

Decision Maker: **CARE SERVICES PORTFOLIO HOLDER**

Date: **For Pre-Decision Scrutiny by the Care Services Policy Development and Scrutiny Committee on 10th March 2016**

Decision Type: Non-Urgent Executive Non-Key

Title: **GATEWAY REVIEW OF TENANCY SUSTAINMENT SERVICES**

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Ward: Boroughwide

1. Reason for report

- 1.1 This report reviews the Tenancy Sustainment service delivered by Hestia. The contract runs between 1st October 2015 and 30th September 2016. The report includes a recommendation to market test the service with a view to letting a contract with a lower volume of activity.

2. RECOMMENDATIONS

2.1 The Care Services PDS Committee is asked to:

Note and comment on the review of the tenancy sustainment service.

2.2 The Care Services Portfolio Holder is asked to agree that:

Officers progress Option Three (para 3.26). Officers will market test the tenancy sustainment service with reduced levels of activity in order to achieve efficiency savings. The contract awarded will be for 3 years from 1st October 2016 with an optional extension of 1 year, authority to exercise the option to be delegated to the Chief Executive in consultation with the Portfolio Holder for Care Services.

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Supporting Independence.
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Financial

1. Cost of proposal: Estimated cost £200,000 per annum
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: 749 000 3462
 4. Total current budget for this head: £1,413k
 5. Source of funding: Revenue Support Grant
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Staff

1. Number of staff (current and additional):
 2. If from existing staff resources, number of staff hours: 10 days per annum contract compliance officer time.
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Legal

1. Legal Requirement: Non-statutory - Government guidance.
 2. Call-in: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 218 during the course of a year.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments:

3. COMMENTARY

3.1 Value of current contract £352,827

Estimated annual value of proposed contract £200,000 Estimated savings from contract £152,827p.a.

Proposed contract duration 3 years + one extension of 1 year

Estimated total value of contract - £800,000 (3 years plus one year extension)

3.2 The Council currently commissions Hestia Housing and Support (Hestia) to deliver tenancy sustainment services to tenants of social housing provided by registered social landlords (RSLs) in Bromley and to 9 tenants in a supported accommodation scheme for ex-offenders. The initial contract was awarded following competitive tendering exercises in 2013 and the contract was extended for one year from 1.10.15 to 30.9.16 via an exemption from tendering agreed by the Portfolio Holder for Care Services pending decisions on the Supporting People budget. No inflation has been applied to the contract price for the 4 year contract period.

3.3 The main purpose of the contract is to prevent homelessness therefore avoiding additional presentations to the Housing Needs Service. The service provided to ex-offenders is a cheaper alternative to the provision of temporary accommodation for this client group. The Head of Housing Needs and colleagues from the Probation Service agree that this service makes a valuable contribution to prevention of homelessness in the borough.

Generic Tenancy Support

3.4 The main purpose of this contract is the prevention of homelessness. The service recipients are tenants of Registered Social Landlords (RSLs). Referrals to Tenancy service come from many sources including voluntary and statutory organisations across the borough; however the majority of them are from self-referrers and RSLs. The tenants accessing the service represent all vulnerable adult client groups, but the main groups are people with complex needs, mental health problems and travellers.

3.5 The service deals only with people who are at risk of losing their tenancies. Hestia frequently picks up referrals where the user has not acted to resolve their problems (most frequently rent arrears) until the situation is at crisis. It is not unusual for a first contact to be made when the tenant has received a summons to appear in court the next day. Hestia's intervention at this stage can prevent these tenants being made homeless and subsequently presenting themselves to the Housing Department.

3.6 Although the service is tailored to the needs of the service user Hestia focusses on encouraging independence and therefore the interventions are short. They run regular open surgeries in sheltered accommodation and community settings which attract people who would otherwise not have been aware of the service. On average Hestia completes support plans with @60 users per quarter.

3.7 Hestia has delivered a very satisfactory service exceeding the targets set on all the key performance indicators. The provider has worked flexibly to ensure that they can help as many users as possible rather than limiting the number of referrals accepted and holding waiting lists. At the beginning of each intervention the user and support worker agree the outcomes which the user wants to work on. The results reported by the user and provider when the support plans are closed are shown in Appendix A. The outcomes are backed up by the results of Hestia's annual service user survey where 90% of respondents reported that they were satisfied

with the service and 10% were fairly satisfied. Hestia have recruited 2 volunteers to support the work of their salaried staff.

- 3.8 Bromley was a pilot site for the initial welfare reforms of the bedroom cap and universal credit. There have been significant increases in the number of evictions from RSLs since these reforms were introduced, for example, the number of evictions from Affinity Sutton, the largest RSL in Bromley has tripled in the last 2 years. The Housing Needs Team is also encountering instances of repeat homelessness where tenancies are failing.
- 3.9 There is a constant increase in the numbers of homeless people applying to the Housing Needs Service for help who are placed in temporary accommodation. The Housing Needs Service has been placing an average of 16 new users per month since October 2014. The Council always makes provision for bad debt on rent arrears for temporary accommodation. Without the interventions made by the Hestia service these numbers and the costs would be higher.
- 3.10 In the Queens speech May 2015 the Government proposed to introduce a lower benefits cap of £23,000 per family per annum. The impact of this will be that some households dependent on benefits in Bromley will not be able to afford the rent of RSL family accommodation as the rents are already set higher than this cap. If this cap is introduced it will further increase the number of people getting into rent arrears, evicted and at risk of being housed in areas of the borough away from their support networks.
- 3.11 Another impending reform is that all benefits will be paid directly to the claimants whereas currently in most instances Housing Benefit is paid directly to RSLs. Officers from the Council and RSLs anticipate that the number of evictions will rise again because some benefits recipients will not be able to manage their income effectively and will get into rent arrears. The impact of this will be more referrals to the tenancy sustainment service. The initial phase of this change was introduced in January 2016 for new Job Seeker Allowance applicants only, so it is too soon for officers to assess the impact of this reform, although it is widely anticipated that the numbers of people getting into rent arrears will increase.
- 3.12 Officers have discussed the future funding of the tenancy sustainment service with RSLs with the aim of attracting contributions towards funding. Retaining a service to support those tenants to avoid eviction will be financially beneficial both to RSLs and to Bromley as the administrative costs of chasing rent arrears and going through a lengthy eviction process are high. The level of detailed knowledge and people skills required to do the work successfully suggests that this is better undertaken by a central team, rather than each RSL commissioning its own specialist workers. Officers will continue to pursue these discussions.

Tenancy sustainment service in supported accommodation.

- 3.13 The Council also commissions Hestia Housing and Support (Hestia) to deliver tenancy sustainment services for ex-offenders. Services are delivered to 9 service users living for up to 2 years in a supported accommodation scheme, Orwell House. When the contract was extended in 2014 Officers negotiated an additional one-off contribution of £9,000 from London Probation Service towards the cost; however since the restructure of the Probation Service there have been no funds available to continue this support despite repeated attempts by officers to secure a continuing contribution.
- 3.14 The accommodation service is provided to adult ex-offenders for whom the Council has a statutory housing duty. These people may be leaving prison or have unsatisfactory short term housing solutions in the community, such as staying with friends or family or rough sleeping. The service is provided in order to mitigate the problems and risks to society which arise when ex-offenders are homeless such as anti-social behaviour, rough sleeping and repeat offending

and aims to assist to find permanent housing as well as to build on work undertaken with service users in prison in education, training or dealing with substance misuse problems. The underlying aim is to reduce re-offending rates.

- 3.15 The Council has a statutory duty to provide housing for all the service users placed in Orwell House which is deemed appropriate accommodation for the client group. This accommodation is a valuable resource. Housing Officers cannot use many of the usual temporary accommodation options for ex-offenders as they often pose too great a risk when potentially sharing with families with children or in shared accommodation. Additionally some ex-offenders are subject to orders excluding them from particular geographical areas. These restrictions make it likely that ex-offenders will be placed in nightly paid accommodation.
- 3.16 The service users in Orwell House have included people subject to Multi Agency Public Protection Arrangements (MAPPA), assessed at a lower level of risk and those who are on the Integrated Offender Management Programme (previously Priority Prolific Offenders). Although Probation services work with ex-offenders in order to get them into training and employment it is very difficult to organise these services for people who do not have a fixed address. People who are not able to access housing via this scheme may end up as rough sleepers.
- 3.17 The service is expected to increase compliance with statutory licences/orders and to reduce re-offending through effective support planning which can only be achieved through effective joint-working. The service has demonstrated significant success against these targets. The national figure for re-offending is 65%, whereas the re-offending rate of tenants leaving the Hestia supported accommodation service is 23%. The service has also achieved good outcomes on getting people into paid work and into training and education with some achieving qualifications. These are set out in Appendix A
- 3.18 There is a zero tolerance policy to drug use at Orwell House which makes it an extremely valuable resource for those ex-offenders with substance misuse problems who are engaging in treatment programmes. The majority of users seek to work on dealing with substance misuse issues whilst in Orwell House and 86% report progress on this when they leave the scheme.
- 3.19 Support staff are based at Orwell House during the day and a concierge (security guard) overnight. The owner / landlord of the premises is the Home Group which is a Registered Social Landlord (RSL). Hestia undertakes the housing management of the scheme. The scheme is in a residential area and has been successfully running anonymously for many years.
- 3.20 The Provider has delivered a very satisfactory service. The Senior Probation Officer for Bromley confirmed that the specialist housing knowledge and skills provided by the tenancy sustainment service assist in reducing the rate of re-offending.
- 3.21 Within the overall contract the cost of the supported accommodation element of the scheme is £58,167 per annum. This works out at a cost of £6,462 per user per annum. The Housing Department have calculated that although the usual minimum net annual cost of nightly paid accommodation per person per year is @ £6,500 the cost for an ex-offender increases to £8,500, a figure based on lower availability of options and current placement costs. By retaining the service in Orwell House the Council would spend at least £2,000 less on accommodation per person housed in addition to not incurring the additional on costs from having to process the applications and ongoing administration of the temporary accommodation placements. The continued provision of this service is therefore cost effective for the Council.
- 3.22 The Home Group, landlord of Orwell House has indicated that if funding was not available for any form of support service at the property their Asset Team would undertake a property options appraisal as to a future use or disposal of the asset. There is a strong possibility that the

accommodation for this client group would be lost. This would mean that to fulfil statutory rehousing duties the Council would have to find alternative accommodation which in the current climate and given the risks associated with this client group would be nightly paid arrangements, with costs as above.

OPTIONS CONSIDERED

3.23 Officers have been asked to look for efficiencies from this and other contracts from the Supporting People budget. These services are not commissioned because of a statutory requirement but in order to reduce pressure on the Housing Division and Temporary Accommodation budgets by promoting tenancy sustainment and to prevent homelessness. The options below have been considered.

OPTION ONE

3.24 The Council ceases to provide the entire service, saving £352,827 per annum. The impact of this will be an increase in last minute homeless applications, more evictions, and more requests from RSLs for the Council to pay off rent arrears to avoid homelessness. Some ex-offenders would have to be placed in more expensive temporary accommodation (see 3.20). Ex-Offenders would forego the opportunity to continue abstinence in a supportive environment and to take the opportunity to attend training programme provided by Hestia. This option poses risks to the Council as a significant number of people previously helped would be evicted leading to costs of temporary accommodation (£6500 per person per full year or £8,500 per ex-offender per year) plus the requirement to write off a higher amount of bad debt.

OPTION TWO

3.25 The Council only continues to fund the support to the supported accommodation service in Orwell House. This service would be market tested, but the estimated savings that would result would be £294,660 per annum from ceasing the Tenancy Sustainment service. The impact of this decision would be an increase in people who have been evicted, or who are threatened with eviction presenting at the Housing Needs Service. There would also be an impact on other advice services such as Citizens Advice Bureau. The risks associated with this option would be the same as in option one, except for the higher costs of placing ex-offenders in temporary accommodation.

OPTION THREE

3.26 The Council reduces the funding available to the overall service while retaining the supported accommodation scheme to ex-offenders. The current contract requires the provider to provide a service to 190 users at any one time. The requirement of the new contract will be to support 100 users which will require less staff and prioritisation of referrals. The service will be market tested to ensure that value for money continues to be provided. It is estimated that this option would result in savings of around £150k per annum (contributing to the overall target of £250k savings from the Supporting People budget) The new provider will be asked to continue to prioritise work with people at imminent risk of homelessness and to continue to seek volunteers to maximise the value of the Council's investment. Although this option retains a partial service there will still be risks to the Council if the service is not able to pick up all the priority referrals in time to avoid eviction, or bad debts.

3.27 A Key element of the service is the accommodation. Officers await confirmation that Stonham Housing Association will continue to make the accommodation available to the Council.

3.28 Officers recommend that Option 3 is followed as this preserves significant areas of the service, reduces ongoing pressure on the Housing Needs Service and temporary accommodation budget and contributes £150k to the overall savings target for Supporting People services. All contracts include a break clause which enables the Council to give 3 months' notice to terminate the contract.

4 POLICY IMPLICATIONS

4.1 The tenancy sustainment service assists the Council to deliver the Supporting Independence aim of Building a Better Bromley.

5 FINANCIAL IMPLICATIONS

5.1 The budget for Supporting People Services for 2015/16 is £1,413k. Savings have been included in the 2016/17 budget of £250k.

5.2 Options 1 and 2, whilst making savings in the short term, will lead to greater costs emerging from potential homelessness, bad debt and other associated costs of this client base which more than offset the savings made.

5.3 Option 3 preserves the service and obtains efficiency savings, however some financial risks are introduced as a result of reducing the service levels. Option 3 is estimated to generate savings of £150k p.a. The savings generated would be offset against the savings target.

6 LEGAL IMPLICATIONS

6.1 Retendering of the contract will have implications for the staff of the current provider. Hestia will be notified of the decisions made in respect of these recommendations as soon as is appropriate in order to enable them to commence an appropriate consultation process to take place with their own affected staff. Any TUPE transfers of staff from Hestia will be carried out in accordance with TUPE 2006 Regulations

7 PROCUREMENT IMPLICATIONS

7.1 This contract will be let by the ECHS Contracts Team in accordance with the Public Contracts Regulations 2015 and the Council's Procurement Rules. The tender exercise will be progressed during spring 2016 and the contract will be awarded in July 2016.

8 CUSTOMER PROFILE

8.1 Please refer to paragraphs 3.3 – 3.5 and paragraphs 3.13 – 3.14

9 SERVICE PROFILE / DATA ANALYSIS.

9.1 Please refer to Appendix A which sets out details of the performance on the contract.

10 MARKET CONSIDERATIONS

There are a number of providers in the market who deliver this type of service. These may be RSLs, or specialist support providers. As there are less contracts of this type being awarded it is safe to assume that this contract will be of interest to the market. The current provider has indicated that they would be happy to retender for the work.

11 CONTRACTING PROPOSALS

- 11.1 An officer from the ECHS Contracts Team will support the procurement. The key commissioners are the Head of Housing Needs and the Procurement and Contract Compliance Manager who is the budget holder. Officers from the Housing Needs and Contracts Team will complete the evaluation of the tender.
- 11.2 There is minimal procurement work required as the existing specification requires relatively little amendment and the contract will be let on the Council's standard terms and conditions.
- 11.3 Tenders will be evaluated using the criteria set out in the tender documentation which was weighted on 60% price and 40% quality.
- 11.4 The proposed evaluation criteria are set out below:

PQQ – Technical Questions	% of Total Score
Experience of developing Tenancy sustainment services	50%
Technical ability and performance management	30%
Technical Resources and Workforce	20%

Quality Questions	% of Total Score
1 Operational Competence	20%
2. Customer Care	20%
3 Quality Management	20%
4 Sustainability	20%
5 Health and Safety	20%

- 11.5 Key Performance Indicators for the contract are set out below:

Key Performance Indicator	Target
1. Tenancy sustainment support concluded in less than 1 year	90%
2. Move on in planned way from Supported Accommodation in less than one year	25%
3. Utilisation of Supported Accommodation	95%
4. Utilisation of Tenancy Support Scheme	100%
5. Service Users have individual support plans and risk assessment within 28 days of being accepted to the service	100%
6 .Tenancy support services cease in a planned way.	100%

12 IMPACT ASSESSMENTS

- 12.1 The proposed reduction in the volume of service delivered by the current tenancy sustainment contract will not have an impact on any particular group of people. However, the service will prioritise assistance to people with the most immediate problems and as a result some people may seek advice and support from other agencies.

Non-Applicable Sections:	Personnel implications
Background Documents: (Access via Contact Officer)	CS PDS 13015 Award of Contract tenancy Support Services CS PDS 15915 – Gateway Review of Tenancy Sustainment Services.

MAIN REFERRALS SOURCES

Sources	2013-2014 Total =227	100% of Total nos.	2014-2015 Total =533	100% of Total nos.	2015-2016 Apr-Dec Total = 212	100% of Total nos
RSLs	76	7.05	105	19.70	20	9.43
Self-Referral	33	14.54	232	43.53	120	56.60
LBB S & R			1	0.19	1	0.47
Other	53	23.35	195	36.77	71	33.49

The majority of referrals have shifted from RSLs to self-referrals. The service management believes that as the service gets to be used by others, word gets around and people refer themselves. The 'Other' category includes 24(5%) young mothers for 2014-15 and 6(3%) for 2015-16.

KEY PERFORMANCE INDICATORS

Tenancy Sustainment Service Length of Intervention

Target – less than 2 years

Length of intervention	2013-2014 Q1-Q4	2014-2015 Q1-Q4	2015-2016: Q1-Q3
>2 years	-	-	3
1 – 2 years	-	32	30
< 1 year	-	178	154

Orwell House – Length of stay

Target – less than 2 years

Length of stay	2013-2014 Q1-Q4	2014-2015 Q1-Q4	2015-2016: Q1-Q3
>2 years	-	-	-
1 – 2 years	2	3	4
< 1 year	6	6	4

Move-on for Orwell House

Destination	2013-2014 Q1-Q4	2014-2015 Q1-Q4	2015-2016 Q1-Q3	Total
RSL/LA	4	5	5	14
Private Rented	-	-	1	1
Family/Friends	4	3	-	7
Other	1	-	-	1

Outcomes achieved to date for 23 departures from Orwell House from April 2013 – Dec. 2015

Outcomes Domains↓	No. requiring support	Outcome achieved
Economic Wellbeing	15	10(64%)
Entered paid work		
Stay safe		
Secure accommodation	23	21(90%)
Comply with statutory orders	21	19(95%)

TENANCY SUPPORT SERVICE

Outcomes achieved to date for 632 departing the service from October 2013-December 2015

Scheme →	Bromley Tenancy Support Service 632	
Stay safe		
Maintained Accommodation	217	192(88%)

Service User Outcomes

At the beginning of each intervention the service user states which outcomes they require support for and at the end of intervention they assess whether or not they have achieved this.

Complaints/Concerns

No complaints reported about both services/ no concerns either

Safeguarding

Three safeguarding alerts reported were from the Tenancy Sustainment Service. One was in relation to a suspected financial abuse by the service user's friend and the other was in connection with a report from a friend of the service user who had been discharged from hospital but appeared to be still unwell. The third one relates a service user with dementia who appeared to be neglected.

Added Value

In the period when there has not been a Gypsy/Traveller manager from Bromley Housing Support, the Hestia service has been very helpful and supportive and has shown willingness to attend the site when asked to.

Annual Survey

According to the last annual survey carried out in April 2015 for Hestia 90.48% of the 42 respondents said they were very satisfied with the service. 9.52% said they were fairly satisfied and no one said they were dissatisfied.

Feedback from Housing

The services provided by Hestia have been effective for the following reasons:

Clients already being supported by Hestia are accompanied to present to the Housing department when homelessness/threat to homelessness is identified in a planned way. Hestia staff are supportive with regards to assisting clients to obtain all relevant information i.e. ID, supporting letters from other agencies prior to attending their appointments. The Gypsy Traveller support worker has been very instrumental in resolving some of the difficult situations at the traveller sites.

Conclusions

Bromley Housing finds the Hestia service effective and relevant in addressing identified need. They believe that it provides value for money and without it, unmet needs of particular groups such as the resettlement of ex-offenders and the tenancy sustainment of people already in housing, would put pressure on the Housing finances as they would have to be accommodated in B&B for longer than necessary without the added support of support providers.

Hestia plays a major role in complementing Bromley Housing Support team with the continual support for people threatened with homelessness.