

Shaping the Council 2015-16 and beyond: Savings Business Case

Business Case Title	Housing-related support services		
Revision No:	2	Date:	2 July 2014
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Section 1: Summary

Savings Proposal

Housing-related care and support services

The following contracts were originally funded under the Supporting People programme which had a ring-fenced grant. The ring-fence was removed in 2009 and the funding became part of the Council's revenue support grant.. Since that time, contracts have been re-tendered and some significant savings have been achieved. However due to the pressures on Council funding, and the fact that the services are non-statutory, then it is necessary to review them and the viability of retaining contracts.

There are a total of 16 services that provide support to a range of vulnerable people including people with mental ill-health and disabilities. Services include both accommodation based and floating support services which prevent homelessness and support people with vulnerabilities therefore helping the Local Authority to meet their Statutory duties with specific reference to the Homelessness Act and the Care Act. Services also support parents with children and therefore meet the Council's statutory obligations in relations to the Children's Act.

Timely interventions by these effective, low-cost services does prevent or delay the need for more intensive interventions such as residential care and therefore meet the Council's statutory obligations relating to prevention detailed in the Care Act.

The provision of these services supports the Council to meet their statutory duties in supporting vulnerable people as detailed above. Services also prevent and/or delay the need for more costly interventions and residential care. Therefore to terminate the services wholesale may be contrary to the directions contained within the Care Act. The services are also generally in keeping with the direction of travel contained within the Thurrock transformation strategy for health and social care; namely moving the focus of service provision upstream to manage demand for services more effectively

The current spend on housing related support services is £1.8m per annum. A list of services appears in the attached appendix

Strategic rationale

Officers in Adult Social Care, Children's and Housing have been reviewing all the contracts to identify savings and efficiencies. The proposals fall into 5 categories

Category 1: Contracts to terminate: The following contracts could be terminated with limited impact:

- a) **Mediation service:** This service provides homelessness intervention to young people aged 16-17 years of age. Agreement has already been reached with the service provider to terminate the service in December 2014 due to lack of referrals to the service
- b) **Homelessness Prevention Service** – this service provides intervention services to chaotic families/singles etc. that are on the point of being evicted. There are often associated issues which can include debt, domestic violence, involvement with the criminal justice system etc. There are similar services operating in Children's Social Care (Family Intervention Project) and in Housing (for tenants only and with a remit of dealing only with rent arrears) however the entry criteria are different.
- c) **Leaseholders:** Supporting People historically had obligations to pay a contribution towards the support charge for various private tenants in supported accommodation. The average amount of annual contribution for each tenant is around £10-£15 per annum

Category 2: Services dealing with homelessness that can be taken over by Housing

Many of these services are linked to homelessness prevention and therefore could potentially be moved to Housing (who have a statutory duty in this area). These services are currently funded from the General fund and if this arrangement is to continue, the Council would not benefit from financial efficiencies. However the possibility of funding some or all services from the Housing Revenue Account (HRA) will need to be investigated, which could potentially release savings in the General fund.

Housing has now confirmed the services that they are able to take over and fund from the HRA – see details below.

Category 3: Services that support residents but which may have an impact on Children and Young People's services

There are four services that need further investigation before a decision can be made on their future. These are Single Homeless Accommodation and Floating Support services and Teenage Parent and Floating Support services. Investigation is required as to whether alternative accommodation and support services are available which will continue to meet the needs of these client groups which will then allow the Council to decommission these services.

Category 4: Services that provide important preventative support to Adult Social Care clients but required further consideration

There are three floating support services, two specialist (Mental Health and Disabilities) and Generic that are currently commissioned. The services are in demand and work is being carried out to determine if all three services could be combined, to continue to deliver support but at a reduced cost. The current provider has been asked to submit a proposal considering between 20 and 50% reduction in costs of the current contract which realise between £108k and £269k

Category 5: Services that appear reasonable to retain but could potentially be supported by other funding streams: Adults, Health and Commissioning could retain those services relating to mental ill health and disabilities as Adult Social Care already has a statutory responsibility to most of these service users and therefore it would be appropriate to retain relevant services.

In some cases, Health may fund some services which would enable further savings to be achieved. Further information will be provided in due course.

Therefore each service has been considered individually, assessing the potential for termination, move to Housing/Health funding or retain and secure savings. Details appear below.

Approximate Cost Savings

Category 1: Contracts to terminate

1. Mediation service for young people – service will be terminated in agreement with provider – saving £71k per annum
2. Homelessness Prevention Service - £34, 064
3. Leaseholders – payment towards service charge - £609

Total: £105,673

Category 2: Services dealing with homelessness that can be taken over by Housing

Sheltered Housing scheme - £9,758

Homeless Hostel - £153,339

Sanctuary scheme –service will be totally funded by Housing (currently part-funded) – saving £5k per annum

Total: £168,097

Category 3: : Services that support residents but which may have an impact on Children and Young People's services

Teenage Parent Accommodation and Floating Support service - £166,642

Single Homeless Accommodation and Floating Support service - £301,888

Total: £468,530 (if terminated)

Category 4: Services that provide important preventative support to Adult Social Care clients but required further consideration

Generic floating support service - £307,062

Mental Health floating support service - £62,497

Adult disabilities floating support service - £169,578

Potential savings for a combined, reduced service at say 50% - £269,000

Category 5: Services that appear reasonable to retain but could potentially be supported by other funding streams:

Adult disabilities accommodation service - £235,100

Mental Health accommodation service - £31,249

Rape and Incest Crisis Service - £38,772

Women's refuge and floating support service - £244,194

Timescales

Activity	Timescale
Depending on option(s) chosen:	
Option 1 – termination of contracts – 6 month notice period	6 months
Option 2 – move to Housing	3-6 months
Option 3 – retain	No timescale required

Risks /Consequences

Overall

- Risk of not meeting statutory duties under Homelessness legislation, Care Act, Children's Act – increased risk to vulnerable groups/reputational damage
- Potential homelessness for some vulnerable groups due to ceasing payment of support charge
- Risk of clients moving more quickly to need more intensive interventions/residential placements which would entail increased costs

Option 1a) – Terminate all contracts

The Council would not be able to meet its statutory obligations in respect of supporting vulnerable people. This would lead to an immediate need for high-level, crisis interventions and residential placements which would result in greatly increased expenditure.

e.g. Estimated cost of supporting a family who are homeless - £30k, cost of floating support service for one year - £3k

Estimated cost of a placement for a person with learning disabilities – an average of £750 per week, cost of supported housing placement for one year - £205 per week.

Options 1b) – Terminate some contracts

Dependent on Options 2 and 3 being realised

Option 2 – Move services to Housing– risks are that Housing/Health are unable to fund services in which case they will be terminated with six months notice. The risks associated with this as are outlined in Option 1a) However Housing have confirmed the services that they will be able to fund via HRA (see above)

Option 3 – Retain/other funding streams– risk is that other funding streams may not be available for some or all services in which case, services will either need to be reduced or

terminated

Mitigation

The intention is to try to ensure that these services continue to operate to support vulnerable people in the community, to prevent the need for costly interventions and crisis support and to enable the Council to meet its statutory responsibilities. However should Options 2 and 3 not be realised, then there is significant risk that this the risks outlined in Option 1 will be realised. However Housing have now confirmed the services that they are able to fund via the HRA

Section 2: Finance, savings and costs

Financial summary

General Fund budget 2014-15

	Staff £000s	Premises / Transport £000s	Supplies/ Services £000s	Direct Payments £000s	Third Party Payments £000s	Total Expenditure Gross £000s	Income £000s	Net Expenditure £000s
2014/15								

Staff Related savings

Current number of posts (FTE and headcount)	
Number of posts to be deleted (FTE and headcount)	
Amount of salary saving (inc on-costs)	

Non- Staff Related savings

Premises and buildings (inc utilities)	
Transport	
Supplies and services	
Other (please specify)	

Third Party Related savings/income

Commissioning/contracts	Potentially £1,011,300 – please see detail above
Charges to the HRA/DSG/PHG (NB can be negative)	
Increase fees & charges	
Grants/additional funding streams	
Other (please specify)	

Benefits – non financial

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Costs & Resources to deliver the savings

Direct costs	
Redundancy costs	
Accommodation costs	
Procurement and/or Legal costs	Legal costs to terminate/negotiate contracts
Other HR costs	
Other (please specify)	

Section 3: Impact/Consequences of proposal – not covered in financial section

Impact on Corporate Priorities/objectives/ performance targets/standards

Give details regarding any/all that are relevant – Risk/mitigation is next section

Priority 1. Create a great place for learning and opportunity	
Priority 2. Encourage and promote job creation and economic prosperity	Outcomes for all services include supporting people into education, employment and training. (EET) Some service providers have their own employment and training schemes for service users which create opportunities for EET; these will be lost if support contracts are terminated
Priority 3. Build pride, responsibility and respect to create safer communities	
Priority 4. Improve health and well-being	One of the main outcomes for all services is to promote health and well-being. This is especially relevant in homelessness services and service provision for people with mental ill-health and disabilities which are at risk
Priority 5. Protect and promote our clean and green environment	
Well-run organisation - financial & governance; staff; customers	

Impacts on partners

All services work holistically with statutory and voluntary services to provide an holistic package of support for individuals and families alike.

There will be an impact for statutory partners in Housing, Health, Children's Services, CMHT, Probation and the voluntary sector, all of whom link in and use services for their clients. In most cases, these services enable them to meet their statutory responsibilities in terms of accommodation and/or support for clients.

For example, the provision of single person's homeless accommodation provides supported accommodation for predominantly young people at risk from 16 years of age.(Southwark judgement) If this accommodation is not available, then Children's services would have an immediate duty to provide support and accommodation for young people falling into this category at a greatly increased cost. i.e. cost of accommodating in supported housing = £100 per week, cost of a child's placement – an average of £800 per week.

There may be also significant impacts on people with ill-health, including mental ill-health and disabilities if services are not retained. All service providers work closely with Health and Social Care and work in partnership to deliver outcomes for services.

Housing also utilise some of the floating support services to provide support to tenants and potentially homeless people. The impact may be that there is an increase in homelessness if preventative services are not available.

Impacts on customers / community and equality/diversity implications

Any reduction in funding in housing-related support services needs to be considered as a whole and the impact that there will be if there is a reduction or termination of services.

These services are the “safety net” for people who are vulnerable but who can be prevented from needing costly interventions and crisis services, by the timely provision of these low-cost, effective services. The reduction of provision may disproportionately impact on vulnerable people who will try to seek alternative support but undoubtedly a high proportion will move into crisis situations and there will be a duty for agencies to provide emergency interventions

Has an EqIA been undertaken?

NO – but this will be done for each scheme proposal

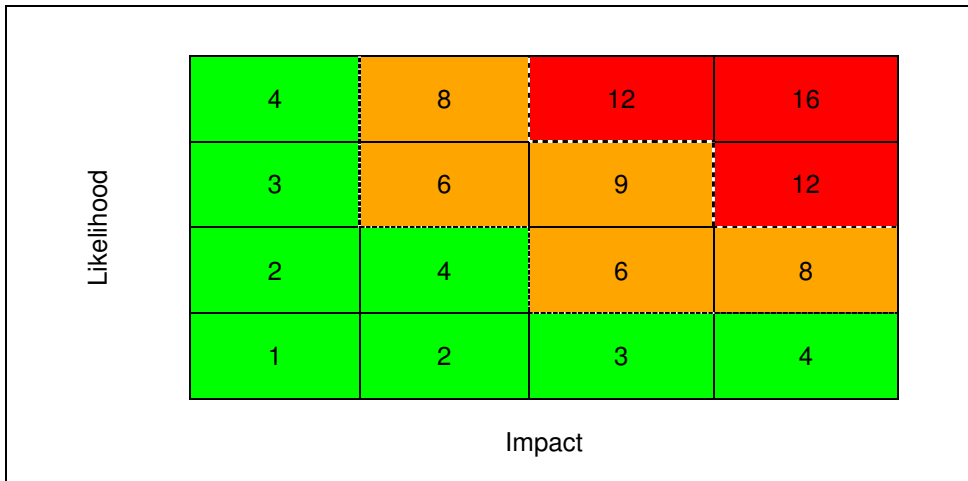
Other impacts/implications

Section 4: Risks and Mitigation

Delivery risks				
Risk Description	Likelihood	Impact	Rating	Management or Mitigating Action
Termination of services may lead to an increased need for statutory service intervention and increased cost	4	2	8	Investigate community services which may be able to provide some support otherwise no mitigating action
Failure to secure funding from Housing/Health for designated services will lead to termination. This could lead to an increased need for statutory service intervention and increased cost	3	4	12	There is no mitigating action as there are no other funding streams available. However Housing have now confirmed the services that they will be able to fund from the HRA
Termination of services may adversely impact on partners who rely on services to provide specific support to their clients	4	3	12	Work with partners to mitigate risks to clients
Failure to provide funding for the support charge for a sheltered housing scheme could potentially lead to homelessness for residents in receipt of benefits	3	4	12	Link with Housing to ascertain whether alternative Council accommodation would be available for affected vulnerable older people

Service risks				
Risk Description	Likelihood	Impact	Rating	Management or Mitigating Action
Failure to secure funding from Housing/Health for designated services will lead to termination of services.	2	4	8	Housing have now confirmed the services they are able to fund from the HRA. Health and other funding streams to be investigated. Investigation into community services that may be available to provide support.
Termination of services may adversely affect partner's ability to deliver their own services	2	4	8	Work with partners to mitigate risks to clients
Failure to provide funding for the support charge for a sheltered housing scheme could potentially destabilise the provider if tenants move out	1	1	1	Housing has agreed to take over funding of the scheme

For information on the ratings criteria guide, please see <\\Thurdata01\data\THURROCK\EXCHANGE\ROM>



Section 5: Assumptions, Dependencies & Exclusions

Timeframes Assumptions/ Dependencies/Exclusions	
Benefits Assumptions/ Dependencies/Exclusions	
Costs Assumptions/ Dependencies/Exclusions	
Other/ General Assumptions/ Dependencies/Exclusions	

Section 6: Stakeholder Engagement Requirements

		Approximate timelines
Staff/Unions NB. Services should not be undertaken consultation with staff in isolation – all such activity should be co-ordinated through Jackie Hinchliffe	<input type="checkbox"/>	
Portfolio Holders/Members NB. Services should not be undertaken consultation with staff in isolation – all such activity should be co-ordinated through Directors Board	x <input type="checkbox"/>	
Partners NB. Services should not be undertaken consultation with partners in isolation – all such activity should be co-ordinated through Directors Board	x <input type="checkbox"/>	
Residents/Public NB. Services should not be undertaken consultation with staff in isolation – all such activity should be co-ordinated through Directors Board	x <input type="checkbox"/>	
Other – please specify	<input type="checkbox"/> x	Current service users

Section 7: Any other comments to support savings proposals

Appendix

Total HRS Budget 2014/15

£1,875,600.00

Budget for 2014/15

Provider Name	Service Name	Contract end date	Predicted Spend for 2014/15	Comment
Brentwood Branch (CWL) Housing Association	St Annes	31.3.16	£9,728.16	Based on an average of 12
Family Mosaic Housing Association	Charles Street Homeless Early Intervention Service	31.3.16	£152,919.00	
Family Mosaic Housing Association	Adult Disabilities - Accommodation	31.3.16	£33,970.56	
Family Mosaic Housing Association	Adult Disabilities - Floating Support	31.3.16	£234,456.04	
Family Mosaic Housing Association	Generic Floating Support	31.1.15 (option to extend for further 2 years)	£169,113.36	Under notice for termination December 2014
Family Mosaic Housing Association	Mediation Service	31.1.15 (option to extend for further 2 years)	£306,221.24	
Family Mosaic Housing Association	Single Homeless Accommodation Service	31.1.15 (option to extend for further 2 years)	£71,174.48	
Family Mosaic Housing Association	Single Homeless Floating Support Service	31.1.15 (option to extend for further 2 years)	£153,540.92	
Family Mosaic Housing Association	Mental Health Accommodation Service	30.9.15 (option to extend for further 1 year)	£147,519.84	
Family Mosaic Housing Association	Mental Health Floating Support Service	30.9.15 (option to extend for further 1 year)	£31,163.60	
Sanctuary Housing Association	Teenage Parent Services - Accommodation	31.5.15	£62,325.64	
Sanctuary Housing Association	Teenage Parent Services - Floating Support	31.5.15	£156,070.20	
SER&ICC	Floating Support	31.3.16	£10,115.56	
Thurrock Womens Refuge	Refuge	30.6.15 (option to extend for a further 2 years)	£38,665.64	
			£144,450.28	

Thurrock Womens Refuge	Floating Support	30.6.15 (option to extend for a further 2 years)	£99,074.56	Not contract – shared cost with Housing – Housing to assume all costs by agreement from 2014
Thurrock Womens Refuge Leaseholders	Sanctuary scheme contribution		£5,000.00	To be terminated
	Direct Payment		£609.26	
Estimated Total for External Providers			£1,826,118.34	