

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to: CABINET

Report of: Corporate Director – Place
Corporate Director - Adult Social Care and Health

Date of Decision: 18 September 2018

SUBJECT: HOUSING FIRST PILOT

Key Decision: Yes **Relevant Forward Plan Ref:** 005398/2018

If not in the Forward Plan: Chief Executive approved
(please "X" box) O&S Chair approved

**Relevant Cabinet Member(s) or
Relevant Executive Member:** Councillor Sharon Thompson - Homes &
Neighbourhoods

Councillor Paulette Hamilton - Health and Social Care

Councillor Brett O' Reilly - Finance and Resources

Relevant O&S Chair: Councillor Penny Holbrook - Housing and
Neighbourhoods

Councillor Robert Pocock – Health and Social Care

Wards affected: All

1. Purpose of report:

1.1 This report provides details of the Housing First Pilot for the West Midlands Combined Authority and details of the City Council's responsibilities for the funding allocation and implementation of the pilot.

2. Decision(s) recommended:

That Cabinet:-

2.1 Accepts the funding allocation of £9.6m from the Ministry of Housing, Communities and Local Government (MHCLG) on behalf of the West Midlands Combined Authority (WMCA) for the Housing First Pilot to tackle rough sleeping.

- 2.2 Agrees that the Council acts as the Accountable Body on behalf of the WMCA and as the Administering Authority on behalf of the participating local authorities within the WMCA.
- 2.3 Delegates authority to the Interim Corporate Strategic Director for Place jointly with the Cabinet Member for Homes and Neighbourhoods to agree the Memorandum of Understanding reflecting the Accountable Body arrangements between MHCLG and the WMCA.
- 2.4 Agrees the implementation of the Housing First Pilot to tackle rough sleeping in Birmingham as set out in the Implementation Plan (Appendix 1 and 2)
- 2.5 Delegates the approval of the procurement strategy and subsequent contract award for the support delivery elements of Housing First to the Corporate Director, Adults Social Care & Health and Interim Corporate Director for Place in conjunction with the Director of Commissioning and Procurement (or their delegate), Director of Finance (or their delegate), the City Solicitor (or their delegate), and subsequent contract award(s). The value is £2,839,656 for Birmingham. Other Local Authorities within the WMCA have expressed an interest in potentially joining this procurement which would increase the value accordingly.

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3. Consultation

3.1 Internal

- 3.1.1. The Place Directorate Management Team, Adults and Health Management Team have been consulted on the strategy and support the recommendations. Colleagues within the Economy Directorate have also been consulted with regards to property acquisitions.
- 3.1.2. The Legal & Governance Department and relevant Heads of City Finance (Place and Adult Social Care and Health Directorates) have been involved in the preparation of this report.
- 3.1.2 The Cabinet Member for Social Inclusion, Equalities and Community Safety has been consulted and is supportive of proposals.

3.2 External

- 3.2.1. Key partners and stakeholders have been consulted and have had input during the development phase of the bid; including the Mayor for West Midlands in his capacity as the lead for the West Midlands Regional Homelessness Task Force. The Task Force includes representation from the voluntary sector and local authority leads from the WMCA region. Service and Procurement leads from the participating authorities and BVSC have been engaged via the Project Board for the Housing First pilot.
- 3.2.2. The Adult Social Care and Health Vulnerable Persons Citizens Panel have also provided comment on the pilot delivery and will continue to be engaged in the delivery of the pilot.

4. Compliance Issues:

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

This report supports the Vision and Priorities, as agreed by Cabinet 26th June 2018 across the following priority areas:

Birmingham is an aspirational City to grow up in: Help people become healthier and more independent with measurable improvement in physical health, physical activity and mental wellbeing.

Birmingham is a great City to live in: Create thriving prosperous neighbourhoods offering choice and quality homes whilst reducing homelessness and fuel poverty.

The Housing First Pilot aligns with the objectives in the Homeless Prevention Strategy 2017+, relating to supporting people to recover from their experience and stay out of homelessness, to enable people to secure affordable homes and to assist people as soon as possible if they do become homeless so that their homelessness can be relieved by securing sufficient accommodation and support.

The Housing First Pilot aligns with strategic objectives in the Birmingham Development Plan (BDP) 2031 relating to improving health and well-being. This includes priorities of the Health and Wellbeing Board in supporting vulnerable people with mental health conditions and learning disabilities.

The Housing First Pilot and associated commissioning intentions support the delivery of the Vision for Adult Social Care Cabinet Report (October 2017) and the key priority outcomes set out in the Putting Prevention First – Delivering the Vision for Adult Social Care Cabinet Report (November 2017).

Strategies include:

- Health and Wellbeing Strategy 2017+
- Homeless Prevention Strategy 2017+
- Housing Strategy 2017+
- Financial Inclusion Strategy 2016+

4.1.1 Birmingham Business Charter for Social Responsibility (BBC4SR)

Compliance to the BBC4SR will be a mandatory requirement for tenderers and will also form part of the conditions of contract. Tenderers will submit an action plan with their tender submissions that will be included within the tender evaluation process. The action plan of the successful tenderer will be implemented and monitored during the period of the agreement. A further condition of contract will be the requirement to pay the living wage.

4.2 Financial Implications

(How will decisions be carried out within existing finances and Resources?)

- 4.2.1 The funding of £9.6m for the WMCA region is provided by Government to Housing First Pilot. The funding will be for a three year period and included in the £9.6m funding allocation is a balloon payment in year three to enable the project to fully conclude over a further two year period. Following dialogue between MHCLG and the WMCA, the funding will be paid via the Local Government Act 2003 Act under a Section 31 Grant to Birmingham City Council to undertake the delivery of Housing First.

4.2.2 The proportion of this funding allocated to the participating authorities over the three year is set out below:

Local authority	Year 1	Year 2	Year 3	Total
Birmingham City Council	£589,838.50	£1,250,419	£2,190,549	£4,030,806
Coventry City Council	£251,873	£518,660	£903,192	£1,673,725
Dudley Metropolitan Borough Council	£39,687	£85,780	£129,808.12	£255,275
Sandwell Metropolitan Borough Council	£150,936	£308,081	£504,096.50	£963,113
Solihull Metropolitan Borough Council	£84,218.50	£171,540.25	£269,547	£525,306
Walsall Metropolitan Borough Council	£193,623	£406,944	£737,608	£1,338,175
Wolverhampton City Council	£130,124	£258,276	£425,200.25	£813,600

4.2.3 £225k is contained within the Birmingham allocation over the life of the pilot to source a regional housing first project initiation manager; regional data analyst and governance function at a regional level.

4.2.4 The funding allocation for each of the authorities is based upon the original proposals submitted by each authority, following revisions to reflect the actual allocation of £9.6m compared to the original bid of £10.9m. The calculations have been shaped by knowledge of the market costs, current provision and size of the proposed cohort of people anticipated to receive a Housing First offer and local authority staffing costs associated with local commissioning and project management.

4.2.5 The funding allocation for each authority also includes staff costs to cover essential activity relating to mobilisation including commissioning managers, property acquisition managers, and financial and data analysis.

- 4.2.6 The funding will be split over three years and through its role as Adminstrating Authority, Birmingham will reallocate the agreed funding to each authority annually as set out within the Service Level Agreement (SLA) between Birmingham and each of the participating authorities. The SLA does give permission for funding to be moved between local authority areas due to evidenced need and subject to the relevant approvals.
- 4.2.7 It must also be noted that whilst there are no claw back arrangements by central government, in the event that the milestones or outcomes are not delivered, central government reserves the right to terminate the projects with appropriate notice. The delivery of the project will include regular reporting to MHCLG the details of which are contained within the Memorandum of Understanding.
- 4.2.8 The majority of the funding will pay for the intensive 1-2-1 support that will be required to enable individuals to make the changes needed to sustain a tenancy. For Birmingham it is proposed that this support will be procured from an established market for a value of up to £2,839,656.

4.3 Legal Implications

- 4.3.1 Under the Homelessness Reduction Act 2017 local authorities are required to take reasonable steps to prevent homelessness for any eligible person who is at risk of homelessness from becoming homeless.
- 4.3.2 A draft Memorandum of Understanding has been produced by MHCLG, and is currently being considered by the WMCA and Birmingham City Council. The agreement covers: a) Agreed outputs – number of units and milestones; b) Governance and reporting – content and frequency of returns; c) Fidelity – adherence to the Housing First principles to inform evaluation; d) Evaluation – the activity necessary for engagement with the pilot and its study. Recommendation 2.3 of this report delegates responsibility to the Interim Corporate Director of Place to finalise the MOU.
- 4.3.3 A Service Level Agreement has been drafted between Birmingham City Council and each of the 6 other Local Authorities, which specifies the accountability and expectations of each authority, service to be delivered and the outcomes, sought. It is expected that the service requirements, including Housing First principles, evaluation requirement and outcomes will be reflected in any commissioning undertaken by Local Authorities.

4.4 Public Sector Equality Duty

- 4.4.1 An Initial Equality Assessment has been completed and is attached as Appendix 3. The possible high level impacts have been identified through a combination of discussions with external partner agencies, contract and grant intelligence held by the local authority, MHCLG, Combined Authority and intelligence gathered by BVSC

through their Fair Chance Fund for vulnerable people with complex and multiple needs. This information also provides a good basis for a full Equality Analysis should this be required as part of the mobilisation and commissioning process.

- 4.4.2 The joint commissioning of future services will include an on-going dialogue with providers, service users and key stakeholders in order to retain the Equalities Analysis, impacts and mitigations log. This will be managed through the Housing First Project Board and reporting to Cabinet Members, WMCA and MHCLG as appropriate.
- 4.4.3 The Initial Equality Analysis did not highlight the need to undertake a stage 2 assessment on the basis that at this stage as we do not have the needs profiles of the individuals that are to access the service, equally the associated commissioning of support services are still being scoped out. Further Equality Analysis will be undertaken as appropriate at each stage of the project roll out.

5. Relevant background/chronology of key events:

5.1 Housing First Background and Principles

- 5.1.2. Housing First is an approach to meeting the housing and subsequent support issues of some of the most vulnerable and excluded people in society. Housing First has substantial history in New York, and other areas of USA, Norway, the Netherlands, and in relatively small scale around the UK. The prevailing view in the UK is that the model has evidenced successes with some cohorts of people whilst for others more traditional supported housing mechanisms will continue to be required.
- 5.1.3 Housing First has 7 key principles i) People have a right to a home; ii) Flexible support is provided for as long as it is needed; iii) Housing and support are separated; iv) Individuals have choice and control; v) An active engagement approach is used; vi) The service is based on people's strengths, goals and aspirations; vii) A harm reduction approach is used. (Housing First England, Homeless Link).
- 5.1.4 Birmingham City Council had in consultation with other Local Authorities within the WMCA, produced and submitted a speculative Housing First bid to DCLG in summer 2017. Subsequently the Secretary of State invited WMCA to submit a bid for Housing First for the region. Following agreement between the Corporate Director for Place, the Leader of Birmingham City Council and Cabinet Member for Housing and Homes, the bid was developed by Birmingham City Council in consultation with the Homelessness Taskforce and constituent members and submitted by WMCA, for a total value £10.8m.
- 5.1.5 In October 2017 the Chancellor announced £28m for three Housing First pilots, to be shared between Greater Manchester, Merseyside region and WMCA. Following subsequent discussions, the WMCA has been awarded £9.6m, the largest of the

allocations. This is to deliver Housing First for the period 2018-21 with a further two years of legacy support.

- 5.1.6 The WMCA bid is deemed sufficient to enable up to 225 people to be supported in Housing First each year for three years. The funds primarily pay for intensive support availability, provided into mainstream housing. This is not 'supported housing'. Additional funds are provided for street outreach, nursing, substance support, accommodation access support and crisis interventions. An implementation plan has been developed for the regional pilot (Appendix 1). Alongside this each authority is expected to produce its own mobilisation plan. The Birmingham Plan is attached (Appendix 2).
- 5.1.7 The cohorts of people identified as benefitting from this model include primarily rough sleepers and people with street lifestyles, together with those with a strong trajectory towards the streets, who continually struggle to engage, or are continually excluded from services. This includes young people with multiple and complex needs, people with histories of repeat offending and known to rough sleep as part of their patterns of behaviours including people with enduring mental health conditions.
- 5.1.8 The acquisition of a supply of properties for tenants is key to the delivery of a Housing First model. Therefore, ensuring that the necessary volume of properties is delivered must also be acknowledged as a risk. It must also be strongly emphasised each local authority has been required to give consideration to how this will be achieved within the local authority area. It is anticipated that up to 625 properties could be secured during the life of this pilot with the majority up to 100 per annum to be sourced in Birmingham. In principle support has been sought from housing association leads representing the region to provide tenancies for the Housing First Pilot.
- 5.1.9 Therefore, contained within the funding for each authority is a provision for a property sourcing role, expansion to existing private sector leasing arrangements, a bond pot and crisis fund. In the case of the Birmingham model the proposal has been to access a combination of local authority stock, housing associations, private rented sector and potentially modular housing for the latter stages of the project. Each authority has been allocated funding for a dedicated property acquisitions resource. In the case of Birmingham this will be a dedicated post and will be located within the Place Directorate.
- 5.1.10 The participating authorities are expected to commission using the most appropriate procurement routes for the following activity; regional project management, navigators to support the individuals accessing Housing First, mental health support interventions and nurse prescribers and outreach support to address substance misuse and the use of psychologically informed environments as a training tool for staff. Where there is VFM to be achieved through a regional commissioning

approach or by two or more authorities working together then this will be agreed through the Housing First Project Board.

5.1.11 The timing of the acceptance of this funding and the lead in times for a £2.8m procurement mean that the key element of the Support Worker provision will not be in place by winter. This is an important period for Rough Sleepers as the risk of serious illness is higher and they are likely to be more motivated to enter the Housing First programme. In order to be able to commence Housing First before the winter we are working with the Birmingham Voluntary Sector Council (BVSC) to build on the 'Birmingham Changing Futures Together' project which is currently running and funded by Big Lottery to enable Housing First provision to start in October 2018. We would use up to £66k of the Housing First project funding for early adoption of Housing First, working with BVSC, that will mean that provision is in place for the Winter and 25 people will be on track to be housed and supported under the Housing First pilot by March 2019.

5.2 Governance

5.2.1 Based upon the work already undertaken by Birmingham City Council in setting out the vision, and leading the design of the delivery model and bid submission, the initial dialogue and in principle agreement should the bid be successful between the WMCA and Birmingham City Council has been for Birmingham City Council to act as the accountable body for the receipt of funding and its onward distribution to the participating authorities. As accountable body Birmingham City Council will be directly accountable to MHCLG for the appropriate utilisation of funding received, securing the project management arrangements, reporting the delivery of the project in accordance with the milestones and programme outcomes. In order to manage any risk associated with this role for Birmingham the requirements relating to delivery, performance and appropriate utilisation of funds has been set out within the SLA between Birmingham and the 6 participating authorities.

5.2.2 Oversight and scrutiny of the programme by the WMCA will be undertaken through the Homelessness Task Force which is chaired by the WMCA Mayor. The participating authorities are represented alongside key support agencies such as Crisis and Homeless Link at a Housing First Project Board which is chaired by Birmingham City Council. Internally, the project will report through to the Housing Options Transformation Board and the Adult Social Care Vulnerable Persons Housing Board.

5.2.3 Reporting will include programme status – services commissioned, service performance, tenancies secured, citizens supported within those tenancies, outcomes achieved, risks to programme and opportunities.

5.2.4 Heriot Watt University have secured the contract with MHCLG, along with expertise from Homeless Link, to undertake the evaluation of the Housing First Pilot. Each authority will be expected to work alongside the evaluators so that the outcomes can be independently evaluated.

5.3 Risks

5.3.1 This is a pilot which in the spirit of the Housing First principles affords a great deal of flexibility in terms of how support is designed and delivered for success, equally whilst MHCLG confirm within their grant determination that there is no requirement to return funding should the pilot not meet the expectations of MHCLG. This is to be reflected in the MOU between MHCLG, the WMCA and Birmingham City Council. The risks and actions to mitigate these are highlighted below:

5.3.2 As Accountable Body Birmingham will be responsible for ensuring suitable accountability for the funds. In order to manage this risk, the SLA between Birmingham and the partner authorities will stipulate that each authority will be responsible and therefore be accountable for ensuring delivery of Housing First within their local authority area and their shared responsibility for success. The grant agreement also affords a funding resource for the management and administration of this role.

5.3.3 As Birmingham is responsible for delivering nearly half of the Housing First units (100 p.a.) the Authority will have substantial responsibilities for the overall success of Housing First within the region whether accountable body or not. The funding award for each authority includes capacity to engage commissioning, procurement contract management, property acquisitions and monitoring requirements. These posts will be secured on a fixed term basis for the life of the project.

5.3.4 As administrating authority Birmingham is responsible for the management of the programme - ensuring commissioning is undertaken, targets are met and the Housing First principles are followed. This is resource intensive and similarly there is a resource within the funding awarded to Birmingham in its administrative role to secure staff with the relevant skills to support the regional requirements, this includes the commissioning of an external regional project manager to work with each authority and regional data analyst functions for the life of the project.

5.3.5 The responsibilities of Accountable Body, Administrative Body and participating local authority are fully supported by the WMCA and there is a strong partnership amongst all seven Local Authorities.

5.3.3 The most significant risk is failure to deliver the programme at scale sufficient to impact visible rough sleeping. While this is not a contractual target, it is an expected indicator of success. This risk is shared between all agencies involved in the agreements, given that it is to the WMCA that the Secretary of State made the

funding commitment; the WMCA has secured a 'Fidelity Officer' for the programme to support the commitment to principles; evaluation support through Coventry University; and oversight through the Homelessness Taskforce.

- 5.3.6 Central government reserve the right to withdraw from the pilot with sufficient notice. As part of the on - going dialogue with MHCLG, the implications of this on vulnerable people, landlords, commissioned providers and local communities has been communicated by the participating authorities directly with MHCLG and the WMCA.
- 5.3.7 Some individuals may continue to require support once the programme has ended. As part of the exit planning for each individual support to accessing mainstream services or other lower support commissioned services for a period of time will be included.
- 5.3.8 The support delivery model is dependent upon a close alignment of timely responses between the support provider, health and social care. Through dialogue with the Clinical Commissioning Group (CCG), a dedicated officer resource from the CCG has been identified to work alongside adult social care as part of the project design work. The WMCA has also aligned their work with the five Mental Health Trusts in the area to this project in order to ensure that vulnerable people with mental health are fully supported by the relevant agencies and professionals.
- 5.3.9 As part of the background and context to this project it is important to note that there has been a significant delay from the period that the local authority was notified in writing of the grant determination 20th June 2018 and the communication of a draft Memorandum of Understanding received 15th August 2018, this delay has caused difficulty in establishing the subsequent agreements with the participating authorities, committing funding resources and mobilisation timescales.

6. Evaluation of alternative option(s):

- 6.1 Option 1: Do not accept the funding to implement Housing First Pilot. This is not the preferred option given the level of street homelessness within the region is rising and this funding provides a real opportunity to explore a radically different approach to both accommodation and support.
- 6.2 Option 2: For Birmingham to decline the role of accountable body on behalf of the WMCA and for this function to be delivered directly by the WMCA or one of the other participating authorities. This is not recommended as this would undermine existing partnership arrangements reached with the WMCA Authority during the development of the initial bid and undermine the effective delivery of the pilot.

7. Reasons for Decision(s):

- 7.1 The design of the Housing First Bid was led by Birmingham City Council through direct dialogue with MHCLG by subject matter experts across the Directorates and the Corporate Strategic Director for Place. Accepting the responsibilities as accountable body set out within this report enables Birmingham to build upon and strengthen these key relationships, which are crucial to the successful delivery of the Housing First Project.

- 7.2 The learning from the pilots is intended to inform a significant and systemic change to future policy, practice and funding nationally. Acting as the lead authority for this pilot will enable Birmingham to fully benefit from this learning and further strengthen the City Council’s reputation for innovative approaches to the challenges of homelessness and rough sleeping.

Signatures

Date

Cabinet Member for Homes & Neighbourhoods Councillor Sharon Thompson
Cabinet Member Health and Social Care Councillor Paulette Hamilton
Cabinet Member for Finance & Resources Councillor Brett O’Reilly
Interim Corporate Director Place Rob James
Corporate Director Adult Social Care & Health Graeme Betts 	07.09.18

List of Background Documents used to compile this Report:

- 1) Bid documentation Housing First and MHCLG bidding guidance
- 2) Homelessness Reduction Act and associated guidance 2017
- 3) Draft Memorandum of Understanding from MHCLG
- 4) Service Level Agreement between Birmingham City Council and the participating authorities.

List of Appendices accompanying this Report (if any):

1. Implementation Plan (Regional)
2. Implementation Plan (Birmingham)
3. Equality Analysis

Report Version v7

Dated 06/09/2018