



Meeting:	Cabinet
Meeting date:	17 March 2016
Title of report:	Housing related support service – SHYPP contract (Supported Housing for Young People Project)
Report by:	Contracts, quality and review lead

Classification

Open

Key Decision

This is a key decision because it is likely to be significant in terms of its effect on communities, living or working in an area comprising of one or more wards in the county. NOTICE has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

Wards Affected

County-wide

Purpose

To confirm future delivery arrangements for the young persons' housing related support services contract, currently delivered by SHYPP (Supported Housing for Young Persons Project), part of West Mercia Housing Group.

Recommendation(s)

THAT:

- (a) the accommodation based support element of the contract is remodelled with a proportion of the service financed through exempt rents to maintain the existing service level from 1 April 2016;
- (b) a three month transitional period is allowed from 1 April to 30 June 2016 to support the financial change to the accommodation based support element;
- (c) a 12 month transitional period is allowed from 1 April 2016 to 31 March 2017 to support the de-commissioning of the floating support element; and
- (d) funding of £78,331 be made available to support the transition periods in recommendations b) and c) above.

Alternative options

1. The support service is continued under existing contractual arrangements; this option is not recommended as the efficiencies that have been identified and the proposed delivery arrangements are in line with approaches already in place with other housing related support services, which will support the cost effective provision of support to those with high needs.
2. The entire service is decommissioned; this option is not recommended as the accommodation based support contributes towards the council's statutory homelessness duties by providing accommodation for those who are homeless or at risk of homelessness and variation to delivery has been identified to achieve savings whilst maintaining existing services to those in priority need level.

Reasons for recommendations

3. To ensure cost effective delivery of housing related support services to vulnerable young people. The service has two elements; a floating support service throughout Herefordshire, where vulnerable young people receive housing related support services, and accommodation based support, comprising three 'foyers' with a total of 31 rooms (in Hereford, Leominster, and Ross on Wye), which provide integrated learning through safe and secure accommodation with housing related support and training.
4. The introduction of Herefordshire Council's allocations policy in July 2014 supported previous legislative changes and ensured that affordable housing is allocated to those in greatest need. Making a homeless application is no longer a direct route into affordable housing. The transition of SHYPP service users to permanent accommodation has increased following the implementation of the allocation policy, which has reduced the waiting list for support.
5. The transitional periods, in agreement with SHYPP, will establish the future model of service delivery and fully map existing service users and needs. The transitional period will be for three months for the accommodation based remodelling and 12 months for the floating support, both running from 1 April 2016. The council will work closely with the provider to support the transition and ensure this is delivered to the timeframe.

Key considerations

6. Herefordshire Council commissions a range of housing related support services for individuals who are either at risk of homelessness or who are already homeless. As part of this, SHYPP provide housing related support services to vulnerable young people (16-25 year olds) aimed at preventing homelessness and supporting service users to acquire skills to manage and maintain independent living.
7. SHYPP was originally awarded a five year block contract, following a competitive tender process. The contract commenced on 1 April 2013 and is due to expire on 31 March 2018. The contract had a value at the commencement date of £2,264,000 on an annually reducing scale. Further contract negotiations resulted in a 10% saving against the contract value in April 2014. The current contract value is £392,400 per annum.
8. Service users can access assistance and advice to access and sustain suitable

accommodation, improve health, access education and employment opportunities, manage their finances, develop domestic and social skills, address their offending behaviour and meet their potential and aspirations.

9. Service utilisation

- Accommodation based support - currently to 31 service users, all of whom are 18 years old and over.
- Floating support - currently delivered to 83 service users, of whom 7 service are 16 or 17 years old. Of the 83 individuals, 42 currently receive additional support from other agencies or council service areas, and 35 have been in receipt of the service for one month or less. 12 service users live in housing association properties and therefore should be supported by their own landlord's tenancy management arrangements, which will be in addition to any support received from SHYPP.

10. Elements of the accommodation based service have been identified as suitable to be financed through exempt rents. Exempt rent entitles a social landlord to recover the costs of providing additional services to tenants/service users with additional needs through housing benefit. It enables the council to fund enhanced levels of housing benefit for intensive housing management and to reclaim the money from the Department for Work and Pensions via the subsidy claim. Since this is simply a matter of a switch of funding source, there should be no financial impact on the service itself.

11. By maximising the exempt rent entitlement, there is a reduced need for direct contract financing by the council of the accommodation based service. The service will be able to continue at the existing level of 31 units and offer the opportunity for the provider to explore this across other supported accommodation they provide for young people. Support will be offered to the provider to facilitate the change of funding stream.

12. The utilisation of exempt rents will bring the service in line with other housing related support services. Delivering an element of the service through exempt rents will provide cost effective continuity of service to young people.

13. The three month transitional period for accommodation based services will provide a buffer during the implementation of exempt rents, as any delays in application and approval of housing benefit may result in a reduction in income to the provider and effect the service delivery.

14. For the floating support service, a 12 month transitional period is required to establish the future model of delivery and to fully map existing service users and needs. The transitional period will provide an opportunity to further engage with the young people currently using the service, SHYPP, and other providers/stakeholders to consider and potentially co-produce alternative models of accommodation/support that could provide an alternative to the existing high cost options available.

15. West Mercia Housing currently provide an additional 20 units of accommodation in Herefordshire, for young people who receive support through the SHYPP floating support service. During the 12 month transitional period, SHYPP will continue to support all individuals in this accommodation.

16. SHYPP have identified the element of floating support delivered to the additional 20 units of accommodation. A full case audit of these service users will be carried out between April and August 2016, during the transitional period, to establish the level of need and future model of delivery; any changes to the service necessary as a result of this review will be the subject of a further report.

17. SHYPP held an online petition: 'Support SHYPP to stop the council from cutting 66% of homelessness services to young people'. SHYPP have submitted a list of 2,295 signatures and contact details of individuals registering their support of the service.

Community impact

18. The service aims to meet the outcomes which contribute to the council's corporate plan to enable residents to be independent and lead fulfilling lives. The continued care and support service contributes to the health and wellbeing strategy aims and objectives "To enable residents to live safe, healthy and independent lives and to maintain service provision, to those with need, within the available resources". The service contributes to this by reducing demand on services, targeting care and support and increasing integration to support to the most vulnerable within the community.
19. The service works with vulnerable client group who have an eligible need. The service encourages and supports clients to become socially involved within the community and enables their independence.
20. The services contribute to the reduction of the number of people who are on the streets, supporting the work the police are undertaking through the Castlemain Project, where they work with other agencies, including the street pastors and services, to help those people get the advice and support they need whilst reducing the negative impact to the community

Equality duty

21. The equality duty covers the following nine groups with protected characteristics: age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The decision does not discontinue service and has no detrimental impact to eligible service users. Consultation with current service users indicated that the model of provision being proposed was the preferred option.
22. An equality impact assessment has been completed and is attached (appendix 1) any change made to the service by the provider will require a further equality impact assessment to be completed.

Financial implications

23. The current contract costs £392,400 per annum; the £260,000 savings can be achieved by:

	£ per annum
Utilisation of exempt rents for the accommodation based support (nil loss of income to the service provider)	100k
Decommissioning the floating support service	160k
Total savings	260k

24. The new contract value would be £132,400 per annum, to support service users through accommodation based support.

25. The cost of the transitional period from 1 April 2016 will be £78,331 which supports three months transition for accommodation based support and 12 months transition for the floating support service. This cost is being funded from the £600k budget for preventative measures, drawn from the resources secured through the 2% precept on council tax for adult social care.

Legal implications

26. The proposed contract variations are consistent with regulation 72 of the Public Contracts Regulations 2015.
27. Regulation 72 allows modification of a contract without requiring a new procurement if any one of a number of circumstances listed in regulation 72(1) applies. The circumstances which are relevant for our purposes are in regulation 72(1)(c) and (in the case of the use of the exempt rents) regulation 72(1)(e)
28. If these variations are approved, officers are expected to work with Legal Services to ensure the formal requirements of the contract regarding variations are met. This should be straightforward.

Risk management

29. There is the potential for an increase of homeless applications from young people aged 16 to 25 years old. In mitigation of this, the alternative housing floating support service provided by Home Group Stonham can be utilised to provide a service to those with a higher housing need; this service supports those at risk of homelessness with offending behaviour, substance misuse and/or complex needs. More general signposting enquiries for those in low level need could continue to receive a re-modelled service from SHYPP or may be directed to the wellbeing information advice service Herefordshire (WISH), or other existing support/signposting services for the appropriate service.

Consultees

30. The current provider, SHYPP Youth Advisory Board and service users have been consulted with to inform the review and report.
31. All service users were invited to take part in the consultation which included four 'drop-in' forums held at the three foyer locations across the county. (Appendix 2 and sub appendix A, B & C).

Appendices

Appendix 1 – Equality Impact Assessment

Appendix 2 – Consultation report including Sub Appendix A, B & C

Background papers

None identified

