

EXECUTIVE SUMMARY

A TRAUMATISED SYSTEM: Learning from ten years of commissioning trends in UK homelessness services

Introduction to this study

The Riverside Group Limited funded this study, conducted by Imogen Blood & Associates and Nicholas Pleace (University of York), to explore the following questions:

- **What are the most significant trends or changes in the commissioning of homelessness services in recent years?**
- **What lessons can be learned from these changes to inform future policy and strategy?**

We used an approach called Most Significant Change, collecting 19 'stories' summarising key changes in commissioning from interviews with 17 local authority commissioners, then bringing together diverse stakeholders in three panel meetings to discuss the stories and reflect on the learning from them.

The panels included representatives from MHCLG, Crisis, Homeless Link, the National Housing Federation, the Local Government Association, the Housing Associations Charitable Trust, Greater Manchester and Liverpool City Region Combined Regional Authorities and Shelter, as well as people with lived, frontline and management experience of homelessness services. We also conducted focus groups with a range of supported housing providers in partnership with Homeless Link and the National Housing Federation.

Changes to the national policy context over the last decade

The financing of revenue costs for housing related support has become ever more inconsistent and uncertain, with dedicated budgets ceasing to exist and very deep expenditure cuts occurring from 2008 onwards. These cuts have taken place within a context of wider funding reductions and other changes to mental health, addiction, social care, criminal justice and health services, and alongside rising need for social and affordable housing outstripping supply and the introduction of welfare reform.

The last decade has seen increased demand for homelessness services, including from increasing numbers of people with high and complex needs, alongside spikes in rough sleeping.

The past decade has also seen the implementation of legislation such as the Homelessness Reduction Act 2017 and the Care Act 2014, which have the potential to transform local authorities' response to those experiencing or at risk of homelessness, including those with high care and support needs. However, it is not yet clear that this potential is being consistently realised.

Our findings suggest huge variations in the way in which local authorities have responded to these challenges and opportunities.



For further information or to request a copy of the research, please contact:

Bethany Walsh, Team Organiser
E: bethany.walsh@riverside.org.uk
T: 0151 295 6449

**ENDING
HOMELESSNESS
TOGETHER**

The 'traumatised system'

In order to preserve service delivery in this context, local authorities have typically:

- Cut the value and length of commissioned contracts for homelessness services;
- Reduced their in-house commissioning capacity;
- Extended or rolled-up contracts to reduce the amount of administration;
- Performance managed services, often using ambitious targets for 'throughput';
- Established 'homelessness pathways' in order to integrate and better manage access to services;
- Commissioned jointly across local authorities.

Some local authorities have:

- Cut back on tenancy sustainment/floating support;
- Created short-stay assessment centres in response to increased rough sleeping;
- Commissioned more dispersed provision (services using ordinary, scattered housing);
- Increased their dependence on non-commissioned 'exempt' supported housing.

We found evidence of innovation, collaboration and more effective and humanitarian practice in reducing homelessness. However, some of the adaptations and changes that have occurred in commissioning, planning and delivery of homelessness services must now be recognised as maladaptive, inefficient and counter-productive.

We heard many examples of 'efficiency leading to inefficiency' (cuts in one area causing increased costs and/or operational problems in others), of 'goldfish effect policy' (in which services are de-commissioned then re-commissioned), and of complex inter-relationships between different policies. This builds a picture of a homelessness system which is 'traumatised', or shocked and upset by the direct and indirect effects of funding cuts and national policy changes. We found evidence of contradictory behaviours and a sense of agencies unwillingly having to pursue policies that were known to generate adverse effects resulting from trauma at all levels of the system.

We also heard huge insight and wisdom drawn from practice and lived experience during this study. Much is known about what works and what is needed to end homelessness. If the system can be 'de-traumatised' so that imagination and innovation are enabled and sustained, it should be possible for things to get a lot better, very quickly.

Key findings and recommendations

To create a fully-functioning system to prevent and end homelessness, an integrated strategy for housing and support, under-pinned by stable funding, is needed at both national and local levels. The following table presents our key findings, with corresponding high-level recommendations.

Stable funding for housing-related support

Finding

Sustained cuts to local authority and health funding have impacted on the amount and quality of housing-related support/ supported housing available to those experiencing or at risk of homelessness.

Uncertainty about future budget allocations from central government make it hard for local authorities to plan. This results in short-term contracts which reduce value for money as providers also cannot plan with confidence, i.e. attract and retain good staff and invest in services.

Short-term, prescriptive and competitively-accessed funding for rough sleeper initiatives ties up commissioner time and does not always align with wider local strategies. Short term funding involves setting up, operating and then de-commissioning projects, i.e. project 'sunsets' continually occur because funding is short term. This is a resource-intensive process and can be damaging to relationships and outcomes for individuals.

There is evidence of attempts at efficiency leading to inefficiencies, for example with services being set up and ended, only to be resurrected because they were necessary to begin with (in what we labelled 'goldfish effect policy'). In other cases, cuts to one area of services have caused rises in spending and/or logistical challenges in others.

A quality framework for the supported housing sector

Finding

Most commissioning still tends to be managerially driven, focusing on throughput, processes and value for money rather than on relationships and outcomes for individuals and communities.

While local authorities have made some progress in this area; the consistent provision of relationship-based, trauma-informed and person-centred approaches has to be supported by practical changes to tender processes, contract length and value, and performance management. It is not sufficient for strategies and specifications to simply state that this should be the ethos.

The lack of consistent regulation across the sector makes it difficult for local authorities and quality providers to plan strategically and can leave people using services vulnerable to poor quality provision.

RECOMMENDATION

Proper investment in support, alongside access to affordable housing, is needed in order to prevent and end homelessness.

Funding levels need to be predictable and facilitated by longer term contracts in order to help local authorities and service providers plan

Funding streams need to be provided with local control and flexibility, balanced with accountability.

More comprehensive/strategic impact assessment of proposed policies is needed both nationally and locally to ensure a longer-term view of 'value for money'.

RECOMMENDATION

The supported housing sector needs a framework of standards to inform a consistent understanding of 'quality'.

This should align with the Housing First principles in order to focus the system on choice, control, rights and relationships.

There needs to be greater understanding and scrutiny of what non-commissioned services are doing.

Local, integrated homelessness strategies, which bring together strategies for homelessness prevention and rough sleeping, the commissioning of housing-related support, affordable housing supply and private rented sector access and enforcement.

Finding

Competitive tendering focused largely on lowest price does not seem to be the best mechanism for promoting quality or cost effectiveness in this sector. There is evidence this can lead to cuts in staff pay and terms and conditions, and reductions to the scope and coverage of services in order to compete. Interestingly, many commissioners are encouraging alliances and dialogue as a way of better managing the provider ‘market’.

There is an emerging recognition in some authorities that providers and people with lived experience of services need to be part of developing effective local solutions as they often have experience of the whole system.

In the current funding environment, focusing resources on crisis services for people with higher levels of need leaves gaps in both ‘upstream’ prevention and ‘downstream’ resettlement services. This makes it more likely for people to become homeless and harder for them to exit homelessness.

Medium-level support services often do not work well for those with high and complex needs, who then either avoid services, abandon, get evicted or over-stay.

RECOMMENDATION

Strategies should be developed through engagement with supported housing providers, people with lived experience and the wider voluntary and community sector.

A wider range of evaluation criteria should be used to assess tenders, particularly including user-led views of what makes for an effective service.

Local authorities need to be clear about the role of different housing support projects and models within the system and how they function together as a whole system. There should be investment in floating support services that can both prevent homelessness and support and sustain resettlement, as well as models that work effectively with people with complex needs.

A whole system approach

Finding

Commissioning tends to happen in agency/policy ‘silos’, yet homelessness is a complex problem which can only be tackled effectively through whole system strategic planning. For example, it is not possible to sustainably tackle rough sleeping without aligned strategies to provide affordable housing and mental health services.

RECOMMENDATION

Strategic buy-in from health and criminal justice agencies and the DWP is essential if there is to be effective coordination of services for individuals and a wider and longer-term view of ‘cost effectiveness’.

Creating the right conditions for innovation

Finding

Innovation is difficult in the current context, with commissioners and providers often tied up ‘fire-fighting’ in the face of increased demand and fewer resources. Innovation happens where there is a strategic approach to making systems deliver what individuals need.

RECOMMENDATION

The sector needs to identify, understand and nurture promising practice.

Policies, commissioning strategies, performance frameworks and funding streams should be designed so as to support the conditions to prompt and sustain innovation.