

Finance and Resources Committee

10.00, Thursday 23 February 2017

Strategic Direction for Tackling Homelessness in Edinburgh

Item number	7.4
Report number	
Executive/routine	
Wards	

Executive Summary

This report updates members on plans to integrate a range of activity to tackle homelessness in the city and to create a comprehensive strategy to coordinate the varied work that is underway.

The report provides information on demand, future delivery options and changes to funding arrangements.

In addition, the report provides an update on the implementation of the Homeless Prevention Commissioning Plan (the Plan). In order to ensure that future commissioning and procurement activity is consistent with the Council's strategic intentions, this report seeks Committee's approval to extend a range of contracts, rather than expedite the letting of contracts, which may prove less than ideal once the strategy is fully developed.

At its meeting on 1 December 2016, Finance and Resources Committee asked for a report on options to extend the availability of short-term let accommodation to allow a reduction in the use of Bed and Breakfast. Given the lack of capacity in the market, and the fact that the recent contract is the maximum the market could provide in 2016/2017, attempting to meet this ambition in isolation would be particularly challenging. However, by developing a

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Council Priorities	CP2, CP3, CP10
Single Outcome Agreement	SO2, SO4

more comprehensive strategy to address the complex inter-related issues that affect homelessness, it is possible we will have more success in securing appropriate accommodation for people who are homeless.

As background to the proposed strategy, this report highlights:

- current demand for homelessness services (including temporary accommodation and support);
- welfare benefit changes, which will impact on both customers' housing options and income to the Council;
- action underway to deliver a greater range of options for homeless people;
- progress on pilot work streams, developed in collaboration with the voluntary sector and other stakeholders;
- the need to extend a range of contracts to allow for more detailed coproduction in respect of some services, and to ensure that future contracts are designed consistently with the developing strategic intentions for people who are homeless or at risk of becoming homeless in Edinburgh.

Strategic Direction for Tackling Homelessness in Edinburgh

1. Recommendations

- 1.1 It is recommended that Committee notes:
 - 1.1.1 the current demand for homelessness services, including temporary accommodation;
 - 1.1.2 the potential loss of income to the Council, following welfare benefit changes;
 - 1.1.3 the potential impact of DWP changes to the benefit system on people who are homeless and/or dependent on welfare benefits;
 - 1.1.4 progress towards the delivery of the commissioning plan for homelessness services and the further development required to ensure this work continues to fit with the Council's strategic intentions.
- 1.2 It is recommended that Committee approves:
 - 1.2.1 the extension of three contracts from the Crisis and Complex work stream, as detailed in Appendix 1, to 31 March 2018 with a maximum value of £1,100,000;
 - 1.2.2 the extension of six contracts from the Young People's Visiting Support Services, as detailed in Appendix 1, to 31 March 2018 with a maximum value of £340,000;
 - 1.2.3 the extension of six contracts from the Young People's accommodation service work stream, as detailed in Appendix 1, to 31 March 2019 with a maximum value of £1,300,000;
 - 1.2.4 the extension of 26 contracts from the Temporary Accommodation – Housing Support and Temporary Accommodation – Housing Management work streams as detailed in Appendix 2, to 31 March 2019 with a maximum value of £8,000,000;
 - 1.2.5 the extension of 16 contracts from the Older People's Service work stream, as detailed in Appendix 2, to 31 March 2018 with a maximum value of £1,200,000;

1.2.6 the extension of one contract from the Resettlement work stream, as detailed in Appendix 2, to 31 March 2018, with a maximum value of £250,000.

NB: All contract extensions will include an appropriate break clause to give notice in the event of changes negotiated with providers, procurement and savings requirements.

2. Background

- 2.1 The Council has a statutory duty to provide temporary accommodation for people who have been assessed as homeless or at risk of homelessness, until an offer of settled or permanent accommodation can be made.
- 2.2 During 2016/17, it is projected that around 3,300 people will be assessed as homeless by the Council. These numbers have fallen year on year, since peaking in 2006/07 at 5,190, as a result of an increased focus on early intervention and prevention.
- 2.3 Despite this downward trend, pressure on the Council's temporary accommodation services has continued to increase. The reasons for this are set out below.
 - Welfare Reform
 - Lack of affordable housing options, including unaffordable private sector rents
 - Lack of social housing
 - Removal of non priority status
 - Growing population
 - The capital city effect
- 2.4 This year, the average case length for a homeless person is projected to be 277 days. This figure has increased steadily since 2013/14, where the average case length was 202 days. This is in part due to a lack of permanent or settled housing, and also as a result of the abolition of priority need status, which took place in 2012.
- 2.5 In 2012, the Council accommodated an average of 1608 homeless households each evening. This figure has increased by 23% to 1989 in 2016. This does not include a further 1500 households, assessed as homeless, who currently reside in properties secured under the Private Sector Leasing scheme.
- 2.6 In January 2017, the Department of Work of Pensions (DWP) extended the scope of benefit capping. The maximum amount of benefits claimable per annum for welfare dependent households is now reduced from £26,000 to £20,000 (and from £20,000 to £16,000 for single people). This means that a significant proportion of customers accessing temporary accommodation will be subject to benefit capping.
- 2.7 The Council recovers rent and service charges for most forms of temporary accommodation. These costs are met either in part or fully through welfare benefits

for around 80% of homeless people. Benefit capping will mean that a significant number of homeless people will not receive enough benefit to cover these costs.

- 2.8 Service charges for temporary accommodation range between £60 and £600 per week. The DWP is currently proposing to reduce the maximum amount of service charge claimable for temporary accommodation to £60 per week by 2018/19.
- 2.9 Work is underway to calculate the likely financial impact for the Council and will be reported at a later stage, however, it is clear from the information available to date that this impact will be significant.
- 2.10 To support the preventative agenda, the Homelessness Prevention Commissioning Plan was agreed by Policy and Strategy Committee on 6 September 2011, to deliver services which seek to prevent homelessness; to ensure people spend as little time as possible without a home; and if they do become homeless, that resettlement is effective and supports people to live sustainable, independent lives.
- 2.11 In order to help meet the aims of the Plan, four pilots were developed.
- Advice and Support
 - Crisis and Complex Needs
 - Domestic Abuse Services
 - Young Persons Services
- 2.12 The Advice and Support pilot, which includes short-term interventions to resolve housing crises and to prevent people becoming homeless, has concluded. A coproduction process has now begun to develop specifications based on payment for outcomes, as agreed at Finance and Resources Committee on 18 August 2016. The work will ensure effective integration with the Council's new localities model and with the more general Advice Services review, which is underway.
- 2.13 The remaining 3 pilot work streams are at different stages. Progress on these is summarised in the main report. All pilots were produced in partnership with existing providers and other stakeholders.
- 2.14 Also included in the Plan is a range of older people's services, which provide housing support in sheltered, very sheltered and amenity housing. These will also be reviewed to ensure support is targeted effectively.
- 2.15 Since 2014, a saving of £2,300,000 has been achieved through the commissioning of contracts in this area.

3. Main report

- 3.1 It is essential that the Council's future delivery of homelessness services and temporary accommodation is targeted at those most in need; is financially modelled in line with welfare benefit regulations; and provides appropriate support to minimise lengths of stay. Services must be designed to meet the needs of

customers by helping build capacity and resilience to ensure that repeat homelessness is minimised wherever possible.

3.2 In response to the increase in demand for temporary accommodation and changes to welfare benefits, Safer and Stronger Communities will lead a strategy group to consider key actions required to support the ambitions set out above. Examples of these actions are set out below:

- Extend and develop prevention work to avoid instances of homelessness wherever possible;
- Extend employment support to assist homeless people to reduce their dependence on benefits and widen their housing options;
- Support people to build capacity and resilience to avoid repeat homelessness;
- Life-long learning to provide activities to encourage engagement in community life;
- Reshape services for rough sleepers to increase access to services;
- Review temporary accommodation rents and service charges;
- Analyse demographic trends and profiles of customer groups;
- Review existing temporary accommodation and consider options for alternative provision, which provides greater support and value for money;
- Develop alternative move-on options that will support customers into settled and appropriate accommodation;
- Consider the services required for people with no recourse to public funds;
- Review of commissioned services (which will require contract extensions to ensure work is coordinated effectively).

3.3 The work outlined above is directly linked to the delivery of the current Homeless Prevention Commissioning Plan and some contract extensions will support a better integrated and coordinated development of services. In addition to the need to deliver both a strategy for the provision of homelessness and temporary accommodation services, there have also been some delays in reviewing and finalising some of the work streams included in the Plan. This is in part due to a lack of staff resources and also a commitment to coproduce services with providers and service users.

3.4 The conclusion of the Safer and Stronger Communities organisational review and subsequent recruitment to vacant posts will enable the Partnership and Planning service to complete all required reviews in 2017/18.

3.5 Set out below are updates from the work streams from the Plan.

Crisis and Complex

3.6 The Crisis and Complex pilot will see a shift from hours-based payments to payments by results. Providers have been briefed and given assistance to ensure reporting is accurate and up to date. The review is ongoing and will include the opportunity for input from all current providers. Targets are being reviewed to ensure that they are appropriate and represent better outcomes for service users. This work will be concluded by 31 January 2017 and will feed into the development

of a rough sleepers' strategy, the Inclusive Edinburgh work and a coproduction process, which will deliver new services, expected to be in place by April 2018.

Domestic Abuse Services

- 3.7 Consultation with a range of service providers, service users and key stakeholders is now complete. A coproduction-based redesign of provision is underway. This will ensure new contracts are in place by November 2017. The outcome of the coproduction will be reported separately on conclusion.

Young People's Services

- 3.8 The pilot of Young People's Services has now reached the end of the block contract year. However, it has been agreed with services not to move to full payment by outcomes for a further twelve weeks. This is in part due to the need to review reporting arrangements, in order to address inaccuracies identified during the review. The review also identified that other services in the Council are providing funding to some providers for similar tasks with the same customer group. This has now been addressed, with the funding consolidated, to ensure no further duplication. It is expected that contracts will be in place by April 2018.
- 3.9 Six of the current Young People's services provide accommodation. From recent procurement exercises, it has become clear that the market is limited and it is unlikely that further procurement would result in a different outcome. Following advice from Corporate Procurement Services, an extension of two years to March 2019 is required to align with the development of the Council-wide accommodation strategy and allow time to develop a market.

Temporary Accommodation Services

- 3.10 Across some of the work streams, twenty temporary accommodation services are commissioned from nine providers, with a total annual value of £7,907,370. These services include housing support and housing management.
- 3.11 A full review of all commissioned and internal temporary accommodation services will take place in 2017/18 and will feed into the Council-wide accommodation strategy. This review will consider funding arrangements, in line with welfare reform, and current and future requirements for accommodation, including any alternative proposals. The accommodation strategy will take into account the needs of all groups accessing accommodation, including homeless people, people with mental health problems, people who are disabled, people fleeing domestic abuse and people with addictions issues.
- 3.12 On completion of the development of a city-wide accommodation strategy, a coproduction process will take place, which will include all current commissioned providers, service users and any other market interest.
- 3.13 To allow time for the review, for coproduction and for development of the strategy and the future accommodation market, an extension of two years until March 2019 is required.

Older People's Services

3.14 The majority of the commissioning spend on older people's services is housing support in sheltered, very sheltered and amenity housing. Contracts are in place with 11 organisations to provide:

- forty five sheltered, extra sheltered and amenity schemes
- one Care and Repair service
- one supported accommodation service
- one advice service
- one visiting support service

These services have an annual value of £1,106,188, which includes savings of £261,298 achieved over the duration of the contracts, as agreed by Council in February 2014.

3.15 A review of all older people's provision will take place in 2017/18, to ensure that housing support for older people is targeted at those most in need. The review will consider charging arrangements, assessment processes and current take up of support. To allow this to take place, an extension of one year to 31 March 2018 is required.

3.16 The Gateway to Homes and Communities service provides people who have been homeless with basic furniture and furnishings when they are offered a tenancy. This is an important factor in sustaining tenancies. The contract was awarded following a procurement exercise in 2009. The extension of the contract was agreed by Finance and Resources in November 2014 and a further extension was agreed in November 2015 to allow for agreement to be reached on savings and to procure a new service. Agreement on the required savings has been achieved, but the temporary staffing difficulties during the organisational reviews across the Council impacted on capacity to conclude the procurement process. The contract is currently worth £243,346, of which approximately 88% is recovered from the Housing Revenue Account (HRA). An extension of one year to 31 March 2018 will allow the completion of the procurement process.

4 Measures of success

4.1 The key measure of success for this complex area of work will be a reduction in the number of people who become homeless; a reduction in the time people stay in temporary accommodation; and a reduction in the number of people who become homeless for a second time. This will support the Council's aim of reducing poverty and inequality.

- 4.2 The success of the extensions requested in this report will be measured through the coproduction process and service specifications which stipulate better outcomes for people. Each work stream will work with current providers, other interested parties, key stakeholders and service users to design new services and procurement processes, which meet the needs of all involved. These will be reported on separately to members, as required.
- 4.3 During the first year of the pilot, Crisis and Complex services supported approximately 2000 people. None of those for whom visiting support has ended have presented as homeless, and 60% have accessed or sustained settled accommodation. For people receiving crisis outreach, 28% have been assisted to access temporary accommodation and 53% have accessed or sustained settled accommodation.
- 4.4 Domestic abuse services have supported 585 people in the first year of the pilot. Of these, 370 accessed or sustained settled accommodation and 349 were supported to obtain or sustain a tenancy.
- 4.5 Young people's services have supported 453 young people during the first year of the pilot. 236 of these young people were supported to access or sustain settled accommodation, 263 developed life skills needed to sustain a tenancy, and 254 achieved a positive destination in terms of employment or training.

5. Financial impact

- 5.1 Officers are analysing information relating to benefit capping for people in temporary accommodation. Indications are that around 200 customers in temporary accommodation will be affected. This position will become clearer in late February when the full extent of the customer group affected will be known, and the financial impact of the capping can be assessed. This will include the impact of housing benefit capping on six contracts listed in Appendix 2 detailed in the category "Temporary Accommodation – Housing Management (Housing Benefit).
- 5.2 The extension of 26 services to March 2018 has a maximum value of £2,900,000.
- 5.3 The extension of 32 contracts to March 2019 has a maximum value of £9,300,000.
- 5.4 Contract extensions will include an appropriate break clause to give notice in the event of changes negotiated with providers, procurement and savings requirements. There is budgetary provision for all contract extensions.

6. Risk, policy, compliance and governance impact

- 6.1 The Public Contracts (Scotland) Regulations 2015 has introduced a new 'Light Touch Regime' for Health and Social Care contracts. This approach allows flexibility in the process, as long as it respects the minimum requirements under the Public

Contracts (Scotland) Regulations 2015. Every procurement process must ensure adherence to the principles of:

- open and transparent advertising of contract opportunities
- equal treatment
- non-discrimination
- proportionality; and
- mutual recognition

- 6.2 Coproduction with existing providers, new interested parties, key stakeholders and service users will be the method used for procurement. The coproduction will include the procedure, award criteria, terms of contract and service user involvement.
- 6.3 Due to many services being linked to accommodation or due to be advertised openly and transparently in the coming months, the risk of challenge arising from the extensions has been assessed as low.

7. Equalities impact

- 7.1 An Equalities and Rights Impact Assessment (EIRA) was completed for the Homeless Prevention Commissioning Plan. EIRAs are completed for each work stream or change to service and are updated on a regular basis.
- 7.2 The extension of existing contracts will ensure that current levels of service remain in place. This will ensure positive relationships between the Council and providers of services to people, many of whom will be part of groups with protected characteristics.
- 7.3 The Plan will advance equality of opportunity by providing services that help people to avoid homelessness or to resettle after a housing crisis. This will assist in meeting the single outcome agreement of improving health and wellbeing.
- 7.4 All services will continue to be monitored to ensure there is no negative impact on, or discrimination against, people with protected characteristics.

8. Sustainability impact

- 8.1 The proposals in this report will assist in achieving a sustainable Edinburgh, by benefiting the third sector.

9. Consultation and engagement

- 9.1 The agreement of the plan followed extensive consultation with providers, key stakeholders and service users on the principles in the plan.

- 9.2 Following the pilots any new procurement process will be coproduced with existing providers, new interested parties, key stakeholders and service users.
- 9.3 The developing city-wide homelessness strategy will include consultation with staff, partner providers and agencies and service users.

10. Background reading/external references

- 10.1 [Homeless Prevention Commissioning Plan, Policy and Strategy Committee, 6 September 2011](#)
- 10.2 [Contract Award for Homeless Prevention- Crisis and Complex Services, Finance and Resources Committee, 4 June 2015](#)
- 10.3 [Contract Award for Homeless Prevention – Young People’s Services Foyer Approach, Finance and Resources Committee, 13 May 2015](#)

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11. Links

Coalition Pledges

- P11 Encourage the Development of co-operative housing arrangements.
- P13 Enforce tenancy agreement (council and private landlord) with a view to ensuring tenants and landlords fulfil their good conduct responsibilities.
- P14 Strengthen Council housing allocation policy to give recognition to good tenants and to encourage responsible tenant behaviour and responsibilities
- P15 Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors
- P25 Introduce a “living wage” for Council employees, encourage its adoption by Council subsidiaries and contractors and its wider development
- P29 Ensures the Council continues to take on apprentices and steps up efforts to prepare young people for work
- P36 Develop improved partnership working across the Capital and with the voluntary sector to build on the “Total Craigroyston” model

Council Priorities	<p>CP2 Improved health and wellbeing: reduced inequalities</p> <p>CP3 Right care, right place, right time</p> <p>CP10. A range of quality housing options</p>
Single Outcome Agreement	<p>S02. Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health</p> <p>S04. Edinburgh's communities are safer and have improved physical and social fabric</p>
Appendices	<ol style="list-style-type: none"> 1. Pilot work streams 2. Other Commissioned work streams

Appendix 1: Pilot Work Streams

The proposed extensions listed below will include break clauses. The figures quoted are the maximum amounts for the full extension period. Services will be reshaped through coproduction prior to the end of the extension period.

PROVIDER	SERVICE	CONTRACT VALUE TO 31 MARCH 2018
CRISIS AND COMPLEX – expiring August 2017		
Turningpoint Scotland	Visiting Support: Helping people with complex and multiple needs to access and maintain accommodation	£181,954
Streetwork	Crisis Outreach: Assisting rough sleepers to access accommodation and support	£489,158
Streetwork	Visiting Support: Helping people with complex and multiple needs to access and maintain accommodation	£418,694
	Total	£1,089,806

PROVIDER	SERVICE	CONTRACT VALUE TO 31 MARCH 2018
YOUNG PEOPLE'S VISITING SUPPORT SERVICES - expiring August 2017		
Barnardos	Visiting Support: Support for young people	£21,286
City Youth Café	Keysteps: Training sessions for young people on tenancy maintenance and independent living	£11,333
Dean and Cauvin Trust	Aftercare: Visiting Housing Support for Young People who have left care	£34,186

Link Living	Young Persons Service: Visiting Housing Support for Young People	£193,754
Places for People	Horizons: Visiting Housing Support for Young People	£33,706
Rock Trust	Mainstay: Visiting Housing Support for Young People	£40,236
	Total	£334,501

PROVIDER	SERVICE	CONTRACT VALUE TO 31 MARCH 2019
YOUNG PEOPLE'S ACCOMODATION SERVICES		
Barnardos	Care Leavers Service: Accommodation and support for care leavers	£44,000
FourSquare	Number 20: Supported accommodation for homeless young women	£172,920
FourSquare	Stopover: Hostel accommodation with support for homeless young people	£450,560
Places for People	Care Leavers Service: Supported Accommodation for Care Leavers	£61,600
Rock Trust	Bedrock: Hostel accommodation with support for young people	£272,800
Y People	West Pilton View: Temporary accommodation with support for Young People	£227,317
	Total	£1,229,197

Appendix 2: Other Commissioned Work Streams

PROVIDER	SERVICE	CONTRACT VALUE TO 31 MARCH 2019
TEMPORARY ACCOMMODATION – HOUSING SUPPORT – expiring 31 March 2017		
Bethany Christian Trust	Bethany Christian Centre: Supported accommodation for people recovering from addiction	£499,200
Bethany Christian Trust	Bethany House: Hostel accommodation with support	£649,376
Crossreach	Anchor: Supported accommodation for people recovering from addiction	£43,680
Crossreach	Cunningham House: Hostel accommodation with support for men and women over 18	£574,080
Dunedin Canmore	Harbour Hostel and Flats: Hostel accommodation with support and supported flats for homeless people	£741,312
Gowrie Care	Dryden Street: Supported accommodation for men and women with addictions/ mental health problems	£224,640
Gowrie Care	Gilmours Close: Supported accommodation for men with addictions/ mental health problems	£224,640
Gowrie Care	Lauriston Place: Supported accommodation for women with complex needs	£314,496
Gowrie Care	Mayfield: Supported accommodation for men with addictions/ mental health problems	£269,496
Gowrie Care	South Fort Street: Supported homeless accommodation	£471,744
Gowrie Care	St John's Hill: Supported homeless accommodation	£247,104

Gowrie Care	Oxgangs: Temporary accommodation	£335,000
Gowrie Care	Bruntsfield: Temporary accommodation	£533,998
Rowan Alba	West Pilton Park: Temporary accommodation for women	£250,412
Rowan Alba	Thorntree Street: Supported accommodation for men with alcohol addictions who are at risk of homeless	£519,468
Salvation Army	East Adam Street: Supported accommodation for homeless people	£49,920
Salvation Army	Pleasance: Hostel accommodation	£434,720
Scottish Veterans Housing Association	Whitefoord House: Supported homeless accommodation for Veterans	£213,200
Y People	Broomhouse Medway: Temporary accommodation	£246,044
Y People	Crewe Road Gardens: Temporary accommodation	£248,352
	Totals	£7,090,954

PROVIDER	SERVICE	CONTRACT VALUE TO 31 MARCH 2019
TEMPORARY ACCOMMODATION – HOUSING MANAGEMENT (Housing Benefit) – expiring 31 March 2017		
Gowrie Care	Bruntsfield: Temporary accommodation	£142,516
Gowrie Care	Oxgangs: Temporary accommodation	£123,598
Rowan Alba	West Pilton Place: Temporary accommodation for women	£111,794

Y People	Broomhouse Medway: Temporary accommodation	£141,010
Y People	Crewe Road Gardens: Temporary accommodation	£153,968
Y People	West Pilton View: Temporary accommodation for Young People 18 - 25	£143,530
	Total	£816,416

PROVIDER	SERVICE	CONTRACT VALUE TO 31 MARCH 2018
OLDER PEOPLE'S SERVICES – expiring 31 March 2017		
Bield Housing	Very Sheltered Housing:	£131,827
Cairn Housing Association	Stuart Court: Sheltered Housing with support	£14,559
Cairn Housing Association	Madelvic Court: Care and Support for older people/ people with disabilities	£39,148
Care and Repair	Various: Helping people remain at home or return home quicker.	£241,839
Castlerock Edinvar	Sheltered Housing: Support for older people	£43,307
Mansfield Care	Extra Sheltered Housing: Support for older people	£154,571
Methodist Homes	Wesley Court: Support for older people	£9,196
Places for People	St Leonard's Community Care: Care and support for older people with Mental Health Problems	£106,829
Places for People	St Leonard's Outreach:	£29,540

	Visiting support for older people with Mental Health problems	
Port of Leith	Amenity Housing: Support for older people	£5,592
Port of Leith	Sheltered Housing: Support for older people	£45,990
Prestonfield Neighbourhood Project	Advice Service: Advice and support for local community	£37,392
Trust Housing	Sheltered Housing: Support for older people	£61,288
Viewpoint Housing Association	Amenity Housing: Support for older people	£23,511
Viewpoint Housing Association	Extra Sheltered Housing: Support for older people	£96,979
Viewpoint Housing Association	Sheltered Housing: Support for older people	£64,620
	Total	£1,106,188

PROVIDER	SERVICE	CONTRACT VALUE TO 31 MARCH 2018
RESETTLEMENT		
Bethany Christian Trust	Gateway to Homes and Communities: Core furniture for new tenancies	£243,346
	Total	£243,346