homelessness. These are referred to collectively as 'Homelessness Support services'. Interim and extended contracts for these services end between March and June 2018.
- 1.2 A review of Homelessness Support services has been recently undertaken by officers. This will lead to a full competitive tender exercise and implementation of new contracts from 1 April 2018. As part of this process, it is proposed that all Homelessness Support services are reconfigured and a more flexible model of support service adopted to better meet the needs of individuals, in line with current best practice, and to allow savings to be achieved which are consistent with the Council's legal duties.
- 1.3 In the wider context of the Council's financial position, options for reducing spend in this area have been considered. A saving of £244,550 against the total commissioning budget for Homelessness Support services of £1.49m is proposed as the desired level of saving, reducing the total budget to £1.25m, if possible.
- 1.4 The report seeks authorisation to undertake a public consultation exercise with stakeholders, Homelessness Pathway residents, other service users and providers on the proposed savings for all Homelessness Support services.

**2. RECOMMENDED ACTION**

- 2.1 That Committee authorises officers to undertake public consultation on proposals to reconfigure Homelessness Support services in Reading as set out in Section 6 of this report to deliver a target saving in the region of £245,000.

### **3. POLICY CONTEXT**

- 3.1 The Council is committed to reducing homelessness and rough sleeping numbers in Reading as far as possible. The three-stage Homelessness Pathway, for supporting homeless single people and established couples through supported accommodation and into independent accommodation, was approved by Cabinet on 28 November 2011 (Minute 110 refers). The Homelessness Pathway approach has been fully implemented and has been successful in increasing the overall number of bed spaces available and in integrating services to provide improved outcomes for homeless people whilst achieving efficiency savings.
- 3.2 The last holistic review of the Homelessness Pathway and associated services and processes was in 2011, therefore a needs analysis and a review of service efficiencies and national/local best practice models have been recently undertaken to ensure that Supported accommodation, Outreach services for rough sleepers and Floating Support services meet the needs of single homelessness in the most effective and cost efficient way.
- 3.3 At the meeting of Policy Committee on 26 September 2016, the Council's budget gap position was estimated at £41.5m for the period 2017-20, prior to the implementation of any savings already agreed for the period. £23.4m of savings had been agreed previously and were in the process of being implemented. The meeting of Policy Committee on 5 December 2016 outlined the need to identify further savings to cover the estimated £18.4m gap over the next three years for 2017-20. One of the broad areas identified for savings was reductions in services. This Policy Committee report stated that in order to achieve substantial savings, measures being brought forward included cuts in services or service reductions.
- 3.4 As part of identifying overall revenue savings, across Council departments, savings have been identified from the Housing Needs General Fund budget with proposed savings from Homelessness Support services of £244,550, approximately 17% of total Homelessness Support service contract values, provided such saving is consistent with the Council's legal duties.

### **4. THE PROPOSAL**

#### **(a) Current Position**

- 4.1 The Council currently commissions Homelessness Support services to a total value of £1,489,149. This includes:
- Homelessness Pathway accommodation with support providing 217 bed spaces for individuals/couples who are homeless, made up of 73 Stage 1 bed spaces; 7 Stage 1A bed spaces; 71 Stage 2 bed spaces; 61 Stage 3 bed spaces and 5 complex and multiple needs bed spaces. At Stage 1, individuals are provided with intensive support within a 24-hour staffed environment and at Stages 2 and 3 individuals are supported with the development of basic independent living skills to move on from the Pathway. The current total contract value is £900,873.

- Rough sleeper Outreach services which supports rough sleepers to access Supported accommodation or reconnect to their area of origin. The current contract value is £192,000.
  - Cross-tenure Floating Support which supports individuals, couples and families with tenancy sustainment and homelessness prevention. The current contract value is £396,276.
- 4.2 A review of Homelessness Support services has been undertaken and a full competitive tender exercise will follow with implementation of new contracts from 1 April 2018. It is presently considered that Homelessness Support services would be reconfigured to offer a more flexible model, in line with current best practice. This would allow the desired level of savings to be achieved.

**(b) Options Proposed**

- 4.3 The option proposed is for public consultation to be undertaken regarding the desired level of savings and remodelling of existing Homelessness Support services. This would include current Homelessness Support service providers, stakeholders and service users.

**5. CONTRIBUTION TO STRATEGIC AIMS**

- 5.1 The proposal will contribute to the service priorities set out in the Council’s Corporate Plan 2015-18:
- Safeguarding and protecting those that are most vulnerable;
  - Providing homes for those in most need;

**6. COMMUNITY ENGAGEMENT AND INFORMATION**

- 6.1 Consultation will be undertaken with stakeholders, Homelessness Pathway residents, other service users and providers. A formal 30-day consultation is planned from mid-February 2017 via an on-line questionnaire, provider dialogue and workshop activities with current service users. Key stakeholders will be made aware of the consultation and opportunities to input. Feedback will be analysed and aggregated with a summary and recommendations reported back to a subsequent committee.

**7. EQUALITY IMPACT ASSESSMENT**

- 7.1 Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to –
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 7.2 Any reduction in resourcing to homeless services should be considered in the context of several complex risks to the general characteristics of this client group. Investment in homelessness services is universally recognised to support outcomes for health - most significantly mental health and substance abuse, community safety, social care and offending services. A full Equality Impact Assessment (EIA) is required due to the

potential negative impact on a number of vulnerable groups. This will be informed by the consultation.

- 7.3 The Council must give careful consideration to (1) the requirement to engage with relevant individuals i.e. people who may be affected by any decision and (2) the aims of the Public Sector Equality Duties ('PSED') during the decision-making process. The PSED is a continuing one and must be met both before and at the time the proposal is being considered by the decision-maker.

## **8. LEGAL IMPLICATIONS**

- 8.1 Under Part 7 of the Housing Act 1996, as amended, local authorities have a statutory responsibility to secure accommodation for homeless households in priority need who are unintentionally homeless and to whom a homelessness duty has been accepted i.e. a 'main homelessness duty'. This main homelessness duty continues until a settled housing solution is found for the homeless household or until the duty otherwise ends. Local authorities must ensure that advice and assistance is available free of charge to households which are either homeless or threatened with homelessness.
- 8.2 Where the main homelessness duty is not owed the local authority is required to make an assessment of housing needs and to provide advice and assistance to the homeless household only.
- 8.3 Under sections 1 and 3 of the Homelessness Act 2002, local authorities must have in place a strategy for preventing homelessness in their district. Such strategy applies to all at risk of homelessness, and not only to those to whom the main homelessness duty is owed. Local authorities are encouraged by the Department for Communities and Local Government (DCLG) to offer prevention assistance to those at risk of homelessness, including single person households and those not deemed to be in priority need.
- 8.4 The consultation proposed is non-statutory. However, once embarked upon, in order to be fair it must: be undertaken while proposals are at a formative stage; let those with a potential interest in the subject matter clearly know what the proposal of the Council is; explain why the proposal is under positive consideration; give sufficient reason to elicit an informed response; and allow sufficient time for an informed response to be made. In addition, the outcome of the consultation must be conscientiously considered by the decision-maker.

## 9. FINANCIAL IMPLICATIONS

The financial implications arising from the proposals set out in this report are set out below:

### 9.1 Revenue Implications

The indicative profiling of the proposed savings amount of £244,550 from Homelessness Support services, should this be agreed, is shown in the following table. This takes into account the timescales for procurement and implementation:

	2016/17	2017/18	2018/19	2019/20
Saving	0	0	£183.4k	£61.1k
Commissioning Budget	£1,490k	£1,490k	£1,307k	£1,246k

### 9.2 Value for Money (VFM)

The decision to consult on proposed savings to Homelessness Support services, including the Homelessness Pathway, the provision of Outreach service for rough sleeping in Reading; and the Floating Support service to prevent homelessness gives the opportunity to remodel Homelessness services to meet the needs of those accessing services, as well as proposing how to deliver these services in the most efficient and cost effective way. The re-procurement exercise itself will ensure Value for Money.

## 10. BACKGROUND PAPERS

10.1 None.