

11 November 2015		ITEM: 13 01104426
Cabinet		
Homeless Supported Accommodation and Crisis Intervention		
Wards and communities affected: All	Key Decision: Key	
Report of: Councillor Lyn Worrall, Cabinet Member for Housing		
Accountable Head of Service: Dermot Moloney, Strategic Lead, Housing		
Accountable Director: David Bull, Director of Planning, Transportation & Housing		
This report is Public		

Executive Summary

The Housing department is seeking authority to procure a single housing management and support contract to prevent homelessness for Council tenants and to support homeless households and young people in supported accommodation.

Currently there are five separate contracts in place:

1. To manage the housing functions and support homeless people in homeless temporary accommodation in Grays (“Charles Street” and “Clarence Road”)
2. To provide extra support for 16 & 17 year old homeless young people in Charles Street (5 Spaces);
3. To provide 4 move-on rooms in Clarence Road, with extra support, for Thurrock care leavers, prior to moving on into independent living;
4. To provide floating support services to Thurrock Council Tenants who are at risk of eviction due to high level arrears and other issues;
5. To provide floating support services to non-Council tenants who are at risk of eviction due to high level arrears, anti-social behaviour, substance misuse etc.

All contracts include the provision of support to people with complex and high levels of need and all are due to expire on 31st March 2016.

Although the five functions have historically been delivered as separate services, it is anticipated that they can be delivered as one service out of Charles Street. This will provide efficiencies in terms of joint monitoring of a single contract, savings through joint management, administration and location and flexibility of support provisions to enable better use of support hours across all areas.

The combined cost of the new single contract over a period of four years is £1,859,048 and therefore Cabinet approval is sought to enable the procurement of a single contract via the tender process under EU rules.

The provider will be expected to lease the two buildings (Charles Street and Clarence Road) from the Council under fully repairing and insuring leases at a combined cost of £80,000 per annum. They will be able to charge rent and service charges to residents which will attract housing benefit subsidy.

1. Recommendation(s)

1.1 That Cabinet approves the Commissioning Report at Appendix 1 to enable the procurement of the service

1.2 That Cabinet agrees to delegate authority to the Director for Planning, Transportation and Housing, in conjunction with the Portfolio Holder, to authorise the award of the contract following completion of the tendering process

2. Introduction and Background

The council is seeking to procure a single contract in place of five separate contracts, currently procured with the same provider. All five contracts offer support to people in crisis, with varying needs of support.

2.1. Thurrock Homeless Accommodation

The Council is required to meet its statutory duty to provide temporary accommodation to homeless individuals and households where a priority need is identified. At any time there are around 70 households in need of temporary accommodation within the borough, although this can fluctuate up and down.

In order to help meet this need the Council has use of two buildings in Grays, which provide a total of 47 rooms of varying size. There is one contract for the management of both buildings.

Charles Street	29 units – including 5 units for homeless 16 & 17 year olds
Clarence Road	18 units – including 4 units of move on accommodation for care leavers aged 18 to 25 years (this provides a transitional period of supported accommodation whilst the young people move into independent living)
Total	47 units

The current management and support service is managed out of Charles Street and provides the housing management function and support for both buildings. The current contract is due to end on 31st March 2016.

Both buildings provide accommodation to enable the council to meet its statutory duties to accommodate people who are homeless and in priority need pending an investigation into their circumstances and to support young people who are homeless or leaving care.

They may also accommodate people for whom the Council holds a statutory duty to rehouse but for whom permanent accommodation has not yet been provided.

Residents at this accommodation often have chaotic lives and need intensive housing management and support to enable them to maintain their responsibilities.

2.2 Homeless 16 & 17 year olds

Young people under 18 and those who are leaving the care system are most often in need of extra support during the transitional period into adulthood.

Currently, 5 of the rooms in Charles Street are used specifically for 16 and 17 year old homeless young people and this will continue under the new contract.

The Council has a statutory duty to accommodate these young people and due to their age and vulnerability, extra support is required to enable them to manage their accommodation and move into adulthood with appropriate training, education and employment.

2.3 Move on for care leavers

Currently 4 of the rooms in Clarence Road are used as move on accommodation for young people in care who are moving into independent living. It is envisaged that this arrangement will continue but that the number of rooms available for leaving care residents will be increased to 9.

This will enable the Council to provide more “move on” accommodation within the borough rather than having to rely on accommodation outside the area.

Keeping care leavers within Thurrock improves their chances of good outcomes:

- by keeping them closer to their family and support networks;
- by giving them access to the local schools and colleges;
- by providing a natural progression from supported housing into independent living within the same borough;

The provision of move on rooms in Clarence Road also provides a financial benefit since the accommodation is much cheaper than other supported alternatives.

Savings of between £404 and £2,773 per young person per week can be achieved when compared with the cost of foster, supported or residential care - as outlined in chart below

Accommodation type	Cost per week	Cost per year	Saving per year per person when compared with Charles Street / Clarence Road	Potential annual savings for 9 people
Clarence Road accommodation (rent and support cost)	£427	£22,204		
Foster care	£800	£41,600	£19,396	£174,564
Supported accommodation	£830	£43,160	£20,956	£188,604
Residential care	£3200	£166,400	£144,196	£1,297,764

This could potentially save between £174k and £1.29m per year for the 9 young care leavers accommodated.

2.4. Crisis Intervention

The current floating support service for money and debt advice to Council tenants was implemented in July 2013 in response to a need for specific support services for Thurrock Council tenants at risk of homelessness, often due to high levels of support needs including issues such as rent arrears, debt, anti-social behaviour, drug and alcohol issues, mental health and other vulnerabilities.

The scheme accepts referrals from Thurrock Council rent department. The aim of the service is to prevent homelessness occurring by dealing with the most urgent issues that are contributing to the threat of eviction. The service supports the new introductory tenancy processes of closely monitoring new tenancies in the first year, when tenancy failures are at their most likely.

The service is expected to provide a minimum of 4,000 support hours per year (average 77 hours per week) and to support around 450 tenants per year.

The service will provide intense support to assist customer to reduce their debts and increase their income where possible. However in the longer term, it is expected that ongoing support will be provided to families to ensure that they are supported to:

- Address longer-term issues;
- Provide training in debt management;
- Provide employment help via training and other support;
- Provide social interaction via groups and social activities
- Continue to sustain independent living in the local community.

These will be met by referring on to other more generic floating support service to free up spaces for the new referrals with immediate risk of eviction.

There is an expectation that the provider will engage with and work with statutory and voluntary agencies in order to provide a holistic approach and to work to government strategies such as Troubled Families and Early offer of help.

There is currently a parallel service provided to non-Council tenants under a separate contract with similar aims and outcomes. This service has proved effective in reducing the numbers of households presenting as homeless.

Referrals can be made through other agencies, Council staff or by residents themselves.

2.5 Joint contract

Historically the five functions have been delivered as separate services, but currently delivered by the same provider; it is anticipated that the floating support service for Council and non-Council tenants can be delivered out of the Charles Street accommodation as part of the support package for homeless applicants and young people.

The benefits of placing all 5 contracts into one include:

- The provision of a single service out of Charles Street produces economies of scale i.e. fixed costs such as admin, management and facilities are spread out over more support hours enabling an increase in output;
- Support can be varied across the client base as and when required – for example when the need for support within the accommodation is higher, officers providing crisis intervention may be able to assist and vice versa allowing the support to be better targeted and responsive to need;
- A single contract and provider reduces officer time and duplication of contract monitoring;
- The provision of statistics for one single contract monitoring reduces duplication of monitoring and administration work by support workers, leaving more time to support clients;

The Council is seeking to appoint an experienced provider with an excellent track record of similar service delivery. The provider will need to demonstrate value for money whilst delivering a service that is innovative, of high quality and will continue to achieve positive outcomes for service users.

The service contributes towards both the national and local agenda on the prevention of homelessness and the provision of high standards of temporary accommodation.

3. Issues, Options and Analysis of Options

3.1 Thurrock Supported Accommodation

3.1.1. Family and adult accommodation

The Council has a statutory duty to provide temporary accommodation to certain homeless people. Without the current accommodation the Council would increase its use of bed and breakfast (B & B) accommodation to meet this duty; this represents an increased financial cost to the General Fund which is not subsidised through Housing Benefit.

B & B is universally recognised as inadequate accommodation and is strongly discouraged from being used, having been heavily criticised by the Courts and the Local Government Ombudsman. It provides no cooking or laundry facilities and there is no control over how the accommodation is managed or who is living there.

The Council has signed up to not using B & B for 16 & 17 year olds, or for households with children except in an emergency for a very short period of time.

Thurrock supported accommodation provides superior accommodation to B & B but due to the nature and vulnerability of customers living there, an intensive housing management and support service is required, since many of the customers are vulnerable and have failed to maintain tenancies, jobs or training, and relationships with family members/friends who have evicted them.

Thurrock supported accommodation is in Grays; close to public transport links and support agencies such as Grays Hall and other health care professionals which enable clients to remain linked in with support agencies and networks.

It provides cooking and laundry facilities along with communal areas for training and support programmes. The current providers offer residents programmes such as IT skills, child care, cooking and budgeting skills.

3.1.2. Homeless 16 and 17 year olds – 5 rooms

The Council has a duty to accommodate homeless 16 and 17 year olds, who become looked after children. By providing specific supported accommodation within Charles Street, costly foster, supported or residential care is avoided.

Specific support targeted at this age group is provided and young people are encouraged into training education or employment

3.1.3 Young People leaving care – 9 rooms

Looked after children, reaching 18, may be ready to move into independent living. However some may require a further period of transitional support and the move on accommodation at Clarence Road enables young people to move out of care into supported living for a period of time until they are ready for fully independent living.

3.2 Crisis Intervention

The service aims to work with households in crisis to initially prevent homelessness from occurring and also to provide ongoing support to enable them to reduce debts, increase income and address the issues that have led to their current situation, thereby preventing the risk of homelessness from re-occurring.

Examples of the type of work carried out by the service:

- Assisting tenants in applying for discretionary housing payments;
- Assisting tenants in applying for unclaimed benefits which the tenant is entitled to;
- Contacting debtors to arrange manageable payment plans;
- Referring tenants to supporting agencies such as drug and alcohol support services.

Preventing tenants from being evicted and helping them to sustain their tenancies provides both economic and social benefits

In 2014-15 the following savings in court costs alone were achieved through the support work with Council tenants:

Type of action avoided	Cost of legal proceedings	Number of preventions	Total saving
Notice of seeking possession	£376	29	£10,904
Court hearing	£376	52	£19,552

Eviction	£110	10	£1,100
Total savings			£31,556

This takes no account of other housing costs, such as the cost of a homeless application, temporary accommodation and the extra void property as well as the emotional and potential social costs.

A recent paper¹ by the homeless charity Crisis estimated the extra costs of a single homeless person to services such as the NHS and criminal justice system for one year, can range from £4,000 to £18,000 per person. This could be multiplied many times if the homeless household had children and/or other vulnerable people where social care may be involved.

Therefore the support contract provides essential homeless prevention work and potentially huge savings in the long term.

4. Reasons for Recommendation

The Council has a statutory duty to provide temporary accommodation to certain groups of homeless people;

The Council has committed to not placing homeless 16 & 17 year olds or families with children into bed & breakfast accommodation;

The Council has an ongoing duty to assist young care leavers under 25 years old;

The Council has emphasised the need for homeless prevention, which provides financial savings and better outcomes for residents.

5. Consultation

Not applicable

6. Impact on corporate policies, priorities, performance and community impact

Provision of a high standard of supported temporary accommodation and a support service to prevent homelessness, address the corporate priorities of building pride, responsibility and respect within the home and improving health and wellbeing by preventing homelessness which can have an adverse and detrimental impact, especially on children and young people.

¹ At what cost? An estimation of the financial cost of single homelessness in the UK by Nicholas Pleace, Centre for Housing Policy, University of York, July 2015

7. Implications

7.1 Financial

Implications verified by: **Jonathan Wilson**

Financial Accountant, Corporate Finance

- Because temporary accommodation typically provides support for people with very complex needs living in one building, it would not be a sensible proposition to run the building without support.

If the supported accommodation were not provided, bed & breakfast would be the alternative.

Bed & breakfast in Thurrock costs on average:

- £350 to £420 per week for a single person
- £455 to £490 per week for a family

Only around £116 per week is recoupable from housing benefit subsidy which means the general fund has to meet the shortfall. For 47 units of accommodation this could add up to more than £572,000 per year with no support provision.

In comparison –accommodation in Charles street and Clarence Road costs around £295 per week for rent which attracts full Housing Benefit subsidy which means the only cost to general fund is the £170,000 extra support contract.

- An increased emphasis on homeless prevention will help reduce costs and subsequently reduce homelessness in the long term.

The paper indicates at 3.2 that typical costs of homelessness for a single person range between £4,000 and £18,000 per person per year. This does not account for homeless families and the extra pressures on children's services etc.

In 2014-15 at least 91 tenants had proceedings against them stopped due to the crisis intervention work; the benefits of a single contract will increase the amount of support work that would be expected of a provider due to economies of scale which in turn could increase the number of homeless preventions.

- Comparison of annual costs

	Old contract	New contract	Difference
Charles Street and Clarence Road management & support	£146,000	£150,000	+£4,000
Support for 16 & 17 year olds	£20,512	£20,512	0
Leaving Care move on	£89,000	£200,250	+£111,250
Crisis Intervention – Council tenants	£72,000	£72,000	0
Crisis Intervention – non-Council tenants	£22,064	£22,000	-£64
Total	£349,576	£464,762	+£115,186

The budget for the new contract has been set higher than that of the previous year.

Part of this reflects a slight increase on the Charles Street and Clarence Road management and support and reflects some soft market testing carried out with providers where estimates for service provision ranged between £150,000 and £264,000 per year. The current provider has already indicated that at least £150,000 per year would be required to replicate the current service.

The leaving care element of the contract has been increased by 125% and reflects the increase from 4 to 9 rooms to be used for young people leaving care. The total amount for this element is the greatest part of the contract at £200,250 per year.

However this potentially offers maximum savings of up to £1.29m per year as shown in 2.3 above.

7.2 Legal

Implications verified by: **Martin Hall / Ann Osbourne**
Housing Solicitor / Contract and Procurement Solicitor

The Housing Act 1996 Part VII requires a Local Authority to provide interim and temporary accommodation to certain groups of homeless people. The Act

also places a duty on Local Authorities to provide assisted persons with support and advisory services.

The Homeless (Suitability of Accommodation) (England) Order 2003 (“the 2003 Order”) provides that B&B accommodation will not be suitable for an applicant with family commitments where the applicant is owed a duty by a Local Authority under Part VII. An applicant with “Family Commitments” is defined as someone who is pregnant, a person who is expected to reside with a pregnant women or someone with whom dependent children reside, or may be expected to reside.

The 2003 Order provides that B&B accommodation may only be used to accommodate an application with family commitments as a last resort where no other accommodation is available, and if it is used it may only be used for a maximum of 6 weeks.

Furthermore, the Homelessness Code of Guidance emphasises the inappropriateness of using B&B for young people and children and local authorities must report to the DCLG any household placed in B & B for more than 6 weeks

Whilst the supported accommodation referred to in this report is likely to be defined as B&B for the purposes of the 2003 Order, the fact that they are owned or managed by the local authority mean that the provisions of the 2003 Order will not apply.

The threshold for Public Supplies and Services contracts is currently set at £172,514. The proposed contract is above the OJEU threshold for services and therefore subject to the requirement to competitively tender the contract.

The Council is obliged as a best value authority under section 3 of the Local Government Act 1999 to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness” (the Best Value Duty). Part of complying with the Council’s Best Value duty is ensuring that the Council obtains value for money by conducting a procurement exercise.

The contract should comply with the Public Contract Regulations 2015 and the Council’s Contract Procedure Rules.

7.3 **Diversity and Equality**

Implications verified by: **Rebecca Price**
Community Development Officer

Homelessness has a poor impact on all communities but is especially detrimental to the young and vulnerable, such as the disabled and elderly, who need stability and continuity, especially around education, medical support, family ties and friendship groups

Preventing homelessness and enabling families to remain in their homes will help to provide that stability

Where homelessness cannot be prevented supported accommodation provides more stability whereas bed and breakfast accommodation has been shown to be detrimental to the young and vulnerable in particular

7.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

9. **Appendices to the report**

- Appendix 1 – Commissioning report

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