

Agenda

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No Local Connection Review Group

Date: **Tuesday 4 September 2018**

Time: **5.00 pm**

Place: **Freemans' Room - Oxford Town Hall**

For any further information please contact:

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As a matter of courtesy, if you intend to record the meeting please let the Contact Officer know how you wish to do this before the start of the meeting.

No Local Connection Review Group

Membership

Chair Councillor Nadine Bely-Summers

Councillor Shaista Aziz

Councillor Paul Harris

Councillor Richard Howlett

Councillor Tom Landell Mills

Councillor Craig Simmons

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AGENDA

Pages

1 WELCOME AND INTRODUCTIONS

Welcome from the Chair and brief round table introductions.

2 APOLOGIES FOR ABSENCE

To receive any apologies for absence.

3 DECLARATIONS OF INTEREST

To consider any declarations of interest.

4 EXTERNAL CONTRIBUTIONS

As background information, the meeting has been provided with:

- A research report from the Scrutiny Officer. Only members of the Review Group will have access to appendix 1, as this contains information that is exempt from publication under paragraphs 2 and 3 of Part 1, Section 12A, of the Local Government Act 1972.
- Appendix 2 – A report from 19 July review group meeting summarising the current policy context.
- Appendix 3 – An extract of the Crisis analysis of cost savings associated with Housing First initiatives in Liverpool (as referenced at the previous meeting).

Guests will be invited to make any opening statements if they wish. The meeting will then move to questions and open discussion. As of 23 August, confirmed guests include:

- Sue Jackson - Oxford Street Population Outreach Manager
- Elizabeth Edwards – The Big Issue and Homes4All Oxfordshire
- Paul Roberts – Aspire Oxfordshire
- Janine Bailey – Gimme5
- Jeannette Filja - Gimme5

Key questions and themes may include:

- a) What are the roles of the Outreach Team, Aspire and Gimme5?
- b) How much discretion are outreach workers allowed to support those without a local connection? Does the policy offer flexibility?
- c) What proportion of the people you support do not have a local connection?
- d) What would be the impact of opening larger parts of the pathway/creating new accommodation provision for those without local connection?
- e) Are there opportunities to save money whilst expanding services?
- f) What are the best and worst examples from elsewhere of service provision for those without a local connection?
- g) What are the barriers to reconnecting people with an area where they

7 - 30

- have a local connection?
- h) The Council currently makes exemptions to the local connection policy for: care leavers, those at risk of violence, those protected under a military covenant, those with no connection to any other area, and those with a clear connection to the County. Are there any other groups that you think should be added to the exemptions list?
 - i) How effective and accurate do you think central government guidance is on counting and collecting data on rough sleepers?
 - j) What are the 'small' ways the current system for people experiencing homelessness could adapt to make things better?
 - k) Are there examples where rough sleepers have been let down by the system?

5 DRAFT MINUTES OF THE PREVIOUS MEETING

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To agree the draft minutes of the previous meeting held on 21 August 2018, and any revisions needed.

6 DATES OF FUTURE MEETINGS

To note the Review Group's next meeting dates, commencing at 5pm:

- 17 September (TBC)
- 2 October 2018 (forming draft conclusions and recommendations)

7 ANY OTHER BUSINESS

To consider any other business.

8 REPORTS CONTAINING CONFIDENTIAL OR EXEMPT INFORMATION

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Please note that Appendix 1 of item 4 is exempt from publication under paragraphs 2 and 3 of Part 1, Section 12A, of the Local Government Act 1972. If the Review Group wishes to exclude the press and the public from the meeting during consideration of this item, it will be necessary to pass a resolution to that effect.

DECLARING INTERESTS

General duty

You must declare any disclosable pecuniary interests when the meeting reaches the item on the agenda headed "Declarations of Interest" or as soon as it becomes apparent to you.

What is a disclosable pecuniary interest?

Disclosable pecuniary interests relate to your* employment; sponsorship (ie payment for expenses incurred by you in carrying out your duties as a councillor or towards your election expenses); contracts; land in the Council's area; licenses for land in the Council's area; corporate tenancies; and securities. These declarations must be recorded in each councillor's Register of Interests which is publicly available on the Council's website.

Declaring an interest

Where any matter disclosed in your Register of Interests is being considered at a meeting, you must declare that you have an interest. You should also disclose the nature as well as the existence of the interest.

If you have a disclosable pecuniary interest, after having declared it at the meeting you must not participate in discussion or voting on the item and must withdraw from the meeting whilst the matter is discussed.

Members' Code of Conduct and public perception

Even if you do not have a disclosable pecuniary interest in a matter, the Members' Code of Conduct says that a member "must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself" and that "you must not place yourself in situations where your honesty and integrity may be questioned". What this means is that the matter of interests must be viewed within the context of the Code as a whole and regard should continue to be paid to the perception of the public.

*Disclosable pecuniary interests that must be declared are not only those of the member her or himself but also those member's spouse, civil partner or person they are living with as husband or wife or as if they were civil partners.

No Local Connection Review Group

Research Report: Consultation on Local Connection Policies

4 September 2018

Introduction and background

1. This report has been provided as background evidence to the No Local Connection Review Group's ongoing research on local connection policies. This evidence may help to inform the oral evidence gathering sessions with guest speakers and the Review Group's final report. The review group is asked to:
 - a) Note this report as background information for the review
 - b) Consider whether it still wishes to visit another local authority, in light of the information received, and identify priority authorities if required.
2. The Scrutiny Officers has approached 29 local authorities to ask questions about their local connection policies. This report summarises the findings of this research, and the full unedited responses can be found at Appendix 1. This appendix is exempt under paragraph 2, Part 1, of schedule 12A of the Local Government Act 1972 (information that may reveal the identity of an individual).

Methodology

3. The Scrutiny Officer contacted 29 Local Authorities (participants), initially with tailored emails about their local connection policies. This included a question on whether they would consider someone to have a local connection in circumstances where they had slept rough for six or more months. These findings are weighted towards London borough authorities, and other large metropolitan cities, so the data is not necessarily representative of English local authorities generally. Broadly speaking, London boroughs have a higher number of people sleeping rough than in more rural local authority areas, and greater infrastructure to operate a homeless pathway, supported by a concentration of third sector providers.
4. Importantly, London boroughs assume unitary responsibilities, meaning that they are the principal authority in that area responsible for homelessness. Conversely, homelessness funding arrangements in Oxford have previously been split between the City and County Council. This cooperative two tier arrangement adds a layer of complexity that is not prevalent in London.
5. Responses were received from 12 local authorities, including four phone conversations. In most circumstances, follow up emails / conversations were prompted, with fewer responses received in the second round. Each participant was made aware that this was for the purposes of the review group's work, but consent for wider publication was not sought. By asking for consent to publish, the Scrutiny Officer anticipates fewer responses would have been received, which would also likely be filtered. For that reason, this summary report does not identify any specific local authorities.

6. The responses of the local authorities varied significantly, with some authorities having a significant interest in the work of the review group, and others not responding. It is expected that some of the email addresses used may have been out of date, or the emails ignored due to high demand within the service.

Key Themes

7. This section of the report summarises the key themes of the data gathered from the participants in this research. The four themes relate to; policy discretion, reconnection, cross-boundary work and other comments.

Discretion is prioritised over a local connection, at the first point of contact

8. The majority of participants said they took a discretionary approach to service provision for people who are homeless or rough sleeping. Most agreed that whilst local connection criteria are a useful tool for reconnecting people and prioritising service resources, it was often left to the discretion of the outreach worker, and in some cases the pathway manager or multi-agency body, to decide what level of service should be offered. This includes whether someone should be entitled to overnight accommodation, access to support pathways, and move-on support. This however needed regulating, sometimes through contract managements (see paragraph 13).
9. Most participants were of the view that the strict application of a 'one size fits all' local connection policy was not appropriate, and did not account for the diversity of needs and vulnerabilities experienced by rough sleepers. Whilst some said they would offer a local connection to people who had been sleeping rough for more than six months, others took what they described as a more 'pragmatic' approach. Most suggested that each case must be considered on its own merits, with the health, safety and vulnerability of a rough sleeper being the priority.
10. Some explained that having strict local connection criteria could limit one's ability to act in supporting the most vulnerable. Many said that they did not have fixed (or were not willing to share) policy or guidance in this area, and instead tailored their support based on key variables including:
 - Someone's physical and mental health
 - Someone's level of dependency on drugs and/or alcohol
 - Someone's risk of experiencing violence
 - Whether someone's rough sleeping habits were entrenched (which does not necessarily relate to the amount of time sleeping rough, but also attitudes)
 - The barriers posed to reconnecting someone to another area
11. One participant criticised the approach of offering a local connection to people who have slept rough for six months. They said that publishing detailed criteria on what will give someone a local connection, such as rough sleeping for six months, may lead some people to purposefully refusing other services for that period until a local connection is gained. Therefore, they suggested it was an unworkable as a policy. For example, the same participant explained that someone who has been sleeping rough for one year may be in less need than someone who has been for one day, on the basis of their health and vulnerability.

12. Another participant (that does not distinguish the level of services based on local connection) said they prioritised acceptance onto the pathway for those who presented a 'dual diagnosis' (those with a severe health problem and problematic substance abuse). Overwhelmingly, health was considered the key vulnerability observed among rough sleepers, as opposed to risk of violence, for example.
13. Some authorities centralised their discretionary decision making powers into pathway managers, whilst others empowered outreach workers and third sector providers to make this decision. One authority with a significant street population highlighted that effective contract management of outreach services ensured only priority cases were referred for council support services, regardless of local connection. In this case, only a very small percentage of the 1000+ people each year who presented as homeless had a 'genuine' connection to the area.
14. Many participants recognised that judging whether someone should be entitled to overnight accommodation, for example, was a subjective process. One participant explained that a discretionary approach sometimes means overlooking an absence of local connection, and a formal protocol underwriting this would not be of benefit. Some described their approach as being 'local connection blind' at the first point of contact, with shelter being the first priority, followed by reconnection. This is the same as in Oxford. One area would only offer support to those who had registered at a local medical centre, which encouraged sign up.
15. Whilst most participants highlighted that discretion was key in defining one's entitlement to support, there was general consensus that local connection policies were a valuable way of resolving cross-boundary disputes, stopping abuse of the system, and prioritising need. None professed to have 'got it right', and some highlighted that despite their comparatively relaxed policy approach to other local authorities, there was still a significant number of vulnerable people on the streets, because there were not enough bed spaces, resources and services to support everyone.
16. Several of the participants explained that in their view, the relaxation of a local connection policy would only contribute to a minor inflow of rough sleepers from outside the local authority boundary, and any evidence to the contrary was called anecdotal by one participant. Participants were confident that the strength of local footfall, the night-time economy, begging opportunities and the quality of voluntary support services were a much bigger draw than what a council policy was. The European Observatory on Homelessness suggests that the perception that improved services will 'attract' people from afar to certain areas is an obstacle to progression.¹

Reconnection will always be sought, except in exceptional circumstances

17. Whilst discretion was prioritised over whether someone had a local connection, the feedback from participants shows that the long term goal is almost always to reconnect people to an area where they have a local connection. Only in exceptional circumstances would a reconnection not be sought, such as for fear of reprimand by a violent drug dealer. For those with significant vulnerabilities,

¹ European Observatory on Homelessness (2015). *Local Connection Rules and Access to Homelessness Services in Europe*. p.36

reconnection was generally sought after work had been done to stabilise that person's situation (i.e providing shelter and support).

18. Some pathway managers took advice from outreach workers on whether to reconnect someone, and others had dedicated reconnection officers responsible for linking people with services in their own area. Most took the approach of offering people shelter, and engaging them with reconnections further into the pathway. Reconnection work was highlighted as resource intensive, and participants indicated that local authorities had increased their focus on this in recent years.
19. Some authorities were asked what would happen in a situation where someone refused to reconnect. Most said that they would work with that person to understand why they refused to reconnect, and apply discretion on whether that was a valid reason. No policies were forthcoming on this issue. In one example, where someone refused a connection, the outreach team would monitor them at arm's length and judge whether their situation was deteriorating to the extent that they required full support.

Cross-boundary work is important

20. In line with the discretionary approach, some participants highlighted best practice through informal cross-boundary working. For example, two authorities spoke about negotiating reciprocal agreements for exchanging support for rough sleepers. Borough 'A' would take on a rough sleeper whose local connection lies with borough 'B,' but who has been rough sleeping in borough A and is reluctant to return to borough 'B'. In turn, borough 'B' would offer space in a hostel in their area to meet that needs of a rough sleeper in borough 'A.'
21. Examples of these reciprocal and informal arrangements were most common in mayoral areas, where the political and geographical arrangements supported close cross-border working. This is also supported through having unitary single tier authorities in London boroughs. Economies of scale and city-wide voluntary services were also benefits experienced within larger urban areas. Another example of an informal rule between authorities concerned allocating support based on which local authority performed the first assessment, regardless of local connection.

Other comments

22. Some other notable comments provided by the participants included:
 - New funding from HM Government is allowing some authorities to progress new ideas and recruit more specialised staff. However, the future landscape remains unclear, and local connection policies may need to become stricter where the demand on services increases.
 - None of the participants provided their local connection policies, or procedures for assessing rough sleepers. There was a clear nervousness among participants about providing this, with several suggesting that they did not have such a policy, and discretion was entrusted to the various staff supporting the pathway.

- The challenge of affordable housing provision means there are very limited move on opportunities for those completing homeless pathways, which leads to saturation in support services. People can then become more entrenched because there is no throughput.
- People must be entitled to housing benefit in order that they can access support services, which generally disadvantages asylum seekers and European Economic Area jobseekers.

Conclusion

23. From the feedback provided by the 12 participants, the data showed that most authorities take account of local connection criteria in prioritising need, but discretionary exemptions were championed as a more practicable way forward. Officers have explained that this is the same approach taken in Oxford. Multiple and complex health issues, such as dual diagnosis, were highlighted as the key variable where discretion should be applied.
24. The challenge in administering this discretion seems to be whether every person working in the pathway, including outreach workers, commissioned providers and pathway managers, apply their discretion fairly and consistently. The subjective nature of discretion may benefit from having written principles, policies or guidance; which no participants were forthcoming with.

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Background Papers: None

Appendices	
Appendix 1:	EXEMPT – Responses Received from Local Authorities
Appendix 2:	Review Group Report of 19 July 2018
Appendix 3:	Housing First Savings Report: Liverpool

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Appendix 2 - No Local Connection Review Group report from the meeting held on 19 July)background information)

1. What provision is already in place to support rough sleepers without a local connection?

Introduction

In order for an individual to access supported accommodation for single homeless /rough sleepers in Oxford, they need to meet eligibility criteria. This means they need to have a local connection as set out in the City's Allocations Scheme or to fulfil the criteria for a 'homeless pathway connection'. A pathway connection is a less strict set of criteria than the 'local connection'. They also need to be in receipt of benefits (and so have recourse to public funds).

Some commissioned services can be accessed by those with and those without a local connection (or recourse), including the sit-up service (where the client is engaging) and day centre services.

Further detail is provided in the sections below about winter provision which is open to those without eligibility. Information has also been provided about some of the accommodation units which are being commissioned through a specific MHCLG budget, and where the usual rules on eligibility will not apply

A summary of all services can be found in Table One

Winter Provision

Oxford City Council has a Severe Weather Emergency Protocol (SWEP) which sets out what Oxford City Council and local partner homelessness organisations will do to ensure there is provision of extra bed spaces for rough sleepers during adverse weather conditions. During 2017-18, 144 individuals accessed SWEP – the highest number ever – and accommodation was provided for a total of 827 nights.

SWEP is available to people regardless of their local connection and has always been used by a high proportion of clients with a connection to areas outside Oxfordshire and by clients who are EEA nationals without recourse to public funds. Most of those accessing SWEP in 2017-18 did not have a connection to Oxford.. Many had a connection to other Oxfordshire districts but over a quarter had no connection to Oxfordshire. Many clients were still waiting for confirmation of their connection status.

In addition, in 2017/18 the Oxford Winter Night Shelter (OWNS) operated between January and March, providing shelter to ten individuals across churches in Oxford. This service was provided without funding from the City Council and was open to all rough sleepers regardless of eligibility. It is proposed that this service will expand in 2018/19.

MHCLG Bid

Oxford City Council has been awarded £502,983 by MHCLG to fund services to prevent and relieve rough sleeping over the winter of 18/19.

This money will support OCC to provide a Hub in the city for Rough sleepers where they can access a number of support services. It is also being used to commission supported accommodation in the city. Some units are being commissioned to meet the needs of eligible rough sleepers, however others will specifically be open to some rough sleepers without a local connection and/or recourse to public funds. Table 1 provides further information on this.

2. How homelessness services are funded?

Historically, the County Council commissioned most services for single homeless people from Supporting People funding. In recent years, this funding envelope has reduced significantly, with the Council proposing to cease funding entirely from 2019/20 onwards. From 17/18 a pooled budget arrangement was agreed between all the Oxfordshire district councils; the county council and clinical commissioning group, to continue to fund the Adult Homeless Pathway.

The City Council has re-shaped its own commissioning strategy in light of this and has prioritised funding into accommodation based support for rough sleepers, to ensure adequacy of provision for city-connected clients going forward. The beds that the City Council commission are aligned with the pooled commissioning to offer clients access to an expanded pathway if they have a city connection.

Oxford City Council agreed its budget and Medium Term Financial Plan for the period 2018-19 to 2021-22 which included a base budget of provision of £941k per annum. A further commissioning budget is also available from the Council's own grant budget of £442,279.

The strategic framework within which these funds are allocated remains the same, providing a total budget for 2018/19 of approximately **£1,834,853**. This represents a total increase of £100,000 on the 2017/18 budget (excluding the proposed managed carry forward of funds from and reserves committed to the Acacia Housing First Project in 2017/18). A further £200,000 has also been identified in the budget report for inclusion in the base budget from 2019/20 onwards.

In light of the cross-commissioning agenda and cross-strategy advantages of homeless prevention and ending rough sleeping work, a multi-agency steering group advises on the monitoring of this budget. The group comprises of representatives from Oxford City Council, Oxfordshire County Council Joint Commissioning Team, Public Health and the Oxfordshire Clinical Commissioning Group.

Funding targeted at helping existing rough sleepers aims to support them through what is known as the homeless pathway. This is the path from sleeping on the streets; through hostels and supported accommodation; with support services to help

with employment, training, or any substance abuse or mental health issues; and finally to helping people into permanent accommodation and work.

Table 1

In 2018/19 the grants funded (and will be funding) the following services:

Oxfordshire Adult Homeless Pathway – Pooled Budget Supported Accommodation					
Service	Service Provider	Contract Value	City use only	Number of Units/Beds	Local connection
O'Hanlon Hse - City	Homeless Oxfordshire	£161,700	Yes	27	Yes
Connection Support	Connection & Response		Yes	31	Yes
Mayday	Mayday Trust		Yes	21	Yes
				79	
Oxford City Funded Supported Housing					
O'Hanlon Hse - City - SIT UP	Homeless Oxfordshire	£54,903	Yes	10	No (RS can stay in sit up whilst a connection is being looked into, or while they are engaged in reconnection)
Project 41	Homeless Oxfordshire	£149,994	Yes	41	Yes
Simon House	A2 Dominion	£200,000	Yes	22	Yes
Mayday	Mayday Trust	£39,272	Yes	10	Yes
Housing First	Homeless Oxfordshire	£47,850	Yes	5	Yes
Acacia - existing	Homeless Oxfordshire	£47,850	Yes	5	Yes
Acacia - capacity increase	Homeless Oxfordshire	£47,850	Yes	5	Yes
<i>TBC - EEA Migrants / Routes Home</i>			<i>Yes</i>	<i>1</i>	<i>No</i>
				89	
MHCLG Bid					
<i>O'Hanlon Hse - City -</i>	<i>Homeless</i>	<i>£33,658</i>	<i>No</i>	<i>10</i>	<i>As with the</i>

<i>SIT UP - extension</i>	<i>Oxfordshire</i>				<i>sit-up service above</i>
London Place winter shelter	A2 Dominion	20930	Yes	6	No
Simon House - winter shelter	A2 Dominion	62595	Yes	8	No
Womens beds	Homeless Oxfordshire	£16,377	TBC	5	Yes
Green Templeton College beds	Oxford University/Aspire	£15,400	Yes	3	No
Rehab units	Homeless Oxfordshire	49009	TBC	7	Yes
Move On units	Homeless Oxfordshire	23962	Yes	5	Yes
District based Winter Night Shelters	District Councils	30000	No	20	No
				64	
Other Services					
Street Population Outreach Team,	St Mungo's	£350,893			No
Specialist Homelessness Liaison Officer/Service	Thames Valley Police	£30,000			No
City Centre Ambassadors	Oxford City Council	£17,500			No
Day services for Rough Sleepers at O'Hanlon House	Homeless Oxfordshire	£82,778			No
Preventing Homelessness – Tenancy Sustainment Officer	Elmore Community Services	£35,630			Yes
Pre-Tenancy Training Course	Connections Support	£16,000			Yes
Target Hardening/Sanctuary Scheme	Oxford City Council	£30,000			Yes
Education, Training and Employment	Oxford City Council	£77,623			Yes
Emmaus Community Oxford	Emmaus	£10,000			No
Day Centre	The Porch	£55,000			No
Service Broker		£12,500			No

	The Big Issue Foundation				(although there is a KPI to encourage this)
Gatehouse Café	Gatehouse	£5,580			No
Emergency Bed for young person's pathway	Oxford City Council	£6,134			Yes (forward plan needs to be in place)
Single Homelessness Team	Oxford City Council	£120,000			N/A
Oxford CHAIN database, Real Systems	St Mungos - London.	£4,396			N/A

3. Understanding the reconnection process for those without a local connection.

The process of establishing local connection is carried out by OxSPOT (the outreach service commissioned through St Mungos), in conjunction with the Adult Homeless Pathway Co-ordinator at the City Council. The outreach worker verifies the rough sleeper and offers them an assessment, which will collect details that enable the co-ordinator to determine if:

- the client has a connection to City/
- the client has a connection to another district in Oxfordshire (in which case they will be referred to that authority).

if the client has a local connection to another area in the Country

Where the client does not have a connection to Oxford City or another Oxfordshire district, the outreach service will determine if the client is able to access accommodation/support in other areas of the country (regardless of their connection to any one area), and will draw up a suitable offer of accommodation and support (a service offer). This may involve making an offer of reconnection and providing resources to support this.

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3. A more detailed analysis of 2 of the sub-groups. Those who:

- Had been using 24 hour hostel or outreach services for at least 12 months
- Had been assessed as having a high level of need in 2 out of 3 domains (mental health, substance misuse or offending)

These were initially regarded as possible proxies for a defined Housing First cohort

The data included

- Presenting Needs
- Agency Contacts
- Events recorded
- NDT scores
- Services accessed
- Support Plan details

4. A more targeted set of queries intended to support estimates of

- The numbers of people currently in the system who could be targeted for Housing First
- The numbers of people who were possibly misplaced in supported housing because their need levels were not really high enough

Appendix 3: Costing of proposed Housing First Model

All of the costs components set out in 4.15 are used to build a projected overall cost for the proposed Housing First model based on the operating model of 20 clients per core staff team. This is shown in full in the table below.

Cost assumptions associated with

Model component	Cost assumptions	Projected cost per 20 Housing First clients (per annum)
The 'core' Housing First staffing team	Housing Support Worker role £33.6k p/a @ 4 posts Team Leader role £45.4k p/a @ 1 post Organisational overhead allowance charged at 15%	£33,600 x 4 = £134,400 £45,400 Subtotal = 179,800 Total including 15% overheads = £206,770
A social lettings agency	Assumed to be a cost of £777 per annum per unit	£777/52 weeks = £14.94 per unit p/w £17.94 x 20 units x 52 weeks = £15,540 p/a
Access to 24/7 on call system	Telecare package - £5 p/w per client Response service - 4 hours p/w at £17.46 per hour	£5 x 20 units x 52 weeks = £5,200 p/a 4 hours x £17.46 x 52 weeks = £3,631 p/a
2 nd tier mental health support	£40k p/a @ 0.3 FTE	£12,000 p/a
Wellbeing support and work/learning coaching	£30k p/a @ 0.3 FTE	£9,000 p/a
Total		£252,141 p/a

The basis for the costings for the proposed Housing First model as set out in the table above:

- The 'core' Housing First staffing team, including an allowance for the organisational overhead to support this 'core' team. Housing Support Worker costs are assumed locally to cost above current market rates for such roles due to the complexity of the Housing First clients. Annual costs are assumed to be £33.6k¹¹¹ per post FTE per annum including on-costs. A Team Leader role is assumed to cost £45.4k¹¹² FTE per annum including on-costs. It assumed that management/organisational overheads of 15% are applied to these staff costs.
- A local lettings agency (LLA) to deliver access to housing and potentially the management of such housing. It is anticipated that will be of use to a wider cohort. The costs of the LLA are based on a number of variables and assumptions that are set out below.
- Access to 24/7 on call system. It is assumed that an existing 24/7 on call system would be used with a response service provided either by an existing service provider or by the core Housing First staff team on a rota basis once sufficient scale has been achieved. Assumed costs are £5 per week¹¹³ per client for provision of a basic telecare service (based on costs of similar services locally) and an assumed on call response of up to 4 hours per week per 20 clients this will need to be tested and refined in practice) at the core staff team cost of £17.46 per hour (Housing Support Worker assumed cost expressed as an hourly rate).
- 2nd tier mental health support. Local stakeholder feedback has suggested that the core Housing First team will be trained to be sufficiently skilled in supporting clients with mental health needs and that this element

of the model could be provided on a 'seconded' basis from other services on the basis of 0.3 FTE role per 20 clients (drawing on evidence from a related service for rough sleepers in Liverpool and based on discussion with local stakeholders) The assumed cost of this seconded role is £40,000 per annum FTE including on-costs.

- Wellbeing support and work/learning coaching. Feedback from local stakeholders has been that the provision of wellbeing support and work/learning coaching could be provided as part of existing services supporting homeless people alongside the core Housing First team. The assumptions used for costing is on the basis of 0.3 FTE role per 20 clients (based on discussion with local stakeholders). The assumed cost of this role is £30,000 per annum FTE including on-costs (based on other services working with homeless people in Liverpool).

Costing a local lettings agency model.

For the purposes of modelling the level of subsidy that might be required the social lettings agency is assumed to have the following features:

- A balanced portfolio of properties, with some market-rented but more affordable.
- A size that could only be achieved after the project has been operational for some time
- A portfolio of properties which includes 1 bed flats, small 2 bed family homes and 4 bed multi-occupied properties (It is not assumed that the latter will be used by Housing First)
- All properties are managed on behalf of the owner. Affordable properties are fully managed including all day to day maintenance, furnishing & equipping, servicing of equipment

- etc. Market rent properties are provided with a housing management service - the other costs are borne by the owner.
- It is possible that some housing units for Housing First clients are provided directly by social landlords and therefore these costs may represent a prudent and marginal overestimate.

The following variables and assumptions are used.

Property Portfolio

Affordable	One Bed Flats	100
	Small family Homes	40
	Multi-Occupied Units	280
Market	One Bed Flats	50
	Small family Homes	25
	Multi-Occupied Units	100

Other assumptions include:

Rental Levels	Affordable set at LHA level. Market set with reference to Home.co.uk website
Management Fees	25% for Affordable 15% for Market
Voids and Bad Debts	10% across all properties
Housing Management	0.7 hours per unit per week for affordable 0.25 hours per unit per week for market (This is based on a previous piece of work undertaken)
Service & Maintenance Costs for Affordable Properties	Maintenance - £350 per property Servicing Costs - £265 per unit Furniture & Equipment - £110 per unit
Additional staffing (the costs are total costs of employing the staff including not just standard on-costs but also office, equipment, training costs etc)	Includes the following additional staffing: CEO @ £54,017 2 x Housing Supervisor @ £38,398 each Finance Manager @ £41,522 Property Finder @ £38,398 Comms Manager @ £38,398 All staffing costs include allowance for travel, equipment, office costs, office space

111 £28.5k annual salary plus 18% on costs

112 £38.5k annual salary plus 18% on costs

113 Riverside telecare cost from £3 per week

This produces the following costs:

Fee Income		£479,612	
Housing management Costs	£298,185		
Other Property Costs	£231,000		
Infrastructure Costs	£277,081		
Shortfall			£326,654
Cost Per Affordable Unit			£777 per year

Detailed Calculations of Sizing the Cohort for Housing First

There are three elements to this process:

- Estimating the current unmet demand for Housing First based on an analysis of Mainstay
- Estimating the newly-arising demand for Housing First year on year using assumptions built into a recent needs assessment exercise in Liverpool City
- Estimating the proportion of people who would cease to use their Housing First over time based on the result of Housing First evaluations to date

1. Estimating the current unmet demand

An analysis of Mainstay was carried out as to ascertain the number of individuals who met the following criteria:

Criterion 1: People who have presented at least four separate times for accommodation assessments since the Mainstay system began
AND

Criterion 2: Those whose most recent Assessment is less than 12 months ago
AND

Criterion 3: Those who were, in their most recent assessment, assessed as having a *high-level* need in relation to at least one of the following:

- Physical Health
- Emotional and Mental Health
- Offending
- Drugs and Alcohol misuse
- Social Networks

This is then assumed to be the basis for the calculation of the people currently in the system who would

benefit straight away from a Housing First offer. It is acknowledged that this is probably an under-count because it does not take account of people who for a number of reasons do not present themselves for a Mainstay assessment and effectively are "hidden homeless". We have not however found any reliable basis to take this into account in the numbers modelled and so at the moment these people are not counted in the sizing of the cohort.

This produced a total of 234 separate individuals.

As one of the key criteria is also that the individual is sufficiently engaged with services at that point in time to accept the offer of Housing First it is reasonable to discount this number on the basis that say 10 per cent of the individuals will not over a year ever get to a point where they would be able to accept an offer. This is an estimate which would need to be validated once Housing First had been operational for some time. The idea would be to maintain contact with these people and build a relationship such that ultimately, they may accept an offer.

With this assumption, it gives an estimate of the inherited potential cohort for Housing First of 211 **people**.

2. Estimating newly arising need

We have recently undertaken a full needs assessment exercise for housing support services for Liverpool City Council. As part of this we already made an estimate that, in Liverpool, 61 new people next year falling to 51 per year within 5 years and 38 per year within 10 years would meet the criteria

for housing with ongoing long-term associated support (i.e. Housing First). Some of these people would be part of the 10 per cent assumed to be unable at the moment to respond positively to an offer of a Housing First place.

The projected annual reduction reflects an assumption that numbers would fall as other interventions become more effective and less people fall into the trap of long-term homelessness. We have then assumed that, in line with the analysis already done, that maybe 90 per cent might be prepared to accept a Housing First offer during that year (and have therefore multiplied these figures by 0.9).

If we use the number of Liverpool clients known to Mainstay between 2015 and 2017 as a proportion of the total number of LCR clients within the same period (whether placed or not) as the basis for a multiplier for the LCR as a whole this would involve multiplying the above figures by 1.8.

Across the LCR this would mean that the estimates of numbers of HF units needed for newly arising (or newly presenting) need would be as follows:

Next Year	61*0.9*1.8 = 99
in 5 Years	51*0.9*1.8 = 83 per year
In 10 Years	38*0.9*1.8 = 62 per year

For the purposes of modelling we assume that these numbers change on a consistent basis so for example the number of new cases for the first 6 years is assumed to be as follows:

Year	Number of new cases
2018-19	99
2019-20	96
2020-21	93
2021-22	90
2022-23	87
2023-24	83

3. Estimating Cumulative Need

The cumulative need is the number of housing units required for Housing First at any one point. This is cumulative because, as this is not a time-limited service, each year the total number increases, unless some other factor intervenes.

In reality other factors do have to be taken into account, and the calculation of cumulative need does need to take into account not only the numbers of new Housing First arrangements coming on-stream, but also the number of arrangements that would cease to be active support cases.

This would include people who ceased to receive the service because they:

- withdrew from the Housing First service as they no longer wished to receive it
- OR
- no longer needed the intensive support package offered because of changes in their circumstances / capacities – though these people will still need an ‘open door’ and/or follow-up lower intensity floating support.
- OR
- were deceased or whose health deteriorated to the point where they needed to move to an enhanced health or care facility

An estimate of the proportions of Housing First clients who are in these categories and the average duration of service for these groups have been modelled as follows:

Sub-Groups	Estimated % of customers	Average time
People who withdraw from the Housing First	20%	9 months
People who no longer need the intensive support package offered because of changes in their circumstances	20%	5 years
People whose health deteriorates to the point where they have to move to an enhanced care facility – or they pass away	10%	3 years
People who continue to need the support offered	50%	10 years

These assumptions are based on the results of the largest UK evaluation of Housing First, which was of the Depaul service in Northern Ireland¹¹⁴.

Based on these assumptions in practice the numbers of Housing First arrangements assumed to be operational at the end of Year 1 is reduced by 20 per cent, at the end of Year 3 is reduced by a further 10 per cent, and at the end of Year 5 by a further 20 per cent.

By the end of Year 10 for modelling purposes it is assumed that all the initial arrangements have ceased, although in reality some may go on for longer – this is an average length of service. This would mean that for the initial cohort of Housing First (the people already in the system) the numbers of service arrangements that would be in place at the beginning of each year would be as follows:

114 Boyle, F., Palmer, J. & Ahmed, S. (2016) The Efficiency and Effectiveness of the Housing Support Service piloted by Depaul in Belfast, funded by Supporting People: An SROI Evaluation: Final Report, North Harbour Consulting

Year	No of Units
2018	211
2019	169
2020	162
2021	155
2022	148
2023	127
2024	106
2025	85
2026	64
2027	43
2028	22

This exercise is then completed for each of the cohorts that arise from the newly emerging need and this allows a calculation to be done for the total number of units needed in each year as follows

Based on these assumptions the cumulative need for Housing First Units has been calculated as follows:

Year	No of Units
2018	310
2019	344
2020	408
2021	466
2022	518
2023	543
2024	556
2025	556
2026	541
2027	518
2028	483

To explain this further the numbers of units required in 2023 is made up of (the numbers starting in 2018*50%) +(the numbers starting in 2019*70%) = (the numbers starting in 2020*70%) +(the numbers starting in 2021 *80%)+(the numbers starting in 2022*80%) +(the numbers starting in 2023)

For each new year-cohort the numbers using a Housing First service are reduced by 20% by the end of Year 1, 10 per cent after Year 3, 20 per cent after Year 5, and finally by 50 per cent after Year 10 (this is to reflect the proportions of HF customers leaving the service for different reasons as explained in the earlier table). Between each of these milestones the number receiving the Housing First service is adjusted so that the number reduces at a steady rate.

Initially the numbers required reflects the significant backlog of need. Over time this dissipates as the number of the initial clients decreases, and after the seventh year of the programme the number of units required begins to reduce. At some point in the future this will reach a plateau – a state of equilibrium – but projecting more than 10 years is unlikely to be realistic.

Method for assessing potential for cashable savings and efficiencies from implementing Housing First

Potential for cashable savings

In order to project the likely costs of implementing the proposed model it is necessary to make use of the estimated demand within the LCR that could be met by Housing First alongside the predicted costs of the model in practice. Projected future demand is covered in detail in Chapter 4 so only the relevant elements for costing the model are shown here. Chapter 4 identifies the estimated demand for Housing First across the LCR in terms of the number of service users over the period 2018 – 2028. This is based on:

1. Estimating the current unmet demand for Housing First based on an analysis of Mainstay
2. Estimating the newly-arising demand for Housing First year on year
3. Estimating the proportion of people who would cease to use their Housing First over time based on the result of Housing First evaluations to date

Assumptions also need to be made about the implementation and take-up of Housing First in practice, particularly during the earlier phases of implementation. For the purposes of costing the model over the period 2018 – 2028 it has been assumed, based on discussion with local stakeholders, that:

- It may take up to 5 years for a Housing First response to be scaled up to meet projected demand;
- There will be year-on-year increases in the capacity of Housing First over the first 5 years.

In practice, the length of time taken to implement Housing First to match projected demand will be influenced by the degree of effectiveness of the Housing First model, the pace at which commissioners wish to implement a Housing First model and the resources that are available to fund this approach.

The table below illustrates the cost implications of seeking to meet the projected demand for Housing First based on a phased implementation over 5 years and using the estimated cost of the proposed Housing First model per client per annum.

Cost implications of meeting estimated demand for Housing First in the LCR 2018-2028

Year	Projected demand for Housing First (no of service users)	Projected build-up of Housing First capacity (no of service users)	Projected cost of Housing First per annum (£m)
2018/19	310	60	0.76
2019/20	344	130	1.64
2020/21	408	210	2.65
2021/22	466	300	3.78
2022/23	518	400	5.04
2023/24	543	543	6.85
2024/25	556	556	7.00
2025/26	556	556	7.00
2026/27	541	541	6.82
2027/28	518	518	6.53
2028/29	483	483	6.09

Note: no allowance for cost inflation is built into the projected costs

This indicates that the cost in year 1 (2018/19) would be £0.76m. The cost would then rise proportionately as modelled until supply and demand are in equilibrium by year 6 in 2023/24, when the annualised cost is projected to be £6.85m.

From this point the projected cost fluctuates reflecting changes in estimated demand. However, in reality service costs do not typically fluctuate in this way as the actual cost is based on the metric of 20 service user of Housing First (per core staff team) so any increase/decrease in scale and costs will tend to reflect changes based on this metric.

In order to test whether the modelled reconfiguration of services in support of Housing First is affordable and will sustain this additional expenditure on Housing First we have to assume a benchmark cost for each of the service options identified in the explanation of the housing-led strategy in Chapter 3. The following is a proposed set of assumptions.

Service Type	Benchmark Cost (£ per unit per annum)
Housing First	12607
Emergency & Specialist Congregate Housing – 24 Hour Cover	17523
Emergency & Specialist Congregate Housing – Other	9000
Housing-led – access to housing	385

The cost of Housing First is set out in Chapter 4.

The figures for Emergency & Specialist Congregate Housing are based on a sample of current LCR schemes. This includes both the support funding currently paid by local authorities and the excess in rental income over the LHA level.

The figure for housing-led provision is based on the calculated cross-subsidy for the LLA, set out in the costing of the Housing First model (but with the additional assumption that only maybe half the units will actually be secured through this route).

It is an important part of the overall strategy to include the provision of floating support to facilitate the prevention of people losing their accommodation, people moving into alternative accommodation, and people moving on from the residual congregate accommodation. At the moment however we do not have unit cost information for these services. However instead we provide a cross-check below which indicates as to whether this model presumes an increase in floating support provision or not as we do have figures for total usage across the LCR.

We have modelled a possible service configuration as at 2023/24, as this is the point where we suggest Housing First should be meeting the identified need. We have used as our starting point a recent study undertaken for

Liverpool City Council on the need for housing support services. We have grossed up the results of this for the LCR by using a multiplier of 1.8. This is based on the fact that the total number of users of the current accommodation services in the LCR is 1.8 times those of Liverpool alone.

This model uses the following assumptions.

- The total number of people at risk of homelessness across the LCR is assumed to be 9477 in 2023/24, of which 85 per cent are anticipated will present for assistance (this is based on a complex modelling of a wide number of pathways into homelessness).
- The various interventions proposed are anticipated will have an 80 per cent success rate in terms of ending people’s homelessness (this generates a number of re-presentations for assistance of which it is assumed that 30 per cent of people will come back into the system through the congregate emergency and specialist housing initially)
- The average length of stay in emergency and specialist housing may be up to 6 months depending on client need.
- 41 per cent of people needing some additional support with their housing will be able to have their need met in mainstream accommodation with time-limited floating support. This is based on an analysis of support plan scores on Mainstay – 41 per cent of

people housed in supported housing actually had an assessed level of support need no greater than the average for floating support users.

- 38 per cent of people in need of some short-term emergency & specialist housing will need 24 hour cover. This is based on an analysis of the risk levels assessed for people using supported housing services currently.

The modelling projects the following:

	Total	Number requiring floating support to achieve this
People whose housing can be sustained with prevention interventions	3545	1582

To help interpret the achievability of these assumptions we have compared these numbers to the recorded numbers of prevention of homelessness by helping people stay in their accommodation that local authorities are already achieving. Across the LCR in 2015/16 the six authorities in the LCR recorded 1510 cases in which they achieved this.

The remaining need for other forms of provision in 2023/24 according to this model and in comparison to current levels of provision was as follows:

Service Type	Current Level	Calculated Need for 2023/24 (housing units not people)
Housing First	0	543
Emergency & Specialist Housing – 24 Hour Cover	1060	355
Emergency & Specialist Housing – Other	451	561
Housing-led – access to housing	N/A	3184

It should be noted that it is not easy to compare the need for access to housing under Housing Led arrangements, because currently the six LCR local authorities are already very successful in finding alternative accommodation as a way to avoid homelessness. In 2015-16 there were 3,684 recorded cases of this across the LCR. How much this work overlaps with what is projected above is quite difficult to ascertain, but there is probably a large degree of this.

The model also estimates that around 905 of those people would benefit from a floating support service to help them settle in to that alternative accommodation. Using the benchmarks already explained to translate this into total costs produces the following results.

Service Type	Current Costs (£m)	Projected Cost (£m)
Housing First	n/a	6.85
Emergency & Specialist Housing – 24 Hour Cover	18.57	6.21
Emergency & Specialist Housing – Other	4.06	5.05
Housing-led – access to housing	N/A	1.23
Total	22.63	19.34

As a cross-check we have also estimated the assumed level of floating support that this might indicate. This is made up of 3 elements as follows:

Circumstance	Number of People
Preventing homelessness	1582
Assisting resettlement straight into mainstream housing	905
Assisting resettlement from emergency & specialist housing (50% of users moving on)	673
Total	3159

This should be compared in total to the 5,942 users of floating support recorded on Mainstay between 2015 and 2017, and would thus only represent a small increase, and therefore without significant budgetary implications.

Overall this would indicate that with all these assumptions a Housing First/ housing-led system could generate savings.

It is however significantly dependent on being able to successfully scale up the prevention activity of Housing Options teams, and without the capacity to do that the whole strategy is likely to unravel. This will obviously itself require additional resource, which is more difficult to estimate, but within the above modelling results there would appear to be some scope to dedicate resource to this.

One final note of caution should be struck. This modelling does assume that money that is currently paid to

supported housing schemes through Housing Benefit above the one bed LHA rate will be recycled to local authorities through some version of the supported housing funding reforms. It makes no such assumption, however, about non-commissioned supported housing currently receiving above LHA rates of rent.

Notes covering calculation of Potential for Cashable Savings

The Potential for Cashable Savings was based on calculations as at 2023/24 in the following way:

Initially the conclusions from the Liverpool City Council Housing Needs Assessment were captured. This divided those who were calculated to be at risk of homelessness into proportions in terms of the required service responses (this is represented as a global figure but was made up of a number of different potential pathways into homelessness – these were described as the populations at risk).

The percentages needing the following service responses in this analysis was as follows

Service Intervention	Global % of the at risk population
Prevention intervention to preserve existing housing	20.7%
Prevention with associated floating support	16.7%
Access to alternative housing without additional support	23.8%
Access to housing with support (all types)	23.99%
Assumed not to present for assistance	15.5%

This was then amended by taking into account the fact that the average support plan score of people currently receiving a supported housing service was equal to or higher (i.e. lower level of support needs) than the floating support average score in 41 per cent of cases. It was therefore assumed that only 59 per cent of the 23.99% needing access to housing with support actually needed congregate supported housing, while the other 41 per cent could manage with direct access to alternative mainstream housing and a time-limited floating support package. This resulted in the revised percentages used for modelling purposes.

Service Intervention	Global % of the at risk population
Prevention intervention to preserve existing housing with or without floating support	$20.7 + 16.7 = 37.4\%$
Access to alternative housing with or without without additional floating support	$23.8 + (23.99 \times 0.41) = 33.6\%$
Access to housing with support (all types)	$23.99 \times 0.59 = 14.2\%$
Assumed not to present for assistance	15.5%

We calculated that the total numbers of people at risk of homelessness across the LCR would be 9477 (based on the number in Liverpool x 1.8) the multiplier reflected the proportion of total mainstay placements that were made in Liverpool City. The numbers requiring the above interventions is therefore calculated as follows:

Service Intervention	Global numbers in need of this intervention
Prevention intervention to preserve existing housing with or without floating support	$37.4\% \times 9477 = 3544$
Access to alternative housing with or without additional floating support	$33.6\% \times 9477 = 3184$
Access to housing with support (all types)	$14.2\% \times 9477 = 1346$
Assumed not to present for assistance	$15.5\% \times 9477 = 1,468$

We then assumed that 20 per cent of all interventions failed to achieve their objective of stabilising people’s housing situation and that 30 per cent of those people as a result re-presented for some form of housing with support intervention. This means that in addition a further 6 per cent of the total at risk population would in fact end up in Housing with Support based on the calculation 0.2×0.3 .

The total percentage in need of a housing with support option is therefore $14.2 + 6 = 20.2$ per cent. This amounts to a total of 1914 people.

This is the number of new people who present in this year who need a housing for support service. We have already assumed that 82 of these people will need a Housing First response.

This leaves a further 1832 people in need of an intervention.

If we assume an average length of stay of 6 months then this means that a total number of 916 housing units are needed for these people.

We then make a calculation as to what percentage of these units should be 24 Hour Cover. This is based on the fact that 55.4 per cent of the current units are 24 Hour Cover but a finding from Mainstay was that only 70 per cent of current users had a high risk rating. The percentage that should be 24 Hour Cover was therefore calculated as 0.554×0.7 which was rounded up to 38 per cent.

The cost per unit for the different interventions was assumed to be

Service Type	Benchmark Cost (£ per unit per annum)
Housing First	12607
Emergency & Specialist Congregate Housing – 24 Hour Cover	17523
Emergency & Specialist Congregate Housing – Other	9000
Housing-led – access to housing	335

The figure for Housing First is explained in Chapter 4. The figures for Emergency & Specialist Congregate Housing are based on a sample of current LCR schemes. This includes both the support funding currently paid by local authorities and the excess in rental income over the LHA level.

The figure for housing-led provision is based on the calculated cross-subsidy for the LLA, set out in the costing of the Housing First model (but with the additional assumption that only maybe half the units will actually be secured through this route

The total number of units required and projected cost was therefore calculated as

Service Type	Projected Cost (£m)
Housing First	6.85
Emergency & Specialist Housing – 24 Hour Cover	6.21
Emergency & Specialist Housing – Other	5.05
Housing-led – access to housing	1.23
Total	19.34

Potential for efficiencies: Value for money analysis

There are two main types of analysis that demonstrate the value for money that can be generated by a particular form of service intervention. These are:

- Cost Effectiveness Analysis
- Cost Benefit Analysis

A cost-effectiveness analysis is intended to calculate the cost of achieving a certain specified outcome e.g. effectively breaking the cycle of homelessness and enabling someone to sustain their tenancy. It is intended to compare different ways of approaching the same objective and thereby comparing the value for money of two (or more) different interventions aiming to achieve this or a new intervention in comparison to the "business as usual" of existing services. The output is a relative cost per successful outcome – it does not take into account any potential savings generated elsewhere by the intervention – although these can be alluded to. Importantly, the intervention that is most successful in achieving the desired objective may not be the most cost effective if it is the most expensive e.g. if it is twice as effective in achieving the objective but three times as expensive per head it will be *less* cost effective. It is also important to note that stating that an intervention is more cost effective is not the same as saying it is cheaper (than the alternative).

A cost benefit analysis involves comparing the costs of the new service intervention with the costs of the "business as usual" alternatives, and then comparing this to the value of the benefits achieved or the dis-benefits avoided to the extent to which these

can be monetised. These benefits, and thereby the potential savings, can accrue to a range of agencies, or in some models to the individuals, and will probably not all accrue to the agencies shouldering the cost of the intervention. This potentially undermines the impact of the analysis. There is also the question as to whether the savings are "cashable" – will it result in other budgets actually being reduced or not increasing as much as they would otherwise. The number of individuals involved generally have to be significant in order for this to be the case unless the costs being saved are something like savings in benefits payable, where there is a direct relationship between the individual and the total money expended.

Most research about the costs of homelessness indicate that the main savings involved in reducing homelessness generally arise from the homelessness services themselves e.g. the research used in this analysis subsequently – *Better than Cure? Testing the case for Enhancing Prevention of Single Homelessness in England*, Pleace and Culhane, 2016, found that the cost of homelessness services itself constituted 43% of the total costs identified for the 86 homeless people interviewed for the study, and that the net savings across the consumption of homelessness, NHS, criminal justice, mental health and drug and alcohol services by the 86 people is actually less than the costs of homelessness services alone. This just serves to confirm that the cost effectiveness analysis illustrated here is by far the most effective way to demonstrate the value for money of

Housing First to the state as a whole. A cost-benefit analysis would consider a wide range of cost implications, but a range of research would suggest in the short or medium term some of these would actually increase as a result of Housing First achieving its secondary objectives of helping people engage with services more effectively, and in particular address their serious health problems more effectively. In the short to medium term, use of mental health and other planned health / social care services is very likely to increase if Housing First works as it should. It is probable that treatment costs and engagement with substance misuse services will also increase in short term but then reduce. Some other costs such as the use of emergency services (A&E, ambulance service, etc) and criminal justice cost resulting from offences committed should, based on other research¹¹⁵ reduce in the short-term as well as the long-term.

A recent study for the National Housing Federation on the cost consequences of a shortfall in housing support services¹¹⁶, showed that the greatest costs long term that impact on the cost benefit calculation in relation to the public purse are associated with time spent in psychiatric inpatient care. Housing First in the short term is quite likely to increase this as people more effectively engage with services, although the resulting improvement in health and well-being is likely to reduce long-term costs, but this typically represents 'cost avoidance' for other publicly funded services as distinct from cashable savings.

Generally, the evaluations of Housing First in the UK and elsewhere to date have shown a significant success rate in helping formerly homeless

people to maintain a tenancy, but have been more mixed in terms of other impacts on service usage¹¹⁷. However, as already stated, it is important to recognise that the principal objective of a Housing First programme is ending long-term homelessness, and tenancy sustainment is the principal indicator against which the effectiveness of the programme should be judged.

For these reasons, the most appropriate way to demonstrate the value for money provided by investment in Housing First is to undertake a cost effectiveness exercise, rather than a cost benefit exercise. This involves calculating the cost per successful outcome from Housing First and comparing it to the cost per successful outcome from the current set of homelessness services i.e. "business as usual". These services include emergency shelters, hostel and other supported accommodation, as well as outreach and day centre services.

To illustrate the value of a cost effectiveness analysis we have undertaken an "ex-ante" analysis i.e. based on forecasts rather than actual results. This is therefore designed to estimate, based on the best available evidence, the effectiveness of Housing First as opposed to the current range of homelessness services. It is therefore predictive and not based on the actual effectiveness or costs of a set of services. However, for the "ex-ante" analysis to be of value, it has to be based on evidence - in this case we make use of the extensive research base for the impact of Housing First in the UK and elsewhere, and also a bespoke analysis undertaken on the Mainstay system in Merseyside. This is

¹¹⁵ For example one of the findings from Boyle, F., Palmer, J. & Ahmed, S. (2016) The Efficiency and Effectiveness of the Housing Support Service piloted by Depaul in Belfast, funded by Supporting People: An SROI Evaluation: Final Report, North Harbour Consulting

¹¹⁶ Goldup, M (2016), Strengthening the Case for Supported Housing, National Housing Federation

¹¹⁷ For example Greenwood, M (2015), Evaluation of Dublin Housing First Demonstration Project: Summary Findings, University of Limerick

set out in more detail below.

An “ex-post” analysis i.e. one based on what has actually happened, would obviously be more powerful in its conclusions. This would involve tracking actual Housing First cases and comparing these results to those of a closely-defined and monitored comparator group receiving other services.

The cost effectiveness that is being measured is the cost per successful outcome, which is sustaining independent housing. Importantly, this outcome is more than just being placed / moving into independent housing, and is usually assessed by whether the person succeeds in sustaining that housing for a specified period of time. Most of the evaluations of Housing First use a period of 12 months as the indicator that independent housing is sustained, but for pragmatic reasons explained below we suggest an elapsed time of 6 months instead as an indicator of sustained housing for the purposes of this analysis.

One of the key issues that has to be resolved is over what time frame cost effectiveness is assessed. A fixed point needs to be set after which elapsed time the proportion of clients achieving the primary objective of a sustained tenancy for the 2 “interventions” is estimated. Ideally this would be over the anticipated lifetime of a Housing First placement, but the evidence base does not exist at the moment to inform such a long-term assessment. For this analysis, we have taken this fixed point to be after 2 years and therefore we have looked at the likely cost of the intervention over 2 years and similarly the likely cost of the alternative pattern of services over the same period, and assessed the chances that at the end of this period the individuals will have been in their own settled housing for a period of at least 6 months.

If it were possible to reproduce this exercise over a longer-time period, it may well produce a different result – as there may be a drop-off in the numbers of sustained tenancies with Housing First – although there is no evidence to suggest this. It may also be the case that the “business as usual” range of services may over time become more successful at helping people “sustain independent housing”. This was supported by the Mainstay analysis, where the proportion of the cohort helped into independent housing increased over time.

These caveats should be borne in mind in interpreting the results of the cost effectiveness analysis. There are 4 principal elements to the cost effectiveness calculation:

- The proportion of people receiving the intervention who will achieve the specified outcome.
- The proportion of people receiving the comparator intervention who will achieve the specified outcome.
- The cost of the intervention being analysed.
- The cost of the comparator intervention

We will now look at each of these 4 principal elements in turn, and explain how we have used this evidence to construct a cost-effectiveness calculation, based on a notional scenario of what is likely to happen to 100 clients receiving Housing First and what would happen to the same or similar 100 clients continuing to receive services as of now. It is therefore looking at the cost effectiveness of Housing First for this specific group, and not the homeless population as a whole. This is the group that is by definition the one that has most difficulty receiving assistance through current services. The exercise is not as such assessing the cost-effectiveness of the homelessness services as a whole

Achieving the specified outcome with Housing First

Various Housing First evaluations have assessed the proportion of service users who are assisted to successfully sustain a tenancy. These include:

*Glasgow*¹¹⁸ - Of the 17 people allocated a tenancy under Housing First, 15 were in a tenancy 12 months later (88%) – 9 were in a tenancy 2 years later – but the other 6 simply had not been housed for long enough to count – 2 people housed had lost their tenancy. 4 people were never housed. 1 person died so they are excluded from the above calculation.

*Belfast*¹¹⁹ - Of the 19 people housed by Housing First in 2014, 17 were still in a tenancy at the end of the year (89%). This is ignoring the 3 who died during the year. This is not the same as saying that they had been in a tenancy for at least 12 months however.

*UK Research*¹²⁰ - Changing Lives, CRI Brighton, St Mungos and 2 SHP schemes had 80 clients on their books in December 2014 – of which 59 had been housed for at least 12 months (74%) – but this is not to say that the other 21 had lost their housing – some may simply have been in place for less than 12 months.

*European Research (as quoted by Housing First Guide Europe)*¹²¹ - Amsterdam – 97% of users still in tenancy 12 months later. Copenhagen – 94% of users still in tenancy 12 months later. Lisbon – 79% of users still in tenancy 12 months later. France (Un Chez-Soi d’abord) – 80% of users still in tenancy 12 months later. Vienna – at the end of 2 year programme 98% of service users were still in apartments.

From this range of evidence of the effectiveness of Housing First we have made a conservative assumption that

80 (out of 100) Housing First clients would have been in settled housing for at least 6 months at the end of 2 years. We assume that the remaining 20 all fail to sustain their independent housing.

Achieving the specified outcome with existing homelessness services

The analysis that was undertaken was as follows:

A cohort of people was identified that met the criteria for a Housing First service as explained in Appendix 5. There were 151 such individuals known to Mainstay in March 2015. We then tried to track what happened to them over the next 2 years.

For a number of people, it was not possible to ascertain with a sufficient degree of confidence what actually happened to them. So, if they did not fall into one of the following categories they were excluded from the subsequent calculations:

- Known to have moved into independent accommodation within the period.
- Known to be still receiving some form of homelessness service or known to be homeless at the end of the period.
- Having been assessed within the last 3 months of the period.
- Having received homelessness services for at least 6 months in both years.

There were 51 people who did not fall into one of these groups, and therefore the sample size was taken to be 100.

8 of these people had been placed into independent housing by March 2016. A further 13 were placed into independent housing by March

118 Johnsen, S, Turning Point Scotland’s Housing First Evaluation: Final Report, Turning Point (Scotland)
119 Boyle, F., Palmer, J. & Ahmed, S. (2016) The Efficiency and Effectiveness of the Housing Support Service piloted by Depaul in Belfast, funded by Supporting People: An SROI Evaluation: Final Report, North Harbour Consulting
120 Pleace, N and Bretherton, J (2015), Housing First in England: An Evaluation of Nine Services, centre for Housing Policy
121 Pleace, N (2015), Housing First Guide Europe, FEANTSA

2017. Nevertheless, this meant that only 8 people had been in sustained independent housing for 12 months by the end of the 2-year period. This was considered to be potentially misleading however, as 21 had been placed by the end of the second year. However, the outcome being assessed is not “being placed in” but rather “sustaining” independent housing. Therefore, a compromise position has been assumed which uses 6 months as the criteria for sustainment – and 15 out of 100 of those in the Mainstay analysis met this criterion.

For the purposes of this analysis therefore we projected that 15 of the 100 would achieve a sustained tenancy of at least 6 months under ‘business as usual’ arrangements at the end of 2 years.

Cost of Housing First

The calculated cost of Housing First, including the estimated subsidy to a Local Lettings Agency, is £12,607 per year.

For the purposes of this exercise we therefore assume that the 80 clients who are sustained successfully for the full 24 months will cost 2 x £12,607 = £25,214. This is on the basis that the cost of the service starts from when they are accepted rather than from when they are housed because the support is available while the property is being sourced.

The costs of those who do not succeed in meeting the outcome also need to be taken into account as costs of the intervention. However, by definition this is not for the full 2 years. Elsewhere we have estimated that initial failures to maintain settled housing may take place on average after 9 months, so we also assume this here and therefore for each of the clients who do not meet the outcome the assumed costs are £12,607

x 0.75, plus the cost of receiving homelessness services for on average the remaining part of the 2 years.

Costs of Existing Homelessness Services

This is complicated by the reality of service usage. Almost by definition the cohort that Housing First is aimed at, dip in and out of services – sometimes living in hostels, sometimes living on the streets or in other temporary settings, while using outreach or day centre-type services on a sporadic basis. The research by Pleace and Culhane, based on interviews with 86 homeless people, made an attempt to track this based on analysis of the services that this sample of 86 had ‘consumed’ over a 90-day period. This found, for example, that 54% of people used a hostel only, 23% used a day centre only, and 5% used a combination of a day centre, outreach and shelter services. Overall only 65% of the sample used any hostel services during the period.

The cost of the services used was then grossed up by Pleace and Culhane to produce an annual cost of £14,808 per person. This is potentially misleading however because the hostel element of the costs included the full rental payment and most Housing First clients will be equally dependent on benefits to meet their rental payments (up to the LHA level). In order to discount this element of the rental from both sides of the equation we have deducted the LHA rate of £90.90¹²² per week for the estimated 60% of users in the Pleace and Culhane study who made use of a hostel during the set period. This reduces the estimated annual cost by £2,808, producing an average total annual cost per person of £12,000.

The actual costs take into account the results of the Mainstay analysis which also produced data about the

length of time that people placed in independent housing had spent as homeless since the beginning of the period and before they moved in to independent housing. For the 21 people placed in independent housing the average time spent in homelessness services was 437 days.

The cost of ‘business as usual’ services is therefore taken to be 79 x £24,000 for those who remain homeless for the whole period, and 21¹²³ x £24,000 x (437/365 i.e. 1.197) for those who move into independent housing.

For the purposes of the exercise, it is assumed that once the person moves into independent housing there is no ongoing service usage (although in reality this is unlikely to be the case).

Putting these assumptions together produces the following results:

	Housing First	Existing Homelessness Services
Cost of Service	(£25,214 x 80) + (£12,607 x 0.75 x 20) + (£12,000 x 1.25 x 20) = £2,506,225	(£24,000 x 79) + (£12,000*21*1.197) = £2,197,710
Achieving sustained tenancy	80	15
Cost per successful outcome	£31,328	£146,514

This means that on these parameters, over 2 years, and for this specific client group Housing First as an intervention is predicted to be approximately 5 times as cost effective as the “business as usual” range of homelessness services.

Further analysis of Mainstay suggests that in fact all 21 people from the selected cohort who were housed at the end of the 2-year period were in fact able to subsequently sustain their tenancy, and if this number was used instead, Housing First would be around 3 times as cost effective.

The end result therefore can be said to be that Housing First is 3 to 5 times as cost-effective in delivering sustained tenancies for this cohort.

122 This is the 1-bed Local Housing Allowance rate for the Greater Liverpool Broad Rental Market Area (BRMA)

123 This is based on the number of people in the Mainstay analysis who had by the end of 2 years succeeded in moving into independent accommodation

Minutes of a meeting of the NO LOCAL CONNECTION REVIEW GROUP on Tuesday 21 August 2018

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Committee members:

Councillor Aziz
Councillor Howlett
Councillor Simmons
Councillor Bely-Summers (Chair)
Councillor Landell Mills

Officers:

Stefan Robinson, Scrutiny Officer
Dave Scholes, Housing Strategy & Needs Manager

Guest Speakers

Matthew Downie, Crisis Director of Policy and External Affairs
Kate Cocker, Director of Crisis Skylight Oxford
Rob Rogers, ACT Outreach Team Manager
Richard, ACT Housing Support Officer
Dr James Porter, Luther Street Medical Centre

9. Welcome and introductions

The Chair welcomed guests to the meeting. She explained that the purpose of the No Local Connection Review was to improve outcomes for people who were homeless and had no local connection to Oxford. The purpose of this meeting was to hear from external guests about ways to improve the Council's homelessness policies, and wider homelessness support function. The Chair invited all present to introduce themselves.

10. Apologies for absence

Apologies were sent on behalf of David Portway, ACT Managing director, who was substituted by Richard, ACT Housing Support Officer.

11. Declarations of interest

There were no declarations of interest.

12. External contributions

Dave Scholes, Housing Strategy and Needs Manager, explained that the Sit-up Service and the Severe Weather Emergency Protocol (SWEP) provided support for people with and without a local connection. There were different types of local connection, including; city connection, county connection, pathway connection and various exemptions such as for those at risk of violence, former armed services personnel, and those with no local connection to any area. It was

confirmed that the Council used the statutory definition of local connection as a basis for determining access to the Housing Register.

In reviewing the local connection research report, which summarised responses from 14 local authorities concerning their local connection policies, the Housing Strategy and Needs Manager highlighted that whilst many championed discretion in applying local connection criteria, none were forthcoming with written policies. He also drew attention to the homeless 'magnet' effect referenced within the report, which some authorities said was more related to pull-factors such as footfall, begging opportunities and the diversity of support services, rather than council policies. It was confirmed that people in Oxford would need to engage with the Sit-up Service in order to access support to reconnect to another local authority area.

Matthew Downie, Director of Policy and External Affairs at Crisis, explained that whilst some authorities appear to champion discretion and say they do not apply a local connection, this was only at the very first point of contact. The subsequent priority would always be to reconnect those people to another area. To his knowledge, there were no local authorities that completely dis-applied local connection criteria for a full support pathway.

In response to questions about rates of successful reconnections made to other authorities, Mr Downie said the data was weak in relation to reconnection outcomes. He highlighted some key challenges across local authorities nationally, including:

- People were often given one way tickets by local authorities, rather than a support package for reconnecting with services.
- If people turned down a reconnection offer, they were often considered to have 'burnt their bridges' and would be refused further support.
- Reconnections did not take account of peoples social and support networks.
- There were often tensions between local authorities in receiving reconnections, and local authority accountability and responsibility was often lost through this process.
- There was a lack of choice, agency and assistance in the reconnection process.
- Money was sometimes spent on creating and maintaining barriers to accessing support.

Mr Downie said these challenges were policy choices to manage resources which lacked focus on human outcomes. The Review Group remarked that many of these challenges were reflective of national migration policies.

The Chair asked about the work of Luther Street Medical Centre. Dr James Porter explained that the Medical Centre supported people experiencing homelessness. The Surgery did not keep details of whether people had a local connection to the

area as it would not impact on the level of care given. No one would be excluded from healthcare on the grounds that they did not have a local connection.

Dr Porter said the impact rough sleeping has on a person's health was substantial, with the life expectancy of a rough sleeper averaging in the mid-40s nationally. When cross-checked against records of local patients, the life expectancy was of a similar level. Mental health and addiction were principal challenges for the health of rough sleepers, and it was common to see viral infections and liver disease as a result of their circumstances.

As well as the human and social costs associated with ill health, the financial costs were also significant. The cumulative involvement of ambulances, overnight hospital stays and treatment was substantial, and preventative measures from other public services could take pressures off the health system. The Housing Strategy and Needs Manager added that the financial cost of one day in the health service may equate to a week of housing support.

The Chair invited Rob Rogers, ACT Outreach Manager, to provide an overview of the ACT housing model. ACT, as a housing project that operated outside of the Council's homeless pathway, provided accommodation for vulnerable people who were homeless. They owned eight houses which had increased from three in the previous year, with a total of 16 beds. Local connection criteria were not applied to the services they provided, but they did require people to be free from drugs and alcohol. Of the 16 people housed, only two had a local connection. Mr Rogers highlighted that people in prison lose their local connections, and so cannot access the homeless pathways. The Review Group commented that under the Council's Joint Operational Protocol, those who had no connection to any area should be entitled to access the homeless pathway.

Mr Rogers said one of the biggest challenges for ACT was move-on support, which could be helped through changes in Council policy. He said that some people have been in shorthold tenancies with them for two years, take part in community activities, and have positive social networks, and are not offered a local connection under the current policy. They are therefore denied access to the Council's pathway. This system had the potential for people to 'fall through the net' of support. Representatives from ACT asked that the local connection policy was relaxed to take account of individuals in these types of situations. The Review Group agreed that it would be preferable to offer a local connection to people in circumstances such as the case raised by ACT.

It was explained that barriers to housing perpetuate cycles of offending and substance abuse as people lose trust in the system. All present agreed that homeless people can contribute positively to the area, and their contribution could

increase with more support. Kate Cocker, Director of Crisis Skylight Oxford, explained that approximately 50% of Crisis clients were in work. Four of the people housed by ACT were in full time employment and another five were involved in voluntary activities.

The Review Group asked about benefits of the Housing First model, which was premised on providing wrap around support and quick access to housing for those with the most complex needs and vulnerabilities. Mr Downie said that Housing First had been proven internationally as the most effective form of intervention for those with complex needs. Glasgow was identified as operating a good model, having housed 50 people over 6 years with no person dropping out of the programme. The system was based on removing all barriers to accessing support including criteria concerning local connection, intentionality and priority need. This involved highly trained staff supporting people with the most complex needs to establish a stable tenancy. In the UK to date, approximately 320 had been supported by Housing First but the estimated need was in the order of 18500 people.

The Housing Strategy and Needs manager explained that Oxford City Council had two “housing first” projects that had been operating for at least two years. This involved a high support ratio and abandoning many of the ‘rules’ traditionally associated with homelessness support. It could not be clarified at the meeting to what extent these projects applied local connection criteria. The significant difference between Glasgow and Oxford however was the housing market, and the lack of affordable housing in Oxford. The Council previously identified 20 entrenched rough sleepers with complex needs to be involved with these Housing First projects, which have had relative success.

The Review Group asked for more information about the Clearing House model in London. Mr Downie explained it operated in a similar way to a brokerage and advocacy service to make connections with housing associations and improve access to accommodation. However, this was easier to establish and more meaningful in London, where there was a high concentration of rough sleepers and service providers. This model was only a formalised approach to maintaining effective relationships with housing associations, and the model was not needed where good relationships already existed.

Mr Downie said that the application of local connection criteria was not common in the European Union. In Scotland, the use of local connection criteria was abolished in 2003, but local discretion remained to reapply it. There may be other opportunities for money to follow people, such as in some European countries, where money is recovered from a rough sleeper’s municipal area of origin. An

agreement of this nature could be agreed within Oxfordshire for example, but it may be easier for mayoral areas.

The Review Group asked which local authorities exhibit best practice in relation to homelessness support. Mr Downie said it may be useful to contact Hackney, Croydon or Liverpool local authorities. Crisis had done some work with Liverpool to establish the cost savings associated with the Housing First model, and he agreed to share this with the Review Group. The findings indicated significant overall savings to public finances across multiple services.

The Review Group agreed that it would be beneficial to carry out a similar study in Oxford to identify possible cross-service savings as a result of removing the Council's local connection policy. A business case for more permanent policy changes could then be brought forward on the basis of the evidence gathered. Mr Downie agreed that there would be value in piloting a period of policy change and monitoring the impact both financially, and in terms of social value. He suggested that Crisis would be able to assist in any research analysis and lobbying on policy issues at a national level. The Ministry of Housing, Communities and Local Government (MHCLG) had historically been interested in supporting pilot schemes, where innovative practice can be shown.

Kate Cocker explained that in previous years, there had been pooled money with other services such as the NHS and Police and it worked well. The Housing Strategy and Needs Manager highlighted that the ongoing trailblazer project would be used to illustrate wider savings to public finances across various services. He also clarified that winter provision for 2018/19 had been expanded following a grant from MHCLG, and he agreed to circulate information to the Review Group on preparations being made.

The Review Group considered whether the homeless pathway could be simplified to make it more accessible and understandable. Dr Porter said that the homeless pathway operated a 'one size fits all' approach, which does not take account of those people who would prefer not to be in a hostel, which may increase someone's exposure to substance misuse and affect their abstinence. While noting that this had begun to change over recent years, he reiterated the need for choice in the system, and said there was a good level of support locally but there needs to be flexibility to help people.

Stefan Robinson, Scrutiny Officer, asked if the Review Group had any ideas of draft recommendations they might want to discuss with the guests. The Review Group listed a number of areas including:

- Carrying out a social value study to assess the outcomes of removing local connection criteria, and its impact on various public services.
- Considering whether there is a need for a system such as the Clearing Housing model.
- Improving flexibility in the local connection policy. For example, to offer a local connection to people in cases such as those outlined by ACT.
- Offering a local connection to rough sleepers who are long term entrenched. For example, having slept rough in the city for 6 months.
- The perception of the Council by other organisations, and building trust and collaborative relationships.

Mr Downie explained that local authorities have the freedom to be more flexible and generous in their offering, but services are often defined by resources rather than need.

The Review Group noted the need to take account of gender issues, particularly concerning the increased risk of violence and sexual abuse to women experiencing homelessness. Access to female sanitary products was a challenge, and non-white people also experienced specific vulnerabilities. Kate Cocker said that many organisations can help with providing sanitary products, but communication on the issue could be better. Mr Downie added that there was additional vulnerability for women with children who may lose custody of their children through homelessness, and quick connections to emergency accommodation can help. The Review Group advocated for the provision of a room for a female homelessness forum, which people had asked a member for.

The Chair asked for support from guests in arranging for the Review Group to meet with people currently experiencing rough sleeping, and there was broad consent to make arrangements outside of the meeting.

The meeting briefly adjourned whilst guests left after this item.

13. Minutes of the previous meeting

The minutes of the previous meeting held on 19 July 2018 were noted by the Review Group.

14. Dates of future meetings

Richard Howlett explained that there may be an opportunity to speak with people experiencing homelessness at the Gatehouse on 17 September 2018, but this was still subject to further confirmation. The Review Group agreed to proceed with the meeting, noting that some members were not available on that date. The Scrutiny Officer would contact various organisations to help refer people to this meeting, but numbers may have to be limited.

The Review Group noted the meeting dates as follows:

- 4 September 2018
- 17 September 2018 (to be confirmed)

- 2 October 2018

The Scrutiny Officer advised that he intended to draft the Review Group's report by 17 October, following the final meeting on 2 October 2018.

The Review Group discussed and commented on the Council's approach to media management of homelessness issues, suggesting the Council should be more proactive and more honest and open about the challenges in Oxford.

15. Any other business

The Review Group agreed:

- To seek to arrange a meeting with Croydon Council to learn about their homelessness support services, as recommended by Mr Downie.
- To review the Council's Homelessness Communication Plan.
- To request that Dave Lansley, Communications Officer, carries out work to promote the work of the Review Group on social media. This should reflect the scale of the homelessness issue and the reality of the lived experience

The meeting ended at 7:20pm

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