

Committees	Dated:
Policy and Resources Committee – For decision Community and Children’s Services – For decision	06/07/2017 14/07/2017
Subject: Homelessness budget proposals	Public
Report of: Director of Community and Children’s Services	For Decision
Report author: Simon Cribbens, Community and Children’s Services	

Summary

The City of London Corporation is likely to incur increased costs in fulfilling its statutory duty to assist some homeless households. It is also experiencing a significantly increased level and complexity of rough sleeping, to which its current level of service is unable to fully respond.

This paper sets out the forecast increase in the cost of meeting these demands and a range of additional specialist services to tackle them (budgeted at £427,000). The Corporation seeks Members’ approval for this budget.

Recommendations

Members of Policy and Resources are asked to:

- approve the increase in 2017/18 of £173,500 and a permanent increase in the baseline budget of £427,000 in subsequent years, subject to the approval of Community and Children’s Services.

Members of Community and Children’s Services are asked to:

- approve the increase in 2017/18 of £173,500 and a permanent increase in the baseline budget of £427,000 in subsequent years.

Main Report

Background

1. The City of London Corporation provides services that respond to two distinct types of homelessness: one fulfils a statutory requirement to provide assistance to certain households who are homeless or at risk of being so, and the other deals with those who are sleeping rough on the streets.
2. In the coming year, continuing demand for assistance, welfare reform and legislative changes will increase the financial burden of statutory homelessness services. The Corporation also faces a significant rough sleeping problem for

which it is unable to supply enough specialist accommodation to meet changing and challenging needs.

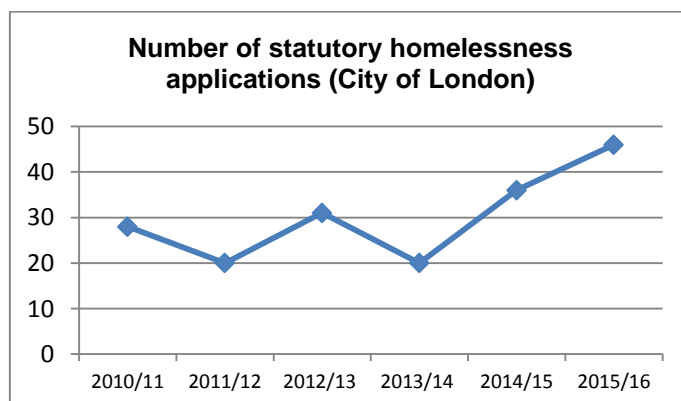
3. A provision of £400,000 in 2017/18 for this budget pressure was made in the Medium Term Financial Strategy report to the Finance Committee on 21 February 2017. The release of funds was subject to a more detailed report outlining the issue to the relevant service committee and to the Policy and Resources Committee.

Current Position: statutory homelessness

4. The most significant financial burden of statutory homelessness services for the Corporation (and all local authorities) is the legal requirement to provide temporary accommodation (TA) to certain households. In 2016/17, the gross cost of this provision was £312,000.

Increasing cost of statutory homelessness

5. Homelessness applications and the use of TA across London have risen consistently over the last five years, and show an upward trend in the City, as indicated in the chart below.



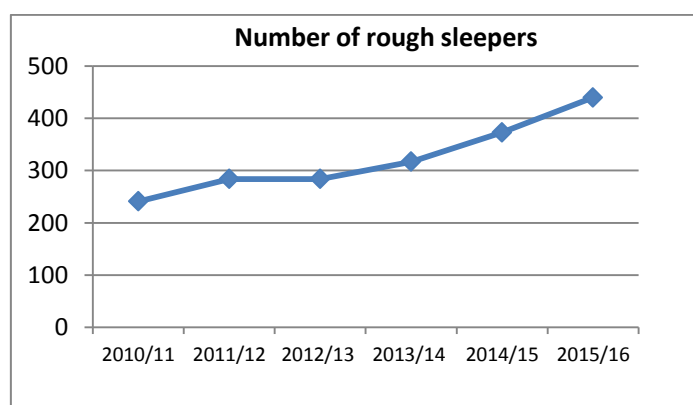
6. This trend in itself is creating budgetary pressures. However, it is forecast that the transition to a new payment regime, as part of wider welfare reform, will significantly increase costs to the Corporation.
7. Under Universal Credit (UC) – which will be fully implemented by September 2018 – the Corporation will receive a lower housing benefit contribution to the cost of TA for working households. For the Corporation, this is significant, as many of our homeless applicants have a legal connection to us through work rather than residence. Had this change been in place for all the placements made in 2016/17, it would amount to an additional cost of £78,000.
8. It is predicated that the Corporation will also experience much higher arrears under UC. Evidence from local authority areas where UC has already been rolled out has shown that TA rent collection fell from almost 90% to just over 50%. Welfare entitlement (of circa £225,000) accounts for two-thirds of the City's TA budget, so any non-payment would be a significant cost. A 20% reduction on current collection rates would result in losses of £50,000.

9. The staged roll-out of UC means that the impacts (and associated costs) will increase incrementally across 2017/18. It is therefore proposed that only half the provision for these cost is allocated in 2017/18 and the full amount thereafter.
10. Some losses to the Corporation will be offset by the new government ‘flexible homelessness support grant’ of £73,000 in 2017/18, and a further payment in 2018/19. While welcome, the grant replaces some funding paid previously through housing benefit, and therefore the net gain is in the region of £30,000.
11. To mitigate, the Corporation will try to reduce the overall use of TA by securing access to a greater supply of private rented housing into which the Corporation can discharge its duty to house. It is also anticipated that the measures proposed in relation to rough sleeping (below) will reduce some demand on this budget.
12. It is therefore proposed that a full year allocation of an additional £80,000 is provided to cover the increased costs of the Corporation’s statutory homelessness function, as shown in the table below.

	2017/18 cost	Full year cost
Increased TA costs	£36,000	£78,000
Predicted arrears	£25,000	£50,000
flexible homelessness support grant	(£30,000)	(£30,000)
Mitigating actions	(£9,000)	(£18,000)
Total budget increase	£22,000	£80,000

Current Position: rough sleeping

13. People sleeping rough is a London-wide issue; it has increased by 43% over the last five years. This is echoed in the City, where rough sleeping has increased by 31% over the same period, as shown in the chart below.



14. In 2015/16, the Corporation reported the fourth highest number of rough sleepers (440) in London, with Westminster reporting the highest (2,857). Rough sleeping is a result of complex personal, social and economic issues. In areas such as the City where those who sleep rough have no previous connection, there is little scope for prevention.
15. The profile of those who sleep rough in the City has changed from typically older, entrenched rough sleepers, to a younger (typically aged 25 to 55 years), more

chaotic client group, with much higher needs and including a higher proportion of non-UK nationals. This has been driven by wider national and regional issues, and, to an extent, by changes in the City's night-time economy.

16. Statistics show that the City has a higher proportion of those who remain on the streets. In 2015/16, long-term rough sleepers accounted for 36% of those who slept rough in the City – compared with 23% in London as a whole.

Responding to rough sleeping

17. Tackling rough sleeping is predominantly the responsibility of local authorities. Many charities work with this group, but the vast majority are commissioned to do so, and access to their services is controlled by the commissioning authority.
18. The Corporation's accommodation provision for rough sleepers has not kept pace with the increasing level and complex nature of rough sleeping. At 49 beds (all outside the City), it is also considerably lower than in Tower Hamlets (where 395 slept rough in 2015/16) which provides 360 specialist hostel beds costing £3.6 million.
19. Recent analysis revealed that among those with high support needs (71 people) found sleeping rough in the City over a 12-month period, only 27 were placed in hostels.
20. Managing unaccommodated rough sleepers is costly – it is estimated that the average typical costs to services (health, social care, criminal justice) for a person sleeping rough for 12 months is £20,000.
21. Rough sleeping can also have negative impacts on the wider community, and result in reputational damage to, and undermine confidence in, local support services and the police.

Service development options

22. In response to this increasing and changing demand on the streets, the Department of Community and Children's Services has developed a range of new and additional interventions at a proposed total cost of £347,000.
23. The new services will provide a wider range of specialist accommodation and services to address specific unmet support needs. It is also proposed to provide a targeted response to begging. Many who beg are not homeless; however, the majority of those who are homeless come to the City only to beg and they sleep rough elsewhere.
24. The proposed services are summarised below and set out in fuller detail in Appendix 1.
25. **Enhanced accommodation pathway:** It is proposed that the Corporation develops a more comprehensive pathway of specialist accommodation options. This will include more commissioning of specialist beds for those with chaotic behaviours, those using drugs and those with mental ill health.

26. **Additional support services:** A range of additional services will support outreach teams to deal with those who require specialist professional intervention. These services are:
- a specialist mental health worker
 - an outreach welfare specialist
 - a detox and rehab treatment pathway.
27. **Tackling begging:** It is proposed to embed a Park Guard (a specialist community safety provider) officer alongside outreach services, enabling identification and mapping of begging activity. This will enable better targeting of outreach services, and support enforcement where outreach and engagement have been refused.
28. **Education and engagement:** Elected Members on the Members Rough Sleeping Group proposed the addition of an education and engagement strand for businesses, visitors and residents to promote better understanding of rough sleeping and what to expect of services, and to deter giving to beggars.
29. **Service co-ordination and commissioning support:** To ensure the effective use, move through and co-ordination of the accommodation pathway, it will be necessary to have a co-ordinator role. The proposals above will also need additional commissioning resources to establish and monitor service-level agreements.

Summary of rough sleeping proposals

30. The package of service development set out above is summarised in the following table:

	2017/18 cost	Full year cost
Enhanced accommodation pathway	£78,000	£156,000
Additional support services	£50,000	£100,000
Tackling begging	£17,500	£35,000
Education and engagement	£10,000	£20,000
Service delivery	£18,000	£36,000
Total proposed budget	£173,500	£347,000

Outcomes for rough sleeping

31. The funding proposed will deliver:
- 50% reduction in long-term rough sleeping
 - 80% of new rough sleepers spending just one night out
 - increased level of public understanding of rough sleeping and begging.
32. Officers will report back to Members in one year to set out the impact of this funding.

Overall combined costs

33. The combined cost of statutory homelessness and rough sleeping is set out in the table below:

	2017/18 cost	Full year cost
Statutory homelessness	£22,000	£80,000
Rough sleeping	£173,500	£347,000
Total budget increase	£195,500	£427,000

Implications

34. The following delivery risks should be noted:

- Some of those who sleep rough will refuse offers of support and accommodation.
- The access to accommodation that has been negotiated is subject to the risk that the host local authority will withdraw or decommission the provision.
- Statutory homelessness and rough sleeping are determined by a range of factors – including many that are external to the City, such as wider public sector funding and policy changes.

Health Implications

35. Rough sleepers are one of the most vulnerable groups in society; studies have found strong correlations between homelessness and a multiplicity, and increased severity, of both physical and mental health conditions. Rough sleepers are over nine times more likely to commit suicide than the general population. On average, male long-term rough sleepers die at age 47 and female long-term rough sleepers at age 43.

Conclusion

36. The Corporation remains committed to tackling homelessness and rough sleeping, and fulfilling its legal obligation to those it has a duty to support. The approval of the budget proposed above will ensure that the relevant services are fully resourced to do this.

Appendices

- Appendix 1 – Additional services for those sleeping rough in the City

Background Papers

- 18 November 2016 – report to Community and Children’s Services: *Pressures on temporary accommodation budget and resources*
- 21 February 2017 – report to Finance Committee: *City Fund: 2017/18 Budget Report and Medium Term Financial Strategy*

Simon Cribbens

Head of Strategy and Performance
Community and Children’s Services

T: 020 7332 1210

E: simon.cribbens@cityoflondon.gov.uk

Appendix 1 – Additional services for those sleeping rough in the City

Service development options

1 Enhanced accommodation pathway:

An accommodation pathway provides different stages and types of accommodation that can support presenting needs and provide progression to independence. The Corporation's commissioned accommodation does not provide sufficiently for the scale and complexity of rough sleeping in the City. The proposal below will provide more specialist beds, alternatives to hostel provision, and move-on into the private rented sector.

Specialist hostel accommodation: The Corporation is negotiating with neighbouring local authorities to secure access to a range of additional specialist hostel beds – particularly those which will provide for more complex and chaotic rough sleepers. These range in cost per bed from £3,000 to £14,500 per annum

The following options have been identified:

Provision	Stage	Unit cost per annum	Proposed no. of beds	Proposed total cost
King Georges Hostel Westminster	First stage: High support for men with chaotic Class A drug use	£9,200	2	£18,400
Edward Alsop Court Westminster	First Stage: men over 50 with complex needs	£6,100	2	£12,200
Hopkinson House Westminster	First stage: behavioural issues; personality disorder and high risk (public protection)	£14,500	1	£14,500
Dellow Hostel Tower Hamlets	First stage hostel: Medium support	£8,000	5	£40,000
Great Guildford Street Hostel Southwark	Assessment/ Emergency Beds - short stay	£3,000	4	£12,000
Total				£97,100

The proposed usage would require £97,100 per annum. The budgeted amount allows for flexibility in response to changing and additional need, and provides an amount to underwrite the risk to recharged costs for social care (a likely requirement from host boroughs). The Corporation is in discussion with the London Boroughs of

Hackney and Islington to ensure we maximise the range of options available, and secure best value. *Proposed budget - £120,000*

Housing first: Housing first models by-pass hostel provision and provide intensive support in an independent general needs home. Successful pilots have demonstrated impressive achievements with some very chaotic clients who would previously not be considered for independent accommodation. It is proposed that a housing first model be piloted with two clients, with support provided by a commissioned complex needs team. If the approach proves successful longer term delivery options, including the potential for in-house provision, will be explored. *Proposed budget - £16,000*

PRS access scheme: For those who no longer need supported hostel accommodation, move-on into the private rented sector is the most likely source of accommodation. Move-on is also essential to ensuring hostel accommodation beds do not become blocked. Securing such move on is difficult, requiring deposit and rent in advance. The proposed budget provides a fund to support this. *Proposed budget - £20,000*

2. Additional support services

A range of additional services will support outreach teams to deal with those whose needs require specialist professional intervention:

Specialist mental health worker: It is proposed that a part-time Approved Mental Health Professional (AMHP) is embedded in the outreach team. An AMHP is a specialist that is trained and authorised to make certain legal decisions and applications under the Mental Health Act. The role will target and support those on the streets with severe and enduring mental ill health. *Proposed budget - £30,000*

Outreach welfare specialist: This role will provide for complex casework for those eligible for benefits, but unable to claim due to illness, previous sanctioning by the DWP, or complexity of case. Securing benefits is crucial to securing accommodation (the hostel costs given above reflect the support costs, rent is paid by Housing Benefit). *Proposed budget - £10,000*

Detox and rehab treatment pathway: Treatment is essential to preventing repeat homelessness for those with drug and/or alcohol dependency. This budget provides a fund for four clients to receive detox services and rehabilitation. *Proposed budget - £60,000*

Tackling begging

Park Guard pilot: It is proposed that we extend the role of Park Guard (who provide community safety services on our estates) to tackle begging. The approach would embed a Park Guard officer alongside outreach services for 14 hours a week, enabling identification and mapping of begging activity as well as evidencing the transition from support to enforcement where outreach and engagement has been refused. This will enable more effective delivery of outreach services, and support the more targeted and efficient use of police intervention where that is appropriate. *Proposed - budget £35,000*

Education and Engagement

Education and communication campaign: Elected Members on the Members Rough Sleeping Group proposed the addition of an education and engagement strand to promote better understanding of how to respond to rough sleeping and what to expect of services, and to deter individuals from giving to beggars. *Proposed budget - £20,000*

Service delivery

Co-ordination and commissioning support: To ensure the effective use, move through and co-ordination of the accommodation pathway that is proposed, it will be necessary to have a co-ordinator role. The proposals above will also need the establishment and performance monitoring of service level agreements, and the procurement of some services. It is therefore proposed to provide additional commissioning resources. *Pathway co-ordinator proposed budget £18,000; Commissioning support proposed budget £18,000*

Summary of rough sleeping proposals

The package of service development set out above is summarised below:

Enhanced accommodation pathway	2017/18 cost	Full year cost
<i>Increased hostel provision</i>	£60,000	£120,000
<i>Housing first</i>	£8,000	£16,000
<i>PRS access scheme</i>	£10,000	£20,000
Additional support services		
<i>Specialist mental health worker</i>	£15,000	£30,000
<i>Outreach welfare specialist</i>	£5,000	£10,000
<i>Detox and rehab treatment pathway</i>	£30,000	£60,000
Tackling begging		
<i>Park Guard pilot</i>	£17,500	£35,000
Education and Engagement		
<i>Education and communication campaign</i>	£10,000	£20,000
Service delivery		
<i>Pathway co-ordinator</i>	£9,000	£18,000
<i>Commissioning support</i>	£9,000	£18,000
Total proposed budget	£173,500	£347,000