

GREATER **LONDON** AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2083

Title: New rough sleeper services and projects

Executive Summary:

The GLA currently commissions and funds a major programme of pan-London rough sleeping services and projects. Grant funding of £4.2m has recently been secured from the Government for additional services and projects - a Social Impact Bond (SIB) for entrenched rough sleepers (£2m over four years), a Safe Connections service for relatively new rough sleepers (£1.875m over three years) and a Hostels Clearing House project to make more efficient use of hostel bedspaces and other specialist provision for rough sleepers across the capital (£340,000 over three years).

This decision approves the receipt of this grant funding and to provide £1m of GLA match funding for the SIB. It also approves the procurement of the SIB, Safe Connections service and the IT associated with the development of the Hostels Clearing House.

Decision:

That the Mayor approves:

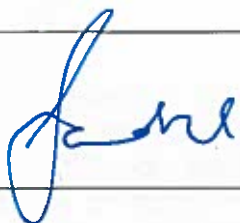
- the receipt of grant funding of £4.215m from the Department for Communities and Local Government (DCLG) for the development and delivery of pan-London rough sleeper services and projects
- expenditure of £3m from 1 April 2017 to 31 March 2021 for the development and delivery of a pan-London Social Impact Bond for entrenched rough sleepers - £2m from the above DCLG grant and £1m from approved GLA budget for rough sleeping services
- expenditure of £1.875m from 1 March 2017 to 31 March 2020 for the development and delivery of a Safe Connections service, wholly funded from the above DCLG grant
- expenditure of £340,000 from 1 March 2017 to 31 March 2020 for the development and delivery of a Hostels Clearing House, wholly funded from the above DCLG grant

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

28/2/17

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1 Rough sleeping is a growing and persistent issue in the capital. 8,096 people were seen sleeping rough in London in 2015/16 (seven per cent more than in 2014/15). 61 per cent were new to the street, almost a quarter (23 per cent) were long term rough sleepers (ie were seen rough sleeping in both 2014/15 and 2015/16), 59 per cent were non-UK nationals and 47 per cent were from EU countries. Around three quarters had a support need (46 per cent mental health, 43 per cent alcohol and 31 per cent drugs).
- 1.2 The Mayor has committed to tackling the 'scourge of homelessness' and in particular has noted that the rise in rough sleeping over recent years is a growing source of shame that we have a 'moral imperative' to stop. He has begun to develop a 'No Nights Sleeping Rough' initiative – a London-wide taskforce to oversee the implementation of the Mayor's rough sleeping work and funding priorities. The taskforce has now been set up. Chaired by the Deputy Mayor for Housing and Residential Development, it brings together partners key to tackling rough sleeping in London (including boroughs, voluntary organisations and central government).
- 1.3 The Mayor has responsibility for funding and commissioning a range of pan-London rough sleeping services. These are services for rough sleepers, or initiatives to tackle rough sleeping, that cannot or would not be provided at a London borough level, as they are pan-London or multi-borough in their remit. A budget of £33.8m for these services was approved for the period 1 April 2016 to 31 March 2020 granted through MD1532. This Mayoral decision also approved the reprocurement of a number of key services, which have now been commissioned and mobilised. A further MD (MD2031) approved the procurement of a successor to the flagship No Second Night Out service, to run from 1 April 2017 to 31 March 2019. Procurement has now concluded and the new No Nights Sleeping Rough service will commence on 1 April 2017. There are currently seven core services under contract with annual values ranging from £200,000 to £3.68m, as well as a number of grant-funded initiatives. In A City for all Londoners the Mayor commits to maintaining City Hall investment in services and making the case to Government for additional funding for London's rough sleepers to get the support they need.
- 1.4 On the back of work carried out by the No Nights Sleeping Rough taskforce, the GLA has recently successfully bid for over £4.2m of Government funding for a number of additional rough sleeping services and initiatives, which will be launched during 2017:
 - a Social Impact Bond (SIB) for entrenched rough sleepers (£2m from DCLG plus £1m from the GLA)
 - a Safe Connections service (£1.875m from DCLG)
 - a Hostels Clearing House (£340,000 from DCLG).

Rationale for and details of these new services and projects

The Social Impact Bond

Rationale

- 1.5 The number of long term rough sleepers is increasing. This group typically have highly chaotic and disrupted lifestyles, and make unplanned use of a range of health and substance abuse services. Recent estimates indicate that the homeless population utilises around four times more acute hospital services than the general population, costing at least £85m per year. Rough sleepers are also far more likely to present to health services with co-morbidity – one in five who have contact with hospitals had three or more diseases. For a subset of rough sleepers, these issues are particularly acute. The average cost to the health service for the five per cent of rough sleepers

with the highest health cost is £27,000 per person each year. These people are likely to be those with the most acute needs and entrenched patterns of rough sleeping. Research by the Ministry of Justice also suggests a strong link between rough sleeping and offending behaviour, which incurs significant costs to the public sector.

- 1.6 Rough sleeping also results in significant costs to local authorities. Many rough sleepers intersperse nights on the street with spells in hostel accommodation and other forms of short-term locally-funded accommodation, and local authorities also fund outreach and floating support services for rough sleepers.
- 1.7 There is therefore a clear financial and social case for additional support to break the cycle of rough sleeping for London's most entrenched rough sleepers.

The service

- 1.8 Building on the rough sleeping SIB administered by the GLA between 2012 and 2016, the new SIB will work with 330-350 of the most entrenched rough sleepers across all 33 London boroughs, providing tailored and personalised support to help them rebuild their lives.
- 1.9 Given the proposed size and geographical spread of the cohort, it is envisaged that the service will be delivered by two different providers. Commissioning will be outcome-based, rather than involve a detailed service specification, to promote innovation, creativity and flexibility in how the services are designed and delivered. It will be 100 per cent payment by results, to incentivise providers to deliver and to drive performance.

The Safe Connections service

Rationale

- 1.10 The No Second Night Out service (NSNO), which focuses on those that have been seen rough sleeping only once, has been successful in ensuring that those who attend the service do not sleep rough again. Since it started, only 24 per cent of those seen each year are seen sleeping rough again. However, not all new rough sleepers are seen by No Second Night Out (only around a quarter in 2015/16), primarily because some refuse to attend the service. Largely as a result of a lack of early engagement, 36 per cent of rough sleepers (1,904 people) who arrived on the streets during 2015/16 spent at least a second night out.
- 1.11 Most UK national rough sleepers do not have a local connection to where they are bedded down. The No First Night Out (NFNO) service, for example, has found that around four out of five relatively new UK national rough sleepers they see have a known local connection to another local authority. For many UK nationals, reconnection to their home local authority, where they have support networks and access to services, is the best route off the street.
- 1.12 Currently, GLA and borough-commissioned outreach teams provide a service for new rough sleepers who spend more than one night sleeping rough. This includes working to reconnect UK rough sleepers with the local authority with which they have a local connection. This is, however, an inefficient use of outreach resources, which could be better used to find and assist new rough sleepers and seek solutions for more entrenched rough sleepers.
- 1.13 There is therefore a case for a new service targeted on resolving this group's rough sleeping, with more rapid crisis interventions and support to access and sustain move-on accommodation

The service

- 1.14 A specialist UK reconnections team will work with new rough sleepers to reconnect them to their home area. It will cover rough sleepers in London who:
 - have a local connection with a London borough other than the one in which they are rough sleeping or another local authority in the rest of the UK
 - have been on the streets for less than three months

- have between two and ten bedded down contacts, and
 - are willing to engage with the team and an initial single service offer, or local connection assessment.
- 1.15 Flexibility will be built into the service to allow it to respond to changes in the target group, should the landscape of rough sleeping in the capital change significantly.
- 1.16 It is proposed that this service will be commissioned, and that ten to 15 per cent of the contract value will be based on payment by results, linked to the numbers not returning to the streets.

The Hostels Clearing House project

Rationale

- 1.17 There are 11,890 hostel bedspaces for rough sleepers across London. While the hostel system works well in many areas, there is a lack of consistency across London, in both the provision of specialist hostel beds and the quality of service offered.
- 1.18 An average of around eight per cent of beds (951) in London's hostels are void at any one time (over 11 per cent for one major hostels provider). For some of the large providers, even relatively low percentages can equate to large numbers of bedspaces. For example, Evolve, the fourth largest provider, has an average void rate of 4.4 per cent, generating 8,744 void days a year. Some are short term, and others can be justified by maintenance issues. However, some are due to a lack of suitable referrals. This is because most hostel spaces are earmarked for the borough in which the hostel is situated, so limiting the pool of potential beneficiaries. The major London hostel providers estimate that around half of all hostel voids due to maintenance and a further quarter are extremely short term. Therefore, a quarter of hostel voids, 238 a year (a quarter of the 951 beds) could be contributed to the central pot – because there are no locally available referrals.

The project

- 1.19 The proposed project would enable more effective use of this provision in London. It would do so by hostel spaces for which there is no suitable person locally being contributed to a central pot that can be accessed by other boroughs for their rough sleepers. Supported housing bedspaces (of which there are 4,854 across London) could also be contributed to the 'pot'. This would not only provide a wider range of options for rough sleepers, it would also enable boroughs without hostel provision to both contribute to and benefit from the scheme. These vacancies would then be matched to the referrals that are received to the service from participating boroughs.
- 1.20 This web-based project would be reciprocal, so that no borough gains or loses bedspaces. Participation by boroughs would be voluntary, although to be successful it will require a critical mass to take part. Of the 12 boroughs so far consulted about this project, 11 have given informal support, as have four of the top five providers of hostel beds in London (St Mungo's, Look Ahead, Evolve and Thames Reach).

2. Objectives and expected outcomes

The Social Impact Bond

- 2.1 The key objective for the SIB is to achieve transformative and sustainable change for some of London's most vulnerable individuals. It is also expected to deliver cost savings to Government and local authorities, drive improvements to the commissioning of contracts in London (with further use of PBR targets in wider contracts) and change providers' approaches to tackling rough sleeping for the most vulnerable clients, through increased use of personalisation.
- 2.2 The specific outcomes for the new SIB relate to accommodation, health, substance misuse and employment. Providers will be financially incentivised to achieve these outcomes, through PBR, with payments linked specifically to those set out below:

Accommodation
Entry into short-term accommodation
Entry into stable accommodation
12 months sustainable accommodation
18 months sustainable accommodation
A&E
Reduction in A&E episodes below baseline
Better managed needs
Mental health entry into services
Mental health sustained engagement with services
Alcohol misuse entry into engagement with structured treatment (all forms)
Alcohol 12 week engagement with structured treatment (structured day programme/Rehab
Drug misuse entry into engagement with structured treatment (all forms)
Drug misuse 12 week engagement with structured treatment (structured day programme/Rehab
Work
Part time work/volunteering/self-employed 13 week
Part time work/volunteering/self-employed 26 week
Full time work 13 weeks
Full time work 26 weeks

The Safe Connections service

- 2.3 The key objective of the proposed service is to increase the number of rough sleepers leaving the streets, and the speed in which they do so, by:
- increasing the number of reconnections within the UK, through the service itself
 - increasing the number of new rough sleepers found and engaged with in a short timescale, because of freed up capacity within outreach teams.
- 2.4 It is envisaged that the service will work with an estimated c800 people over two years, referred by outreach teams, with resources split 70:30 between London and non-London reconnections. Over this period, this service has potential to result in:
- up to 800 safe connections (400 more than it is estimated would be made without this service¹)
 - up to 3,000 additional outreach shifts in the capital
 - up to 2,000 people finding a route off the streets.

The Hostels Clearing House

- 2.5 By enabling more effective use of the hostel system across London, this project will give more London rough sleepers a quicker route off the streets. Based on the level of provision and voids for the boroughs and providers that have informally agreed to participated, it is envisaged that an additional 150 spaces each year would be made available (300 over the course of the two and a quarter year funding period).

¹ 202 reconnections within the UK were made last year
MD Template October 2016

3. Equality comments

3.1 Of those seen rough sleeping in 2015/16:

- 59 per cent were non-UK nationals
- 46 per cent had a mental health need
- 15 per cent were women
- most of those seen rough sleeping (58 per cent) were in the 26-45 age group
- ten per cent were under 26 years old
- 11 per cent were over 55
- four people were under 18.

4. Other considerations

a) Key risks and issues

Risk description	Rating	Mitigating action
The procurement of the SIB and Safe Connections services is delayed, reducing the length of time these services run and consequently reducing their impact within this Mayoral term.	Medium risk	GLA, working with TfL Procurement, will ensure that there is resourcing to support the procurement plans.
Insufficient staff resources within the GLA to develop, deliver and monitor the new services and projects will reduce the effectiveness of current services and mean that new services are not developed and delivered effectively. There is a potential risk to the safety of clients if services are poorly designed and delivered, or providers are not effectively monitored.	Low risk	HOPS approval for two additional staff, funded from the DCLG grant and GLA approved programme budget for rough sleeping, to develop and deliver these projects is being sought in parallel with this MD approval.
The providers may perform poorly, negatively impacting on the achievement of key Mayoral objectives and more detailed service-specific KPIs	Low risk	A robust contract and contract monitoring between the GLA and the service provider will ensure that poor performance is identified and rectified quickly and appropriately. Payment by results will incentivise providers to deliver.
The number of rough sleepers may reduce to the point where the services are no longer required, or required at the levels envisaged, or the nature of rough sleeping may change, making the services and projects less relevant	Low risk	The GLA Rough Sleeping Team constantly monitors the rough sleeping landscape, through detailed quarterly CHAIN report and through strategic and operational interactions with key stakeholders from boroughs, service providers, central government and others (including through the Mayor's forthcoming No Nights Sleeping Rough Taskforce). Contracts can be varied

		to incorporate new or different requirements and will contain break clauses to allow for termination should this be necessary.
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b) Links to Mayoral strategies and priorities

See paragraphs 1.2 and 1.3 above.

c) Impact assessments and consultations

The bids for the proposed new services and project were developed in partnership with the Mayor's No Nights Sleeping Rough Taskforce, and were informed by in depth consultation with stakeholders from London boroughs, voluntary sector providers and the wider homelessness sector.

5. Financial comments

5.1 This decision requests an approval for the receipt of grant funding of £4.215m from the Department for Communities and Local Government (DCLG), as well as an expenditure of £5.215m to develop and deliver a pan-London Rough Sleeping Services and projects. The programme is set to continue until March 2021.

5.3 Funding gap of £1m is proposed to be assigned from GLA's Rough Sleeping Commissioning budget (MD1532), which has been allocated a four year indicative budget of up-to £33.8m (£8.45m a year).

5.4 The following table sets out the profile of spend over the period of the programme:

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Social Impact Bond (SIB)		£600,000	£1,045,000	£985,000	£370,000	£3,000,000
Safe Connections	£1,187	£489,515	£909,783	£474,515		£1,875,000
Hostels Clearing House	£5,676	£138,108	£103,108	£93,108		£340,000
Total	£6,863	£1,227,623	£2,057,892	£1,552,623	£370,000	£5,215,000
DCLG grant funding	£6,863	£1,027,623	£1,709,558	£1,224,289	£246,667	£4,215,000
GLA Rough Sleeping budget contribution towards SIB	£0	£200,000	£348,333	£328,333	£123,333	£1,000,000

6. Legal comments

6.1 The foregoing sections of this report indicate that the decisions requested of the Mayor fall within the statutory powers of the Authority to promote and/or to do anything which is facilitative of or conducive or incidental to the promotion of social development in Greater London and in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:

- (a) pay due regard to the principle that there should be equality of opportunity for all people;
- (b) consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
- (c) consult with appropriate bodies.

- 6.2 In taking the decisions requested of him, the mayor must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010). To this end, the mayor should have particular regard to section 3 (above) of this report.
- 6.3 Officers must ensure that the services required be procured in accordance with the GLA's Contracts and Funding Code (the "Code") and with the assistance of Transport for London's procurement team. Furthermore, officers must ensure that appropriate contractual documentation be executed by both the GLA and the relevant contractor prior to the commencement of the required services.
- 6.4 Any grant funding to be awarded as part of any of the projects, the subject of this report, must be distributed in accordance with the requirements of section 6 of the Code.
- 7. Planned delivery approach and next steps**
- 7.1 The SIB and Safe Connections service will be commissioned, to be delivered by external providers. The development work for the Hostels Clearing House project will be delivered by the GLA, with IT commissioned and delivered by an external provider.

Activity	Timeline		
	Social impact bond	Safe Connections	Hostels Clearing House
Development period	1 April to 30 June 2017	1 March to 30 June 2017	1 March to 30 June 2017
Invitation to tender issued	Mid-June	Mid-June	Mid-June
Delivery commences	October 2017	October 2017	October 2017
Delivery ends	30 September 2020	30 September 2019	30 September 2019
Evaluation reports	External evaluation 31 March 2021	External evaluation 31 March 2020	Internal evaluation 31 March 2020

Appendices and supporting papers:

Bids to DCLG

DCLG confirmation of funding

Appendix 2 Homelessness Prevention Programme – successful bids ²

Rough Sleeping Grant Areas Bid area – London (lead local authority highlighted in bold)	
Hammersmith and Fulham	£166,209
City of London , Tower Hamlets, Hackney	£414,000
Southwark	£393,000
Lambeth	£361,142
Croydon	£403,750
Lewisham , Bexley, Greenwich, Bromley	£340,000
Newham	£398,738
Kensington and Chelsea , Ealing, Harrow, Hillingdon, Brent, Hounslow, Hammersmith and Fulham	£400,000
Islington , Barnet, Camden, Enfield, Haringey, Westminster	£390,000
Westminster	£613,635
Haringey	£397,875
Merton , Sutton	£357,000
Wandsworth , Kingston-upon-Thames, Richmond-upon-Thames	£400,000
Greenwich , Bexley, Bromley, Lewisham	£345,552
Barking and Dagenham , Havering, Redbridge, Waltham Forest	£399,938
Greater London Authority	£340,000
Greater London Authority	£1,875,000

Social Impact Bond Areas Bid area (lead local authority highlighted in bold)	
West Lindsey , City of Lincoln, East Lindsey, South Holland, South Kesteven, North Kesteven, Boston, Lincolnshire County Council	£1,251,800
Bristol, City of	£1,251,000
Kent County Council , Thanet, Dover, Ashford, Canterbury	£1,255,692
Brighton and Hove , East Sussex County Council, Adur	£1,000,000
Newcastle upon Tyne , Gateshead	£1,540,000
Gloucester , Cheltenham, Cotswold, Forest of Dean, Stroud, Tewkesbury	£990,000
Greater Manchester ; Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford, Wigan	£1,800,000
Greater London Authority ; Camden, City of London, Croydon, Ealing, Hackney, Hammersmith and Fulham, Lambeth, Newham, Southwark, Tower Hamlets, Westminster	£2,000,000

² <https://www.gov.uk/government/publications/homelessness-prevention-programme>
MD Template October 2016

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? YES

If YES, for what reason:

Until services are procured.

Until what date: until services have been procured (likely to be 30 September 2017).

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form –NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

David Eastwood has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

David Lunts has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

James Murray has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 27 February 2017.

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

M D Allen

Date

27.2.17

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

D Bellamy

Date

27/2/2017.