

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 30 March 2011	<b>Decision Taker:</b> Deputy Leader and Cabinet Member for Housing Management
<b>Report title:</b>		Homelessness prevention grant- interim funding for external organisations	
<b>Ward(s) or groups affected:</b>		All wards - Homeless and potentially homeless households	
<b>From:</b>		Strategic Director of Regeneration and Neighbourhoods	

## RECOMMENDATIONS

That the Deputy Leader and Cabinet Member for Housing Management

1. Authorises the allocation of a proportion of Department for Communities and Local Government (DCLG) homelessness prevention grant to external organisations, pending the introduction of new commissioning arrangements.
2. Approves the proposed allocations set out in paragraphs 14, 16 and 17 of this report are approved.
3. Notes the proposal to introduce formal commissioning of external services funded through DCLG homelessness prevention grant.

## BACKGROUND INFORMATION

4. DCLG has announced that over the course of the Spending Review period, homelessness prevention grant will be paid to local authorities as a named grant. Stated priorities for the grant are: 'preventing and tackling homelessness, including ensuring that single people, who may not all be accepted as priority need under the legislation, have equal access to prevention and housing options services....any area which has a rough sleeping problem should do all they can to make sure the issue is effectively managed'.
5. Southwark's annual Homeless Prevention Grant allocation for 11/12 and 12/13 is £1.725m per annum. This includes funding for tackling social housing fraud, under-occupation in social housing, sub-regional homelessness grant funding, and for some specific projects to tackle homelessness and rough sleeping which Southwark is hosting on behalf of DCLG. Southwark received the 8th highest homelessness grant allocation in London, in recognition of our work to successfully tackle homelessness, and our relatively high number of rough sleepers.
6. In addition we have recently been allocated £150k in grant to prepare for the impact of the Housing Benefit changes and the anticipated increase in homelessness as a result. The intention is to carry forward this funding to 2011/12, as allowed under the grant conditions. This funding will be used for measures to negotiate with landlords to keep their existing tenants, and support for those tenants at risk of homelessness as a result of the benefit changes, such as removal expenses.
7. Southwark (both through its own services and those funded through the

homelessness grant) has some of the highest numbers of homeless preventions in London. In 2009/10 we prevented homelessness in 1480 instances- the 3rd highest in London, and the 13th highest level of preventions nationally. These successes are dependant on continued homelessness grant funding.

8. Historically Southwark has also regularly attracted additional homelessness grant allocations on top of its annual allocation from DCLG because of our ability to fully commit the grant, implement new initiatives quickly, and achieve positive outcomes for homeless and potentially homeless households.
9. The types of services funded through the grant include assistance to households at risk of homelessness to access the private rented sector, dedicated housing benefit advice to landlords participating in Southwark's private sector housing initiatives, homeless prevention services for young people, homelessness prevention services for other vulnerable client groups, and services to tackle rough sleeping. The majority of the funding goes to internal Southwark services, such as the Housing Options and Homelessness Assessments and Support Services.
10. The external services currently funded through the grant are: Victim Support who provide a sanctuary scheme for victims of domestic violence at risk of homelessness; Manna Society Day Centre, who provide housing advice to people at risk of rough sleeping and rough sleepers; St Giles Trust who provide a brief intervention service for vulnerable groups at risk of homelessness; and St Mungo's, who provide outreach services for rough sleepers and those engaging in street population issues (street drinking/begging etc), who are at risk of rough sleeping.
11. The sanctuary scheme for example, prevents homelessness for around 45-50 victims of domestic violence (predominantly families), per annum.

#### **KEY ISSUES FOR CONSIDERATION**

12. It is intended to introduce formal commissioning arrangements for the external providers of homelessness prevention grant funded services in 2011/12. Previously the external grant-funded services were funded on the basis of service level agreements, which included key performance indicators and other service objectives. The market for at least some of the currently funded external services is thought to be limited, due to their specialist nature. However subjecting these services to greater competition and a formal commissioning process is expected to deliver added value, and increased value for money. It should be noted that none of the externally funded services have received any increase in their funding in the last 3 years, and in two cases funding has been reduced.
13. Pending the completion of the formal commissioning process, it is intended that funding for external organisations is extended, by issuing a variation of up to 6 months to allow the formal commissioning process to be completed, extending the term and introducing new contract terms and conditions.

#### **Proposed funding April-September 2011**

14. It is proposed to continue to fund the following organisations for the period 1

April-30 September 2011, pending the outcome of the formal commissioning exercise. Proposed funding allocations for these services are also included in the table.

<b>Organisation</b>	<b>Nature of service</b>	<b>Funding allocation</b>
Manna Society homelessness day centre	Homelessness prevention advice services for vulnerable homeless people and rough sleepers	£23,500
Victim Support	Sanctuary service for victims of domestic violence at risk of homelessness	£40,000
St Giles Trust	Homelessness prevention advice services for vulnerable homeless people and rough sleepers	£76,577
St Mungo's	Rough sleeping and street population outreach services	£129,088

15. It should be noted that St Mungo's will also receive an additional payment of £30k to provide a private rented sector housing initiative for rough sleepers on behalf of DCLG, as one of the schemes that Southwark is hosting on their behalf.

#### **One off funding/pilot initiatives**

16. It should also be noted that it is intended to pilot a supported housing move on initiative in 2011/12 with St Giles Trust. This will be run on the basis of a placement fee for each client successfully assisted to access the private rented sector. Up to £40k has been allocated for this initiative.
17. It should also be noted that there is an intention to fund Barka UK for a further 6 month period through the homelessness prevention grant to provide reconnection to their country of origin for European migrant rough sleepers as part of a contractual arrangement jointly entered into with London Borough of Lambeth which was initially funded through the Migrant Impact Fund. This funding came to an end in September 2010 but the service has been enabled to continue for the remainder of the current year through an underspend of this grant. Barka UK have had considerable success in reconnecting some of the most 'entrenched' clients sleeping rough in Southwark. The proposed funding allocation for Barka UK is £17,500.

#### **Community impact statement**

18. The services provided by the external organisations listed in this report are for some of the most vulnerable people in society, including victims of domestic violence, rough sleepers and those at risk of sleeping rough. Discontinuing these services would be likely to lead to increased levels of homelessness and rough sleeping, with attendant costs to the local authority, health services, and policing services, and social impacts on these groups, as well as to wider society.

#### **Resource implications**

19. The proposed homelessness prevention grant allocations to external

organisations are in line with the stated priorities of the grant.

20. There are a number of studies which demonstrate that investment in homeless prevention is more cost-effective than dealing with the consequences of homelessness, not just in terms of statutory homelessness (and the burden on the General Fund), but in having wider benefits for local authority and health services. Heriot-Watt University published research in 2007 that showed preventing homelessness can save money when compared to the cost of helping someone is already homeless. The savings are based on the assumption that the cost to the public pursue of providing temporary accommodation and the re-housing afterwards amounts to £5,300 per case per year.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Regeneration and Neighbourhoods**

21. The Strategic Director of Communities, Law & Governance (“SDCLG”, acting through the Contracts Section) notes the content of this report. The approval of the proposed grant funding allocations is one of the prescribed matters reserved to a Cabinet Member for individual decision making within Part 3D of the Council Constitution. The SDCLG will advise and assist officers as required in connection with the future contractual documentation associated with the new commissioning arrangements referred to above.

### **Departmental Finance Manager (FIN0605DK18022011)**

22. The grant settlement for homelessness was set out in the recent announcement by central government. This gives Southwark an allocation at £1.725m for financial year 2011/12 and also for the following year 2012/2013.
23. Appendix one below outlines the allocation of this funding across homeless prevention and rough sleeping services during financial year 2011-12.
24. Part of the grant allocation for homelessness for financial year 2010-11 includes funding for future housing benefit changes. This funding is planned for use in 2011/12 in line with the new IFRS accounting requirements.
25. The priorities and homelessness agenda for this grant are outlined in paragraph 4 above and the functions are delivered from within the council's housing services and external partners.

## **BACKGROUND DOCUMENTS.**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
DCLG homelessness prevention grant notification	160 Tooley Street	Claire Linnane

## **APPENDICES**

<b>No.</b>	<b>Title</b>
N/A	

## AUDIT TRAIL

<b>Lead Officer</b>	Stephen Platts, Strategic Director of Regeneration and Neighbourhoods	
<b>Report Author</b>	Claire Linnane, Policy and Performance Manager	
<b>Version</b>	Final	
<b>Dated</b>	30 March 2011	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Cabinet Member	Yes	No
<b>Date final report sent to Constitutional Officer</b>		30 March 2011