



## Executive Director/Director Non-Key Executive Decision Report

**Author/Lead Officer of Report:** *Sam Martin,  
Head of Commissioning / Vulnerable people*

**Tel:** 2735873

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**Report to:** *Dawn Walton, Director of Commissioning Inclusion  
and Learning*

**Date of Decision:** *9<sup>th</sup> September 2019*

**Subject:** *Budget reductions to Housing Related Support  
Budget 2019*

Which Cabinet Member Portfolio does this relate to? *George Lindars – Hammond, Lead  
Cabinet Member for Health and Social Care*

Which Scrutiny and Policy Development Committee does this relate to? *Healthier  
Communities and Adult Social Care Scrutiny Committee*

Has an Equality Impact Assessment (EIA) been undertaken? Yes  No

If YES, what EIA reference number has it been given? *562, 563,565, 566*

Does the report contain confidential or exempt information? Yes  No

If YES, give details as to whether the exemption applies to the full report / part of the  
report and/or appendices and complete below:-

*“The (report/appendix) is not for publication because it contains exempt information  
under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local  
Government Act 1972 (as amended).”*

### **Purpose of Report:**

This report sets out proposals for reducing funding to four services currently  
commissioned by the People Portfolio, to assist the Council to meet its budget  
within available resources.

The report also proposes to extend the Homeless Prevention and Resettlement  
Contract provided by Shelter for two years which is permitted within the current  
contract.

It also proposes to vary the contract to merge a small service funded by Children’s  
Commissioning to the Homeless Resettlement and Prevention contract to  
streamline Council contracts and enable a short term continuation of this service to

enable the Council to undertake a review of its early intervention and prevention work.

## **Recommendations**

### **To give authority to:**

- 1. Negotiate with South Yorkshire Housing Association with a view to reducing contract price by £350,000 p.a. for over the whole contract term or in the alternative where agreement cannot be reached to terminate the contract, as per the terms of the agreement.**
- 2. Negotiate with Shelter with a view to reducing the contract price by £150,000 p.a. or in the alternative where agreement cannot be reached terminate the contract as per the terms of the agreement on 2<sup>nd</sup> October 2019.**
- 3. Where Shelter agree to a contract price reduction:**
  - a. extend the Homeless Prevention and Resettlement contract to 2<sup>nd</sup> October 2021; and**
  - b. vary the contract with Shelter to provide an additional £26,000 for 6 months from 1<sup>st</sup> April 2020 to continue to provide specialists housing support to families and children.**
- 4. Terminate the Handy Person Contract with Yorkshire Housing by providing at least three months notice and thereafter not re-procure the service. Officers will work with Yorkshire Housing to ensure an appropriate notice period is given to allow for alternative sustainable options to be explored and impact on staff and service users to be managed appropriately.**
- 5. Note that the Transitional Landlord Contract will end on 30<sup>th</sup> November 2019 and shall not be re-procured. Officers will work with Yorkshire Housing to ensure an appropriate notice period is given to allow for alternative sustainable options to be explored and impact on staff and service users to be managed appropriately.**

### **Background Papers:**

Delegated Decisions for Housing Related Support Commissioning Strategy and Budget Plan 2016 to 2020  
Cabinet Report February 2016  
EIA ref 562, 566,563,565  
Integration of Housing Related Support with other Commissioning Strategies

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>Paul Jefferies officer consulted</i>
		Legal: <i>Henry Watmough-Cownie</i>
		Equalities: <i>Ed Sexton officer consulted</i>
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	<b>Lead Officer Name:</b> Sam Martin	<b>Job Title:</b> Head of Commissioning: Vulnerable People
	<b>Date:</b> <i>9<sup>th</sup> September 2019</i>	

## **1. PROPOSAL**

### **1.1 Strategic Context and background**

- 1.2 Sheffield City Council is committed to supporting people to live independent, healthy and fulfilled lives. This includes ensuring the availability of good quality affordable housing choices, and support for people who, for a variety of reasons, might be at risk of losing their home, or who are homeless. The support we organise, deliver, or commission, can cover a range of issues. People might, for example, need help understanding and managing their finances, paying bills and rent for example. Or they may need wider help with issues around their mental health, physical care, drug or alcohol issues, or keeping their home maintained and clean. They may need help getting or keeping a job.
- 1.3 Many of the services currently commissioned started out prior to the Government's 'Supporting People' Programme and the funding was aggregated into this programme when it launched in 2003. In 2010, the Government removed the ring fence from the Supporting People Grant and amalgamated the funding into the Council's formula grant, and removed the grant conditions. Government funding to local authorities has since seen significant reductions which in turn had a substantial impact on the funds available for the commissioning of housing related support, with an overall reduction from £19m in 2010 to £8m in 2018.
- 1.4 On 27<sup>th</sup> August 2019, the Lead Cabinet Member for Health and Social Care approved a new approach to the commissioning of housing related support. This will, over the next 2-3 years, integrate the commissioning strategy and resources associated with the programme with wider strategies across the Council and other partners like the NHS, so that housing related support is more integrated with other preventative service and support service which help people live independent lives in their own homes. This will include the Council as a landlord improving the level of targeted support it gives to its own tenants and the reduction of managing a large number of contracts.
- 1.5 For example more integrated and locally delivered support for people who may struggle with a range of inter-related challenges, including issues around finding and retaining suitable housing, family problems, mental health issues, drug and alcohol problems, domestic violence, and poverty will be developed.
- 1.6 As now, there will be a preventative, public health approach to helping people who are at risk of the poor outcomes outlined above, including homelessness and other related problems, with earlier support to tackle the root causes rather than waiting until problems reach a crisis point. Integration of commissioning activity and finances across different parts of the Council will enable resources are deployed more effectively.

1.7 This approach will be developed in more detail over the next 6 months. In the meantime and in line with the direction of travel agreed in the Cabinet Member decision on 27<sup>th</sup> August 2019, a number of initial changes are proposed to some existing contracts and services.

1.8 These proposals would reduce the amount of resource invested in floating support services for people with multiple needs at risk of homelessness and for older people currently supported in a commissioned service to live independently at home. It also proposes that two services where contracts have ended or are due to end are not recommissioned. This will reduce the current annual spend by £787,469. The savings will come into effect over two financial years starting 2019/20

1.9 **Detailed proposals**

1.9.1 Below is a table of proposed reductions, rational and mitigations

Service	Proposal and mitigation	Current annual cost	Proposed Future annual cost
<b>Handy Person Service</b> – for older people and people with disabilities on low incomes living in owner occupied /private rented housing.	Propose that the service is not recommissioned externally.  A number of small alternative arrangements are available to support some people at risk but will not be able to pick up all the work.  Appropriate notice to be served on the provider.	£93,000	0.00
<b>Transitional Landlord Service.</b> A support service where the support provider leases the property from the Council and accommodates and supports a vulnerable household	Propose that the service is not recommissioned when it ends on 30 <sup>th</sup> November 2019.  The Council may accommodate some people directly and support them as a social landlord rather than through an intermediary.	£194,469	0:00
Homeless Prevention, Resettlement and Domestic Abuse Support Service	To approve the extension of the service, provided by Shelter, for two years, utilising the extension clause within the contract to extend until 2 <sup>nd</sup> October 2021. At the same time negotiate a reduction in the budget for this service by £150,000. If agreement cannot be reached then the contract would not be extended.  To enable the smaller family	£1,026,529	£876,529

	<p>support service to merge into this contract from 1<sup>st</sup> April 2020. This will mean that there will be an increase in this contract from 1<sup>st</sup> April 2020 until 2<sup>nd</sup> October 2020 of £26,000 to take over the activities in a current Children and Family contract.</p> <p>In the longer term the Council will work to integrate funding for early intervention prevention service to streamline the City's provision.</p>		
<p>Live Well At Home, Floating Support Service for older adults</p>	<p>To negotiate a reduction of investment in this service by £350,000. If agreement cannot be reached to give six months notice to the provider to bring the contract to an end earlier.</p> <p>The Council will work with the provider to direct and prioritise clients most at risk of staying or going into hospital or at risk of losing their independence at home and requiring social care.</p> <p>In the longer term the Council will work to integrate funding for early intervention prevention service to streamline the City's provision.</p>	£1,096,601	£746,601

- 1.10 Currently, the Council has a small separate contract with Shelter to support families and children in need to sustain tenancies which works alongside Building Successful Families. This contract will end on 31<sup>st</sup> March 2020. However, the Council still requires this service to continue for 6 months whilst it undertakes a review of early intervention/prevention services.

The Council wishes to reduce the number of contracts it manages to reduce unnecessary work where relevant. This proposal enables the Council to reduce individual contracts by combining this work within the larger support contract. Both services are designed to support families to provide a stable sustainable home and to support children and families to have successful outcomes.

It is therefore proposed that on 1<sup>st</sup> April 2020 the Homeless Prevention and Resettlement contract funding is increased by £26,000 until October 2020 to continue to provide support to families and the expenditure is transferred from Children's Commissioning budget to the Housing Independence Commissioning Budget.

## **2. HOW DOES THIS DECISION CONTRIBUTE ?**

- 2.1 This proposal will contribute to the Council's financial planning by reducing expenditure by £787,469 per annum.

## **3. HAS THERE BEEN ANY CONSULTATION?**

*(Refer to the Consultation Principles and Involvement Guide. Indicate whether the Council is required to consult on the proposal, and provide details of any consultation activities undertaken and their outcomes.)*

- 3.1 Consultation was undertaken by the Council in relation to the Council's budget setting proposal prior to February 2019.

Consultation has been undertaken across relevant internal Council services and commissioners including the Director of Housing and Community Services.

Consultation has taken place with the Cabinet Member for Health and Social Care.

## **4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

### **4.1 Equality of Opportunity Implications**

- 4.1.1 There will be a reduction of approximately 29 jobs lost in the voluntary sector. There is a risk to vulnerable people who would otherwise receive the support of these services.
- 4.1.2 It would reduce the overall capacity in the system. Approximately 455 vulnerable households a year currently receive support from these services.
- 4.1.3 This will have impacts on poverty, older people, women and people from ethnic minority backgrounds. For example :
- Over 80% of TLS service users have debt and budgeting issues.
  - Live Well at Home customers are supported to claim specialist benefits of between half a million and a million a year, benefits they had not been aware that they could claim. And 56% needed support around debt and money management.
  - 85% of Shelter's service users needed help with income and debt management – much of which is rent arrears to the Council
  - 49.7% of Shelter's service users are from BME backgrounds compared to 20% of the wider population.
  - 68% of Shelters service users are women, many of whom are at risk of domestic abuse.
  - Due to the past reductions in funding to housing related support and other public services, including CAB's are under significant pressures and will not be in a position to pick up people in need

who these services will not be able to support.

- 96.8% of the Handy Person service users have a life-long limiting illness.
- 86% of the Handy Person customers are over 65 and 36% are over 85.

4.1.4 However, by means of mitigation, a level of support can be provided to Council tenants by their landlord and therefore referrals from the Council Housing Service will be reduced to enable those most in need to be supported by the commissioned services. This could mean that some Council tenants in need of independent support and advocacy may not get this.

The Council will look innovatively at the flexibilities within their own provision how they can support people who need small jobs to prevent accidents and improve safety in the home.

The Council will ensure that the Commissioned Services prioritise those most in need of support and that crisis support is available to people who require it through our existing housing solutions and social care services.

4.1.5 Shelter is a large charity with a main HUB and commitment to Sheffield. The extension of the contract for 2 years would give them more time to look at how they can absorb the cut to the funding and minimise its impact. Shelter has worked closely with the LA for over 20 years in delivering services to vulnerable people, providing early intervention and preventative services as well as dealing with people in crisis. Shelter are very confident that their model has real positive impact and they wish to sustain it as much as they can.

Shelter invests significant resources into the Homeless Prevention and Resettlement Service (circa £250K per year), a figure which goes up year on year as costs increase, and as they continually develop the provision to meet changing need. They are looking at how they can invest further or adapt their model to offset the cut that is proposed, while sustaining as much of the current unit output as possible. A contract extension of 2 years will give them time to plan and prepare for minimising the impact of the cut, and also to work with the Council on how they can combine resources to meet the needs of the people that the HPR service serves in the longer term.

## 4.2 Financial and Commercial Implications

4.2.1 The table below shows the full year financial implications of the services. However the savings will occur over two financial years.

Service and provider	Full annual affect reduction, which will be split between 2019/20 and 2020/21
Yorkshire Housing, Handy Person Service	£93,000
SYHA: TLS	£194,469
Shelter HP&R	£150,000
SYHA: LWAH	£350,000
<b>Total</b>	<b>£787,469</b>

Based on the estimated dates that the savings may commence, this would result in a saving for 2019/20 of around £183k, with the remaining £604k saving (total £787k) being delivered in 2020/21.

However, the dates the savings will start are estimated and may change depending on discussions with suppliers. Any changes in dates would impact on the amount of saving that could be delivered in 2019/20 although the total saving in 2020/21 would be unchanged (assuming the changes are made before 01/04/2020).

Savings in 2019/20 will be monitored and reported through the monthly budget monitoring process.

There are no financial implications for the extension of the contract to allow for the move of £26,000 from Children's services to the larger contract as this will be a transfer of funding internally as the service would be needed whether it was awarded as an individual contract or whether it is merged into the Homeless Prevention and Resettlement Contract.

#### 4.3 Legal Implications

4.3.1 On 17<sup>th</sup> February 2016 Cabinet approved the report "Delegated Decisions for Housing Related Support Commissioning Strategy and Budget Plan 2016 to 2020". Cabinet delegated decisions to officers which states:

*(b) authority be delegated to the Director of Commissioning to terminate contracts relevant to the delivery of the Housing Related Support Strategy and in accordance with the terms and conditions of the contracts;*

*(c) in accordance with the high level commissioning strategy and this report, authority be delegated to the Director of Commissioning to:*

*(i) in consultation with the Cabinet Member for Health, Care and Independent Living and the Director of Commercial Services, approve the procurement strategy for any service delivery during the period of the strategy;*

*(ii) in consultation with the Director of Commercial Services and the Director of Legal and Governance, award, vary or extend contracts for*

*the provision of housing related support; and*

*(d) authority be delegated to the Director of Commissioning, in consultation with the Cabinet Member for Health, Care and Independent Living, the Director of Legal and Governance and the Director of Commercial Services, to take such other steps as he deems appropriate to achieve the outcomes in this report;*

Note: following a portfolio restructure the duties of the Director of Commissioning (Communities) are now the responsibility of the Director for Commissioning Inclusion and Learning (People).

- 4.3.2 The contract with Shelter which is to be extended was let in line with Council Standing Orders and the process was supported by the Council's Commercial Services. The terms and conditions of the contracts were drafted by the Council's Legal Services and allow for the decision to extend the contracts for two periods of 12 months. This proposal will use the full extension ability to extend the contract until 2<sup>nd</sup> October 2021. Commercial Services have also approved a procurement strategy to support the contract extension and changes to the Shelter contract.
- 4.3.3 The contracts have within them provision to vary the terms by negotiation, and to enable the Council to terminate or reduce the term of the contract, by serving six months notice if the council has reduced funding available for housing related support.
- 4.3.4 The local authority is under a duty to prevent needs for care and support following implementation of the Care Act 2014. Under sections 2(1)(a) and (b) of the Act the authority must provide or arrange for the provision of services, facilities or resources, or take other steps which it considers in its area of needs for care and support; and to reduce the needs for care and support of adults in its area. Under sections 2(2)(a) and (b) a local authority in performing that duty must have regard to the importance of identifying adults in the authority's area with needs for care and support which are not being met (by the authority otherwise).
- 4.3.5 The local authority is also under a duty to provide advice and assistance to persons in its area who are homeless or threatened with homelessness and to provide accommodation for persons in its area who are eligible, homeless and in priority need under Part VII or the Housing Act 1996.

## **5. ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 Making no reductions from this budget would not help meet the required £3million reduction from the Housing Support Budget between 2019 and 2022. This would result on pressures on other statutory budgets.
- 5.2 To make more savings this year from the Housing Support Budget would not give enough time to consider any reorganisation of services and could not have been met within this year. Further work is required to align the budgets within a more joined up commissioning process.

## 6. REASONS FOR RECOMMENDATIONS

- 6.1 This option is the best option to make considered savings in year one before more detailed early intervention models of service have been developed.

The contract with Shelter has the provision to extend it for two years, to October 2021. This report also seeks approval to extend this contract



**Dawn Walton**

Director – Commissioning, Inclusion and Learning  
9.9.19