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| <p style="text-align: center;"><b>Cabinet</b></p> <p style="text-align: center;">10 May 2016</p> |  <p style="text-align: center;"><b>TOWER HAMLETS</b></p> |
| <p><b>Report of:</b> Denise Radley, Director of Adults' Services.</p>                            | <p><b>Classification:</b><br/>Unrestricted</p>  |
| <p><b>Hostel Commissioning Plan (HCP) 2016 -2019</b></p>   |   |

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|-------------------------------|---|
| <b>Lead Member</b>            | <b>Councillor Amy Whitelock Gibbs, Cabinet Member for Health and Adult Services</b> |
| <b>Originating Officer(s)</b> | Karen Sugars, Interim Service Head Commissioning and Health, Adult Services         |
| <b>Wards affected</b>         | All wards   |
| <b>Key Decision?</b>          | Yes   |
| <b>Community Plan Theme</b>   | <b>A Safe and Cohesive Community</b>  |

### **Executive Summary**

- 1.1 A new Hostel Commissioning Plan (HCP) is needed as the current HCP expires this year and hostel contracts come to end in 2016/7. The annual spend on hostels for 2015/6, is £4.4 million, which provides 575 units of accommodation, across 9 services. The Council faces significant financial pressure and as part of the published budget and savings proposals for Adults' Services has identified the need to deliver more cost effective and efficient adult social care across commissioned services. Officers have therefore identified opportunities to deliver savings through the new HCP.
- 1.2 Access into hostels is managed by the Housing Options Service and is tightly focused towards local people. Overall the complexity of people's support needs is increasing however some people currently using hostels are ready to move on to more independent living. Officers have also established that there is a lower demand from women and those seeking abstinent (substance/ alcohol free) hostel services, compared with the current hostel provision for these groups.
- 1.3 For these reasons, the future hostel commissioning plan should:
  - Focus on meeting the needs of those who are the most complex
  - Reduce the overall level of provision in recognition of move on services which have recently been developed
  - Reduce the women only and abstinent hostel services, to better match local needs.
  - Review the use of buildings and explore options for improvements with landlords including the management of any reductions in beds
  - Achieve overall savings across hostels commissioning to

contribute to the council's budget pressures and ensure resources are being used in the most cost effective way

- 1.4 Alongside the development of the HCP, a new move-on service has been developed to support people to move into more independent accommodation as appropriate to their needs. As such, officers are confident that a new hostels model could be implemented which focuses services on people with the most complex needs and reduces overall capacity; but still ensures sufficient access and support for the different groups using hostels locally. In addition, discussion and engagement with service users, providers and stakeholders will inform the final shape of the new model.

### **Recommendations:**

The Mayor in Cabinet is recommended to:

1. Approve that officers commence discussion and engagement with service users, providers, stakeholders and landlords as to the future model of the hostel sector to inform the commissioning plan for 2016-2019 including:
  - Reducing the level of service provision for women and those in need of abstinent hostel provision, in line with local needs. Currently it is estimated that the reduction in units for women could be from 118 units to 81, whilst for abstinent beds, the reduction could be from 51 units to 35.
  - Focus on providing a range of hostel services for those with high and complex needs.
  - Reducing the overall size of the hostel sector by approximately 120 beds. This is in recognition that:
    - a new hostel move-on service has been developed from Feb 2016, which it is anticipated will provide an additional 60 move on opportunities per annum
    - there are estimated to be at least 35 people who are living in hostels who no longer require support, who can be sensitively moved on (with support if required)
    - there is lower demand from women and those needing abstinent provision as outlined above
    - the Council needs to achieve savings across the portfolio of commissioned services in adult social care
2. Authorise officers in Adult Services Commissioning to liaise with colleagues in legal and procurement to:
  - Consider the potential to exclude services for a defined period, if significant capital is being invested to enable effective

management of the programme of works and ensure continuity of both staff and provision throughout the period and minimise any adverse effects on provision and clients going forward.

- Explore such arrangements with hostel landlords to invest in the sector and make improvements to the living environment.
3. Receive a further Cabinet report detailing the proposed hostel contracts to be competitively tendered and details of any exemptions from this.

## **1. REASONS FOR THE DECISIONS**

- 1.1 The recommendations and proposals have been developed to better match hostel services to local needs, to deliver financial savings as part of the Council's agreed budget and to ensure services operate in an effective way, delivering high quality outcomes.

## **2. ALTERNATIVE OPTIONS**

- 2.1 A new Hostels Commissioning Plan is required as contracts are ending during 2016/17 – “commissioning and procuring efficient, value for money adults social care” is critical to the delivery of the Council's Medium Term Financial Strategy and hostel services need to be reviewed as part of this no alternative options have been considered.

## **3. DETAILS OF REPORT**

- 3.1 The detailed report is included at Appendix 1 the key issues from which it is helpful to highlight are Key issues include:
- There is a high current level of occupancy in hostels although some people currently using the services have low or no support needs
  - Tower Hamlets has a low number of rough sleepers compared with similar London boroughs
  - Local hostels are achieving positive outcomes for service users:
    - Housing over 1000 local people a year
    - Supporting people with offending backgrounds to lessen their offending – hostels report a 11% reoffending rate
    - Ensuring over half of those with a support need linked to substance misuse, are engaging with treatment services for 12 weeks or longer
    - Enabling most people to move though hostels quickly – 80% of people move on, within 2 years, with over 75% of moves being planned or positive (however there are some people currently living in hostels who could now move on to more independent living – see below)

- Following a benchmarking exercise, Tower Hamlets does not appear to be an outlier in terms of either the level of hostel provision or the average unit cost of the cost of support provided by staff
- Following a detailed needs analysis exercise, carried out with the Housing Options service, it has been found that:
  - there is less demand from those seeking abstinent services
  - the current hostel provision is more than is required to meet the demand from women. Even though the current women only hostel is generally full, it has significant numbers of people who can move on; some needing support and others with no or low support needs who have been referred into the service but who could be housed elsewhere.
  - The complexity of people's needs is increasing
- There is some potential additional capacity in existing hostels, as some people with no support needs, currently remain in hostels awaiting appropriate move on accommodation. About 35 people have been identified in this group. A new move on scheme has been developed to address this – it is anticipated this will provide an additional 60 move-on opportunities per annum.
- Risks are being actively managed and monitored e.g. welfare benefit reforms which will have an uncertain impact as they are still being developed by central government
- A small number of hostel buildings are no longer fit for purpose – this is being addressed with landlords, by asking them to invest capital to bring them up to modern day standards. Following investment, landlords often request that they are given the hostel support contract for these services, in light of the private finance they have to raise to contribute to any capital improvements.

#### **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 The hostel services cover a specific range of service users which fall within the Supporting People budget. Without the provision of hostel services it is likely that these client groups would have developed more complex needs resulting in potentially more costly care packages. The commissioning plan will include an assessment of the unit costs and value for money of the hostel provision, to ensure that the overall costs are managed effectively and within the available budget.
- 4.2 The strategic management of hostels commissioning will enable a framework where activity and financial demand can be managed within specified plans. Savings identified will contribute to the Directorate's 2017/18 savings programme; there is likely to be a partial year saving in 2016/17.

## **5. LEGAL COMMENTS**

### **5.1 Homelessness duty and duties to adults with care needs**

The Council's statutory duties in respect of homelessness are primarily set out in the Housing Act 1996, including:

- Section 179: Duty to provide advisory services
- Section 184: Duty to make enquiries in respect of eligibility and duties owed
- Section 188: Interim duty to accommodate in cases of apparent priority need
- Section 192: Duties to people found not to be in priority need and not
- homeless intentionally
- Section 193: Duties to people found to be in priority need and not homeless
- intentionally
- Section 195: Duties to those threatened with homelessness

The 2002 Homelessness Act also introduced a requirement on the Council to carry out a homelessness review and formulate and publish a strategy based on that review. The Council must take the strategy into account in the exercise of their housing and social services functions.

Under Sections 1-7 of the Care Act 2014 the Council has a number of general duties, including a duty to co-operate generally with those it considers appropriate who are engaged in the Council's area relating to adults with needs for care and support. Further, there is a general duty to prevent needs for care and support from developing.

The Council has broad powers to provide different types of accommodation in order to meet people's needs for care and support. The Act is clear that suitable accommodation can be one way of meeting care and supports needs. However, the Act is also clear on the limits of responsibilities and relationship between care and support and housing legislation, to ensure that there is no overlap or confusion. Section 23 of the Act clarifies the existing boundary in law between care and support relevant housing legislation, such as the Housing Act 1996. Where the Council is required to meet accommodation related needs under housing legislation as set out in the Housing Act 1996 or under any other legislation specified in regulations then the Council must meet those needs under that housing legislation.

### **Best Value duty and procurement procedures**

The Council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy,

efficiency and effectiveness. This is referred to as the Council's best value duty.

One of the ways in which the Council achieves best value is by subjecting its purchases to competition in accordance with its procurement procedures. Therefore the Council is required to tender these contracts in order to meet its best value obligations. The winning bidders should be chosen when measured against the evaluation criteria as being the one providing the most economically advantageous tender having had a regard for a blend of quality and price.

The Secretary of State made directions on 17 December 2014 pursuant to powers under sections 15(5) and 15(6) of the Local Government Act 1999 (the Directions). For the purposes of this report the effect of these directions is that if the Council decided to take a lease of any of the hostels mentioned in this report with the intention of subletting the hostel to a provider then that subletting arrangement would be a disposal for the purposes of the Directions and Commissioner approval would have to be sought.

It is notable however, that the nature of Supporting People Services is such that the Service Users enter into their own lease / licence for the use of the accommodation with a landlord who is not the Council directly. Therefore, the procurements required in order to effect the report are of their nature services only in that the Council is procuring services to be delivered in effect at the Service Users own residence.

It is also notable that where either Service Users elect for the services to be provided by a particular provider or the owner of the building does not agree to the presence of a particular provider attending the premises then this can have an effect on the Council's ability to secure proper competition for the provision of the services.

However, a bidding Service Provider will need to be aware of the arrangements and obligations imposed by the relevant landlords at the time of bidding. Therefore, these need to be agreed with the owner of each hostel in advance of the tender being sent out and the relevant details included in the tender pack as the landlord's specific requirements may impact on the bid being submitted.

The Public Contracts Regulations 2006 have now been replaced by the Public Contracts Regulations 2015. The new regulations have abolished the old idea of "part B services" and a new regime has been introduced.

Services of the nature included in this report are referred to in Schedule 3 of the 2015 regulations. Schedule 3 in effect details that the European Rules apply to contracts such as this where the whole life cost of the services is greater than the threshold of £589,148. This means that where the estimated value of a procurement is above this

threshold then the regulations apply. Therefore, it is likely that the regulations will apply to this procurement

Where such a procurement is subject to the regulations the Council is required by the regulations to:

- Place an advert requesting bids for the services in the Official Journal of the European Union
- Award a contract following a fair reasonable and transparent process
- Place an award notice in OJEU

However, the actual requirements of the tender process itself are intended to be “a light touch” regime. In practice this means that the Council can determine all aspects of the procurement to be followed provided that it always abides by the general European principles of openness fairness and transparency.

### Equality duty

Any change in provision or services should be considered in accordance with the public sector equalities duty to eliminate unlawful conduct under the Equality Act 2010. The duty is set out at Section 149 of the Act. It requires the Council, when exercising its functions, to have ‘due regard’ to the need to eliminate discrimination (both direct and indirect discrimination), harassment and victimisation and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who share a ‘protected characteristic’ and those who do not share that protected characteristic.

The obligation on the Council is that it should take all necessary steps to ensure that it properly understands how the change to services affects people who have protected characteristics. In the circumstances not only should the Council perform an Equality Analysis prior to any changes being made but it should consider consultation with affected services users if it considers it necessary to show that it has taken due regard of the impact on those Service Users. The duty is for the Council to take appropriate steps to fully understand the needs of the people affected by the changes. This also includes the families and others of the Service Users who may also be affected.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1 An initial Equality Assurance Checklist has been completed which does not identify an adverse impact of the proposed changes for the hostels sector. In the case of women and those with substance misuse problems where services are proposed to be reduced, this is because an analysis of the demand for the services indicates an over-supply. The checklist will be reviewed on completion of the hostels commissioning plan.

## **7. BEST VALUE (BV) IMPLICATIONS**

- 7.1 See above legal comments, which highlight Best Value issues.

## **8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 8.1 The HCP is expected to have a positive effect on the environment by helping to reduce anti-social behaviour. This will then reduce the amount of criminal damage, graffiti, fly-tipping and fly-posting and other environmental crimes in the borough.

Additionally, as current services, all new hostel service specification will specifically require hostel support providers, to comply with their obligations under Environmental legislation and local policies in this area, including contributing to improving air quality. Hostels have received national recognition for their work linked to the therapeutic use and educational skills gained through gardening e.g. Providence Row Housing Association's Grounded Ecotherapy team, working on local projects in the borough, at the Chelsea Flower Show, as well as on the Southbank Centre Roof Garden.

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 This report outlines further discussion and engagement plans with service users, hostel providers and other stakeholders to ensure that the risks involved in the proposed changes (specifically the reductions in the overall level of service) are thoroughly reviewed and understood. The risks will be reviewed and mitigated on completion of the full Hostel Commissioning Plan.

## **10. CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 10.1 The impact on crime reduction is specifically highlighted in the full report at Appendix 1, together with data highlighting positive achievements within the hostel sector in Section 1 of the report.
- 10.2 The continued development of the hostel sector, as detailed in this report, will continue to deliver these benefits for local people in terms of crime reduction. There are also specific actions linking to developing and reviewing approaches to crime reduction, together with the Police and Probation, together with relevant council officers.

## **11. SAFEGUARDING IMPLICATIONS**



11.1 Specific measures are in place to address and manage safeguarding issues, these include:

- Continued contractual obligation within all hostel service specifications to report any Safeguarding issues to the LBTH Safeguarding Team
- Ongoing support and training from both the LBTH Safeguarding team and Adult Services
- A specific action point, developed with LBTH Safeguarding, to review approaches and local practice within hostels in this area
- Detailed plans would be developed to manage any safeguarding concerns for groups or individuals affected by these changes e.g. moving to different accommodation

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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- NONE

#### **Appendices**

- Appendix 1 – Hostels Commissioning Plan

#### **Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012**

- NONE

#### **Officer contact details for documents:**

- N/A

## APPENDIX 1

### Hostel Commissioning Plan (HCP) 2016-19

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# **1 Introduction and context**

## **1.1 Why is a new Hostel Commissioning Plan (HCP) needed?**

1.1.1 This plan is required as the previous Hostel Commissioning Plan (HCP) approved by Cabinet in 2012, comes to an end in 2016 therefore a new plan is needed to shape services over the coming years. Other key drivers, include:

- The demand for hostel services is constantly changing, which needs be taken into account in the design of hostels in the future.
- The contracts for all hostel services are coming up for renewal during 2016/17, requiring a new round of procurement activity.
- The authority faces significant financial challenges that need to be considered in the future. This requires service planning to be undertaken against a background of ensuring Best Value and ensuring there is a very strong case for any future services.

## **1.2 Local strategic links**

1.2.1 This plan builds on the Hostels Commissioning Plan 2013-16 and is closely informed by a number of key local and national strategies:

- Homelessness Statement and Action Plan 2013-17 (currently under review by LBTH)
- LBTH Substance Misuse Strategy 2016-2019 (in development)
- Making Every Contact Count: A joint approach to preventing homelessness, 2012, DCLG.
- Rough Sleeping Commissioning Framework, 2016 – 2020, GLA.
- The Pan-London Rough Sleeping Outreach Protocol, 2014, GLA
- East London Partnership, Homelessness and Lettings Strategy and Action Plan 2015- 2020
- Psychologically Informed Services for Homeless People: A Good Practice Guide, DCLG and Southampton University, 2012.
- Homelessness Change, DH and HCA, 2015
- Tower Hamlets Community Safety Partnership Plan, 2013-16
- Tower Hamlets Health and Wellbeing Strategy, 2013-16.

- LBTH Violence Against Women and Girls Strategy, 2016-2019 (draft)

- 1.2.2 The plan has been and will continue to be discussed and refined through internal senior cross departmental meetings within the Council, to ensure it meets wider corporate priorities.
- 1.2.3 Tackling and preventing homelessness is a key priority for the Tower Hamlets Partnership and vital in achieving the Community Plan vision of improving the lives of local people. The provision of hostel accommodation is a core component of the Borough's approach to tackling and preventing homelessness and Anti-Social Behaviour (ASB), supporting the Council in:
- Reducing statutory homelessness acceptances
  - Reducing the number of people sleeping rough
  - Tackling drug and alcohol misuse and supporting people into treatment
  - Reducing reoffending and street based ASB
  - Assisting people to move-on from hostels to independent living
- 1.2.4 This plan is written at a time when benefit reform, changes in the social housing sector and economic pressures will have an impact on local homelessness. Addressing these challenges as public spending is reducing, makes it vital that we secure maximum efficiency and effectiveness in our commissioning activity.
- 1.2.5 The hostel service is managed and overseen by officers in the Vulnerable Adults and Commissioning Team (VACT), within the Adult Services directorate of the Council. This team works closely, with all stakeholders, but particularly with officers from the Housing Options service within Development and Renewal, who have been closely involved with the development of this commissioning plan.
- 1.2.6 Officers are fully aware that Central Government has proposed restrictions to the amount of Housing Benefit (HB) available to those living in supported housing, which if implemented would have a major impact on a large number of schemes across the country, in terms of their viability. These proposals, after intense lobbying by the hostel sector, have been put on hold for a year. Officers will continue to work with both support providers and representative organisations, such as Homeless Link and London Councils, to feed into the ongoing dialogue as to the replacement funding system which will eventually be put in place. It should also be noted, that the VACT funding to the hostel sector, does not incur any responsibilities for any wider debts that support providers may have incurred as part of their operations e.g. in taking forward capital projects.

### 1.3 Significant achievements of the HCP 2013-6

1.3.1 There have been a number of key achievements and positive outcomes during the last three years, which are the result of the hard work of hostel providers and stakeholders, but of course most importantly by service users themselves. These are outlined below.

1.3.2 **Rough sleeping** – the level continues to be at one of the lowest levels of any inner London Borough. The last official rough sleeper count one night in November 2015, Tower Hamlets recorded 12 rough sleepers. This figures includes those with a local connection to Tower Hamlets (3 of the 12) as well as those from outside the borough and UK (9 out of 12). The latest available figures below from 2014, allow comparison with other London Boroughs:

|                        |     |
|------------------------|-----|
| City of London         | 50  |
| Hackney                | 12  |
| Hammersmith and Fulham | 8   |
| Islington              | 21  |
| Kensington and Chelsea | 34  |
| Lambeth                | 18  |
| Newham                 | 16  |
| Southwark              | 22  |
| Tower Hamlets          | 6   |
| Westminster            | 265 |
| Camden                 | 5   |

*\*The figures above are to be updated after the DCLG publish official figures in March 2016, for the rough sleeper count in 2015, though initial informal contact with other London Boroughs, indicates that Tower Hamlets figures are increasing (as are rough sleeper figures generally), are still likely to be lower than most comparable boroughs*

1.3.3 It is acknowledged that the relatively low rough sleeping figure in Tower Hamlets is the result of a significant amount of hard work by the Housing Options service within the Council and TH SORT (Tower Hamlet's commissioned rough sleeper outreach team managed by Thames Reach), together with a number of other key agencies, as well as hostels. Local services and LBTH officers worked with over 377 individuals seen rough sleeping in the borough during 2014/15 to assist them off the street. This collaborative work has had a direct effect on the relatively low figure of 12 people found rough sleeping on a given night.

1.3.4 **Positive Move-On** - The hostel sector achieved a planned move on rate of nearly 75% in 2014/5, with 257 people moving on positively, so reducing the likelihood of future homelessness for local people.

- 1.3.5 **Reducing Offending** - Only 11% of people with an offending background, reoffended whilst living in hostels, based on the formal reporting from hostels for the last year (mid - 2014/15 to mid - 2015/16). In comparison, latest figures from central government, indicate an adult re-offending rate of 24.5% (reoffending within one year); this rate has remained fairly stable, fluctuating between around 24% and 27% since 2003 (Ministry of Justice, 2015)
- 1.3.6 Hostel managers have commented that a small number of service users may not report all offences to hostel support staff, but they feel that the majority of offences are apparent (as people are taken into custody, probation are closely involved or there are other consequences e.g. fines, which service users seek support for). A specific piece of work to audit these figures is being undertaken, together with the police and probation, as part of the newly established Reducing Re-offending Board.
- 1.3.7 **Reducing harm from drugs and alcohol misuse** - Over 50% of those with a substance misuse or alcohol issue have been supported to maintain their treatment for 12 weeks or more, with over 40% having a reported reduction in their substance or alcohol misuse.
- 1.3.8 **Efficiency, Savings & Sensitive Re-procurement** – A full re-tendering process for hostel services was completed in 2012 and financial savings of over £840,000 were achieved. This figure includes four relatively small services that did not have their contracts renewed in 2013 as they were largely move on projects for people with relatively low support needs who were living independently. A variety of strategies were used to end these contracts in a sensitive way, ensuring the safety of service users and as little disruption as possible.
- 1.3.9 **Usage & Occupancy** - During 2014-15 there were 1004 local people from Tower Hamlets who used hostel services, an increase from the 796 people who used hostels in 2013-2014. Hostels are fully occupied, nearly all of the time in line with sector-wide comparisons. Whilst this indicates effective use of resources, analysis has identified that for a range of reasons, some people placed in hostels have low or no support needs. In addition, some people who no longer need the support provided by hostels remain living there when they could move on to more independent accommodation.
- 1.3.10 **Ensuring that hostel services are targeted at those with support needs** - In February 2016, in line with an action in the previous HCP, a new service – the 'Private Rented Sector Hostel Move-on Service' (provided by the Single Homeless Project) commenced. The service will provide a minimum of 60 move on placements a year at an annual cost of £148,000 p.a.
- 1.3.11 The above indicates that hostel services provide a much needed preventative service, lessening the impact on more acute services such

as A and E, the Criminal Justice system, Adult Social Services and the drug treatment sector. This is consistent with duties under the Care Act and also previous Cabinet commitments to provide preventative services. Also indicated is a need to ensure that hostel provision is targeted at those in need of the support services provided.

#### **1.4 Key characteristics of the current hostel sector in Tower Hamlets**

1.4.1 *What is a hostel?* The term 'hostel' is used rather widely and has no commonly agreed definition. It generally refers to buildings where support is provided to vulnerable homeless people by staff that are based on site. Hostel services can focus on separate support needs or client groups e.g. those with substance misuse needs, or alternatively house those and support those with a range of needs.

1.4.2 The hostel sector often works with those who other statutory services feel are too complex or challenging to provide an ongoing support service to e.g. those with a Personality Disorder (PD) or those with high personal care needs but who also are addicted to alcohol and drugs. This group includes those who have no wish to change their behaviour or engage with statutory support services.

1.4.3 Hostel buildings are sometimes owned by different organisations to those which provide the staff support within the building e.g. as is the situation at the Hackney Road Project (HRP), where the landlord is Peabody Housing Association and the current support provider is Look Ahead Care and Support (LACS). In these situations, a contract exists between the landlord and the support provider, which is often referred to as a 'Housing Management Agreement' and details the various responsibilities and obligations in relation to such things as rent collection, repairs and how evictions are approached.

1.4.4 Hostel buildings in Tower Hamlets are generally in good condition and well designed, having benefited relatively recently, from capital investment to improve them. Some landlords have indicated that they are prepared to invest significant capital in those buildings that are not ideally fit for purpose if they were exempted from competitive tendering for a period of time.

1.4.5 It should be noted, that the City via their Homes and Communities Agency capital allocations, have in the past made significant capital contributions to several hostels in Tower Hamlets. This has included:

- Riverside House
- Dellow Hostel
- Edward Gibbons House
- Booth House and
- Hopetown Hostel



- 1.4.6 Access into hostels is via the Housing Options Support Team (HOST), based within the Housing Options service and the Council's commissioned rough sleeping outreach service, TH SORT.
- 1.4.7 TH SORT also support and work with those who are sleeping rough in Tower Hamlets who do not have a local connection to the borough by reconnecting them to areas they have links to – either in London, the UK or abroad. They also support rough sleepers directly into alternative accommodation options such as drug and alcohol treatment centres or the Clearing House. The latter being a central point into housing for recognised rough sleepers.
- 1.4.8 A map showing the geographical distribution of hostels is included at Appendix 1. The table on the following page summarises hostel provision in Tower Hamlets.

*Table 1 i) - Summary of LBTH funded hostel provision at January 2016:*

|   | <b>Hostels</b>             | <b>Units</b> | <b>Main focus / client group</b>  | <b>Annual value</b> |
|---|----------------------------|--------------|---|---------------------|
| 1 | Booth House                | 150          | Generic single homeless, low to medium support hostel (men only)  | £909,372            |
| 2 | Caplin House               | 8            | Very high support – complex needs (men and women)   | £297,922            |
| 3 | Daniel Gilbert House       | 87           | Medium support and generic single homelessness (men and women)  | £564,243            |
| 4 | Dellow Hostel              | 58           | Medium to high (men and women)  | £464,448            |
| 5 | Edward Gibbons House (EGH) | 35           | High needs hostel – complex needs, with a focus on alcohol (men only)                                   | £471,317            |
| 6 | Hackney Road               | 35           | High needs - complex needs, with a focus on substance misuse issues (men and women)                     | £466,430            |
| 7 | Hopetown                   | 118          | Generic single homeless, low to medium support hostel (women only), including 20 beds for complex needs | £688,117            |
| 8 | Providence House           | 33           | Generic single homeless hostel – longer term needs (men & women)  | £269,901            |
| 9 | Riverside House            | 51           | Abstinent/ dry recovery hostel (men only)   | £269,903            |
|   | <b>Total</b>               | <b>575</b>   |   | <b>£4,401,654</b>   |

A map of the borough, showing the location of above services is at Appendix 1. It should be noted, that the following 2 hostel services are not included above, as they are not funded by LBTH or have funding which comes to an end shortly:

- i. Queen Victoria Seamen's Rest (QVSR) – located on East India Dock Road, with a capacity of 171 (mixture of en-suite units and rooms with shared bathrooms). Houses and supports those from a sea faring background and other single people who are homeless or in need of support. QVSR is not funded by LBTH.
- ii. New Belvedere House (NBH) – a 58 bed hostel for ex-service men, which houses people who are homeless from all over the country (and sometimes abroad); their funding ends in March 2016 (a decision approved by the local authority Commissioners appointed by central government in Sept 2015).

*Table I ii) Overview of the occupancy in LBTH funded hostels for the last 2 years:*

|                      | Occupancy 2014-15 | Occupancy 2015-16 (to Q3) |
|----------------------|-------------------|---------------------------|
| Booth House          | 96.90%            | 91%                       |
| Caplin House         | 85.55%            | 92%                       |
| Daniel Gilbert House | 97.30%            | 96%                       |
| Dellow Hostel        | 95.51%            | 97%                       |
| Edward Gibbons House | 96.59%            | 90%                       |
| Hackney Road         | 90.01%            | 100%                      |
| Hopetown             | 94.00%            | 100%                      |
| Providence House     | 98.30%            | 100%                      |
| Riverside House      | 98.62%            | 97%                       |
| <b>Average</b>       | <b>94.75%</b>     | <b>96%</b>                |

## **1.5 Overview of activity data relating to the current hostel sector**

- 1.51 There is a wide range of detailed activity and performance data which is collected as part of contract monitoring processes by the commissioning team.
- 1.52 This data shows that people are generally moving through hostels quickly – over half move on within a year and over 80% move on within 2 years.
- 1.53 There are however some people who are ready to move on from short term hostel accommodation projects, who no longer require support - approximately 35 people. Action is needed to reduce this. To address the identified lack of move-on options, particularly into the Private Rented Sector (PRS), a 'PRS Hostel Move-on' service has been commissioned, which will increase capacity in this area. It is anticipated this will add 60 PRS move on places per annum. The service has been operational since early 2016.
- 1.54 Some people in hostels are only willing to accept social housing tenancies as their move on option. The main move-on routes are the PRS and the Clearing House; moves into social housing are only under exceptional circumstances, where it can be demonstrated that the PRS is unsuitable. This situation needs to be handled sensitively and takes time to resolve but must be addressed to avoid people becoming stuck in hostel services they no longer need. Similarly, some people may have specific move-on requests and needs which can also slow the move on rates (e.g. if a person needs to move to one particular area for family support).

## **2 Projected needs and trends**

### **2.1 National context and trends linked to needs**

- 2.1.1 Homelessness is increasing for both families and single people, as the following confirms:

*“According to the latest figures, collected in the autumn of 2014 and published in February 2015, 2,744 people are estimated to be sleeping rough on any one night - this was up 14% from the estimated number of rough sleepers in 2013 and 55% from 2010.”* (Homeless Link)

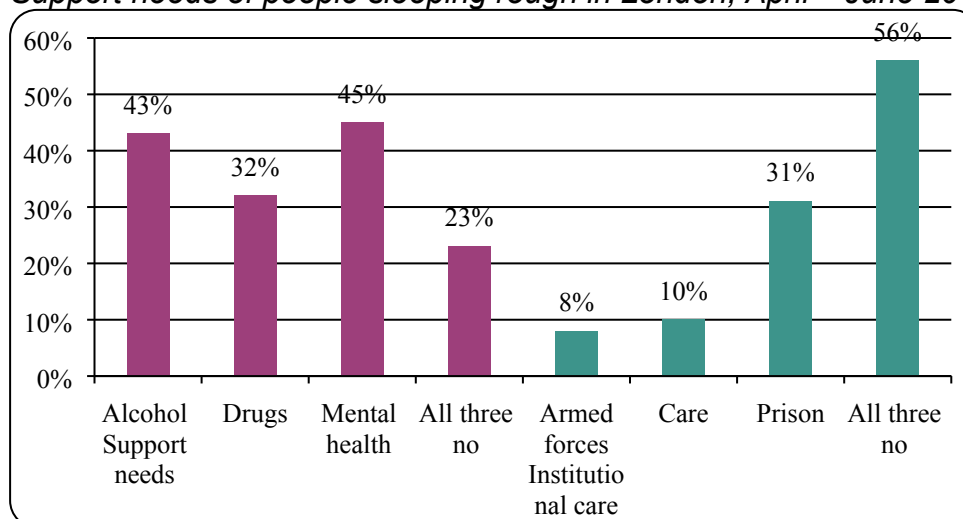
- 2.1.2 Acceptances of homeless families, has increased between 2012 and 2015, by 7.4%, with the biggest increase being in the numbers of families in Temporary Accommodation (TA) – over this period, the numbers increased by nearly 30%, with a particular increase in those in placed in TA outside the authority area where they became homeless, as councils struggled to find accommodation for people in the private sector primarily (Homeless Link).

### **2.2 Regional context and trends linked to needs**

- 2.2.1 Continued increase in rough sleeping in London – approximately 11% per annum on average over the last 4 years (source, CHAIN data, 2011 – 2015, GLA/ St Mungo’s Broadway), though it should be noted that specialist homeless agencies have commented, that part of this increase is attributed to better data collection since 2011.
- 2.2.2 Support needs continue to increase with a significant population having a range of complex needs, most commonly a mixture of drug and alcohol use and mental ill-health (known as Dual Diagnosis). These are often combined with an institutional background as demonstrated below:

*More than three quarters (77%) of rough sleepers reported at least one support need (categorised as alcohol use, drug use or mental health problems). One in ten had been in care and nearly a third had been in prison (31%), (See table below).*

*Support needs of people sleeping rough in London, April – June 2015*



2.2.3 There is a mixed picture in terms of comparison with other boroughs in terms of spend and the number of hostel type units, as the table on the following page illustrates.

*Table 3 - Data on hostel provision for comparable boroughs at Oct 2015:*

| Borough       | No. of hostel bed spaces at October 2015 | Total annual spend (million) | Average unit cost (per bed space / week) | Annual rough sleeper figure in each borough in 2014/15 * <i>Note these figures exclude non-UK nationals.</i> | Hostel bed spaces per 1000 of the population | Spend per 1000 of the population |
|---------------|--|------------------------------|--|--|--|----------------------------------|
| Tower Hamlets | 575                                      | £4.40                        | £147.16                                  | 203  | 2.11   | £16,117.22                       |
| Camden        | 672                                      | £7.85                        | £224.65                                  | 327  | 2.92   | £34,130.43                       |
| Westminster   | 443                                      | £3.68                        | £159.75                                  | 926  | 1.95   | £16,211.45                       |
| Hackney       | 390                                      | £2.53                        | £124.75                                  | 77   | 1.52   | £9,844.36                        |
| Lambeth       | 550                                      | £4.96                        | £173.43                                  | 225  | 1.75   | £15,796.18                       |

- Tower Hamlets appears not to be an outlier in terms of either cost or the extent of the level of the current hostel provision.
- Camden appears to have the most hostel provision (both overall and taking into account the population), as well as also having the average the highest unit cost
- Hackney has the lowest units cost and overall provision (both overall and taking into account the population).

It is important to note:

- The hostel sector across London is constantly changing, so the above figures are subject to significant change, particularly over the next few years as the impact of cuts feed through into how services are reconfigured, the level of funding they receive and of course some services will be decommissioned
- The table above does not take into account different needs and priorities that exist within each borough
- Hostel services is not a precise term, so this should also be borne in mind, when considering the data
- As in other areas of commissioning and public services, there is no 'right' answer as to how to approach commissioning

## **2.3 Local context and trends linked to needs**

- 2.3.1 The number of hostel beds funded by the Borough has reduced in the last decade by 39% (with a corresponding reduction in spend on hostel services). This reduction was particularly intense, following the closure of Aldgate Hostel in 2012 (as the hostel provided 158 bed spaces).
- 2.3.2 As a result of this reduction in beds, access into hostels has been tightly focused towards people with a clear local connection to the borough (an approach which is common across London). Exceptions to this are very rare and only agreed on a reciprocal basis. The Housing Options service in LBTH, estimate that less than 0.25% of hostel acceptances (less than 5 people per annum) are of people who are not from Tower Hamlets. This is only agreed when reciprocal arrangements or 'swaps' are made of people with a strong connection to Tower Hamlets and who are then housed by another London borough.
- 2.3.3 These reciprocal arrangements are extremely beneficial to Tower Hamlets, as on occasion, people from Tower Hamlets need to live elsewhere, due to being at risk of exploitation, domestic violence, or other issues; if they were not housed by other boroughs, then they would be likely to rough sleep in the borough or cause Anti-Social Behaviour (ASB) locally.
- 2.3.4 It should be highlighted, that due to the significant capital contribution to hostels in borough, from the City (see above in section 1), a specific agreement is being developed to agree placement from City and their on-going responsibility towards those clients.
- 2.3.5 Also as a result of the reduction in the size of the hostel sector in the past few years, there has been an increase in the support needs of those who are housed and supported, as it has been necessary to focus more tightly on those people with the highest needs. One consequence of this prioritisation process is illustrated by figures collected by the commissioning team for hostels, which show a significant increase in the number of rough sleepers who are using hostel services. This corresponds to an increase in support needs generally within the hostel sector (as rough sleepers invariably have high or complex needs). The table below summarises the recent data in this area.



**Table 4 – Change in the number of rough sleepers accommodated in hostels (2013-16)**

|         | *Numbers of rough sleepers accommodated in hostels | % change from the previous year. |
|---------|--|----------------------------------|
| 2013-14 | 283  | N/a                              |
| 2014-15 | 355  | 25%                              |
| 2015-16 | 400 (based on projections from Q1 data)            | 13% (41% increase over 2 years)  |

\*The number above can be larger than the annual number of rough sleepers in Tower Hamlets (identified actually sleeping on the streets) as it includes those moving between hostels, moving directly from prison into hostels and a small number who approach HOST directly, who have had a record of rough sleeping and are placed directly into hostels (as they are homeless e.g. temporary family accommodation has broken down).

### **2.3.6 Single homelessness presentations, characteristics of referrals and analysis - increasing overall demand**

The table below shows demand from single people in the borough, based on figures taken from the HOST client record database (CDP), following approaches to the Housing Options service (which assesses and refers all people who access hostels).

**Table 5 - Single homeless presentations in Tower Hamlets**

|  | No. of single people reported as homeless by Housing Options | Annual change from previous year. | Total episodes of single homelessness |
|--|--|-----------------------------------|---------------------------------------|
| *2014-15   | 1889   | N/a                               | 2171                                  |
| 2015-16<br>(forecast based on half year figures) | 2154   | 14.03%                            | 2216                                  |

\*Data prior to 2014/15 was collected on a different basis, meaning year on year comparisons before 2014 are not possible.

The HOST Team highlight that in relation to the above table that it is important to note, that the total episodes of homelessness in the above table, represent each event of homelessness reported that year. Hence since the same individual may experience homelessness more than once in a given year; it follows that there are more events of homelessness than there are homeless individuals in the course of a given year.

2.3.7 From the above table, it can be seen that single homeless presentations are increasing. This trend of increasing presentations is anticipated to continue, as:

- The borough has a growing population – projected to rise from 272,000 in 2013 to 320,000 by 2022 (and to over 350,000 by 2033), as highlighted in the Tower Hamlets Community Plan, 2015.
- Welfare changes are likely to increase poverty and financial pressures, so increasing homelessness
- Private sector rents are rising, so further likely to add to upward pressure on homelessness.
- The labour market, continues to expand in some areas, but often through using flexible employment contracts ('zero hours contracts' or variants), so leading to problematic income flows, particularly for those entering the employment market, which can add to an upward pressure on homelessness.
- Rough sleeping figures are indicating an increase both locally and nationally, of 11% p.a. on average

2.3.8 For the above reasons, it is essential to ensure that bed spaces are targeted to those in most need and that the reconfiguration of hostels within this commissioning plan reflect this requirement.

2.3.9 It is perhaps worth noting, that some research and projections have suggested that as the full impact of welfare changes takes effect that there will be consequences that do not lead to an increase in homelessness. These observations have been made, as some believe for example, that those on lower incomes will have to move out of the borough to more affordable parts of the country, so leading to less demand on hostel type services, from the affluent working population who remain (or move into the borough) in future years. Clearly a rather challenging situation for those born or raised in the borough. It seems fair to say however, that most commentators think that the overall net impact will be a continued high demand for supported housing and hostel services; the evidence to date, also indicates this will be the case.

2.3.10 ***The support needs of single people presenting as homeless in Tower Hamlets***

2.3.11 The HOST team collect a wide range of data on those who approach their service seeking help and advice, which is detailed in Appendix 3. The main conclusions from this data are:

2.3.12 The hostel sector prioritises those most in need and currently primarily focuses on the high and medium needs groups estimated to be 443

people in 2014/15. This is in line with the changes to eligibility criteria for public services more generally, as a result of the decrease in funds available in recent years.

2.3.13 In relation to meeting those with lower needs or no support needs, the HOST service, comments that:

- This group comprises around three-quarters of all presentations to the HOST service in a given year.
- They come from a very wide range of backgrounds but may have:
  - Experienced repeat homelessness
  - Held tenancies in the past so not generally having ongoing support needs
  - Lived itinerantly at various times with friends and family.
  - Be in low wage, often insecure employment.
  - Misuse substances, but not to a level which warrants treatment agency intervention or secondary health care

2.3.14 In terms of housing for this client group, homeless single women with low support needs access bed spaces at Hopetown Hostel. It is generally full as it has significant numbers of people who can move on (some needing support) and the Housing Options service have fed back, that they refer people into the service who have no or low support needs and who could be housed elsewhere. This is why a reduction in hostel accommodation for women is proposed in this plan.

2.3.15 Men and women with low or no support needs are assessed under homeless legislation and will be provided with emergency temporary accommodation and possibly long-term social housing, if it's found the Council owes them a statutory housing duty. This group will predominantly be people with physical health needs and the frail elderly.

2.3.16 The remaining clients are given indirect support and assistance to resolve their housing crisis. This may take the form of mediation to return to friends or family, tenancy sustainment and other standard homelessness prevention casework measures. People are given advice and information on finding their own home in the private rented sector (PRS), and subject to meeting the criteria may also access the HOST PRS scheme for landlord cash incentives.

2.3.17 As stated in 2.3.12 above the supply of hostel beds does not currently fully meet the demand from these 2 groups (high and medium support needs) – 443 compared with 399 hostel placements in 2014/15. Those who cannot be placed in hostels are often accommodated temporarily, whilst they wait in Bed and Breakfast type accommodation (known as 'B and B'). This of course a financial cost pressure to the LBTH Housing Options service and confirms the need to refocus services.

2.3.18 HOST report a relatively small number of referrals for women and for abstinent hostel places (30 and 23 respectively in 2014/15). The current hostel sector in Tower Hamlets has 51 abstinent beds and 118 women only beds. Accordingly, some reductions in these areas are proposed.

2.3.19 There is a continued high demand for high needs beds from:

- Entrenched or long-term rough sleepers
- Offenders, particularly via MAPPA/ high needs groups
- Mental Health
- Dual diagnosis (drugs/alcohol and mental health)
- New rough sleepers

2.3.20 The VACT team, together with key stakeholders is aware and sensitive to the needs of vulnerable women. In 2015, the VACT team initiated a women focused conference looking at how vulnerable and homeless women could be better supported and housed. The conference was arranged and facilitated by a number of local hostels, with close involvement of other key agencies e.g. the DV team, Children's services and the DAAT. This work will be built on within the HCP and proposals for service development to produce a 'Vision for Women's Support and Housing in Tower Hamlets' Areas to potentially explore and cover are:

- Current local practice and areas to develop
- Local needs and barriers for women in accessing services
- Alternative Good Practice models
- Increasing women's perspectives and participation
- Diversity issues and practical responses
- Putting in place an outcomes framework to measure progress.
- Women focused commissioning and governance structures.

### 3.0 Key Findings and Actions

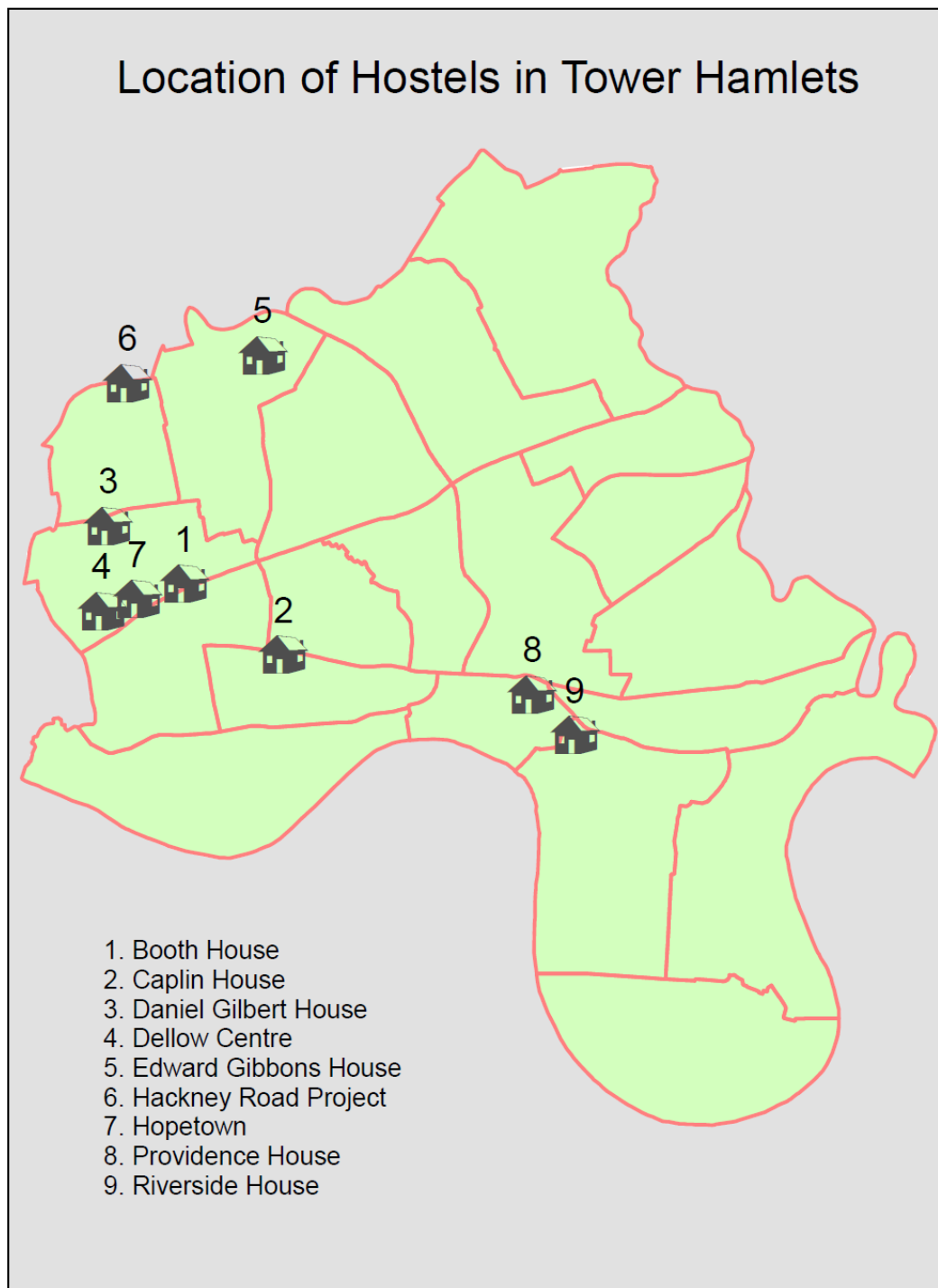
Based on the findings and analysis outlined in the report, the future hostel commissioning plan should:

- Focus on meeting the needs of those who are the most complex providing a range of hotel services to meet high and complex needs
- Reduce the overall level of provision by 120 beds in recognition of move on services which have recently been developed, lower demand for some services (see below), that some people currently using hostel services have low or no support needs and that savings need to be achieved in commissioned services
- Reduce the women only and abstinent hostel services, to better match local needs. Currently it is estimated that the reduction in units for women could be from 118 units to 81, whilst for abstinent beds, the reduction could be from 51 units to 35.
- Review the use of buildings and explore options for improvements with landlords including the management of any reductions in beds
- Achieve overall savings across hostels commissioning to contribute to the council's budget pressures and ensure resources are being used in the most cost effective way
- Explore whether some contracts can be excluded from competitive tendering in recognition of significant capital investment in hostel building
- Explore with landlords any further opportunities to improve hostel buildings which are not fit for purpose

To inform and develop the final commission plan there is a need to undertake discussion and engagement with the hostels sector inclusive of service users, stakeholders, providers and landlords. It is proposed that the discussion and engagement focuses on the key findings and actions identified within this document

The discussion and engagement process will include consultation visits to all hostels services and a specific hostel forum and stakeholder forum to which all relevant parties will be invited to attend. The feedback will be reported back to MAB in July in accordance with the timeline below.

| Action                            | Target Date |
|-----------------------------------|-------------|
| Cabinet                           | 10 May      |
| Commence stakeholder consultation | 11 May      |
| End of consultation               | 3 June      |
| Mayors Advisory Board             | 14 June     |
| CPAP                              | 12 July     |
| Cabinet                           | 26 July     |



## Appendix 2

### Detailed activity data relating to the current hostel sector

*Move on and throughput data within hostels for the last 2 years (2013 - 2015)*

| 2013-14  |             |           |                              |
|--|-------------|-----------|------------------------------|
| Length of stay of all SU's accommodated within 2013-14 | Total (No:) | Total (%) | Cumulative % figure          |
| Up to one year   | 471         | 48.4%     | N/a                          |
| Between one and two years                              | 258         | 26.5%     | 74.9% stay less than 2 years |
| Between 2 - 5 years                                    | 216         | 22.2%     | 87.1% stay less than 5 years |
| Between 5-7 years                                      | 26          | 2.7%      |                              |
| Between 7 - 10 years                                   | 3           | 0.3%      |                              |
| <b>Total</b>   | <b>974</b>  |           |                              |

| 2014-15  |             |           |                                 |
|--|-------------|-----------|---------------------------------|
| Length of stay of all SU's accommodated within 2014-15 | Total (No:) | Total (%) | Cumulative % figure             |
| Less than 6 months                                     | 329         | 33%       | N/a                             |
| Less than 1 year                                       | 236         | 24%       | 57% staying less than 1 year    |
| Less than 18 months                                    | 148         | 15%       | 72% staying less than 18 months |
| Less than 2 years                                      | 91          | 9%        | 81% staying less than 2 years   |
| Less than 3 years                                      | 86          | 9%        |                                 |
| Between 3 & 4 years                                    | 55          | 5%        |                                 |
| More than 4 years                                      | 59          | 6%        |                                 |
| <b>Total</b>   | <b>1004</b> |           |                                 |

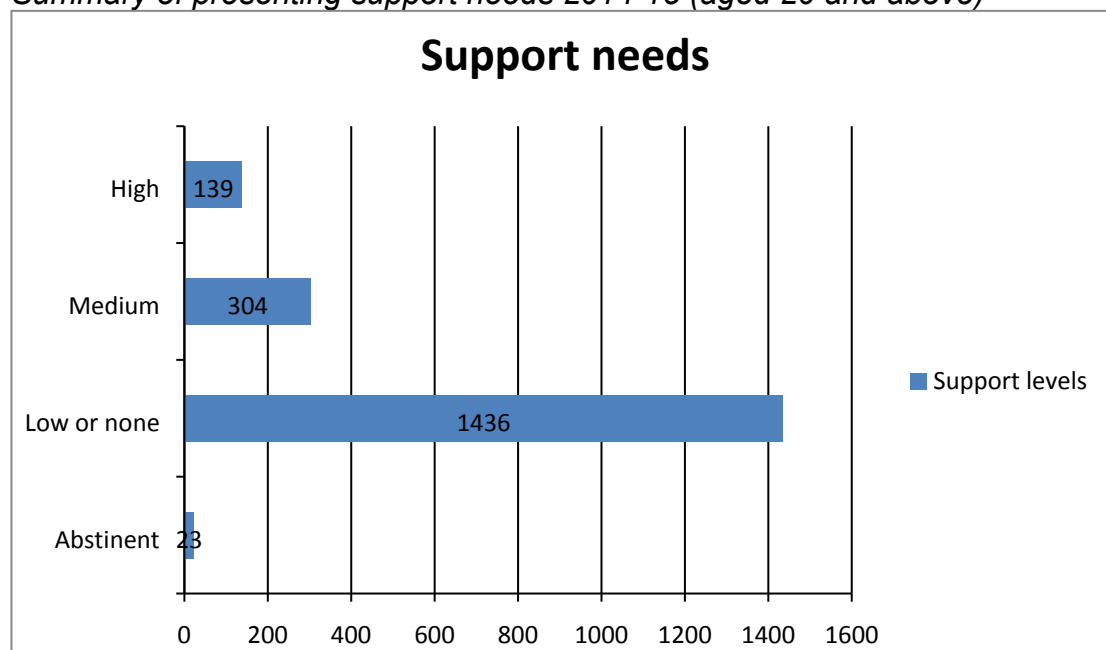
*Latest 'ready to move-on' figures Q2 2016/16 (not including long stay projects/ flats)*

|  | Booth House | Caplin | Dellow | DGH | EGH | HRP | HTH | Riverside House | <b>Total</b> |
|--|-------------|--------|--------|-----|-----|-----|-----|-----------------|--------------|
|  | 6           | 0      | 1      | 7   | 1   | 6   | 12  | 2               | <b>35</b>    |

|            | 2013/4 | 2014/5 |
|------------|--------|--------|
| Throughput | 62%    | 58%    |

**Local needs data - single homeless people approaching  
the Council**

*Summary of presenting support needs 2014-15 (aged 20 and above)*





## Appendix 4

### Diversity data relating to hostel activity and associated referral data

The gender and age background of single homeless people has been relatively constant over the last 3 years. The ethnicity data has consistently shown over the last 3 years significant representation from the White UK and Bangladeshi group.

Age, Gender, Ethnicity breakdown of single homeless presentations in 2014-15 provided by the HOST team.

