

## **BARNSELY METROPOLITAN BOROUGH COUNCIL**

**This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan**

### **REPORT OF THE EXECUTIVE DIRECTOR OF COMMUNITIES TO CABINET**

#### **Capital funding – Housing with support for vulnerable and homeless adults with complex needs**

##### **1. PURPOSE OF REPORT**

- 1.1 The purpose of this report is to seek approval for funding for the re-provision of Holden House in partnership with Humankind. A proposal will be submitted for delegated approval to the capital board.

##### **2. RECOMMENDATIONS**

- 2.1 **To support investment of £725,000 for the re-provision of Holden House**

##### **3. INTRODUCTION**

- 3.1 Holden House (former Race Street baths) is a grade 2 listed building that was leased on 9 February 1994 to a company called The Riverside Group (at that time known as English Churches Group). The lease is for 64 years. The House has 28 units of accommodation. The intended use of the building is for adults with support needs. Note Riverside Group is a social housing association and registered with Homes England. The Riverside Group also has 14 self-contained flats adjacent to Holden House. These are known as Holden Court and have also been used for the same purpose. These were built as a condition of the lease with capital provided by the then Housing Corporation.
- 3.2 Since 1994 and up until April 2017 the House and Court was leased and managed by the now Riverside Group to support vulnerable adults. They held a contract with the Council that paid for funding the support to the vulnerable tenants. This was through the former Supporting People grant funding scheme.
- 3.3 The support contract had never been tendered. In 2016 the service was tendered out with Riverside losing their support contract which was awarded to West Yorkshire CRC (WYCRC). The new service was for vulnerable adults aged 25 plus who presented with multiple and complex needs. WYCR was the primary contract holder with sub-contracts with two companies; Foundation and Touchstone. Under these arrangements Foundation was responsible for the support to the vulnerable people in the House and Court. Under the new arrangements Riverside continued to hold the lease with a management agreement with Foundation.

- 3.4 Since inception the Council and WYRCR have experienced a number of difficulties with the service. In early 2018 WYCRC (as the prime contract holder) approached the Council to say that the difficulties were proving too much of a challenge to overcome. This included:
- Fulfilling their obligations as per their contract in relation to service delivery.
  - Being unable to deliver the service in accordance with the contract whilst running a significant deficit of around £50,000 per annum.
  - Managing relationships with their sub-contractors (Foundation and Touchstone).
  - Issues that they hadn't anticipated in managing a large hostel of 28 complex individuals.
  - Anti-social behaviours with increased numbers of people turning up at Holden House to commit offences even though they were non-residents.
- 3.5 Commissioners spent several months in early 2018 trying to support WYCRC through a resolution and remedial action plan. However this was unsuccessful and resulted in a no fault termination notice being served on WYCRC in July 2018.
- 3.6 As a result of the decision to terminate the contract commissioners took the opportunity to consider an alternative model to support the most complex vulnerable adults. A waiver was approved to issue a company called Humankind with a contract to support this client group. This was done so on the grounds of:
- Their ability to mobilise a service quickly (noting that WYCRC had 6 months-notice).
  - Experience in supporting this client group.
  - Capacity to utilise their existing stock for assessment beds.
- 3.7 In July 2018, commissioners submitted a request for capital and revenue funding to support the changes required to decommission Holden House and Court.
- 3.8. The funding request was for revenue to support the mobilisation of a new service at the same time as the old service was closing. It was also for the purchase of properties to enable the new model to work.
- 3.8.1 **Revenue** – Humankind set up a new support service in November 2018 to enable a seamless transition from Holden House. This allowed service users to move out of Holden House but with continued support. Without this we could not have started to move people out of Holden House.
- 3.8.2 **Capital** – One of the key elements of the new model is to provide housing with support in our community as opposed to a large hostel which is what we had with Holden House. The capital will be used to purchase housing specifically for this purpose and the support for the vulnerable people will come from the new service through their community team.
- 3.9 **Demand** – we have carried out some recent analysis of demand and this tells us that we have an annual turnover/need for 4 units of accommodation for single people, and 2 units for couples. This is data specifically from our homeless team. We estimate a higher demand for people leaving our homeless assessment unit but recognise that not all will need to move on or direct access from our homeless team. We are also working with the private sector through new initiatives and with

Berneslai Homes to help meet demand recognising that we should have many housing solutions. Therefore at this stage we are hoping to secure a minimum of 6 units per annum and the capital will help toward these developments.

- 3.10 **Acquisition and location of properties** – we aim to select a Registered Provider to acquire the properties and the location will be agreed with them after consultation with partners such as safer neighbourhood services. We are acutely aware of hot spots and will avoid purchase in those areas.
- 3.11 Holden House is now occupied by Guardians who are people in employment and happy to live on a temporary basis in such accommodation. Riverside has carried out an options appraisal for the future use of the property and the Council is in negotiation with them about their preferred option. These are not yet agreed but in any circumstance the property will be used to meet the strategic needs of the borough and negotiations are taking place between Communities and Place.

#### **4. PROPOSAL AND JUSTIFICATION**

- 4.1 To seek funding to support the new housing and support model for people with multiple and complex needs.
- 4.2 A business case was approved for the commission of the service in 2016. The new model has provided commissioners with an opportunity to rethink how the service will be delivered.

#### **5. CONSIDERATION OF ALTERNATIVE APPROACHES**

- 5.1 The Council could have retained the existing contract with WYCRC but the risks were deemed to be too high.

#### **6. IMPLICATIONS FOR LOCAL PEOPLE/SERVICE USERS**

- 6.1 Reduced anti-social behavior couple with a more pro-active approach to supporting people with multiple and complex needs.

#### **7. FINANCIAL IMPLICATIONS**

- 7.1 Consultations have taken place with representatives of the Service Director – Finance (S151 Officer).
- 7.2 The proposal seeks approval to utilise £0.725M from HRA reserves on following basis:
- **Cost of Change £0.250M (Revenue)** – this is required to ensure continuity of provision for a large volume of people with complex needs, whilst supporting the transition to a new service along with the management of those risks associated with the closure of Holden House. In order to support this continuity of service, it has been necessary to incur expenditure during 2018/19 of up to £0.140M (Appendix A refers).
  - **Contribution to the Acquisition of 6 Supported Housing Properties / Units** - up to a total value of £0.475m (Capital), including provision for

stamp duty and associated fees, to be used to support the purchase of suitable properties, in partnership with a Registered Provider, to deliver support to individuals with complex needs.

7.3 It should be noted that a risk exists in that the acquisition of the properties (yet to be confirmed) is dependent on the identification of an appropriate Registered Provider with the ability to secure additional funding from Homes England to support the purchase costs (and to complement the council's £0.475m capital funding). A further report will be brought back into Cabinet should there be any issues with the identification of a suitable Registered Provider and the level of financial contribution required to meet the purchase cost.

7.4 The £0.725M funding for this proposal has been set aside in principle by SMT / Members and has been formally approved as part of the 2019/20 HRA Budget Planning process that were submitted to Cabinet in January 2019 (Cab.9.1.2019/11 refers). This proposal forms part of the Housing Growth Investment Strategy and is funded from earmarked HRA reserves.

7.5 All other costs (e.g. building running costs) are estimated to total £0.500M. It is proposed that these costs will be contained within existing budgets within the Communities directorate which relate to the provision of the contract for support individuals with multiple and complex needs, that is due to end.

7.6 The financial implications are shown in the attached Appendix A.

## **8. EMPLOYEE IMPLICATIONS**

8.1 None

## **9. LEGAL IMPLICATIONS**

9.1 It is the intention to tender for a Registered provider to acquire the properties.

## **10. CUSTOMER AND DIGITAL IMPLICATIONS**

10.1 None

## **11. COMMUNICATIONS IMPLICATIONS**

11.1 None

## **12. CONSULTATIONS**

12.1 Humankind  
Housing Options  
Safer Neighbourhood Services

12.2 Governance – progress will be reported through the Housing and Energy Board.

### **13. THE CORPORATE PLAN AND THE COUNCIL'S PERFORMANCE MANAGEMENT FRAMEWORK**

13.1 People achieving their potential:

- People are healthier, happier, independent and active.
- Reducing demand through improving access to early help.

### **14. PROMOTING EQUALITY, DIVERSITY AND SOCIAL INCLUSION**

14.1 Better accessible services for vulnerable people.

### **15. TACKLING THE IMPACT OF POVERTY**

15.1 The service addresses financial challenges and access to employment for vulnerable people.

### **16. TACKLING HEALTH INEQUALITIES**

16.1 The service addresses a number of health inequalities linked to people's vulnerabilities, including but not limited to:

Mental health  
Domestic abuse  
Employment  
Reducing crime  
Reducing hospital admissions

### **17. REDUCTION OF CRIME AND DISORDER**

17.1 Reducing reoffending, violent crime and anti-social behavior.

### **18. RISK MANAGEMENT ISSUES**

18.1 None

### **19. HEALTH, SAFETY AND EMERGENCY RESILIENCE ISSUES**

19.1 None

### **20. COMPATIBILITY WITH THE EUROPEAN CONVENTION ON HUMAN RIGHTS**

20.1 None

### **21. CONSERVATION OF BIODIVERSITY**

21.1 None

### **22. GLOSSARY**

None

**23. LIST OF APPENDICES**

Appendix A: Financial Implications.

**24. BACKGROUND PAPERS**

None

If you would like to inspect background papers for this report, please email [governance@barnsley.gov.uk](mailto:governance@barnsley.gov.uk) so that appropriate arrangements can be made

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