

## **Cabinet – 12 December 2018**

### **Housing First Service**

**Portfolio:** Councillor Andrew - Regeneration

**Related portfolios:** Councillor Bird – Leader of the Council  
Councillor Martin – Adult Social Care  
Councillor Wilson – Children’s and Health and Wellbeing

**Service:** Money Home Job

**Wards:** All

**Key decision:** Yes

**Forward plan:** Yes

#### **1. Summary**

- 1.1 Approval is sought within this cabinet report for delegated authority to award a contract for a ‘Housing First Service’ for the period January 2019 (depending on mobilisation and TUPE requirements) until 31 March 2021, with the option to extend by 2 additional periods of 12 months each, taking the potential term to 31 March 2023. The intended contract start date is 31<sup>st</sup> January 2019 although a later start may be required if project implementation is impacted by delays due to staff transfer issues. This contract will be awarded following an open procurement process. Housing First is an approach of moving people experiencing homelessness, who are typically rough sleepers or at risk of rough sleeping, into independent and permanent housing and then providing additional support and services as needed. The appointed Provider will provide the support service to help individuals sustain their tenancy, and will also source the homes required.
- 1.2 This service is part of a West Midlands Combined Authority (WMCA) pilot which is funded by an external grant from Ministry of Housing, Communities and Local Government (MHCLG), and the fund is administered by Birmingham City Council (BCC) as the accountable body. Each individual local authority is responsible for procuring its own service provider and Walsall intended to commence procurement in October 2018 to be able to seek approval from this Cabinet to award the contract to a named service provider. However, the procurement process has been substantially delayed whilst awaiting clarifications from BCC and/or MHCLG, and the tender will now be advertised from 30 November 2018. This report seeks delegated authority to award the contract to ensure there are no delays in service provision for these vulnerable adults.
- 1.3 This is a key decision because it exceeds the threshold for significant expenditure, and affects more than 2 wards.

## **2. Recommendations**

- 2.1 That Cabinet delegate authority to the Executive Director of Resources and Transformation, in consultation with the Portfolio Holder for Regeneration, to approve the award of the new contract (valued at approximately £1 million) for the provision of a Housing First Service for the period January 2019 (subject to any staff transfer issues) until 31<sup>st</sup> March 2021, with the option to extend by 2 additional periods of 12 months at the sole discretion of Walsall Metropolitan Borough Council.
- 2.2 That Cabinet delegate authority to the Executive Director of Resources and Transformation, in consultation with the Portfolio Holder for Regeneration, to enter into a new contract to deliver the Housing First Service by using the most appropriate procedures and to subsequently authorise the sealing or signing of any contract, deeds or other related documents for such services.

## **3. Report detail**

### **Housing First principles**

- 3.1 Housing First is an approach of moving people experiencing homelessness, who are typically rough sleepers, into independent and permanent housing and then providing additional support and services as needed. Housing First is designed to provide open-ended support to rough sleepers who have high support needs. It uses an individual-led approach and the people using Housing First services exercise choice and have control over their own lives. Housing and support are also separated, i.e. getting access to housing and remaining in housing is not conditional on accepting support or interventions. Service users are also not expected to cease their drug or alcohol addictions in return for accessing or remaining in housing, although the support service will help them access addiction treatment if they choose to engage.
- 3.2 People using Housing First services are much more likely to have mental health challenges, poor physical health, long-term limiting illness and addictions than the general population. They are often highly socially marginalised, stigmatised and lack social skills to engage in offers of support and community integration. They are likely to be economically inactive and to have histories of contact with the criminal justice system. Rates of problematic drug and alcohol use are also high.
- 3.3 The seven core principles of Housing First are:
- 1) People have a right to a home
  - 2) Flexible support is provided for as long as it is needed
  - 3) Housing and support are separated
  - 4) Individuals have choice and control
  - 5) An active engagement approach is used
  - 6) The service is based on people's strengths, goals and aspirations
  - 7) A harm reduction approach is used.

### **WMCA Housing First Pilot**

- 3.4 BCC, on behalf of WMCA, produced and submitted a speculative Housing First bid to Department of Communities and Local Government (DCLG) in summer 2017. Subsequently the Secretary of State invited WMCA to submit a bid for a Housing First Service for the region. The bid was developed by BCC in consultation with the Mayor's Homelessness Taskforce and constituent local authorities and submitted by WMCA, for a total value £10.8m.
- 3.5 In October 2017 the Chancellor announced £28m for three Housing First pilots, to be shared between Greater Manchester, Merseyside region and WMCA. Following subsequent discussions, the WMCA was awarded £9.6m, the largest of the allocations. This is to deliver Housing First for the period 2018-21 with a potential extension of up to a further two years of legacy support.
- 3.6 Walsall Council has been notified that it will be awarded £1,331,032 of the £9.6m to deliver Housing First within Walsall. This funding is to provide up to 88 individuals with a Housing First Service where required. The initial targets are set out as approximately 29 per year over the first 3 financial years. BCC have advised that the targets are flexible and the most important element of Housing First is that the individual receives as much support as they require. If the individuals housed in the first tranche are found to have very high levels of support, it may be that the overall target to be housed will be reduced, to ensure that there is adequate funding in place to cover the support for those already housed. This will need to be reviewed on an annual basis. MHCLG recognises that the figures submitted are an estimate and are subject to further discussion and agreement as the project mobilises. As noted in 3.3, housing and support are separated, and the individual can choose not to receive support and yet still retain their tenancy. The funds primarily pay for intensive support provided into mainstream housing, and the **bold** rows in Table 1 are the subject of this new contract. It should be noted this is not classed as 'supported housing'. Additional funds are provided for street outreach, nursing, substance support, accommodation access, support and crisis interventions. These services will be provided in house or procured as appropriate. The funding is profiled as below:

Table 1

<b>Grant Funding element</b>	<b>Walsall Funding allocation</b>
<b>Support</b>	<b>£893,375</b>
<b>Property</b>	<b>£56,000</b>
<b>Crisis and personalization fund</b>	<b>£120,000</b>
Outreach workers	£100,000
Nurse and health outreach	£145,000
Commissioning support	£16,657
Total	£1,331,032

### **Governance**

- 3.7 As accountable body BCC will be directly accountable to MHCLG for the appropriate use of funding received, securing the project management arrangements, reporting the delivery of the project in accordance with the milestones and programme outcomes. BCC have drafted a Partnership Agreement between Birmingham and the 6 participating authorities to manage delivery, performance and appropriate use of funds.

- 3.8 Oversight and scrutiny of the WMCA programme will be undertaken through the Homelessness Task Force which is chaired by the West Midlands Mayor. The participating authorities, including Walsall, are represented alongside key support agencies such as Crisis and Homeless Link at a Housing First Project Board which is chaired by BCC. A draft Memorandum of Understanding (MoU) has been produced by MHCLG, and is currently being considered by the WMCA and Birmingham City Council. The agreement covers: outputs, Governance and reporting, Fidelity, and Evaluation

### **Walsall Housing First pilot**

- 3.9 A full review of Homelessness Services was undertaken in 2017 and a new Walsall Homelessness Strategy 2018 to 2022 was agreed at Cabinet on 21 March 2018. The Homelessness Strategy contains a comprehensive action plan which has a number of key actions including 'the future commission of accommodation and support services for street homeless to be changed to a housing first led service'.
- 3.10 The extent of Homelessness is recorded at the most acute level by the number of people experiencing street homeless. This is monitored by a Rough Sleeper Count which is carried out on a single night in November each year. In Walsall this increased by two-thirds during 2011 to 2016, standing at 26 in November 2016, and then decreased slightly to 20 in November 2017. The most recent count was held on 15 November 2018 and recorded 11 rough sleepers. This decrease in numbers is likely to be as a result of Walsall opening its Night Shelter 1 month earlier, as there were 14 'rough sleepers' at the Shelter on that night who would not be defined as rough sleeping for the purposes of this count. However, these individuals still require a permanent housing solution through the Housing First Service or other options, otherwise they are likely to be sleeping rough again when the Night Shelter closes. This year the Night Shelter opened on 13<sup>th</sup> October with an average of 14 rough sleepers presenting each evening.
- 3.11 The Council already has experience of successfully commissioning a locally funded Housing First pilot. In response to the increase in the levels of rough sleeping in Walsall, from November 2017 Money Home Job and Public Health commissioned a 15 month Housing First pilot with Accord and whg to provide 25 properties and support for some of our most entrenched rough sleepers. This self funded pilot was commissioned to avoid the entrenched rough sleepers who accessed the night shelter over the winter period 2017/18 having to return to the streets when it closed on 4 April 2018. This is an 'early action' initiative which was taken by Walsall in advance of the MHCLG Housing First funding for the WMCA. The majority of tenants have managed to sustain a tenancy, albeit with significant support, and will 'transfer' into this newly commissioned service.
- 3.12 The Council's existing local Housing First pilot has been complemented by a range of other rough sleeper initiatives. In June 2018 MHJ and Public Health submitted a joint bid for Rough Sleeper Initiative (RSI) funding from the MHCLG for 2018-19 and 2019-20 for a range of services to support the Homelessness Strategy and in particular reduce rough sleeping. The bid was successful with £354,000 secured for 2018/19 and an indicative budget of £412,174 agreed for 2019/20.
- 3.13 The RSI funding has allowed for an extended Night Shelter to be commissioned to open from October 2018 to April 2019, and the appointment of a new team of

outreach workers who will be available throughout the year to help support local rough sleepers to access health care and find suitable accommodation. A local charity 'Street Teams' has also been appointed to offer tailored specialist support to a group of entrenched female rough sleepers to secure and sustain accommodation (some of whom are involved in street sex work). This project is called 'New Beginnings'.

#### **4. Council Corporate Plan priorities**

The Housing First Service will contribute to the Council's priorities as follows:

- 4.1 Economic growth for all people, communities and businesses – homelessness and lack of access to settled and supported housing remains a key barrier to accessing employment, and so the proposed Service can help increase employment prospects
- 4.2 People have increased independence, improved health and can positively contribute to their communities – preventing homelessness and advice and support in maintaining a tenancy can promote independence and can improve mental and physical health and wellbeing
- 4.3 Communities are prospering and resilient with all housing needs met in safe and healthy places that build a strong sense of belonging and cohesion – ensuring that rough sleepers and those at risk of rough sleeping have the right housing to meet their needs, and that they are able to remain in these homes, sustain tenancies and be part of their community

#### **5. Risk management**

- 5.1 Access to properties – it will be challenging to ensure that there are enough appropriate properties to house these individuals. The Council is actively engaging with its Housing Association partners, including involvement in WMCA events, to try and encourage these partners to provide properties for the Service. In addition, the responsibility for sourcing properties has been included in the Invitation to Tender as a requirement for the Provider, who will need to consider the use of both Housing Association and private rented sector properties.
- 5.2 Funding termination – as noted in 6.4, MHCLG could decide to terminate the Service early at the end of Year 1, if it was felt that appropriate milestones or outcomes are not delivered. This has been mitigated by ensuring that the Specification used in the ITT is as robust as possible, but also allows for this potential termination within the Contract. In addition, the Draft MoU states 'Should MHCLG decide to end the pilots early for any reason, that there will be a negotiation with regards to final payments for a period to ensure that any Housing First tenants in service are not placed at risk in terms of their support needs, sufficient time is allowed to serve notice on contracts and to notify landlords.' In this event the Council would also need to consider how it would help those in need in future.

#### **6. Financial implications**

- 6.1 The value of the contract is estimated to be in the region of £1 million. The budget available for this contract is £1,069,375. There is also funding to provide street outreach, nursing, substance support, accommodation access support and crisis interventions. Street Outreach is provided through internal staffing, crisis intervention monies are for the individuals receiving the Service, and the nursing and substance misuse funds will be used by Public Health to vary existing contracts to provide these services. Table 2 sets out funding, and highlights in bold the funding streams which will be part of this commission.

Table 2: Housing First Funding breakdown

<b>Costs</b>	Walsall	Y1 18-19	Y2 19-20	Y3 20-21
Commissioning and Procurement Leads	£16,657	£10,471	£6,186	
Nurse Practitioner	£80,000	£20,000	£30,000	£30,000
Substance Misuse Outreach Worker	£65,000	£15,000	£25,000	£25,000
Expansion of Outreach Team	£100,000	£5,000	£35,000	£60,000
<b>Private Property Acquisition Vehicle</b>	<b>£21,000</b>	<b>£7,000</b>	<b>£7,000</b>	<b>£7,000</b>
<b>Property sourcing officer x 1 yr 1, 2 yr 2</b>	<b>£21,000</b>	<b>£7,000</b>	<b>£14,000</b>	
<b>Bond scheme pot</b>	<b>£14,000</b>	<b>£2,800</b>	<b>£7,000</b>	<b>£4,200</b>
<b>Personalisation Fund 88 x £545</b>	<b>£48,000</b>	<b>£7,200</b>	<b>£15,000</b>	<b>£25,800</b>
<b>Crisis Fund 88 x £820</b>	<b>72,000</b>	<b>£10,800</b>	<b>£22,500</b>	<b>£38,700</b>
<b>Housing First Support Workers</b>	<b>£893,375</b>	<b>£104,781</b>	<b>241,686</b>	<b>£546,908</b>
<b>Grand Total</b>	<b>£1,331,032</b>	<b>£190,052</b>	<b>£403,372</b>	<b>£737,608</b>

- 6.2 The advice from BCC is that the Service Specification needs to profile the budget over a 5 financial year period (18/19 to 22/23), and be commissioned on a 3 years, plus 1 year plus 1 year basis. The concept is that the individuals who will come into the service will be provided with whatever level of support they need. The Service will last for a minimum of 3 years, but will potentially go into a 4<sup>th</sup> or 5<sup>th</sup> year if there is any budget remaining to provide support in those years. Targets will be adjusted accordingly through annual review considering the funding required to continue to support those housed in the early phases of the pilot. MHCLG have advised that year 3 budget (1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021) needs to leave MHCLG account in Year 3 and that every effort must be made by Local Authorities to spend that funding in that year. However, MHCLG have also acknowledged that the WMCA Housing First Service will continue into Years 4 and 5 if required. It was agreed that BCC provided text for all the LAs Specifications to ensure clarity and consistency.
- 6.3 Funding is 100% grant, with no requirement for match funding. It is provided to Walsall via the accountable body BCC, in accordance with an inter local authority service level agreement which is currently being drafted.

- 6.4 The Council has been advised by BCC that there are no claw back arrangements for this grant, as long as it is used for the intended purpose, but also that it can be terminated by MHCLG. BCC reported to its Cabinet on 18 September 2018 'It must also be noted that whilst there are no claw back arrangements by central government, in the event that the milestones or outcomes are not delivered, central government reserves the right to terminate the projects with appropriate notice. The delivery of the project will include regular reporting to MHCLG the details of which are contained within the Memorandum of Understanding.'

## **7. Legal implications**

- 7.1 Under the Homelessness Reduction Act 2017 local authorities are required to take reasonable steps to prevent homelessness for any eligible person who is at risk of homelessness from becoming homeless
- 7.2 A Partnership Agreement has been drafted by BCC and will be entered into by all Participating Authorities, which specifies the conditions upon which the funding is being given to Participating Authorities. Legal Services have provided advice and will continue to provide advice on the content of the Partnership Agreement
- 7.3 Legal Services will work with the relevant Council Officers to ensure that an appropriate written contract, in a form approved by the Head of Legal and Democratic Services, shall be made and executed in accordance with the Council's Contract Rules.

## **8. Procurement Implications/Social Value (if applicable/remove if not)**

- 8.1 The formal tender process commenced on 30 November 2018. This tender process is using a template Specification provided by Birmingham to ensure that there is consistency and that all LAs procure for the same term in the same way.
- 8.2 There is a social value question (scored at 5%) within the Invitation to Tender for Providers to explore how they will provide social value within this contract.
- 8.3 The tenders will be evaluated by representatives from Money Home Job, Public Health and Adult Services.

## **9. Property implications**

There are no property implications for the Council.

## **10. Health and wellbeing implications**

The principles and actions contained within this report are in full accordance with the Marmot objectives. The prevention of homelessness and support to households helps to ensure that individuals have the best environment to maximise their potential. The security of a roof over their head, and associated

support, helps provides adults with complex needs with the best environment to eventually move into employment. Preventing and relieving homelessness contributes to the likelihood of a healthier environment for households to live in.

#### **11. Staffing implications**

There are no staffing implications for the Council

#### **12. Reducing inequalities**

An Equality Impact Assessment has been completed and is attached at Appendix A.

#### **13. Consultation**

In December 2017 to February 2018, an external consultant was commissioned to deliver a Social Value report for the Night Shelter. This included interviews and case studies with service users some of whom were housed within Walsall's local Housing First pilot. In addition, there has been feedback on an ongoing basis from service users and providers.

### **Background papers**

Birmingham City Council Cabinet Report 18 September 2018 – Housing First Pilot

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