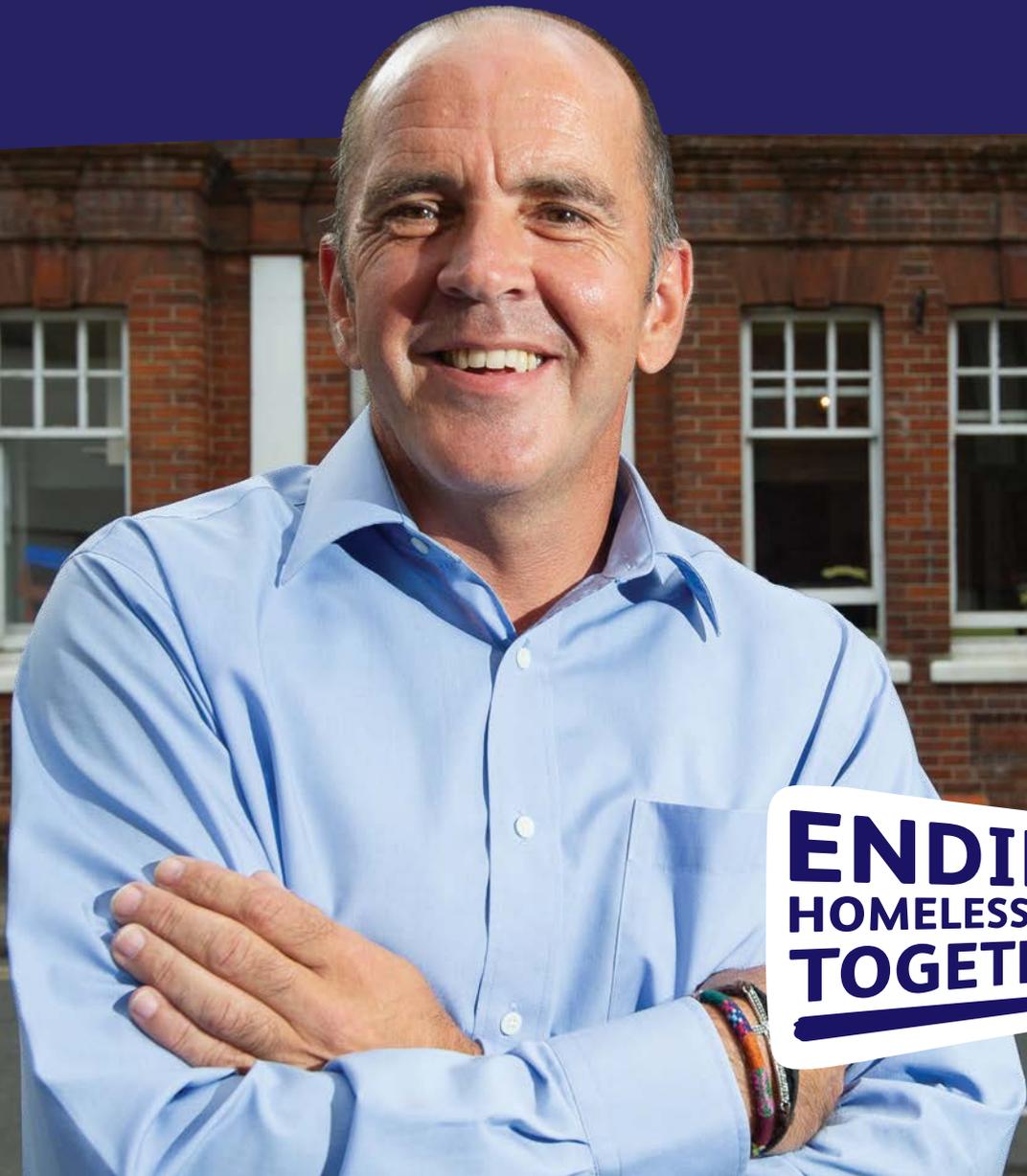


# 'A TRAUMATISED SYSTEM': Research into the commissioning of homelessness services in the last 10 years

Imogen Blood, Nicholas Pleace, Sarah Alden & Shelly Dulson



**ENDING  
HOMELESSNESS  
TOGETHER**



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of homelessness services  
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## Contents

<b>Foreword by Andy Burnham</b>	<b>1</b>
<b>Executive summary</b>	<b>2</b>
<b>1. Our approach: Stories of change</b>	<b>6</b>
<b>2. Changes to the national policy context over the last decade</b>	<b>10</b>
<b>3. Doing more with less: Changes in the way in which services are commissioned</b>	<b>16</b>
<b>4. Varying types of support: Changes in the type of services that are commissioned</b>	<b>24</b>
<b>5. ‘Bitty short-term funding’ focusing on rough sleepers</b>	<b>30</b>
<b>6. Enabling and sustaining innovation</b>	<b>34</b>
<b>7. What is needed to ‘de-traumatise’ the system?</b>	<b>44</b>
<b>References</b>	<b>52</b>
<b>Appendix: Further detail on our approach</b>	<b>56</b>

# **‘A TRAUMATISED SYSTEM’: Research into the commissioning of homelessness services in the last 10 years**

## **FOREWORD** by Andy Burnham

Rising homelessness is one of the biggest moral challenges we face in our society and here in Greater Manchester, we are leading the debate about how best to prevent it.

This report therefore comes at an important moment, and sets out starkly what has happened over the last ten years. Austerity has left everyone, from councils to charities and voluntary sector providers, trying to do more with less. The result is clear to see on our streets.

In Greater Manchester, we seek to commission for people, place and prevention. This involves working beyond traditional silos and taking a person-centred approach. And through schemes like our *A Bed Every Night* programme (which provides a bed for anyone who is sleeping rough or at imminent risk of sleeping rough in Greater Manchester – whatever the weather), Housing First, and the tireless work of local authorities, charities and thousands of individuals across our city-region, we are slowly turning the tide.

This report is a welcome ‘deep dive’ into how commissioning has changed over the last ten years (for good and ill). By bringing the ‘voice’ of commissioners together with others from across the system, it provides a valuable perspective on how local authorities have tried to mitigate the impact of cuts while supporting their residents. I particularly welcome the report’s focus on the negative impact of unstable, short-term funding pots and the need for more certainty, longevity and local control of funding to tackle homelessness and rough sleeping.

In Greater Manchester, we remain committed to ending the need for people to sleep rough and to do everything we can to tackle homelessness. This report is an important contribution to the debate about how we make that happen.

### **Andy Burnham**

Mayor of Greater Manchester



# 'A TRAUMATISED SYSTEM': Research into the commissioning of homelessness services in the last 10 years

## EXECUTIVE SUMMARY

### 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.

## 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.

**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’.**

**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**

**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.

# 1. Our approach: Stories of change

**The Riverside Group's decision to fund this independent national study gave us the opportunity to take a snapshot of local authority commissioning practice. We were asked to consider two research 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?**

Any study of commissioning risks becoming somewhat technical and dry. We were keen to bring this topic alive, since we believe it is of huge importance to those involved with homelessness services. It is also relevant to those with a wider interest in public policy, since it explores the relationship between central and local government; and the role of the public sector as the commissioner of a provider 'market'. Ultimately, it is concerned with what is needed within these systems if we are to end and prevent future homelessness.

We decided to use a method called 'Most Significant Change' (MSC), which has three steps: story collection, story selection panels and feedback of learning. More detail about our approach can be found in the Appendix.

## 1.1. Story collection

We built a list of local authority commissioner contacts, drawn both from Riverside's and the researchers' contacts, and conducted interviews with a sample of 17 between April and June 2019.

We spoke to 10 commissioners from the North of England, four from the South East (including two London Boroughs), two from the East and one from the West of England. Our sample included 10 unitary authorities, five county councils and two combined regional authorities.

This involved the collection of commissioners' stories of significant change, using a simple, consistent and non-leading structure. Commissioners were asked:

**'In your opinion, what good and bad changes have occurred over the last ten years in commissioning homelessness services, as a result of changing government policy?'**

We asked them to identify which of these changes they felt to be most significant and then asked them to describe:

- what it was like before;
- what it is like now; and
- what specifically happened to cause the change.

The interviewer drafted this as a short story, shared it with the interviewee for comments and to obtain consent to use the stories, anonymously.

## 1.2. Story-selection panels

We convened and facilitated three 'panels', in which a group was asked to read a number of the stories and come together to discuss them. Participants shared what struck them most about each of the stories, then agreed as a group which stories they thought were most significant and why. They collectively explained the rationale for the decision-making and the key lessons learned from their selection process.

Two first round panels, each with six members, met during August 2019 to review the initial collection of stories. These contained people from strategic, operational management, and frontline roles, people with lived experience, and representatives from the National Housing Federation and Shelter. These first round panels selected six stories from the initial collection of 19 to go through to the final panel, held in November 2019.

The final panel included senior officers from MHCLG, Local Government Association, Homeless Link, Crisis, HACT, Liverpool City CRA and a peer researcher with lived experience. This group added their own reflections on the selected stories, then collectively agreed the lessons learned and how these might affect future policy and strategy. Andy Burnham, Mayor of Greater Manchester, was keen to participate but unable to attend the panel, so a separate discussion about the panel report was held with him and two officers from the Greater Manchester Combined Regional Authority in Manchester.

A full list of final panel participants is included in the Appendix.

19

Commissioner stories

3

Phases of 'story selection'

18

Providers, commissioners & people with lived experience involved in highlighting the 'most significant change'



### 1.3. Feedback of stories selected, the rationale and lessons learned

A short report summarising the selected stories, the rationale for their selection and the overarching themes from the discussion was produced by the research team and circulated within a fortnight of each panel meeting.

MSC (Better Evaluation, 2020) provides a theoretical framework through which change in complex and uncertain systems can be explored, explained and assessed from a number of different perspectives. The panel process effectively democratises the analysis process, asking a range of people beyond the research team to respond to the data. It has also enabled a national conversation including a wide range of stakeholders which we hope will influence change directly.

We have undertaken a number of other activities alongside the MSC process:

- At the start of the study, Nicholas Pleace produced a brief evidence review of Homelessness Service Commissioning, which has formed the basis of the second chapter: National Policy Context.
- Two focus group discussions were held, including 20 senior representatives of provider organisations and their sector bodies, hosted by Homeless Link and the National Housing Federation. These groups reflected on the emerging themes from the commissioner interviews and collected the most significant changes from providers' perspectives.
- The research team analysed the transcripts from these focus groups and the 17 commissioner interviews thematically. Commissioners' responses to the open question about good or bad changes to commissioning homelessness services as a result of government policy were also coded and counted.

We believe this rich and multi-layered collection of data provides a unique insight into the operating environment for local authority commissioners and how this impacts both on the provider market and, crucially on those using services. It has also allowed us to draw on a range of expertise and experience to develop our conclusions regarding future policy and strategy.

### 1.4. The structure of this report

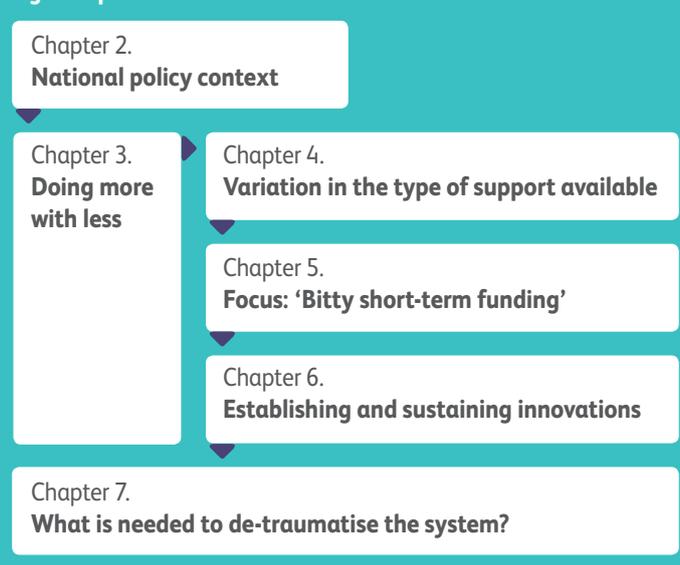
The idea of the 'traumatised system' was introduced by one of our national panel members and resonated with other panel members, the researchers, staff at Riverside and others working in the sector with whom we have tested the idea. We think it is particularly powerful because it allows providers, commissioners, people with lived experience, partner agencies and civil servants to transcend positions of blame, mistrust and othering. **We hope that it opens the way for an honest conversation about the system, and how unintended and counterproductive behaviours occur when organisations and individuals enter what the panel member described as 'survival mode'.**

In chapter 2, we summarise the most relevant aspects of the national policy context shaping the commissioning of homelessness services over the past decade. In particular, we describe the combined impact of local authority cuts and the removal of the ring-fence around national funding for housing-related support. It is this which has thrown the sector into 'survival' mode.

In chapter 3, we describe how local authorities have responded to the need to 'Do more with less' funding, in response to rising levels of homelessness, including increasing numbers of people with complex needs. Although we found huge variation in local authorities' responses, we identify, evidence and reflect on a number of trends in relation to how services are commissioned.

In chapter 4, we consider some of the changing trends in relation to the types of services that are commissioned, and the role of non-commissioned services within the landscape of homelessness provision.

Fig 1: Report structure



In chapter 5, we present and reflect on one of the stories which resonated most with panel participants – which considers the impact of 'bitty short-term funding' focused on rough sleepers as a result of the government's Rough Sleeping Initiative.

In chapter 6, we consider 'innovation' in this challenging context – what it means, what gets in the way of it, and what enables and sustains it. We share three stories selected by our panels which show examples of different types of innovation and highlight some of the risks these initiatives face within the current context.

Finally, in chapter 7, we draw together our thinking about the 'traumatised system' and what needs to happen moving forwards to de-traumatise it. We propose the core components of a fully-functioning system, based on the findings from this study.

## 2. Changes to the national policy context over the last decade



### 2.1. **Changes to the funding of housing-related support**

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. The key changes of the last 20 years have been the shift from the use of the national benefits system (Housing Benefit service charge element) to pay for supported housing, to a ring-fenced and capped 'Supporting People' central government grant being paid to local authorities, followed by a non-ringfenced grant integrated into general local authority funding in the context of deep cuts.

### **Use of Housing Benefit service charge element (up to 2003)**

The Housing Benefit service charge element was effectively open-ended: if total provision of housing related support increased, eligible residents or tenants in eligible services would receive funding. However, costs were found to be spiralling upwards and eligibility of supported housing services for the service charge element was also being inconsistently interpreted. Inconsistencies and spiking costs led to demands for reform (Oldman *et al.*, 1996), the immediate result of which was the *Supporting People* programme.

### **'Supporting People' grant to local authorities (2003 to 2009)**

*Supporting People* created dedicated, ring-fenced<sup>1</sup> funds for each local authority, derived from levels of spending on 'general counselling and support' within the Housing Benefit service charge element<sup>2</sup>. Budget levels were capped, creating controls on how much could be spent on housing related support by local authority commissioners.

<sup>1</sup>The funding could only be spent on housing-related support.

<sup>2</sup>This was initially calculated as a 'transitional Housing Benefit' payment, which then formed the basis on which the subsequent Supporting People grant was calculated.

### Removal of the ring-fence (2010 onwards)

Expenditure on *Supporting People* was higher than had been anticipated, approaching **£2 billion** annually, and this brought pressure to further reduce spending levels. Proposals were put in place to reduce the grant paid to local authorities, cutting commissioning budgets for housing related support services. This was then followed by a decision to remove ring-fencing from the *Supporting People* grant. Research in pilot local authorities, where removal of the ring-fence meant that *Supporting People* grant had become a nominal budget, i.e. it was part of general funding and no longer had to be spent on housing related support, indicated that removing ringfencing would threaten the scale, scope and consistency of housing related support (Pleace, 2008); nevertheless, the process went ahead.

Processes to contain and reduce expenditure on housing related support were well in train long before the point at which ‘austerity’ policies began to bite from 2010 onwards. In 2003, at the launch of *Supporting People*, the ring-fenced grant to local authorities had been at **£1.8 billion**, in the 2010 Spending Review funding levels were cut from **£1.64 billion** in 2010/11 to **£1.59 billion** in 2014/15<sup>3</sup>. However, the nominal reduction in *Supporting People* funding was far less important than the cuts to general grants to local authorities, of which the non-ringfenced *Supporting People* grant was now part. As there was no longer any protected budget for housing support, when general cuts happened, housing support services were also likely to be cut.

The Local Government Association has estimated that on current trends, central government funding to local authorities will have fallen by **77%** over the course of 2010-2020. In 2015/16, councils in England received **£9.9 billion** in Revenue Support Grant (RSG) and in 2019/20 this is predicted to fall to **£2.2 billion** (LGA, 2018; Hastings *et al.*, 2015).

### Impact on the homelessness sector

The cumulative effect on the homelessness sector has been marked. In 2018, Homeless Link reported an estimate of **34,497** bed spaces<sup>4</sup> in supported housing projects for homeless people in England, there having been in excess of **50,000** beds eight years earlier<sup>5</sup>. Figures for floating support services are harder to assemble on a reliable basis. Many areas have some form of provision, including tenancy sustainment services and in some areas Housing First services, but these services are probably supporting fewer people than accommodation-based services. There have been reports of individual local authorities removing entire systems of homelessness service provision in response to funding cuts.

Tracking the exact scale of these cuts has been difficult as, while some data are still collected, one of the elements that experienced a heavy loss of funding was the *Supporting People* monitoring systems for England, which had been collected and analysed by the University of St Andrews for several years (Department for Communities and Local Government, University of St Andrews, Centre for Housing Research, 2012).

Recent analysis undertaken by WPI Economics for St Mungo’s and Homeless Link (Thunder and Rose, 2019) suggests that in 2017/18, nearly **£1 billion** less was spent on single homelessness than was spent in 2008/9 – a fall of more than **50%**, which is entirely accounted for by reduced spending on former *Supporting People* activity.

In summary, while the last 10 years of local authority funding cuts has had distinct and wide-ranging effects on commissioning of homelessness services, there are several reasons why spending fell, all of which result from long-term efforts by a succession of governments to reduce spending on housing-related support services.

<sup>3</sup> Source: DCLG.

<sup>4</sup> Note that many of these ‘bedspaces’ are in fact self-contained rooms and/or studio apartments.

<sup>5</sup> Source: Homeless Link.

### 2.2. Initiatives to tackle rough sleeping

Following an increase of **169%** in the number of people officially counted as sleeping rough from 2010 to 2017 (Homeless Link, 2017), the government published its Rough Sleeping Strategy, in August 2018. This set out **£100 million** of funding to tackle rough sleeping, through a number of different funding initiatives, as part of its commitment to halve rough sleeping by 2022 and end it by 2027 (Ministry of Housing, Communities and Local Government, 2018).

This funding included the Rough Sleeping Initiative Fund, targeted at **83** local authorities with the highest numbers of people sleeping rough, based on the 2017 rough sleeping snapshot. Local authorities have also been able to bid for the Rapid Rehousing Pathway (RRP) Fund to provide *Somewhere Safe to Stay* hubs, Supported Lettings, Navigators and/or Local Lettings Agencies.

This is not the first concerted focus from central government to reduce numbers of rough sleepers – the Rough Sleepers' Unit (RSU) operated under Louise Casey's leadership, between 1999 and 2001. However, the current Rough Sleeper funding strategy is being implemented within a very different fiscal climate. Back in 2000, the funding of supported housing was not – as we have seen – subject to the same financial limits, while significant additional funding was targeted on building additional, innovative services for people sleeping rough (Lomax and Netto, 2007). This almost certainly contributed to the success of the RSU in meeting its targets.

A decade after the removal of the Supporting People ring-fence, 'bitty short-term funding' (to use the words of one of our local authority storytellers) focused on rough sleepers is having a mixed impact. Whilst the additional funding was welcomed by our participants, it replaces only a small proportion of local authority spending that has been lost in recent years (Thunder and Rose, 2019) and comes with stipulations as to what it can be spent on.

### 2.3. Cuts and changes to the wider public sector

The commissioning of homelessness and other services does not happen in a vacuum, with the policy changes and expenditure levels for other services having important impacts on homelessness services. These include:

- Cuts to mental health services
- Cuts to addiction services
- Welfare reform: benefit caps, sanctions and limits on local housing allowance/housing element within Universal Credit (which may trigger homelessness or make sustaining an exit from homelessness more difficult) (Barker, 2018)
- Long-term impacts of sustained reductions in social housing supply
- Relative cuts to NHS services, and a number of re-organisations, most noticeably the shift from Primary Care Trusts to Clinical Commissioning Groups in 2013
- Cuts to social care services
- Cuts to criminal justice services (e.g. specialist officers trained to work with vulnerable people and funding for supported accommodation projects for offenders), within the re-structuring of the probation service under the Transforming Rehabilitation programme.

Previous research has suggested that cuts to other services can drag down the performance of a range of homelessness services and create high costs for the public purse (Pleace and Culhane, 2016). Homeless people can become effectively 'stuck' in what are supposed to be temporary supported housing services or nightshelters, not through their own actions or those of the service, but because the right mix of housing and correct array of support from multiple agencies, has become very challenging to assemble.

**One concern is that the effects of sustained expenditure cuts seen in other sectors, such as social care, are also impacting housing related support in similar ways: in effect, services have become sufficiently scarce to mean that only people with the highest level of need can access them.** (Lynch *et al.*, 2016).

- Those trying to promote a coordinated approach between authorities, for example within combined regional authorities, felt that these inconsistencies could get in the way.

Despite being given the legal power to 'get on with the job', sustained cuts to local authority funding have severely restricted their capacity to do so.

## 2.4. Localism and devolution

The Localism Act 2011 was intended to give local authorities the formal legal ability and general confidence to 'get on with the job' (Department for Communities and Local Government, 2011). Specifically in relation to housing, councils were given more scope to determine social housing allocation policies at a local level and the capacity to discharge their homelessness duties in the private rented sector.

The introduction of legislation in 2009 to permit the establishment of combined authorities has meant that two or more neighbouring councils can decide to coordinate their responsibilities and powers over services, including aspects of housing and social care. Devolution potentially creates a bigger strategic canvas and some pooling of resources for commissioning of homelessness services.

Overall, we heard mixed messages about the perceived impact of 'localism' in this part of the sector: many felt that, while a place-based response to homelessness is essential, localism had 'gone too far', with huge variations between the level of service funded by different authorities. This inconsistency was felt to have a number of impacts:

- Firstly it can create a postcode lottery for those affected by homelessness;
- Secondly there is a risk that, if one area invests in good services (and others do not), people move to the area with better services, though they may then find they are unable to access services without a demonstrable 'local connection';

## 2.5. Commissioning and value for money

Researchers have highlighted the ways in which the relationship between local authorities and the housing related support sector has been changed by commissioning (Saario *et al.*, 2017). The homelessness sector now often has a 'client' relationship with local authorities, defined through legally binding, often time-limited, contracts on which they are often wholly or largely dependent for the resources to operate services. The homelessness sector can represent its views, promote changes in policy and practice, through collective action such as the *Housing First England* programme led by Homeless Link, while individual service providers can also lobby and discuss ideas with individual local authorities, or at national, regional or local level. However, the presence of a contractual relationship, according to some research, shapes the nature of the interaction of local authorities and the homelessness sector, which means relationships are inherently uneven (Buckingham, 2012).

The homelessness sector realised early on that commissioning of services would be determined in part by whether or not those services were seen as effective. This effort to demonstrate effectiveness (encouraged by Homeless Link, 2013) has centred on making the case that investment in the homelessness sector will produce dividends for the public sector, by reducing total public expenditure on homelessness, as homelessness will cost society more, financially and in terms of social cohesion, if little or nothing is done.

The process of evidencing effectiveness as a way to sustain public investment in the homelessness sector has advanced haphazardly and has generated mixed effects. There have, in essence, been two problems. First, some of the systems developed to show effectiveness were of limited effectiveness and robustness, a good example being the *Outcomes Star* developed by Triangle Consulting. While not without utility, the *Outcomes Star* lacked the robustness expected by a public sector used to rigorous statistical measures of service effectiveness and efficiency developed over the course of decades in areas like crime, social care and health (Johnson and Pleace, 2016). More generally, the homelessness sector, which had not previously been required to provide evidence of cost-effectiveness for most of its existence, arguably still finds it challenging to provide the kind of data that would be taken as evidence of effectiveness by social care and health commissioners.

Alternative funding arrangements, centred on marketisation, which offers a return on investment in homelessness services, i.e. Social Investment Bonds (SIB) (Cooper *et al.*, 2016) and the development of social enterprise and social business models have been the subject of exploration, piloting and evaluation for some years (Teasdale, 2010). The key issues here appear to centre on the inherent limitations of these models, which require substantial investments and/or can require sustained financial support to be viable. Both sets of approaches have been in place for some time, SIBs since 2010 and social enterprises for rather longer, but while they are aspects of the financing of homelessness services, they have yet to take on a large-scale role. This suggests these alternative forms of funding may have some inherent limits and cannot substitute for the loss of grant income from local government commissioning.

### 2.6. The Homelessness Reduction Act 2017

The idea of enhanced cost effectiveness was also a driver behind the 2017 Homelessness Reduction Act (HRA), which drew on evidence suggesting that relatively low-cost preventative services could reduce total experience of homelessness significantly and, thus, eventually lead to **much** reduced levels of overall expenditure on homelessness.

Before the HRA came into effect, only local households with children, or others defined as 'vulnerable' and hence in 'priority need' and were assessed as having become homeless through no fault of their own, were entitled to support from a local authority in England. Other types of household, including most single people and childless couples, were entitled to advice and, from the mid 2000s onwards, authorities increasingly offered preventative and relief (rapid rehousing) services, although these were variable in their nature and extent.

The HRA widened the duties of local authorities, who are now required to provide certain types of advice and support (but not necessarily accommodation) to all homeless individuals or households. Nevertheless, local authorities still have an element of choice in terms of how they respond to the prevention duties, especially for 'non-priority' households, and there is emerging evidence (Crisis, 2019; House of Commons, 2019) of divergent strategies and practice in this regard. A full review of the HRA will be conducted in March 2020.

## 2.7. The Care Act 2014

A logical response from the homelessness sector, in the face of the sustained cuts to existing funding sources, has been to seek and develop alternative sources of income. A review in 2015 explored the potential for the Care Act to enable homeless individuals and homelessness services to access local authority funds for social care and support, including personal budgets. The report noted that the Care Act removed some of the definitions as to which ‘client groups’ social services had responsibility for, instead emphasising the importance of individual care and support needs to assessment. Although this theoretically created greater scope to spend on homelessness services, the report was also rightly hesitant about the degree to which this new funding source had actually become available to the homelessness sector (Cornes *et al.*, 2015).

While there have been examples of use of personal budgets and cross and direct financing of homelessness services, these appear to be unusual, although this is in the context where proper mapping of activity has not been attempted. There may be several reasons for this.

The history of social care over the last 30 years has been one of shifting resources towards the highest need individuals, in a context of ever-increasing fiscal constraint. *Supporting People* was designed in part to pick up the low intensity support which social services were moving away from. Within this context, seeing adult social care as a possible source of funding for homelessness services is problematic. Homelessness services, alongside other housing-related support funded by *Supporting People*, were intended to help reduce pressure on social services spending, not increase it.

Another challenge is that of numbers: the homeless population is tiny in comparison to older people with care needs, for whom social services departments have statutory responsibilities. Equally, while some of those experiencing homelessness have high and complex needs, the majority do not – their homelessness has social causes such as domestic violence, relationship breakdown and poverty.

## 2.8. Health

NHS commissioning around homelessness has seen some important breakthroughs, such as the development of innovations like the *Pathways* model<sup>6</sup> of integrated healthcare for single homeless people and rough sleepers, but this has tended to involve NHS commissioners working with the NHS providers, rather than commissioning services from the homelessness sector.

There are three main issues here:

1. The NHS commissions treatment and public health services, personal care and elements of rehabilitation are the responsibility of social services departments, while housing related support is also outside its direct remit.
2. While there is potential scope to use public health funding to improve the health of homeless populations, there is again the issue of scale. Although arguments can be made about the high cost of some homeless people to the NHS, they are not numerous relative to other groups. Housing-related support may help this cohort to use fewer – or more planned and preventative – healthcare services; however, this does not produce ‘cashable’ savings.
3. Thirdly, the NHS works within the conventions of health science; investment or commissioning is led by robust clinical research, that routinely employs experimental (randomised control) trials that are very rarely applied to evaluating homelessness services. The absence of clinical level evidence on homelessness service effectiveness limits the scope for attracting health funding.

In the following chapter, we present the emerging themes from this study regarding how local authorities have responded to the policy changes we have outlined here.

<sup>6</sup> <https://www.pathway.org.uk/about-us/>

### 3. Doing more with less: Changes in the way in which services are commissioned

**As we have seen, the changing funding and policy context is compounded by the fact that there is increased demand for services, including a rise in the number of homeless people with complex needs. Local authorities and providers really have been tasked with ‘doing more with less’. We were struck by the sheer variation in how local authorities have responded to this challenge.**

In this chapter, we present evidence from our study of the different ways in which local authorities and providers have changed their approach to commissioning in order to sustain delivery of homelessness services in the economically challenging context of the past decade.

We consider the impacts of ‘doing more with less’ on the quality of services and on those using them.

Some of these trends are more positive or negative than others; however, most are likely to have mixed impacts, depending how they have been implemented and the local variation in the extent of resource loss.

#### 3.1. Cutting the value of contracts

The obvious first step for any council faced with a 77% cut in funding from central government over the past decade (LGA, 2018; Hastings *et al.*, 2015) is to reduce the value of their contracts with providers. There seems to be a consensus that some of the initial rounds of cuts did help to reduce inefficiencies, and encourage innovation and collaboration; however, a decade on, we are hearing how ongoing reductions are reducing the sector’s capacity to deliver overall value for money, ‘traumatising’ the systems for commissioning, planning and delivering homelessness services.

For example, reduced funding for contracts often leads to a workforce with poorer pay and conditions, even in organisations that have tried to prioritise this. **A perfect storm can result where low-paid and increasingly insecure staff are unable to lever in support from over-stretched mental health teams and other specialists** for the rising number of residents with complex needs. As one commissioner explained:

**“The skill set of staff is not able to cope, as hostels were designed for low level mental health, but are dealing with people with paranoid schizophrenia who haven’t been assessed”**

This is a classic example in which an accommodation-based service may find itself working with people with higher levels of need than it was designed for, or experience budget cuts that undermine the service model (Pleace, 2018, p.13). In this case, both of these things are happening. In this scenario there is a risk of trauma for the individual, the staff and other residents, as well as risks for provider organisations, councils and the local community.

We heard various cases of ‘efficiencies leading to inefficiency’, for example:

**“There is a beautiful ICT suite in one hostel funded under what was then DCLG Places for Change, but it stands empty, as does the fitted kitchen. Staff don’t have the time to support people to use it”.**

This scenario presents less immediate risk than the last one; however, it raises vital questions about the purpose of supported housing. **Do we want hostels to promote an exit from homelessness through developing people’s skills and interests or, as one commissioner reflected, do we just see them as ‘holding grounds’ within the system?**

There is evidence that the costs of maintaining homeless people with support needs in hostels and other models of temporary supported housing for sustained periods - where these services are unable to function properly in terms of staff mix and ratios and because move-on housing is not available - exceeds those of actually rehousing with the right mix of floating support (Pleace and Culhane, 2016). Further, it has become evident that fixed-site, congregate provision is not always the best solution for people with high and complex needs, with services like Housing First being a more effective option, both for the individuals themselves and in terms of public expenditure (Pleace and Bretherton, 2019). Without better investment in staffing, supported housing cannot deliver true value for money in relation to real outcomes for people – and the empty ICT suite serves as a poignant symbol of this.

### 3.2. Reducing commissioning capacity

Many commissioning teams have themselves taken a substantial hit in terms of their size, skills and capacity, with some authorities lacking any specialist knowledge in supported housing commissioning. Provider participants at the Homeless Link focus group explained how:

**“Commissioners in many areas, have been “centralised” into a generalist commissioning team, thereby the experience and expertise from the Supporting People teams has been lost”.**

**“I think a lot of local authorities have lost any kind of team around what they’re going to commission, why they’re commissioning what they do” (Provider)**

In many authorities, the commissioning of housing-related support is now located within adult social care. Since these officers will also be commissioning extra care housing and supported housing for adults with learning disabilities, there is a clear logic to this. However, for the purposes of *homelessness* commissioning, this may increase the risk of further cuts, given that social care duties will naturally be prioritised by social care commissioners. It also means that commissioners of housing-related support are likely to sit in a different part of the council from their colleagues in Housing and Homelessness, even in a unitary authority.

We also heard how, in a number of councils, commissioning was being done by a consultant or had itself been commissioned out to an external organisation.

### 3.3. Performance management

This lack of commissioning ‘infrastructure’ has also reduced the capacity of local authorities to actively performance manage projects, e.g. by visiting them and speaking to staff and residents. We heard that there is a substantial recording burden in many projects, with staff spending time recording ‘support hours’ (as they did under *Supporting People*) but feeling that little is ever done with the data. **Presumably this provides reassurance to commissioners that support is happening, yet it also reduces the time available to staff to provide face-to-face support, in a self-defeating cycle which has also been highlighted in the care home sector** (Warmington *et al.*, 2014). The number of hours of support provided also tells little about its quality, appropriateness, how it was experienced and what difference it made.

One commissioner reflected on the impact which the introduction of New Public Management approaches have had on this part of the sector, including a shift to setting unrealistic targets for services:

“Back in the late 90s, the approach was, someone was a rough sleeper, we had a hostel, we put them in it and that’s kind of where it ended... Some people would eventually secure more permanent accommodation and some people would maintain that lifestyle because that was what their lifestyle was seen to be... the expectations now are very high on the services... we ended up having these targets of 75% successful outcomes, in a place that was supposed to take people who were extremely chaotic”.

The introduction of targets in this example was felt on the one hand to have brought a positive focus within services on supporting people to move on to greater independence. However, there are several problems with the way in which this has been done. Firstly – as seen earlier – monitoring takes up too much of workers’ time, which is over-stretched anyway, and this time is wasted if the data collected is not properly analysed and used. Secondly, the targets are set unrealistically high. Thirdly, the measures selected do not enable the effectiveness of services to be accurately monitored, since they focus on throughput. ‘Successful outcomes’ are generally those in which a person moves in a planned way to another service or to an independent tenancy within a set timescale. This makes sense at some level – certainly for a commissioner; however, it is an outcome for the system not necessarily for the person, who may or may not have made progress in other areas of their life. As such, it can only be achieved by the project and the person if the rest of the system is functioning well and suitable housing and ongoing support (if needed) are available at the right time and in the right place to support move-on.

This was highlighted by one commissioner who explained:

“You can’t say to a provider, ‘we want you to run this 40-bed hostel, and we want you to take in a load of drug users that have been on the street, and we want you to fix them’. The reasons that a person will get a positive outcome are completely variable to the individual and the environment they are living in, the position they are headed at, and the systems trying to support them, so it is not reasonable to hold that provider to account”.

Providers and panel members also questioned the arbitrary timescales that were being imposed on services in order to manage increased demand. Panel members described this as a 'commissioner-driven sausage factory'. Another reflected:

**"It's good that we've stopped people sitting in hostels for 18 years, but now we're down to nine months!"**

### 3.4. Shorter contracts which are then extended

In a context of uncertain ongoing funding, few local authorities seem confident enough to commission, even medium-term support contracts. Two-, three- or even one-year contracts seem to have become the norm, with built-in provision to extend (or break) the contract for additional one- or two-year periods, without needing to re-tender. This reduces risk and workload for the authority without giving providers (and people using services) any ongoing security.

We heard how short-term contracts can have a negative impact on the sector's ability to recruit, retain and develop good quality staff. Not only are low paid staff trying to support people with higher levels of needs than they are equipped to cope with, but they are also often doing so under constant threat of redundancy. This leads to high turnover and burnout across the sector as a whole.

**One panel participant with lived experience described receiving four visits from four different support workers whilst living in a supported housing project, following a mental breakdown.** Without continuity of staff, there is neither opportunity nor motivation to build any sort of relationship.

Short-term contracts are also problematic for organisations who own hostel buildings, as well as for those delivering support contracts. Without the long-term security of revenue, it can be difficult for a landlord to decide whether and when to invest in renovations or replacements. We also heard examples in which short contracts were actually blocking commissioners' own intentions to re-model buildings or change the type of models being used:

**"Despite a desire to commission more dispersed, this did not come through in the last commissioning round. Part of the problem was with the small contract offering – two years – we were probably a bit too optimistic about new buildings coming forward, as providers need insurance for the long-term future; so, we ended up with the same as before."**

Many of the commissioners we spoke to – like this one – were aware of the negative impact of short contracts. Some were starting to buck the trend and had been able to or were hoping to offer longer contracts:

**"I want to back up words with actions, so I want providers to think differently, to invest and get workforce right for the future, and you can't do that if you put things out for a 1-2 year basis. Lots of contracts we now run are for up to five years, which can help build security"**

Knowing that they will be delivering a contract for the next five years can certainly help support providers to offer longer term contracts to their staff and landlords to decide whether or not to replace the windows. However, if the trade-off for this length of contract is an even more cautious financial offering from the authority, then the benefits are debatable.

#### 3.5. Merging contracts

Many local authorities have taken steps to reduce the number of contracts they are procuring and managing in order to sustain services whilst making financial efficiencies. One described how they had been able to commission a new service from the overheads saved. Several of the commissioner stories tell of a move towards 'super-providers', partnership contracts and provider alliances.

This is the most explicit driver of increasing oligopoly – or limited competition – within the provider market, though we heard of other factors influencing this direction of travel. Providers argued that some commissioned support contracts are so financially tight, they could only be made to stack up by a large provider who can benefit from economy of scale. Despite this, even large providers have pulled out of contracts or out of the market altogether so there are clearly limits to what even an economy of scale can cope with. Participants also highlighted that **support contracts which effectively require providers to 'bring your own building(s)' could only be delivered by those who already owned the right property or properties.**

The main downside of these monopolising tendencies is that smaller, local, specialist providers are being pushed out of the market, leaving less diversity of provision for people experiencing homelessness. Larger providers with no local connection replace those with decades of local knowledge and long-standing relationships with homeless people and other services in the area. This impacts disproportionately on protected characteristic groups – women, people from black and minority ethnic groups, and LGBT people. As members of the second panel concluded:

**“There isn't the variety of services available anymore to offer people the service which is matched to their needs”.**

However, the rolling up of contracts seemed to have been managed more positively by some authorities than others. One commissioner described how, in implementing a new model in which a single provider leads an alliance of providers:

**“We had a lot of discussions with providers and gave them opportunities to develop alliances with each other before the tendering process, so there were no surprises”.**

Another described how:

**“Charities are trying to compete with few resources, but by supporting them to collaborate and build a shared vision, two have recently pooled their skills”.**

This is a good example of the market-shaping role which (Sturgess, 2018) has argued is often missing in public sector commissioning. Whilst the approaches taken by these two authorities towards promoting greater dialogue and collaboration feel hugely positive, this involves swimming upstream in a competitive tendering system operating with limited resources.

Many of the examples in this study cast doubt on whether competitive tendering is indeed the right mechanism for maximising quality and value for money in this sector. We have highlighted some of the monopolising tendencies which reduce the opportunity for genuine competition in this 'marketplace'. It feels significant that at least some of these are the result of deliberate commissioner strategies to improve value for money.

Meanwhile, there are a number of ways in which competition may actually be counterproductive – and these become more pronounced when resources are scarce. Unhealthy levels of competition between providers can have a negative impact on people using services, for example, by creating perverse incentives not to refer or accept referrals from each other. **The need to win tenders in order to survive can – as one of the national panel members argued – lead to 'mutually convenient layers of lying about what can realistically be achieved'**. This resonates with the reflections of Sturgess (2018):

“It has become clear that in a significant number of public service contracts in the UK in recent years, there has not been an honest conversation about results and resources, with providers committing themselves to undeliverable results and uneconomic prices” (p.164)

We were struck by the appetite amongst many of our participants, including Riverside, for a more 'honest conversation' across the sector. One commissioner explained:

“We want people to come to us and say ‘no, I don’t think commissioning like that is a good idea – I think we can do something like this better... We would like to do it with this partner’. We want providers to be more vocal and less subservient, we want to try and shift that power dynamic, so it’s not all about commissioning, but is genuinely more collaborative”.

### 3.6. Establishing 'pathways' with local authority-controlled access

Several of the commissioners we interviewed told us about how they had implemented a 'pathway' model. As one explained:

“Through the Supporting People programme, we had developed a range of small, good quality, local services which were provided by the voluntary and community sector. These just existed and were funded and people experiencing homelessness could access them directly. Following removal of the ring-fence around that budget... we carried out a strategic review and through this put in place a new Homeless Prevention Pathway model and single point of access. What we have now is a commissioned service that is accountable to us. It gives the council ownership and influence over what is happening. Anyone can make a referral, but there does need to be a formal referral to get someone into a pathway service”.

A ‘pathway’ approach allows local authorities to target their commissioned support, for example, on people with a connection to the local area and/or those with a certain level of need. Pathways also enable tighter monitoring of ‘throughput’ in order to ration services. For providers, such pathways effectively reduce control over who they accommodate and we have heard that this can leave them vulnerable to voids if not managed efficiently. Reducing the power of provider discretion in this way can have a mixed impact on people using services. For example, **the single point of contact may help to remove barriers where there have been past evictions; though there is also the risk of being banned from the whole system rather than from just one service within it.**

In the story above, the commissioner told us they had de-commissioned the night shelter in order to set up the pathway, but that the local community sector had later tried to re-create the night shelter provision. Research we have conducted with people experiencing homelessness for other local authorities suggests that local connection policies and national policy in relation to those who have ‘no recourse to public funds’ are key drivers of ongoing unmet need outside of local authority pathways.

Panel members expressed concerns that these **‘pathways’ can feel like ‘systems that we have to fit people into not vice versa’.** They highlighted the risk that, in such systems, **people with diverse needs are pushed through a pathway with arbitrary timescales, and with little understanding of the importance of choice, motivation and engagement.**

#### 3.7. Cross-authority commissioning and practice sharing

We heard about and witnessed very different attitudes towards sharing practice between local authorities. One commissioner felt it was a significant change that:

**“Local authorities are looking to each other a bit more to share practice and learning. Everyone is up against it, so we are all looking for ideas - you have to open up and allow people in”.**

However, in the experience of some providers, this approach was not felt to be widespread. The research team also experienced first-hand some authorities who were very keen to protect their anonymity within the study.

We heard examples of joint commissioning between neighbouring authorities, both within and outside of the combined regional authorities (CRAs). The financial pressures facing councils were variously described as either getting in the way of or promoting a joined-up response. One commissioner explained:

**“Now all the local authorities are in the same boat, so we have to combine forces if we’re going to commission anything, and – where there are natural boundaries, we are often relaxing the local connection requirements”.**

The combined regional authority structure was generally felt to provide a helpful structure for joint commissioning, though one CRA participant argued that:

**“None of what we are doing here actually requires devolution: we are not really using devolved powers... it is mostly about building consensus, consistency, influencing partners at a regional level, etc.”**

We heard of huge variations between local authorities in the same city region, in terms of their histories of homelessness and commissioned services. This had led to inconsistencies in referral processes and policies between them, which could act as a barrier to joint commissioning. One participant from a CRA commented:

**“This legacy of localism creates huge challenges for regional coordination, even where there is reasonable political alignment”.**

### 3.8. Co-production with people with lived experience

One commissioner mentioned a consultation with people using services ahead of a major service re-design, and another welcomed the increased role of people with lived experience as mentors in service delivery. Only one commissioner identified increased co-production in commissioning itself as a significant change, though they also felt this was still at quite an early stage of development. This commissioner described a range of practical steps which had been taken in their authority to ‘make co-production the norm’. In addition to more traditional ‘consultation’, people with lived experience were included in commissioning panels, advisory forums and steering groups. Crucially, this was supported by an infrastructure of lived experience traineeships and posts, and organisations specialising in co-production.

Some panel members were sceptical and felt that the term ‘co-production’ had become overused and diluted, and often gave little real power to all but one or two ‘representatives’. However, one national panel member reminded us why it is so important to keep pushing to involve people with lived experience at a strategic level:

**“Professionals tend only to see and speak about their part of the system... People using the system have experienced the whole system – they have seen it first hand at different stages, so they are able to look at it strategically.”**

## 4. Varying types of support: Changes in the type of services that are commissioned

Having considered some of the changes to the way in which services are commissioned, we turn now to consider some of the trends in the type of services that local authorities are commissioning. In the final sections of this chapter, we also look at the relationship between local authorities and non-commissioned providers.

Fig 3: Adaptations identified in the research

'Upstreaming' thresholds of need

Tiered floating support

Short term assessment

Dispersed accommodation

Exempt and non-exempt commissioned accommodation

Community & faith sector provision

Peer support

### 4.1. Cutting back on floating support

We heard of wildly varying approaches to the commissioning of floating support by local authorities following the removal of the ring-fence and faced with reduced budgets. We heard from providers that some authorities had retained only their floating support contracts and de-commissioned the more expensive buildings-based services. Others had taken the opposite approach on the basis that floating support is easier to de-commission than a project which occupies a specialist building (and also easier to re-commission further down the line).

**"All the services that, under Supporting People, were seen as the cheaper alternatives to supported housing, such as floating support, were quite often the first ones to go, because they're easier, despite their cost effectiveness and the fact this has flown in the face of previous practice". (Provider)**

This approach was felt by participants of the Homeless Link focus group to have several key impacts on the system:

- Firstly, withdrawing or reducing floating support increases the number of people becoming homeless whose homelessness could have been prevented;
- Some of these people then end up in hostel settings which is cost ineffective for the system (since they do not necessarily need this level of support) and can be stressful and risky for them since it brings them into contact with others who have higher levels of need and may be involved in higher risk behaviours.
- Finally, without the necessary support to enable someone to move from a hostel into an independent tenancy, people end up 'overstaying' in hostels or being set up to fail in unsupported tenancies. Of course, this reminds us that access to affordable housing is in some areas also a huge barrier to timely resettlement.

Focusing commissioned resources on crisis services for people with higher levels of need leaves gaps in both 'upstream' and 'downstream' services, which in turn reduces the effectiveness of the crisis services because:

**“we are now getting people who need more intensive support, and when they get to the end of the service journey, they do not have the capacity to move on successfully, and as a result come back through services”.** (Provider)

Homelessness pathways need access to housing and support in the community if people with support needs are to be supported to exit homelessness sustainably; otherwise they end up 'circling' around the system.

#### 4.2. **Creating tiered models of floating support**

Some providers who have retained, or re-instated floating support because they recognise its pivotal value have moved to a 'tiered' model in order to target resources more effectively:

**“When we re-commissioned our floating support, we created a two-tier service, with one 'tier' focusing on short-term, sharp, early intervention work. We were trying not to create longer-term dependence for clients where there was no need for this. Some people may only need to see a support worker a couple of times. So, these people can come to us and access support via a drop-in. This model is more flexible – rather than going through a process and completing an assessment form we just ask 'What is it you need?'. It might be a furniture voucher or help with a Universal Credit claim. We still offer longer term floating support, as we recognise that some people will need this.”**

Panel participants welcomed the flexibility of this service, as they felt it aimed to cut out unnecessary red tape in order to give people what they need. They felt that, **for prevention to be effective, it was important to move away from the idea of a person having to reach a 'threshold' in order to become eligible for support.**

#### 4.3. **Creation of short-stay assessment centres**

As part of its reconfigured pathway, the authority in the previous example told us it had developed

**“two homeless assessment centres. People with complex needs stay at the assessment centres for around six weeks, up to three months. During this time an assessment is carried out to build relationships and identify what support is needed”.**

Faced with increasing numbers of rough sleepers, several other authorities told us they had taken a similar approach, either re-purposing previous hostel accommodation to provide a short-stay 'assessment centre' or acquiring a new building, sometimes using RSI funding. This model was felt to create a safe space and an opportunity to assess and work with individuals to better understand what support they needed and what their housing options are. The next step might include a move into supported housing, an independent tenancy or 're-connection' to another authority if they are found not to have a local connection.

### 4.4. More dispersed provision, using ‘ordinary’, scattered housing

Some commissioners reported a growing awareness of the unsuitability of much hostel provision for people with complex needs. Combined with political concerns about the impact of congregate models on local neighbourhoods, this was pushing a strategic direction of travel in some authorities to commission more dispersed units.

We found evidence of increased awareness and application of the ‘Housing First’ model in our interviews with commissioners.

“Housing First is a system of support for homeless people with high and complex needs which is designed to deliver a sustainable exit from homelessness, improve health and well-being and enable social integration. Housing First uses ordinary housing, such as private rented or social rented flats and is designed to house formerly homeless people with high needs in their own, settled homes as quickly as possible and to provide the support they will need to sustain an exit from homelessness in their own home”. (Blood *et al* 2017).

Many of the commissioners we interviewed liked the model, but had seen both high- and low-fidelity versions of it. They recognised that, for Housing First to work well, it needs significant investment in support, access to a range of decent (not just hard-to-let) properties and the right local partnerships. Many felt/saw these as barriers to implementation in their authorities in the current context. Cost is also a driver here; if Housing First (or some version of it) can be supplied with ordinary housing, it is likely to cost a lot less than newbuild, specialist, congregate schemes.

We discuss the risk of the model becoming ‘diluted’ in more detail in section 6.4.

As a result of the trend towards dispersed provision and the growing popularity of the Housing First model, there was some evidence of hostel providers withdrawing from the market because they believe there is no future in hostel provision, or of commissioners making sudden decisions to decommission without a planned transition to housing-led alternatives. Providers felt it would be almost impossible to return to congregate models in future, due to planning constraints, resistance from local communities and the cost of land.

Commissioners and panel members were keen to point out that living alone was not attractive to or suitable for everyone, and that there needed to be a choice of different models, including shared and group settings. A balanced view seemed to emerge, with the hope that high-fidelity Housing First could be offered as part of a wider strategy, alongside other options.

Meanwhile, **the principles of Housing First can and should be implemented more widely across the commissioning and provision of housing-related support**, and across the whole sector more widely. This aligns with the evidence base and with our other publications on the topic of ‘housing-led approaches’ (Blood *et al.*, 2017) and Housing First as part of an integrated homelessness strategy (Pleace *et al.*, 2016; Pleace, 2018). We return to this point in our recommendations in Section 7.3.

#### 4.5. Exempt supported accommodation

Hearing previously about the local community sector re-creating a closed night shelter reminds us that anyone can set up a homelessness ‘service’ – as we saw the professional footballer Gary Neville do in Manchester in 2015/16. Any control of the sector only comes through local authority commissioning of support. Given the reduced budget in most authorities for commissioning support for those experiencing or at risk of homelessness, many are looking to non-commissioned support to shore up the gaps in the system. This may include ‘exempt’ accommodation<sup>7</sup>, provided by a range of private, housing association and voluntary sector landlords, and wider support offered by the faith, community and business sectors.

One commissioner told us the following story:

**“A huge reduction in the resources available to commission services for single homeless people has ground down commissioned services. Meanwhile, some of the poor providers that we got rid of before [through the Supporting People Quality Assessment Framework] are back and thriving, drawing their funding from Housing Benefit and providing much-needed bed spaces for desperate local authorities. The Department of Work and Pensions threatened to clamp down on Housing Benefit and change the funding model, and the uncertainty surrounding this prompted many good providers to leave the market but was never resolved. So effectively we’ve got a much bigger unregulated market than we’ve ever had before”.**

This is another classic tale of unintended consequences, in which **successive central government attempts to manage spending on supported housing have perversely led us to a place where we are spending an unknown amount of public money on services over which there is negligible regulation, strategic influence or even data.** Some non-commissioned housing is the result of the private market responding to the opportunity to make money in response to the unmet need caused by funding cuts. We also heard examples in which local authorities had advised and worked with services to help them sustain their services using exempt Housing Benefit in the face of cuts to commissioned support.

The panel members felt this was an important topic, which ‘legitimate’ providers of supported housing had previously been anxious not to draw political attention to lest it should prompt government to pull the plug on exempt Housing Benefit altogether. We heard how this part of the sector contains a huge variation of accommodation. A provider working with veterans attending the focus group explained that the vast majority of supported housing provision for veterans is now funded exclusively through exempt Housing Benefit, bolstered by charitable donation.

<sup>7</sup>The category of supported housing, referred to as ‘exempt accommodation’, was created in 1996 to enable Housing Benefit to meet the additional costs of providing supported housing. For a Housing Benefit claim to be treated as an exempt accommodation claim, care, support or supervision (defined as ‘more than minimal’ has to be provided to the tenants by, or on behalf of, the landlord. Once a claim is accepted as an exempt accommodation claim, rent increases may be higher than for mainstream accommodation. As Welfare Reform measures were introduced from 2012, the government decided that help with housing costs of those living in exempt accommodation would be provided outside of their Universal Credit (UC) award through Housing Benefit and that Housing Benefit in respect of that accommodation would be excluded when applying the Benefit Cap. (See Blood et al, 2016) The Supported Accommodation Review, DWP/ DCLG)

The following story, which was selected to go through to the national panel, tells of one local authority's relationship with this diverse sector and how different departments are working together to pool the limited powers they have in order to try and improve quality within it. The findings of the Supported Accommodation Review (Blood *et al.*, 2016) conducted back in 2016 suggest that, although not unheard of, this type of proactive approach by a local authority is unusual and innovative.

### **Story: Improving quality in 'non-commissioned supported housing'**

“We have a flourishing non-commissioned sector. These are a mix of private and not-for-profit providers – who offer supported housing where the 'support' element is funded solely by exempt Housing Benefit as 'Intensive Housing Management'. The council doesn't fund any support on top of this. There is a real mix of quality in this part of the sector: some are really good providers – we would never be without them; but some are poor-quality and charge extortionate rates of Housing Benefit.

We have set up a Supported Accommodation Review Team to help identify and tackle poor quality providers. As with our commissioned services, we will be knocking on the door of non-commissioned providers – the inspection team will include a Housing Benefit claims assessor, to check that the rate paid is fair. For example, they will check how many staff are supporting how many tenants and argue that there should be more staff if this doesn't stack up. Also, a member of the private sector housing team will inspect the bricks and mortar quality, to ensure it is up to scratch. In some cases, property condition is poor with fire doors and smoke detectors missing. Adult Social Care officers (with supported accommodation contract management experience) will also attend, to look at support plans and ensure the support offered is the best that it can be.

Through this, we will hold non-commissioned providers to account, so we can keep the good providers and remove or improve those providing a poor service.”



#### 4.6. Support from the community

Commissioners’ views of and relationships with the wider ‘non-commissioned’ support sector was another theme that emerged from the interviews. This support, which might include soup runs, night shelters and day centres provided by faith and community groups, has often been in place for many years. **However, there has been a huge increase in recent years as citizens have taken practical action in response to the growing numbers of people on the streets.**

Some commissioners reported frustration, feeling that the actions of these groups sometimes worked against their strategy, for example, by ‘attracting’ homeless people into the area, or providing night shelter provision which risked disrupting the pathway. However, many commissioners felt that the local voluntary contribution had brought great value through providing a diversity of offer and filling the gaps left by the cuts. For example, one commissioner explained:

**“One positive to come out of the cuts to services is the recent development around peer support and volunteering to plug gaps across the main service – there is huge value in this. I hope this continues to develop, but I don’t believe it can replace wholesale other funded services”.**

Another described their success in collaborating more strategically to develop a cross-sector, place-based response to homelessness:

**“We recently drafted a Rough Sleeping Strategy – within that, we publicly recognise that the voluntary and faith-based sector have a set of skills and services which can help us connect with people who we are not ordinarily able to. We are also introducing ‘Street Support Network’ – an information-sharing platform tool to improve partnership working across all of the sectors – including business, faith and communities. We can use this to divert some of that goodwill and resource that is out there towards services that are needed, avoiding unnecessary duplication: it’s our masterplan!”**

## 5. ‘Bitty short-term funding’ focusing on rough sleepers

As we described in Section 2.2, the past couple of years have seen the introduction of a programme of national grants to local authorities as part of the Rough Sleeping Strategy Delivery Plan. Some of these have been allocated through a competitive tendering process; some allocated to areas with the highest official rough sleeper counts. There are two key aspects of this change: first the focus on rough sleepers; second the way in which the funding is provided. The latter fits with a wider trend of short-term, competitively accessed funding of local government by central government which was confirmed by our representative from the Local Government Association to be one of the findings of their forthcoming research.

The following commissioner story about the impact of this ‘bitty short-term funding’ to respond to the rising numbers of rough sleepers resonated strongly with panel members. It was felt by them to be one of the ‘most significant’ stories collected, partly because it resonated with their experiences of the impact of short-term funding throughout the system.

Our analysis of commissioners’ responses when asked about the most significant changes in commissioning as a result of government policy over the past decade also confirms this as a significant change for many of them. Nearly all commented on the increased focusing of resources on people with complex needs and those sleeping rough. Around half highlighted the shift by central government towards funding short-term initiatives.

### Story: Bitty short-term funding



“When funding was provided through Supporting People, this felt more secure and we were able to plan and commission strategically. Since the removal of the ring-fence on this funding and since the increased focus on reducing rough sleeping, this has been replaced by shorter term, initiative-based funding from central government. Although the political focus on rough sleeping is welcome, this central government funding strategy has led to a ‘bitty’ approach to how we commission services. The government is now arguably drip-feeding some of the Supporting People funding back to us through rigid and time-limited funding streams.

We have a local strategy: we know the services we need and the strategic gaps. We would like to be able to offer 8-10 year contracts, like our colleagues in adult social care, so that supported housing providers can plan with confidence, train their staff, invest in their buildings. We know that two year contracts lead to high staff turnover and uncertainty, which isn’t good for anyone.

Instead, I feel that all I ever do is chase money from little funds with short deadlines, trying to make our objectives fit theirs and then setting up short-term projects in ridiculously tight timescales; all in the full knowledge that none of this is really how we’d do it if we had longer-term, robust funding and the freedom to properly respond to local need”.



## 5.1. What is going on here?

As outlined in section 2 on the National Policy Context, there are several factors which have combined to create the backdrop for this change to the funding landscape for local authority homelessness services:

- The removal of the ring-fence from the Supporting People grant, which means that housing-related support for homeless people has to ‘compete’ locally for funding with other services which local authorities have a duty to provide, such as adult social care, temporary accommodation for homeless families, or bin services.
- A backdrop of sustained cuts to local authorities’ general budgets, which have hit some authorities – generally those in more deprived, urban, and/or Northern settings (Harris *et al.*, 2019) – harder than others;
- Shifts in the nature and extent of homelessness, including widespread reports of an increased presence of high and complex needs among lone homeless adults and increases in people sleeping rough.

The combined impact of these factors will vary from authority, influenced by the extent to which local authorities have chosen to continue funding housing-related support from their general budgets. These choices are shaped by levels of funding, local needs and political stance.

As a commissioner from another area explained:

**“When Supporting People was disbanded in 2013 there were various responses – in this local authority we did a really good job of keeping it ring-fenced for specific services, in other areas it has been more absorbed. Our local authority is central, we attract a lot of homeless people... we have chosen to continue to commission services, as we see a need and have a passion for this type of service. We had good political backing here, fought our corner, saying that there is a need, politically we are lucky – it is on the agenda here”.**

‘Bitty’ short-term funding for homelessness services is therefore both a product of local authority decisions about how to fund housing-related support in the face of sustained funding cuts, and new short-term central government funding for rough sleeper initiatives.

### 5.2. Why is this change significant?

Although almost all of our participants welcomed the increased political focus on rough sleeping, there was considerable criticism of the reactive, short-term response to managing the 'symptoms' of increased homelessness, when the resources to prevent and create a more strategic and sustainable response to homelessness were – in many areas – lacking.

Competing for and implementing projects using short-term funding is time-consuming for local commissioners. This also emerged as a theme within the WIP Economics (2019) report (Thunder and Rose, 2019), which describes the 'transaction costs' of bidding. This is especially pronounced where the infrastructure for commissioning has been seriously reduced as a result of the cuts.

The services or approach prescribed by the RSI may or may not fit a local authority's existing homelessness and/or supported housing strategies, if indeed the reduced commissioning teams operating in some councils have had the capacity to plan strategically in this way. We heard that applying for such funding pots sometimes means local authorities have to, in the words of one commissioner, 'dress old things up as if new'. Another argued:

**"Often, for government funding, they say, 'be innovative' – but what about non-innovative projects? Sometimes we don't need to be innovative if we know it works somewhere else".**  
(Commissioner)

A number of commissioners reflected on the fact that they are now commissioning night shelters having previously de-commissioned them because – as one explained – **"we now know that large scale dormitory style accommodation doesn't work for people"**. This is of course also being driven by the sheer scale of visible rough sleeping and the urgent need for a practical response to it, not just by the way in which government funding to do this is being organised.

**"We are kind of half-commissioning night shelters – we've seen a growth in night shelter delivery, which is crazy – we got out of commissioning night shelters because, while there might be a place for them, they aren't what you'd want to commission – because we are scrambling to fill the gap. It's madness".** (Commissioner)

We heard from providers that the tendering timeframes are often so tight and the funded period so short if successful that some local authorities are deciding to deliver in-house or contract out without conducting a full commissioning process. For example, one provider at a focus group explained:

**"We've been commissioned recently to deliver an assessment centre without going through any kind of a process but it's a 12-month contract".**  
(Provider)

Without time to meaningfully engage partners, providers or people with lived experience, the timescales for tendering for and setting up these initiatives risks destabilising local partnerships, markets and existing services. One commissioner was concerned that there had been little guidance or monitoring from central government following approval of the RSI grant. Greater accountability is needed, at both national and local levels if quality, safety and value for money is to be ensured.

Particular concerns were expressed about the likelihood and impact of funding ‘sunsets’ at the end of these initiatives. We heard, for example, that a new supported lettings service had been set up, brokering private sector tenancies with floating support for rough sleepers; but that there would be no funding from April 2020, following nine months of service. Without the brokerage offer to landlords and the support offer to tenants, it seems hard to imagine many of these tenancies sustaining, leading to further re-traumatising circling around the system by these individuals. Another commissioner explained:

**“When we re-commissioned all the new services, this coincided with new money from RSI, so we expanded RS staffing – we doubled the team, added two navigator roles too – to reduce caseload and overall numbers. It has hugely supplemented what we have, but if it is taken away, we are back to less workers, back to relying on commissioned service to keep a lid on it”.**

This illustrates how the uncertainty around short-term initiative funding can make it difficult for commissioners to plan how best to deploy ongoing local authority funding. It also makes it difficult for providers to offer decent terms and conditions in order to recruit and retain skilled and experienced staff.

From the perspectives of people using services (Social Care Institute for Excellence, 2018), **the opportunity to build relationships with consistent workers is one of the key means by which services are effective. Pulling the plug on a project once this relationship has been established, risks further trauma for those with histories of loss and rejection, and the erosion of their trust in services in future.**

### 5.3. Moving forwards

Additional funding to help tackle homelessness is much needed. We heard how commissioners had been able to use the additional funding from the RSI to test new models, bolster existing provision, and get projects off the ground. However, set against a backdrop of cuts to local authority funding and without the time, flexibility and longer-term financial security to design, deliver and sustain a locally-tailored approach, they are unlikely to provide a sustained exit from homelessness and therefore do not make best use of public funds.

Participants argued that it is not possible to tackle rough sleeping sustainably without proper investment in a wider, planned menu of housing and support options, designed to support people to exit homelessness (and prevent future cohorts from rough sleeping). Levels of homelessness were reducing when, under *Supporting People*, services were well-funded. **If the government is serious about ending rough sleeping, public services need to intervene earlier in people’s housing pathways and look at the root causes of their homelessness and support needs.** This needs to happen alongside action to tackle the shortage of affordable housing.

**“You can’t solve this problem with lots of different bits of initiative”.** (Commissioner)

## 6. Enabling and sustaining innovation

A number of findings and reflections emerge from this study regarding the question of ‘innovation’ – what does it mean to be truly ‘innovative’, how much value should be placed on ‘innovation’, what enables it and what gets in the way? For example, in the last section, we heard commissioners resenting the need to ‘dress old things up as new’ in order to compete for funding streams that prioritise ‘innovation’.

### 6.1. Innovation or ‘goldfish effect policy’?

In the section on ‘Doing more with less’, we presented a number of examples of what the research team termed ‘goldfish effect policy’. Goldfish are famed for their short-term memories (apparently five months, not the mythical three seconds). We use this term to highlight examples of apparent institutional amnesia, with models being de-commissioned only to be re-launched further down the line, despite the fact that in some cases, they had previously been found to be ineffective.

Part of the problem here is that – as we have seen – expert commissioners and local long-standing providers have been lost, directly or indirectly as authorities have made cuts. However, our analysis of these examples also highlights that what *appears* to be organisational memory loss (and therefore has the *goldfish effect*) is often being driven by a number of complex factors behind the scenes.

Local authorities are not re-commissioning night shelters solely because their officers have forgotten that large-scale dormitory accommodation tends not have great outcomes for individuals; they are doing so because **the sheer volume of humanitarian crisis on our streets necessitates an urgent, large-scale response, and this most basic of responses is all that can be afforded.**

As we saw in Chapter 5, the decision by some local authorities to de-commission all floating support for this client group has almost certainly both increased homelessness and reduced the effectiveness of other services. Our report explains the complex set of challenges facing local authorities which led to that decision in some authorities. Some of these local authorities have since decided they will need to reintroduce elements of floating support because the attempt to manage expenditure challenges by ending these services has been counter-productive. Added to these negative by-products are the human and financial costs of de-commissioning then re-commissioning services within a relatively short time.

**Fig 4: 'Goldfish' policy making**

A state of institutional amnesia in policy making, in which service models are de-commissioned only to be re-launched further down the line, despite the fact that they had previously been found to be ineffective.

**Characteristics**

- Institutional amnesia
- Services decommissioned only to be relaunched
- Models based on humanitarian crisis necessitating large scale response, not because they are effective



**Preventative measures**

- Retention of experienced officers and civil servants
- Involvement of people with lived experience who can see the whole system not just parts
- Use of available evidence on impact

All this highlights the need for a better understanding of the relationship between central and local policy decisions and the impact these have on local service systems, the markets that deliver them and the individuals they support. Retaining experienced officers and civil servants, listening to the expertise of people with lived and professional expertise and using available evidence systematically should help to mitigate goldfish policy-making. Our findings suggest that this has not happened as much as it should over the past decade. Instead we have heard that there has been a high turnover of staff in central and local government combined with a top-down, managerial approach to both policy making and commissioning. This includes implementation of cuts by the centre without full consideration of the consequences, and some (but not all) local authorities then passing on cuts and making changes to commissioning without properly assessing impact locally, or engaging service providers and those using local services in planning their response.

**6.2. Innovation within constraints**

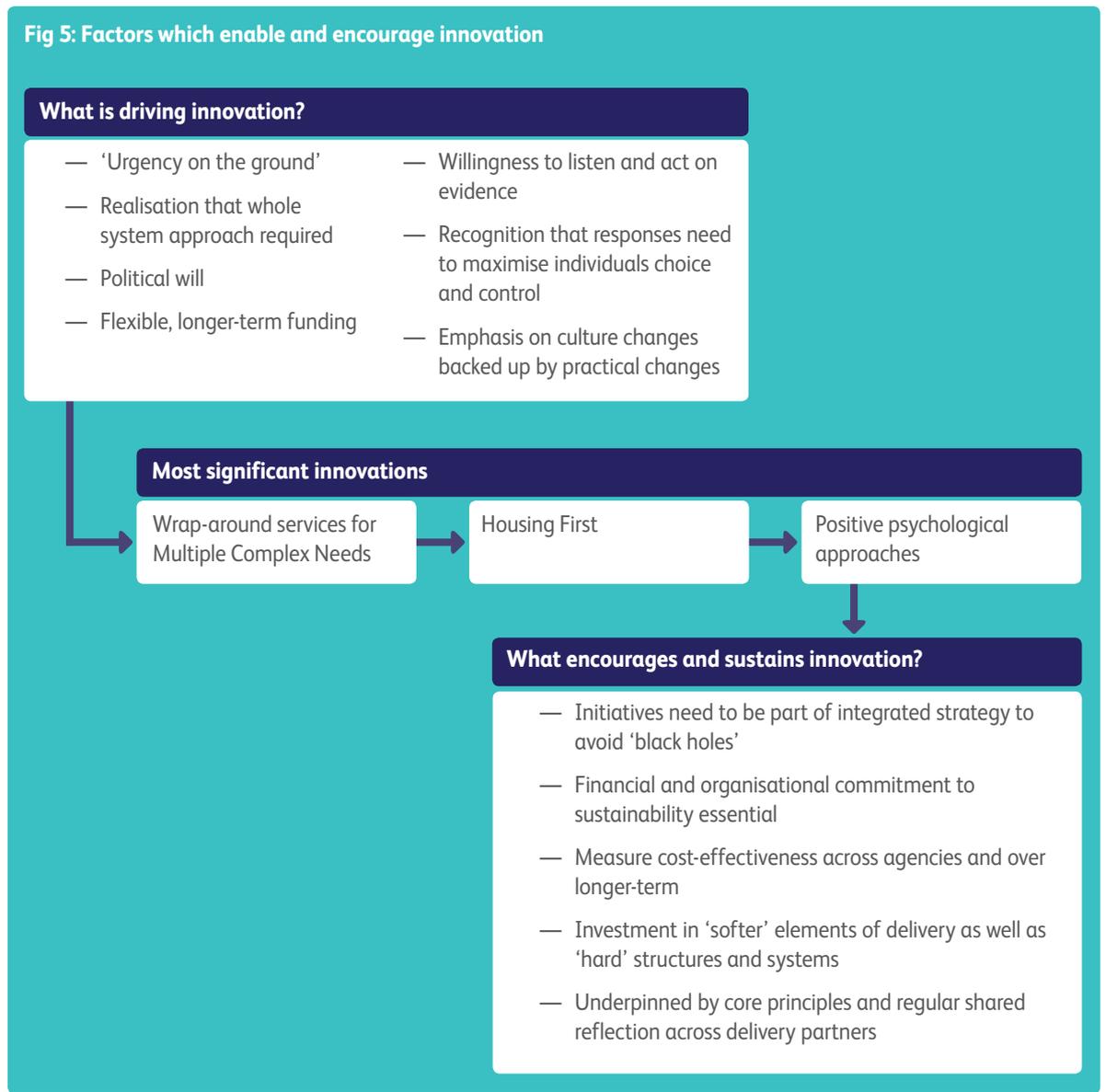
**Innovation is difficult in the current context. It can be hard to find the space to think when you are over-stretched, it is difficult to have conversations with providers when you are having to cut their services, and it can be hard to implement new ways of working when all available resources (and those of your potential partners) are tied up in the face of increased demand and fewer resources.**

“Until the end of austerity, we are just fire-fighting in different forms”. (Commissioner)

Despite this, our study found many examples of innovation and collaboration by local authorities, their partners, service providers and citizens in responding to homelessness within the challenging fiscal and policy context of the past decade.

In this section, we showcase three of the examples which our panels felt to be the most promising, from the collection of commissioners' stories. We reflect on the learning about what needs to be in place to enable these examples to get off the ground in the first place, and to be sustained. We also explore some of the risks, including those of promising models becoming diluted, or of 'black holes' being created, where improved services in one area or for one group draws in wider demand and risks implosion.

Fig 5: Factors which enable and encourage innovation



### 6.3. A wraparound service for people with complex needs

In this example, we look at the response of one unitary authority, working with their local health partners, to increasing demand from people with complex needs experiencing homelessness and housing instability.

#### Story:

“We witnessed a rapid growth in rough sleeping and complex cases – our main housing options and other health/welfare services struggled to cope. When people experience a crisis, they need services pulled around them. But services were turning away people who did not meet criteria – they were not commissioned, incentivised or prepared to deal with this level of complexity.

“The combination of urgency on the ground and strategic will led to the design of a team whose remit was to work with people who have complex needs and are at risk of sleeping rough. The team adopts an integrated approach to public service delivery – at its core offering relationship-based support through Navigators and offering wraparound support, alongside the accommodation offer itself. It has a multi-agency staff, including those working in mental health, welfare benefits, probation and drug and alcohol services. The team make sure people gain access to the services they need and do not fall through the cracks. The key element is that we work with people for as long as needed. As is often the case with innovations of this type, the new team has placed additional demand on services, including through its advocacy role.

“This new way of working has highlighted the need for commissioning to enable a more joined up approach and has facilitated a move toward coordinated, and ultimately joint strategic planning and investment.

“One of the things I am most proud of is even though we had to respond to urgent challenges, we have designed a ‘whole system’ approach to attempt to break the cycle. We know that the approach has saved lives: I remember one very powerful letter I received from a parent who was certain they would have lost their loved one if it was not for the complex lives team”.



The panel members confirmed the importance of rising numbers of people with complex needs, and the challenges this cohort face trying to access current services.

An environment of reducing resources hits this cohort of people particularly hard since the way in which services are organised means they need to deal with different agencies if they are to access support for their multiple issues. Waiting lists, eligibility thresholds and caseloads have increased in response to tightened budgets. Gatekeeping kicks in – especially in relation to those with both mental health and substance use issues, which are often intertwined and therefore hard to diagnose and treat where they exist together. Many of this group have experienced trauma and loss and would benefit the most from consistent and positive relationships with a small number of workers. Yet instead they end up being passed around the system, experiencing barriers, exclusions and evictions which re-traumatise them and further erode their trust in services.

As the work of the MEAM (Making Every Adult Matter) coalition (MEAM, 2019) has demonstrated, meeting multiple needs requires coordination and buy-in across health (including health, mental health and substance misuse services), housing, care and support, the criminal justice system and the DWP. Securing the commitment and funding to make this happen at scale across a city is a real achievement. The panel members particularly liked that fact that services wrap around the person, who is not required to go into and remain in accommodation in order to access support.

Some panel members felt that, in an ideal world, this group would not need intensive case management to access mainstream services and that this should be the longer-term aim. There was, however, a recognition that we are still a long way from that ideal and that services like this are much needed. However, there were concerns about the sustainability of the initiative within the current funding climate. These focused on two specific challenges:

### **Defining cost ‘effectiveness’**

In the shorter-term, costs arising for the NHS from the wraparound service are likely to increase, as marginalised individuals are supported to access services they might not otherwise have received, creating ‘additional demand’. It is reasonable to hope that lifetime costs will fall, as emergency admissions are replaced with planned treatments, and the benefits of preventative healthcare kicks in. However, as we saw in the National Policy Context section, arguments for longer-term cost-effectiveness can be challenging where the NHS is looking for ‘cashable savings’ and this group is relatively small. Yet, given the many cost inefficiencies we have highlighted in this report, it would be deeply ironic if a project like this should be discontinued on the grounds that it is not cost-effective.

### Prevention as well as a crisis response

In setting up the new service, eligibility criteria have to be created in order to manage demand and target the offer on those who need it most. But what happens to those who do not reach the threshold for the complex needs service? In a context of limited resources across the whole system, there is a risk of the specialist service drawing in limited resources (like the ‘black hole’), making it even harder for those who are not (yet) at this stage to get help. **The service becomes a limited and expensive exercise if it is only in effect waiting for people to collapse to the point where they qualify for assistance.**

To counter this risk, it needs to be part of an integrated strategy where there is also access to lower and medium intensity support. Hopefully there is the potential to achieve this integrated strategy through the partners’ commitment to ‘joint strategic planning’ moving forwards. Though these other parts of the strategy will, of course, require ongoing financial investment too and that will be challenging in the current funding climate.

We heard examples from other local authorities of smaller steps which had been taken towards working across agency ‘silos’. One commissioner explained that they had developed a framework contract so that other local public services could contract the same providers without duplicating procurement processes. Another told us they were developing a ‘hub’ model within hostels, making changes to the building so that health and other providers could come in to offer clinics. Although positive, some of these smaller steps again start to smack of the goldfish effect: for example, hub models involving multi-agency partners were running in the 1990s.

### 6.4. Housing First – the importance of getting it right

As we saw in Chapter 5, there is increasing interest in the Housing First model as a solution for the increasing numbers of people with high and complex needs. However, the following story highlights the importance of careful groundwork, proper investment and strong partnership working if a high-fidelity Housing First model is to be set up and sustained.

**Story:**



“Whilst homelessness providers work hard to accommodate people with complex and high-level needs, the environment they are operating in means it is difficult to offer appropriate help. Housing First is a person-centred, evidence-based approach to supporting homeless people with complex needs, including a history of rough sleeping, to live in their own home. Following the publication of a study completed by Crisis, one combined regional authority has been awarded £7.7 million to run a three-year pilot.

“Housing First will be delivered in this area through a phased approach, with commissioning being broken down into smaller lots rather than one prime provider. The first phase of delivery will be delivered by staff directly employed by the authority, with full commissioning beginning later in the year. Direct employment of staff will ensure the model is flexible and reactive to feedback, and full-scale commissioning will ensure Housing First is sustainable and embedded.

“We are developing a commissioning framework with partners across a range of housing and support-related services, including a lived experience officer. We are committed to ensuring Housing First leads to system change, with the individual deciding where they want to live and choosing the support they need. We have to allow people to develop and grow, and not fix what we think is wrong. We want to ensure that when the funding ends, the open-ended support someone might need stays in place. We plan to encourage and facilitate shared learning within commissioning across the combined authority, for the benefit of people with multiple and complex needs.

“By contrast to this carefully-planned and well-resourced approach, other local authorities interviewed told us they are seeing more providers who say they are running a Housing First model, but that sometimes this is a very ‘watered-down version’, offering very low level support (sometimes funded only by exempt Housing Benefit) in dispersed accommodation with a lack of strategic focus”.

Housing First has a strong international evidence base (Padgett *et al.*, 2016; Goering *et al.*, 2014) with very promising outcomes, which has been and continues to be adapted to the UK context. Its greatest potential lies in its principles (Homeless Link, 2016), which include choice-based, holistic and non-coerced support and seeing housing as a right, not an entitlement.

However, the panel members expressed concern that the Housing First model is not being fairly tested in the UK due to a loss of fidelity in implementation in some settings. Within the current funding landscape, providers and commissioners are often trying to introduce the model without proper investment in support and/or with insufficient stability of funding to be able to confidently describe the offer as open-ended. The

rush to set up projects and deliver outcomes quickly within time-limited funding streams creates a risk that projects do not spend long enough in the planning phase. Meanwhile, as the story illustrates, dispersed supported housing projects, some running without any commissioned support, are attracting the label ‘Housing First’. When problems occur due to lack of support, the whole model risks being discredited.

The story highlights the importance of implementing the model at the right pace with the right resources in place, through dialogue with both providers and people with lived experience. It shows how Housing First can be developed as part of a wider strategy, through a commissioning approach which promotes fidelity, sustainability and wider system change.

## 6.5. Humanising the approach

### Story:

“Over the last few years, we have gained a better understanding of what works for people affected by homelessness. We now know that large-scale, dormitory-style accommodation doesn’t work for people. And the language around homelessness – ultimately working on what we now recognise as a deficit model – the more problems you tell us you have, the more we will help you. That is completely pointless, it doesn’t lead to positive change in someone’s life, it completely dehumanises.

“Going forward we are looking at re-humanising the approach. We do not need to tell someone that they are addicted to alcohol, that they must work on the alcohol before we will progress them to the next level. We need to ask what interests them, what they can and cannot do, and help coach people towards these settings. This ultimately helps people take responsibility for themselves.

“We are doing a number of things to implement these changes:

- We weigh quality over price when we are evaluating providers’ tenders: we are clear that we expect support staff to be paid well, trained and properly supervised.
- We are more flexible in our contracts – we don’t prescribe the number of hours of support which have to be provided. We trust and talk to our providers more, recognising that to achieve good outcomes for individuals, it is unreasonable to attach them to a contract.
- We provide outreach teams, where the workers have smaller caseloads and can build strengths-based relationships over time with people.
- We tell everyone living in supported housing that they can access non-judgemental, personalised coaches if they want to”.



Despite the increased traction of trauma- and psychologically-informed approaches across the sector, **the panels heard examples of distressed people being treated with an apparent lack of empathy within the homelessness system. We would argue that this is a symptom of the ‘traumatised system’** and is perhaps unsurprising given what one participant described as:

“endless rhetoric around ‘incentivising’ in Westminster, and huge othering of those affected by homelessness, poverty, asylum, etc, etc”.

The ‘deficit-based’ model, which was introduced within adult social care services by the 1990 NHS and Community Act, has been the dominant method for rationing care and support over the past few decades. It requires people to describe their problems in order to demonstrate they have high enough needs to be eligible for services. Professional experts ‘assess’ problems in order to define a plan to ‘fix’ them (Blood and Guthrie, 2018). Although sitting outside of statutory adult social care, housing-related support for homeless people has nevertheless been influenced by this dominant culture.

‘Support plans’ became a requirement of the *Supporting People* Programme and, although some take a ‘strengths-based’ approach, ascertaining what matters most to the individual and how support can best help them get there, we get the impression from our training and consultancy that many are still agency-led plans to ‘fix’ people. Hansen Lofstrand and Juhila (2012) have argued that the ‘blame the victim’ mentality from workhouse and indeed pre-workhouse days never really went away from the sector and that an undercurrent of needing to fix ‘deviance’ underpins even the more progressive models.

Given this legacy, the panel was sceptical about some of the ‘buzz words’ and ‘flavour of the month’ language like ‘asset-based coaching’ and ‘strengths-based approaches’. Some identified goldfish effect policy and argued that the housing-related support sector had been working (or at least trying to work) in this way for years; others felt **it was easy to write these words in a specification or a bid, but that did not mean they were translated into practice**. Support workers trying to engage people through their interests is not new, though it does require proper funding and there is a tension between short-term pressure for ‘value for money’ and these more relationship-based approaches. In the case of Housing First, we would argue that the two are actually irreconcilable and that there are huge threats to the success of the model in the UK as a result.

Nevertheless, the panels found some hope in this commissioner’s story. They welcomed the recognition that practical changes have to be made to the way services are funded, commissioned, contracted and performance managed if this vision is to be realised.

## 6.6. Enabling and sustaining innovation

### What has enabled innovation in these stories?

- A sense that something had to change in the face of ‘urgency on the ground’.
- A realisation that a whole system approach was needed: this is not a problem that can be tackled by one agency alone.
- Strategic leadership and political will to re-design the approach.
- Proper investment, but through a funding stream which allows enough time and flexibility to develop the partnerships necessary to plan a locally-responsive approach.
- A willingness to listen to and act on evidence
  - from research, practice and lived experience
  - to understand the key components of a successful approach.
- A recognition that the service offer needs to be relational and holistic if it is to be effective: it needs to maximise individuals’ choice and control.
- An understanding that you cannot simply write this requirement into commissioning contracts and expect it to happen: culture change requires practical changes to tender processes, contract length and value, and performance management.

### What can we learn from the stories about what is needed to sustain innovation?

- Initiatives need to be part of an integrated strategy if the ‘black holes’ are to be successfully managed; this needs to plan the service response to those who do not meet the criteria as well as those who do, containing a menu of service options or pathways for different levels of support need within that strategy.
- A financial and organisational/partnership commitment to sustainability – to provide ongoing support for individuals, whilst working towards change of mainstream services
- A multi-agency, long-term view of what cost-effectiveness means.
- A recognition that successful implementation requires a balanced focus on both those elements which might be described as the ‘softer’ elements of organisations and partnerships – shared values, skills, style and staff – as well as on those ‘harder’ elements – strategy, structure and systems (Waterman *et al.*, 1980). For example, the third commissioner recognising that staff need to be paid well, trained and properly supervised if they are to deliver the emotional labour which comes with a more ‘human’ approach, and the Housing First project recognising the need to ‘facilitate shared learning’ across the system.
- Clear articulation of the core principles of an integrated strategy and regular shared reflection on what they mean in practice – if the risk of fidelity dilution is to be minimised.

In the next and final chapter, we develop these points further, drawing messages for future policy and strategy from this body of evidence.

# 7. What is needed to ‘de-traumatise’ the system?

## 7.1. The ‘traumatised system’

The examples and experiences we have gathered and presented in this report start to build a picture of a homelessness system which might be described as ‘traumatised’, or shocked and upset by the direct and indirect effects of funding cuts and changes to national policy.

Just like the individuals it aims to support, there is evidence of enormous resilience here too. Throughout this report, we have highlighted examples of organisations, services, professionals and people with lived experience adapting to a rapidly shifting level of resources, the challenges of rising homelessness and higher levels of needs among homeless people, alongside radical changes to policy and practice. Much has been achieved working with an ever falling level of resource and there are stories here of striking innovation, new levels of collaboration and the development of both more effective and more humanitarian practice in reducing homelessness.

However, this is only one side of a complex story, some of these adaptations and changes that have occurred in commissioning, planning and delivery of homelessness services must now be recognised as maladaptive, inefficient and counter-productive.

Our work has found many examples of ‘trauma’ at all levels of the system:

- Beleaguered commissioning teams pressing the repeat button on existing contracts because – although they know something different is needed to effectively reduce homelessness – they have insufficient and unpredictable funding to implement strategic changes.
- Providers – sometimes with the active blessing of local authorities – reconfiguring their no-longer commissioned services so they can survive on significantly lower funding from ‘exempt accommodation’ Housing Benefit, usually offering much lower levels of support.
- Providers taking a more risk-averse approach to who they will work with and the activities they offer, so they can deliver over-promised outputs on contracts whose value has been slashed.
- People with high levels of needs experiencing inadequate levels of support and inconsistent relationships with staff, whilst living in supported housing.
- Examples of statutory homelessness workers responding to people presenting in distress with an apparent lack of empathy, seeming to prioritise legal process and ‘gatekeeping’ over a ‘more human’ response, presumably as a result of managing high levels of demand with insufficient resources.

Fig 6: The ‘traumatised system’

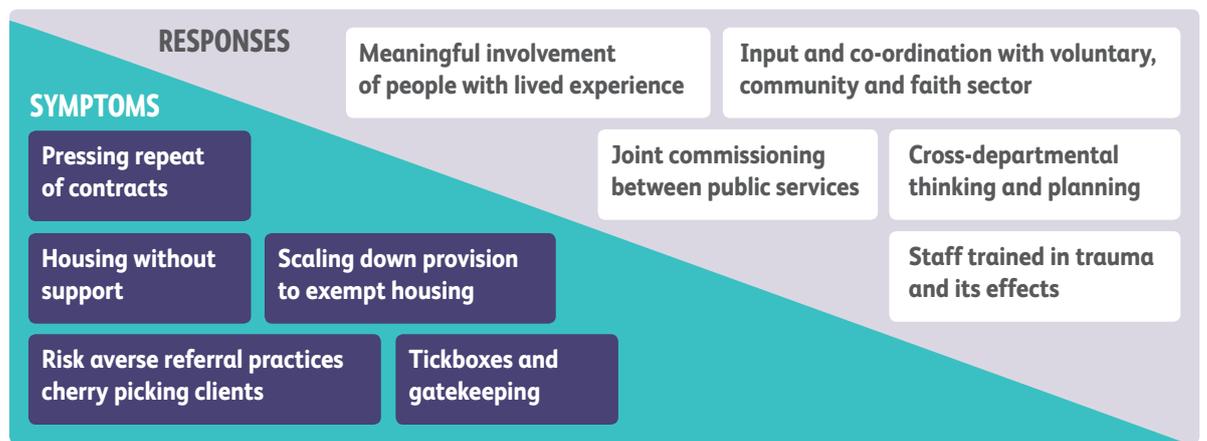
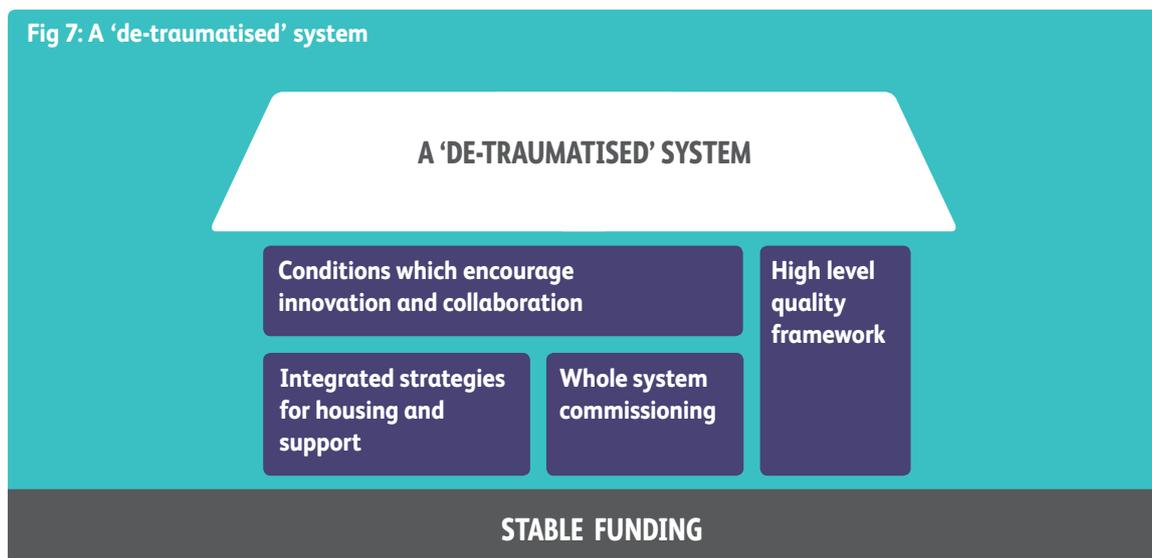


Fig 7: A 'de-traumatised' system



Our study has also found much that could be described as adaptive, innovative and collaborative within the sector, such as:

- Commissioners initiating dialogue with people delivering and receiving services to understand what matters and how this can best be achieved locally.
- Health and council services working together to jointly commission and deliver services differently for people with multiple needs.
- Better strategic coordination of support from the faith, community and business sectors alongside that provided by statutory and commissioned services.
- Providers and councils training their staff to recognise people's behaviour as a function of past trauma.
- A recognition from central and government that cross-departmental thinking and action is needed if a complex, 'wicked' problem like rough sleeping is to be ended.

These findings, while identifying many significant challenges and concerns, should also give real hope that positive change is possible. Despite a concern expressed by some about 'lack of evidence' in the sector, we heard huge insight and wisdom drawn from practice and lived experience during this study. We know what works and what is needed to end homelessness (e.g. Crisis, 2018). 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 a lot quicker.

In order to create a fully-functioning system to prevent and end homelessness, our findings suggest that an integrated strategy for housing and support, under-pinned by stable funding and a high-level quality framework, is needed at both national and local levels. In the remainder of the report, we describe the key features of such a system.

### 7.2. Stable funding for housing-related support

Strategic planning requires time and infrastructure; innovation is only possible when people are not constantly re-tendering and firefighting. We increasingly recognise that traumatised individuals need safety and predictability if they are to let go of previously self-protecting but now maladaptive behaviours. Similarly, those commissioning, providing and receiving local homelessness services need sufficient reassurance that there will be continuity of resource if the adaptive behaviours we have identified are to be nurtured and sustained. Our report has demonstrated that – ironically – the fixation on value for money has sometimes led to scenarios in which value for money is ultimately undermined.

#### Our findings suggest that:

- 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.

#### RECOMMENDATIONS

- 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'. This needs to involve people with lived and frontline experience of services as well as senior managers and policy leads.

### 7.3. A quality framework for the supported housing sector

There were calls from some participants in the study for national quality standards for supported housing; however, this is challenging given the huge variation in models and the levels of funding received.

#### Our findings suggest that:

- 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.

#### RECOMMENDATIONS

- There needs to be greater understanding and scrutiny of what non-commissioned services are doing.
- A framework which draws on the Housing First principles could provide the shared understanding of 'quality' which is currently lacking.

#### The Housing First Principles are:

1. People have a right to a home
2. Flexible support is provided for as long as it is needed
3. Housing and support are separated
4. Individuals have choice and control
5. An active engagement approach is used
6. The service is based on people's strengths, goals and aspirations
7. A harm reduction approach is used

*(Homeless Link, 2016)*

This does not mean that 'Housing First' should itself necessarily be the dominant model, or that housing and support can never be offered as part of a package together (i.e. within a fixed site supported housing service). However, it does mean that people's housing and support needs should be assessed and a package which is appropriate to both put in place as soon as is practicable. This should, for example, reduce the numbers of people being placed in supported housing which offers too much or insufficient support simply because it is the only way to meet their housing need. Viewing housing as a right does not mean that it will be possible to give everyone a home in the current

context; however, it does mean that we continue to challenge the belief that housing is a reward at the end of the pathway for those who have demonstrated their 'readiness'.

Perhaps most importantly, using the principles as a guide for all homelessness services has the potential to embed choice and control and strengths-based approaches as a core quality standard across the sector. This recognises that it is the relationships between people working in services and those they support which have the most potential to end and prevent homelessness. Commissioning needs to start with an understanding of what is needed to support these relationships, and design and manage contracts in a way that supports these to happen.

The whole pathway – from Housing Options through supported housing – needs to take a 'more human' as well as a more integrated approach. This means having honest adult conversations with people experiencing homelessness about their rights, options, responsibilities and consequences. There is much good practice in this respect already, evidenced by this work and other research in this field, but there will be cases where this will require a significant shift in culture, language, values and management.

### 7.4. A local integrated homelessness strategy

A local, integrated strategy should 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. There needs to be coordination between these different elements if local homelessness prevention, relief and reduction are to be as effective as possible. For example, there should be clear pathways between statutory homelessness systems and supported housing provision.

The Homelessness Reduction Act encourages this since it requires councils to provide more proactive support to all single households that present as homeless or are threatened with homelessness. Allocations policies should not prevent people who have histories of failed tenancies or offending from getting a social tenancy, where the person will be receiving the support they need to sustain that tenancy.

**Our findings suggest that:**

- 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. The value of these different insights and the importance of good ‘market-shaping’ has been evident through this study.
- 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’.
- 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.

**RECOMMENDATIONS**

- 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. Quantitative and qualitative evidence about what works best for whom should be used to inform decisions about criteria, ideal length of stay/support provision and expected outcomes. There must be sufficient flexibility in practice to provide a person-centred response.
- Local strategies should also consider how best use should be made of the built assets within the supported housing system now and in the future, alongside finding the right balance between fixed site and floating support services, and the implications of this for local commissioning strategies.
- There needs to be investment in lower intensity floating support services that can both prevent homelessness and support and sustain resettlement which must be a vital part of any effective system, along with models that work effectively with people with complex needs.

### 7.5. A whole system approach

Effective responses to homelessness require coordination of wider services, so that the support, treatment, housing, benefits and access to education or work that a person needs are all in place.

#### **Our findings suggest that:**

- 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.

#### RECOMMENDATIONS

- Strategic buy-in from health and criminal justice agencies and the DWP is essential and the integrated homelessness strategy needs to be aligned with local NHS Sustainability and Transformation Plans, adult social care and mental health commissioning strategies and other relevant strategies (e.g. domestic violence, community safety, etc).
- This strategic join-up should translate at an operational level so, for example, there are triage points and referral routes for people with complex needs from hospitals, Independent Domestic Violence Advisers or prison resettlement services into Housing First provision.
- The strategy should pave the way for joint commissioning, e.g. of homeless healthcare or services to support people with complex needs and/or actions which agencies will take to make their mainstream services more accessible to these groups.
- There needs to be a wider and longer-term understanding of what 'cost-effectiveness' means. The current narrow view in which separate agency budgets must be defended unless 'cashable savings' can be demonstrated risks leading us into cost-shunting and inefficiency across the totality of public sector spending. We need structures and cultures which promote greater shared accountability for longer-term costs across the public sector.

## 7.6. Creating the right conditions for innovation

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.

### Our findings suggest that:

- Innovation happens where there is a strategic approach to making systems deliver what individuals need.
- In some areas, promising models are emerging which offer wraparound services that are person-led and maximise choice and control for people. But, where the wider system is overstretched, there are concerns about these models becoming diluted or rationed, and about the impact of drawing resources from one part of the system to another (in what we labelled a ‘black hole’).

### RECOMMENDATIONS

- 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. If we only ever develop these with the aim of reducing loopholes for poor implementation, we risk designing out innovation.

We hope that this project has started the process of identifying **PROMISING PRACTICE**, and begun the national conversation about what is needed to expand and sustain it.

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# Appendix: Further detail on our approach

## Story collection

Interviewees were asked, 'In your opinion, what good and bad changes have occurred over the last ten years in commissioning homeless services, as a result of changing government policy?'

Having collected as many good and bad changes as possible, the interviewer then read back the list, asking: 'From your point of view, which of the changes mentioned has been the MOST significant for you?'

Once a change has been selected, the interviewer asked:

- 'Please describe what the commissioning environment was like before this change'
- 'Please describe what happened that caused the change (be as specific as possible)'
- 'Please describe what the commissioning environment is like now, i.e. what is the impact of this change?'

Interviews were audio-recorded and partially transcribed by the interviewer who summarised the answers to the last three questions into a 'story' of around half a page, with each answer forming a short paragraph – effectively the beginning, middle and end of the story. Interviewees were subsequently given the opportunity to amend their draft stories by email and were asked for their consent to use these stories anonymously in the remainder of the study. One did not respond within the timescales, and we produced two stories each from two authorities, since we felt this allowed a full gamut of issues to be included in the final collection. All 19 titles are listed below.

## Titles of stories collected

Stories in **green** were selected to go through to the national panel

### Panel 1

- Local authorities embrace cross-sector partnerships
- **Transforming rough sleeper and homeless services**
- Growth of an unregulated market
- Creating pathways into homelessness prevention services, with a single point of access through the council
- Loss of services in a 2-tier authority
- **Bitty short-term funding**
- Cross-area commissioning
- Safety and signposting: reducing the 'non-essentials'
- Short, flexible, early support
- **Housing First: the importance of getting it right**

### Panel 2

- An asset-based approach
- Loss of resettlement and preventative services
- The Homelessness Reduction Act
- **Improving quality in non-commissioned supported housing**
- Loss of evidence and government expertise
- **Humanising the approach**
- Co-production in model re-design
- Super-provider monopoly
- **A wraparound service for people with complex needs**

## Story selection panels

We worked with Riverside to identify and invite both internal and external participants to two first round panels held in Manchester during August 2019. These included people from a range of roles – strategic, operational, communications, frontline and GROW trainees, who have lived experience. We were joined by representatives from the National Housing Federation and from Shelter. Each panel had six members, and considered ten and nine stories respectively, working to agree what they thought was most significant from each story and from the collection as whole, and why. Each selected three stories to be considered by the national panel.

The panels were facilitated by Imogen Blood and observed by Nicholas Pleace and members of the Riverside in-house research team.

## National Panel members

<b>Kate Farrell</b>	Strategic Lead on Homelessness	Liverpool City Region Combined Authority
<b>Chris Hancock</b>	Head of Best Practice	Crisis
<b>Helen Mathie</b>	Head of Policy and Communications	Homeless Link
<b>Darrell Smith</b>	Head of Supported Housing	Ministry of Housing, Communities & Local Government
<b>Richi Prosser</b>	Peer researcher	Lived experience
<b>Priya Thethi</b>	Lead on Homelessness	Local Government Association
<b>Drew Van Doorn</b>	Chief Executive	HACT (Housing Associations Charitable Trust)

## Supplementary discussion at GMCA

<b>Andy Burnham</b>	Mayor of Manchester	GMCA
<b>Jane Forrest</b>	Assistant Director Public Service Reform	GMCA
<b>Molly Bishop</b>	Strategic Lead for Homelessness	GMCA

Get in touch or find out more

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A charitable Registered Society under  
the Co-operative and Community  
Benefit Societies Act 2014

**March 2020**

Details correct at time of publishing  
R8/051-0320V1.0C