

DRAFT SAVINGS PROPOSAL

Proposal Title:	Hostels and Substance Misuse		
Reference:	SAV / HAC 013 / 21-22	Savings Type:	Reduction in provision
Directorate:	Health, Adults & Community	Savings Service Area:	Adult Social Care
Directorate Service:	Integrated Commissioning	Strategic Priority Outcome:	3. People access joined-up services when they need them and feel healthier and more independent
Lead Officer and Post:	Warwick Tomsett, Joint Director Integrated Commissioning	Lead Member and Portfolio:	Cllr Rachel Blake, Deputy Mayor and Cabinet Member for Adults, Health and Wellbeing

Financial Impact:	Current Budget 2020-21	Savings/Income 2021-22	Savings/Income 2022-23	Savings/Income 2023-24	Total Savings/Income
Budget (£000)				(100)	(100)

Staffing Impact (if applicable):	Current 2020-21	FTE Reductions 2021-22	FTE Reductions 2022-23	FTE Reductions 2023-24	Total FTE Reductions
Employees (FTE) or state N/A					

Proposal Summary:

The council currently spends £4.872 million per annum on accommodation based and floating support services for vulnerable residents who are experiencing, or have experienced, homelessness and rough sleeping. The services currently commissioned include support in seven hostels in the borough, providing a total of 450 bed spaces and a floating support service that engaged with around 350 people during 2018/19, providing a range of different support types. None of these services are required by statute, although they do support the delivery of a range of statutory duties relating to homelessness as well as potentially reducing demand for adult social care and substance misuse services.

An existing MTFs saving for Hackney Road hostel will deliver a reduction in spend of £468,000 in 21/22, and a reduction in the floating support service of £250,000. The remaining hostels provision will still serve 420 residents, and the floating support service a further 175 residents.

In addition, MHCLG will provide funding for 4 years for 30 residents in the Hackney Road hostel post April 2021, as part of the Council's ongoing support to rough sleepers housed during the first wave of Covid 19.

The hostels support people with an increasing level of complex needs including substance misuse and mental health needs, which require further additional support services. The substance misuse services are largely funded through the Public Health Grant, to the value of £6.165m (total PH funding for DAAT £7.1m)

Given the financial situation of the Council, consideration needs to be given as to whether further reductions can be made to the hostels provision and the substance misuse support available, at the same time ensuring positive outcomes for residents and service users.

A saving in the range of £100,000 - £500,000 across both areas of spend is proposed at this point.

A benchmarking exercise found that Tower Hamlets has the second highest number of commissioned hostel bed spaces among the six inner London boroughs benchmarked against (Newham, Tower Hamlets, Westminster, Camden, Lambeth and Hackney). Tower Hamlets currently has 450 hostel bed spaces, second only to Westminster which has 652. Neighbouring Hackney has 200 and Newham has 163. Tower Hamlets spends about 20% of the public health grant on substance misuse services compared to an average of 18% across London.

Revised Provision:

Further work will be needed to explore the possible options, taking into account the range of provision available across health and social care. Options to be explored include maximising the use of other support services, seeking external funding from GLA and MHCLG and a reduction in overall provision.

Significant engagement with a range of stakeholders would be required to manage the change successfully and in a way that minimised the impact on service users.

Risk and Mitigations:

A key risk relates to the additional demand on homelessness services as a result of the response to Covid19, and the interdependency with the housing support strategy that is currently being drafted as the Council's longer term support. Consideration will need to be given to how and change or reduction in service provision will impact on this strategy.

Given the complexity of the individuals using the current services, it is not possible to quantify the cost that this proposal will create for adult social care and community safety. However, it is anticipated there will be some adverse impact.

Resources and Implementation:

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?		
Does the change reduce resources available to support vulnerable residents?		
Does the change involve direct impact on front line services?		
Changes to a Service		
Does the change alter who is eligible for the service?		
Does the change alter access to the service?		
Changes to Staffing		
Does the change involve a reduction in staff?		
Does the change involve a redesign of the roles of staff?		

Summary:	
To be completed at the end of completing the Screening Tool.	
Based on the Screening Tool, will a full EA will be required?	

Additional Information and Comments: