



Department for
Communities and
Local Government

Addressing complex needs

Improving services for vulnerable homeless people



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Ministerial Foreword



It has been an honour to chair the Ministerial Working Group on Homelessness. I am proud of what we have achieved over the course of this parliament.

This government's £500 million investment has helped ensure that local authorities and voluntary sector organisations working on the frontline have the resources to support those facing the reality of homelessness. Since April 2010, this funding has enabled local authorities to prevent over 730,000 households from becoming homeless¹ and supported thousands of others through voluntary sector projects.

Statutory homelessness is lower now than in 26 of the last 30 years, and around half the level it was under the last administration. But we are not complacent. Homelessness is still too common. On any given night, there are still over 2,000 people sleeping rough and up to 40,000 living in hostels and supported accommodation in England. Too many families are still living in temporary accommodation and facing an uncertain future.

With the dedicated support of frontline staff, many of these people are able to get back on their feet. But of course this is not always the case. Some vulnerable people become trapped in the cycle of homelessness. Many are beyond the reach of mainstream services because they face complex and overlapping problems with alcohol, drugs, mental health or an offending history. Without the right specialist support, these people are at risk of ending up on the streets, or returning again and again to temporary accommodation, prison or emergency health services.

And the consequences can be severe. As well as the human cost, there's also a financial one, through the chaotic use of our health services and frequent and repeat interaction with the criminal justice system.

Last year I met Dave², a former rough sleeper who had been to hospital 150 times in a single year. His anti-social behaviour, alcohol problems and reluctance to engage with services had meant he'd been evicted from a succession of hostels. However, with the right support to build his confidence and esteem, Dave has turned his life round. He is now supporting other rough sleepers facing similar circumstances to engage with services.

Dave's story demonstrates that even the most entrenched and complex of rough sleepers can take steps to get their lives back on track. The Ministerial Working Group has been considering how we can do more to help vulnerable people like Dave to break the cycle of homelessness and move towards independence.

Building on the progress made since 2010, this report sets out a vision for an innovative new approach to delivering services into the next parliament and beyond.

A handwritten signature in black ink that reads "Kris Hopkins".

Kris Hopkins MP
*Parliamentary Under Secretary of State for
Communities and Local Government*

¹ DCLG Homelessness Prevention and Relief statistics:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/336058/HPR_LT_787.xls

² Name has been changed

Chapter 1

Achievements of the Ministerial Working Group

1. Homelessness is often more than a housing crisis. For too many people, money issues, family breakdown, addiction, health problems or a criminal history escalate from a personal crisis into homelessness. And having to face the reality of life without a stable home often makes these problems worse. In order to address these needs, individuals require intensive support, not just a roof over their heads.
2. Formed in 2010, the Ministerial Working Group on Homelessness promised to bring departments together to ensure that everyone in government played their part in tackling both the causes and consequences of homelessness. Throughout this parliament, we have worked together to coordinate action on the issues facing homeless people. But homelessness is a long-term and complex issue, not one that can be solved overnight.
3. This report tells the story of the real progress we have made in this parliament, increasing investment in homelessness services, providing strategic support to help authorities deliver effective prevention services, and testing innovative new approaches. We also take a longer term view and set out our aspirations for building on this work to help some of society's most vulnerable people in the next parliament and beyond.

Previous reports

4. Published in 2010, our first report, *Vision to end rough sleeping*³, focused on the most visible form of homelessness. Supported by the £20 million Homelessness Transition Fund, it drove forward the national roll-out of No Second Night Out – the Mayor of London's unique approach to ensuring that anyone sleeping rough receives help quickly. Administered by Homeless Link, the Homelessness Transition Fund has funded 175 projects across England and has supported 12,235 people to date⁴.
5. In 2012, our second report, *Making Every Contact Count*⁵, widened our focus to preventing personal problems from escalating into homelessness. It encouraged government departments, agencies and local authorities to work together with voluntary sector and other local services to identify those at risk of homelessness as early as possible, intervene quickly and 'make every contact count'. The report showcased our pioneering 'youth homelessness pathway', developed in partnership with leading youth homelessness organisations. This service model led the way for specialist local youth homelessness services across the country. Over half of all local

³ Vision to end rough sleeping: No Second Night Out nationwide, DCLG, 2011:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6261/1939099.pdf

⁴ <http://www.homeless.org.uk/our-work/national-projects/homelessness-transition-fund/difference-made>

⁵ Making every contact count: A joint approach to preventing homelessness, DCLG, 2012:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7597/2200459.pdf

authorities now have a positive pathway in place, providing transitional accommodation options and tailored support for vulnerable young people⁶.

6. The report also drove several joint ventures across government departments and local agencies, such as the Department of Health's £10 million Hospital Homeless Discharge Fund. The 52 voluntary sector-led projects have worked with health organisations and local authorities to improve hospital discharge arrangements for homeless people, ensuring that their health and housing needs are properly addressed. Homeless Link's recent evaluation found that over 90% of projects had either produced a new or developed an existing homeless hospital discharge protocol. Overall outcomes showed that 69% of homeless people had suitable accommodation to go to when they were discharged, and this figure rose to 93% of people in projects which combined NHS and housing staff⁷.
7. But progress is not limited to the areas focussed on in those two reports. This government's approach to tackling homelessness and rough sleeping has a dual focus on prevention, wherever possible, and supporting recovery for those who experience homelessness. This means that people are supported to move off the streets as soon as possible, and helped back on their feet.

Helping people off the streets

8. One of the Ministerial Working Group's first actions was to improve the rough sleeping data collected by local authorities. This means that we now have a more accurate snap-shot with information from every local authority, allowing us to better understand the extent of rough sleeping in England, and tackle it more effectively on a local level. Following this change, No Second Night Out has been used to target rough sleeping services and ensure individuals are helped off the streets quickly; all local authorities with significant numbers of rough sleepers now have No Second Night Out services in place. Overall, 67% of rough sleepers in 20 key rough sleeping areas did not spend a second night on the streets⁸.
9. We also commissioned the pioneering StreetLink website, app and telephone line to help service providers to find and support rough sleepers. StreetLink is designed to allow members of the public to connect rough sleepers to local services. Since December 2012, there have been 24,495⁹ referrals of rough sleepers to local authorities, with over 10,000 positive outcomes for vulnerable individuals.

⁶ Young and Homeless 2014, Homeless Link:

<http://www.homeless.org.uk/sites/default/files/site-attachments/201411%20-%20Young%20and%20Homeless%20-%20Full%20Report.pdf>

⁷ Evaluation of the Homeless Hospital Discharge Fund, Homeless Link, 2015:

<http://www.homeless.org.uk/sites/default/files/site-attachments/Evaluation%20of%20the%20Homeless%20Hospital%20Discharge%20Fund%20FINAL.pdf>

⁸ No Second Night Out Across England, Homeless Link, 2014:

<http://www.homeless.org.uk/sites/default/files/site-attachments/20140211%20NSNO%20England%20Wide%20Report%20FINAL.pdf>

⁹ Figures provided by Homeless Link, who run the StreetLink scheme in partnership with St Mungo's Broadway

Supporting the recovery from homelessness

10. We have invested an additional £26.5 million over the course of this parliament to support local authorities to improve services for single homeless people. Most recently, we announced £8 million Help for Single Homeless funding, which will see 22,000 individuals supported by 34 successful projects. These include schemes to expand services to prevent rough sleeping, help homeless young people with mental health issues and get hostel residents into work.
11. We have provided almost £13 million to Crisis to support 10,000 single homeless people into accommodation in the private rented sector by 2016. Since 2010, 153 projects have helped over 9,000 vulnerable people into accommodation – with 90% maintaining their tenancies for at least six months.
12. Our £42.5 million capital investment in the Homelessness Change programme has improved hostel accommodation for rough sleepers by providing 1,500 new and refurbished bed spaces over the course of this spending round. A further £55 million from the Department of Health and the Greater London Authority will extend the Homelessness Change Programme over the next three years (two years outside of London), with an added focus on improving the physical and mental health of rough sleepers. The funding will also be used to launch Platform for Life, a new low rent shared accommodation programme for homeless young people linked to work, education or training.
13. Changes to the Localism Act 2011 now allow local authorities greater flexibility to move homeless families out of temporary accommodation more quickly and into suitable settled accommodation in the private rented sector. We invested almost £2 million to support local authorities to develop sustainable solutions to prevent unlawful bed and breakfast use for families with children.
14. In March 2015, we provided £10 million over two years to help stop the closure of refuges for victims of domestic abuse. This funding will help 148 areas across the country maintain existing provision, improve services within refuges and provide additional bedspaces.
15. Amendments to employment and training policies have meant that those facing homelessness have the chance to deal with their needs in a coherent order. We revised Jobseeker's Allowance regulations to give advisers the scope to treat some recently homeless claimants as available for and actively seeking work for a temporary period whilst they focus on finding suitable accommodation, as this can be a crucial first step towards finding work. We have also published resources to improve understanding and accessibility of the skills system for homeless people and those who support them, including funding the National Institute of Adult Continuing Education's *Really Useful Book of Learning and Earning* for adults using homelessness services.

Preventing homelessness

16. Statutory homelessness is lower now than in 26 of the last 30 years, and around half the level it was under the last administration. We have maintained investment in local authority homelessness prevention services, providing £320 million since April 2010 to

allow authorities to prevent 730,200¹⁰ households from becoming homeless. We have also provided strategic and practical support to local authorities through the Gold Standard programme with 98% of all English local authorities signed up¹¹. Our £10 million investment in the National Homelessness Advice Service has provided invaluable support and training to frontline staff. Since 2010 the Service has trained over 23,000 homelessness advisers and has dealt with more than 40,000 telephone cases. Meanwhile, our £221 million Mortgage Rescue Scheme has helped over 3,000 households at risk of repossession to remain in their homes, and provided free advice to over 60,000 households who were struggling with their mortgage.

17. We have also focused on providing stable accommodation for vulnerable groups who are particularly at risk of homelessness. Transforming Rehabilitation reforms are providing enhanced resettlement support to offenders leaving custody including accommodation, employment, training and financial advice. Moreover, the Armed Forces Covenant ensures that members of the Armed Forces and those who are within 5 years of having been discharged cannot lose their qualification rights for social housing because of a local connection requirement. In 2012, we also changed the law so that former Servicemen and women with urgent housing needs and seriously injured or disabled serving personnel are always given an 'additional preference' (high priority) for social housing.
18. In addition, the cross-government Care Leavers Strategy has set out how we are supporting care leavers to sustain accommodation, since they can struggle to live independently once they have left their placement. New regulations and guidance have been published to bolster the quality of support provided to care leavers, including the offer of a personal adviser for those wishing to resume education and training beyond the age of 21 and up to 25. Meanwhile, a revised Ofsted inspection framework now judges local authorities on the accommodation and support they provide to all care leavers. £40 million funding has also been provided to local authorities to support young people to 'Stay Put' and remain with their foster families after their 18th birthday.

Innovation

19. This government is committed to harnessing the potential offered by innovative new commissioning and delivery models to drive improved outcomes for homeless people. Our £5 million investment into the world's first homelessness social impact bond is helping to deliver long term outcomes for 831 of London's most frequent rough sleepers. More recently we have built on this model to deliver the £15 million Fair Chance Fund, which is using payment by results and social investment to support 1,600 vulnerable young people into accommodation, training and employment.
20. The Departments for Communities and Local Government, Business, Innovation and Skills, and Work and Pensions have worked with voluntary sector partners to design and fund the Strive pilot in London. Drawing on mainstream Skills Funding Agency funds, Strive helps single homeless people to develop the skills necessary to participate successfully in the Work Programme, and to look for, find and maintain

¹⁰ DCLG Homelessness Prevention and Relief statistics:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/336058/HPR_LT_787.xls

¹¹ Figure provided by the National Practitioner Support Service, which runs the Gold Standard Scheme.

work. There is potential to expand the scheme nationally and to help other disadvantaged groups, but we will consider the results of the independent evaluation of Strive before making any decisions

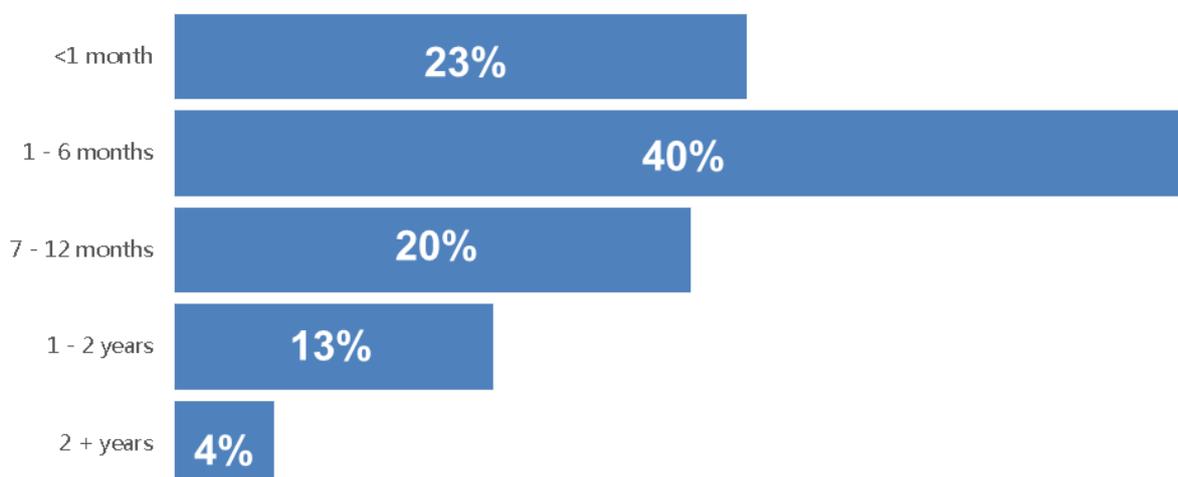
21. In order to address the range of housing needs experienced by Armed Forces veterans, we invested £40 million London Inter-Bank Offered Rate (LIBOR) funding in the Veterans Accommodation Fund. Sixteen successful projects received a share of the funding, including a project in Aldershot which will provide 85 accommodation units helping 275 vulnerable, injured or sick ex-Service personnel to transition from hostel accommodation through to independent living.

Where next?

22. To date, our work has been largely focused on maintaining a strong homelessness safety net and ensuring that rough sleepers receive the rapid support they need to move off the streets. The current offer works well for the majority of homeless groups – 83% of residents in accommodation projects move on within 12 months, 63% move on within 6 months¹², and 67% of rough sleepers engaging with No Second Night Out spend only a single night on the streets¹³.

Time spent in accommodation projects

83% of residents in accommodation projects moved on within 12 months



Source: Homeless Link

23. England quite rightly has a strong international reputation for the excellent services provided by our voluntary sector and local authorities. However we are not complacent. Any government should strive to improve services, and despite these successes, there is still a group of homeless people who struggle to engage with and thrive within the mainstream service offer. Although services are now better joined up, the reality is that

¹² Support for Single Homeless People in England, Annual Review 2015, Homeless Link: <http://www.homeless.org.uk/sites/default/files/site-attachments/Full%20report%20-%20Single%20homelessness%20support%20in%20England%202015.pdf>

¹³ No Second Night Out Across England

the hardest to reach clients can still slip through the net. Struggling with severe and overlapping mental health, offending or substance misuse problems, this group are also one of the most costly to the public purse, since they interact with a range of public services in a chaotic way.

24. This is not a new problem; its complexity means that successive governments have not yet found a solution. In the next section, we explore how central government could support local authorities and the homelessness voluntary sector to improve sustained outcomes for this very vulnerable group into the next parliament and beyond. Transforming local commissioning and service provision for this group is a long term ambition. As these are some of society's most vulnerable people, we need to ensure we take the time to get this right.

Chapter 2

Who needs more help?

25. On any given night there are up to 40,000 people in the supported accommodation system and over 2,000 people sleeping rough in England. As seen in the last chapter, the vast majority are helped off the streets quickly and benefit from supported accommodation as a stepping stone to move on with their lives. However, there is a group of single homeless people within this cohort whose complex needs mean that they struggle to regain their independence in the same way. Local authorities and voluntary sector partners tell us that they find it difficult to provide the intensive and specialist support necessary to get these individuals back on their feet.
26. This group can struggle to move on from the hostel system because they need stable accommodation as well as long term support to help them move towards independence. This leads to a silting up of hostel beds at a time when resources in the sector are under pressure (41% of accommodation projects had reduced funding in 2015 since the last financial year¹⁴). This combination of complex clients alongside a lack of suitable accommodation with the right support risks increased pressure on our voluntary sector and public services; and at the most extreme end, more vulnerable people on our streets.
27. We have recently strengthened the offer for young people under 25 at risk of homelessness, through the Youth Accommodation Pathway and the Fair Chance Fund. We are therefore interested in exploring what more could be done for single homeless people with complex needs aged over 25. The majority will be fairly long term residents in homelessness accommodation projects¹⁵. Some will be rough sleeping or repeatedly moving between the streets and homelessness accommodation. Others may be struggling to re-integrate with society after leaving custody or another institution.

Complex Needs

28. This group are commonly identified by their multiple support needs which overlap and compound each other. As services tend to be structured around single 'issues', this group struggle to access the mainstream service offer. Often their needs are not severe enough to qualify for statutory homelessness assistance, because none of their issues are singularly high enough to meet the access threshold. Yet their needs can sometimes be too high to be dealt with in the mainstream hostel system; 76% of homelessness accommodation projects have had to refuse access to clients whose needs were too high for the project to manage¹⁶.

¹⁴ Support for Single Homeless People in England, Annual Review 2015

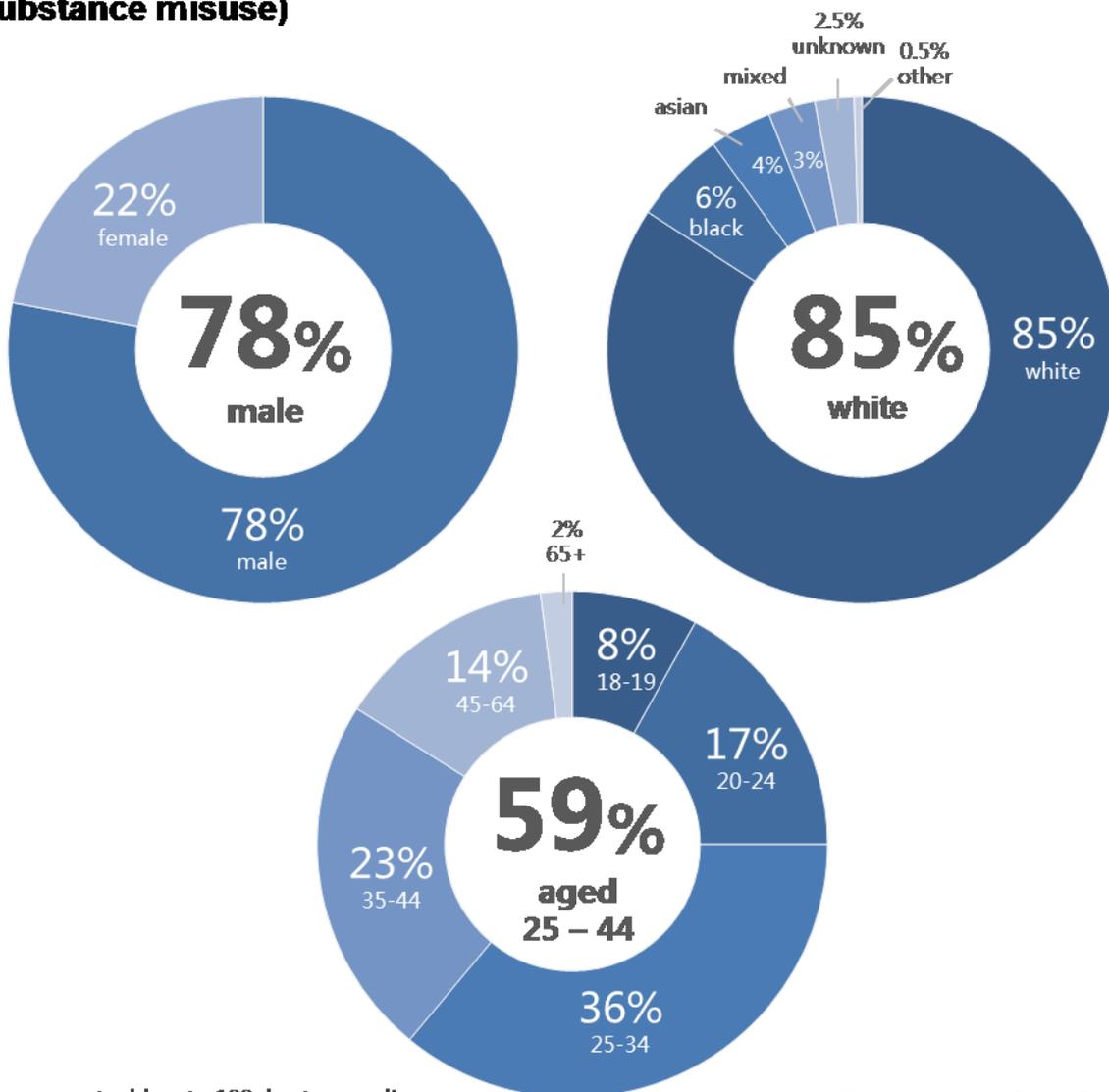
¹⁵ Defined widely in this context to mean direct access hostels, emergency hostels, foyers, second stage hostels or other supported accommodation.

¹⁶ Support for Single Homeless People in England, Annual Review 2015

29. Recent research commissioned by the Lankelly Chase Foundation uses administrative data sets to profile those facing complex needs in England¹⁷. The research estimates that 58,000 people have contact with homelessness, substance misuse and criminal justice services each year. A further 164,000 people are in contact with two of these service groups. Similarly, the Making Every Adult Matter indicative estimate of the number of individuals in England with 'multiple needs and exclusions' was 56,000 in the prison and homeless populations alone¹⁸.

30. In terms of demographics, those with the most complex needs are predominantly male (78%), white (85%) and aged between 25 and 44 (59%).¹⁹

Profile of people with the most complex needs (homelessness, offending and substance misuse)



* Figures may not add up to 100 due to rounding

Source: LankellyChase Foundation

¹⁷ Hard Edges: Severe and Multiple Disadvantage in England, Bramley, Fitzpatrick *et al*, commissioned by the Lankelly Chase Foundation, 2015: http://www.lankellychase.org.uk/assets/0000/2858/Hard_Edges_Mapping_SMD_FINAL_VERSION_Web.pdf

¹⁸ Adults with Multiple Needs and Exclusions, Paun, Halbern & Hilbery, commissioned by MEAM, 2011: <http://meam.org.uk/wp-content/uploads/2011/01/lfG-MEAM-Briefing-Final.pdf>

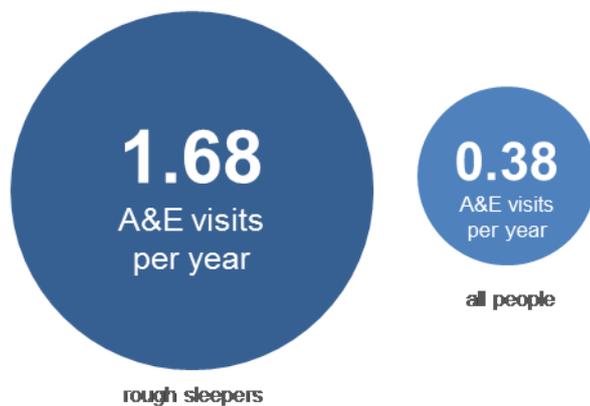
¹⁹ Hard Edges: Mapping Severe and Multiple Disadvantage

What are their needs?

Health

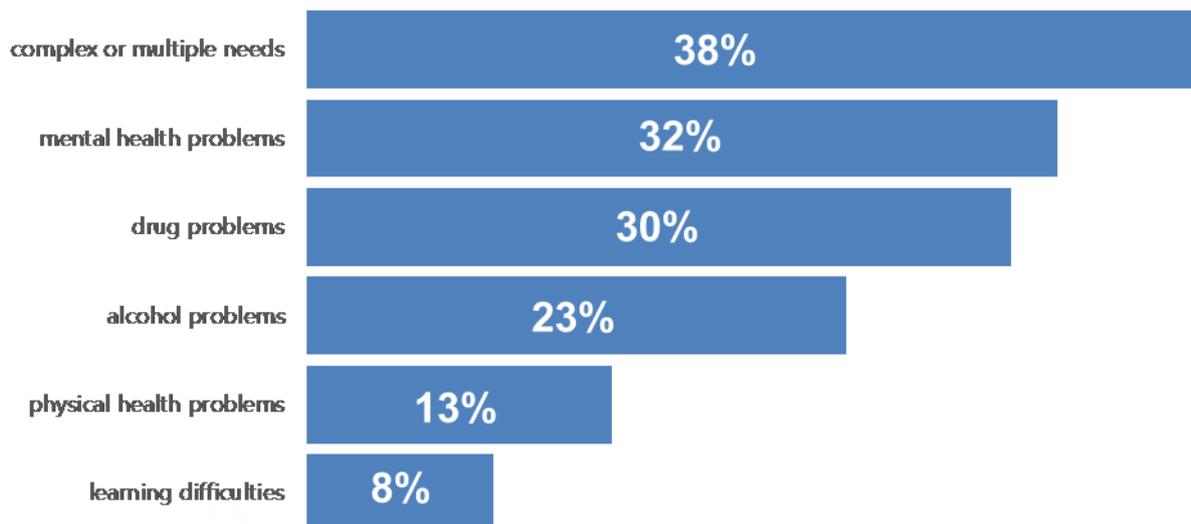
31. Homeless Link's survey of accommodation projects paints a compelling picture of the needs of people using single homelessness services in England²⁰. Nearly a third have drugs-related problems (30%), almost a quarter have alcohol-related problems (23%) and almost a third have mental health needs (32%). Rough sleepers in particular are heavy users of expensive acute health services, and are four times more likely to use Accident and Emergency services²¹ – a cycle cemented by their chaotic lifestyle.

Rough sleepers are 4 times more likely to use A&E



Source: Homeless Link

Needs of people in accommodation projects



Source: Homeless Link

²⁰ Support for Single Homeless People in England, Annual Review 2015

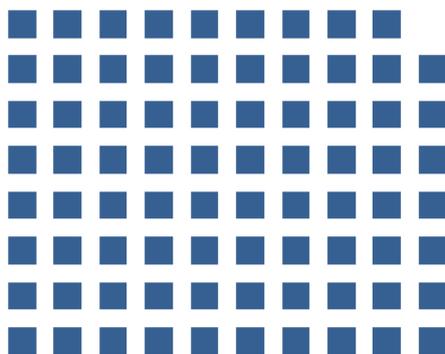
²¹ The unhealthy state of homelessness: Health audit results 2014, Homeless Link: <http://www.homeless.org.uk/sites/default/files/site-attachments/The%20unhealthy%20state%20of%20homelessness%20FINAL.pdf>

32. Being affected by multiple issues means that this group often struggle to engage with everyday life and mainstream services, and can often feel on the margins of society. The Lankelly Chase research found that quality of life for those facing complex needs tends to be much poorer than that reported by other low income and vulnerable groups. Experiences of social isolation, trauma, exclusion and poverty both in childhood and adulthood are all too common. Of those engaged with criminal justice, drug and alcohol treatment and homelessness services, 55% also have a diagnosed mental health problem²².

Offending and institutional background

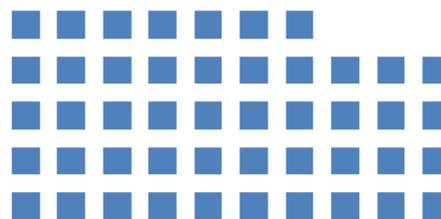
33. 22% of those in homelessness accommodation projects²³ and 46% of users of homelessness crisis services²⁴ report an offending history. Evidence suggests that there is a strong correlation between homelessness and reoffending, with 79% of prisoners who were homeless before custody reoffending within a year after release²⁵. An institutional history also features in the background of many rough sleepers in London, with many sharing common experiences of the care system (9%) and prison (33%). 3% of London rough sleepers are UK nationals with experience of the Armed Forces²⁶.

79% of prisoners
homeless before
custody reoffended in
the first year



homeless before custody

47% of prisoners
not homeless before
custody reoffended in the
first year



not homeless before custody

Source: MoJ

²² Hard Edges: Severe and Multiple Disadvantage in England

²³ Support for Single Homeless People in England, Annual Review 2015

²⁴ 'Pathways into multiple exclusion homelessness in seven UK cities', Fitzpatrick, Bramley & Johnsen, 2013, published in *Urban Studies*, vol 50, no. 1, pp. 148-168:

https://pureapps2.hw.ac.uk/portal/files/7456915/US_Pathways.pdf

²⁵ 2012 MoJ Surveying Prisoner Crime Reduction survey:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/278806/homelessness-reoffending-prisoners.pdf

²⁶ All statistics from Street to Home, CHAIN Annual Report, 2014:

<http://www.mungosbroadway.org.uk/documents/15617>

Cumulative impact of needs

34. What characterises the extremity of these cases is not always the severity of the individual needs, but the repeat, recurring nature of them. The combination of overlapping needs compound each other, making it very challenging to address completely in the traditional single-need service structure. Whilst those working with complex needs groups report some encouraging short-term outcomes, progress tends to be weaker for those with the most extreme needs because services struggle to address these holistically²⁷.

Where are they?

35. Every English local authority is affected to some extent with active cases found in every part of the country. Although there are significant geographical variations, evidence suggests that on average, English local authorities have around 1,470 people facing complex needs in their local area²⁸.

Financial Costs

36. As well as a moral imperative to help those who are most vulnerable in society, there is a compelling financial case to improve outcomes and reduce the pressure they put on public services. This group tend to pose a disproportionate cost to society because they repeatedly use public services in an unplanned way. The exact cost of the cohort is difficult to accurately define because their needs and service use vary significantly. Estimates range from £16,000 a year for the average entrenched rough sleeper²⁹, to £21,180 a year for the average client facing substance misuse, offending and homelessness problems³⁰ (see chart on following page for full breakdown). This is compared to average UK public expenditure of £4,600 per adult³¹.

37. The Lankelly Chase research estimates that those accessing homelessness services in addition to criminal justice or substance misuse services, or all three, cost £4.3 billion a year. Accumulated individual 'lifetime career' averages are also stark – ranging from £250,000 to nearly £1 million in the most extreme cases for the most complex individuals³².

²⁷ Hard Edges: Severe and Multiple Disadvantage in England

²⁸ Hard Edges: Severe and Multiple Disadvantage in England

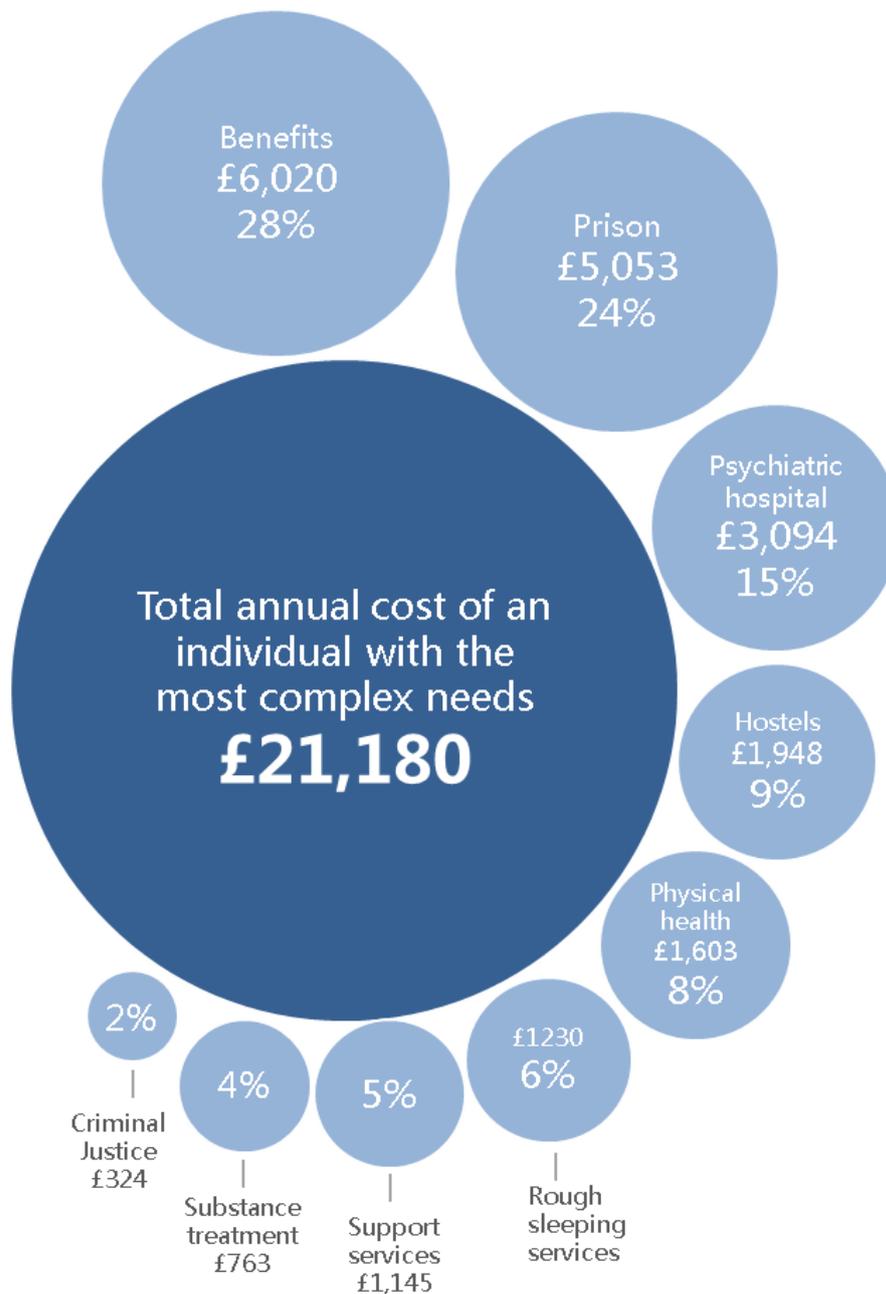
²⁹ DCLG analysis, 2012 based on criminal justice and health costs for the average entrenched rough sleeper.

³⁰ Hard Edges: Severe and Multiple Disadvantage in England

³¹ Hard Edges: Severe and Multiple Disadvantage in England

³² Hard Edges: Severe and Multiple Disadvantage in England

Total annual cost of an individual with the most complex needs (homelessness, offending and substance misuse problems)



Source: Lankelly Chase

A full explanation of and methodology behind the cost estimates can be found Appendix H of the 'Hard Edges' report: http://www.lankellychase.org.uk/assets/0000/2876/Hard_Edges_Appendices_FINAL.pdf

Chapter 3

Our vision for future services

38. Our long term goal is to drive a real sea-change in the way that services are commissioned and delivered for homeless people with complex needs so that everyone receives the help they need to move towards independence – whatever it takes. We are interested in exploring how we can work with local authorities and the voluntary sector to transform the way that services work and ‘make every contact count’ for homeless people facing multiple exclusion. In this chapter, we have set out some broad aims and areas to explore, to illustrate how a programme to help the complex needs homeless cohort might operate.

What would success look like?

39. We believe that there should be a life beyond the hostel system or streets for even the most vulnerable and complex clients. With the right support to address their needs, we believe that many of these very vulnerable people could live in mainstream accommodation, move towards independence and engage more constructively with public services. Whilst we appreciate that some may never work or be fully independent, we think that the majority will want to strive towards this.

Locally-led commissioning

40. We believe that local authorities are best placed to commission services for their local areas. We will be looking to work with local partners, such as voluntary sector providers, Police and Crime Commissioners and Health and Wellbeing Boards, to identify gaps in the current provision model for those with complex needs. Understanding where local partners need support to expand their existing service offer will allow us to target a future approach.

41. Although homelessness problems vary from district to district there is often commonality across a geographical area. Many of our previous funding opportunities and policies have helped to bring groups of local authorities together to commission services across areas. There has been a largely positive response to this approach with some good results and better coordinated services. We are interested in exploring whether it would make sense for similar groups of authorities to work together to commission services for complex needs groups across their areas. As well as helping authorities to target the most vulnerable clients and fill service gaps, this approach will also help ensure that the scheme is effectively integrated with existing local services.

A central voluntary sector role

42. As experts in working with those with complex needs, we see the voluntary sector as the key to delivering the specialist help these individuals need. We believe that voluntary sector providers work best when they have the flexibility to design and deliver services according to the needs of the client and wider local circumstances. We are keen to explore how a future scheme could give voluntary sector providers the scope to

work effectively and incentivise them to work with the hardest to reach clients. As well as relieving pressure on public services, we are also interested in how we can support the sector to reduce pressure on the hostel and supported accommodation system.

43. We want to find a way of helping long term residents move into settled mainstream accommodation, supporting them to sustain that accommodation and to become more independent. Sourcing accommodation and supporting both landlords and tenants to sustain tenancies will be key to the success of any future model. There are many examples of success in this area – such as Crisis’ Access to the Private Rented Sector scheme which has an impressive 90% tenancy sustainment rate at 6 months. We are keen to explore how we can support voluntary sector and local authority partners to build on their experience and expertise in this area.

Using payment by results and social finance

44. Alongside improving outcomes for some of society’s most vulnerable people, we want to ensure that public investment is used in the most cost-effective way and that this investment helps reduce the cohort’s chaotic use of public services. Building on existing programmes, we believe that there is potential to make that investment work even harder by using payment by results to incentivise innovation and collaboration.

Social Investment and Payment by Results in Action

By paying for specific outcomes for individuals, the **Greater London Authority Social Impact Bond** has seen a reduction in rough sleeping among a group of 831 of the most entrenched rough sleepers in the capital: 88%³³ have already ceased to sleep rough³⁴.

Similarly, the **Fair Chance Fund** uses seven Social Impact Bonds to fund sustained accommodation, education and employment outcomes for vulnerable homeless under-25s, who have been recognised as too difficult to be helped effectively by existing services. We are now keen to explore how innovative new funding mechanisms could change the lives of a wider group of homeless people.

The Ministry of Justice (MoJ) is transforming the way offenders are rehabilitated, to reduce reoffending and address the underlying factors, such as homelessness, which increase the risk of offenders committing further crime. Under the **Transforming Rehabilitation** reforms, for the first time in recent history, virtually every offender released from custody will receive statutory supervision and rehabilitation in the community. New legislation extends this statutory supervision to all 45,000 of the most prolific group of offenders – those sentenced to less than 12 months in custody. Furthermore, MoJ is putting in place a nationwide ‘through the prison gate’ resettlement service, meaning most offenders will receive continuous support by one provider from custody into the community.

³³ Figure provide from the CHAIN database, monitored by St Mungo’s Broadway, who run the SIB

³⁴ For more detail on the impact of the GLA SIB, please see the second interim evaluation: <https://www.gov.uk/government/publications/qualitative-evaluation-of-the-london-homelessness-social-impact-bond-second-interim-report> or the St Mungo’s ‘Street Impact’ report for case studies: <http://www.mungosbroadway.org.uk/documents/6257/6257.pdf>

‘Housing First’ approaches

45. We are particularly interested in exploring whether the impressive international results achieved by the ‘Housing First’ model could be replicated on a large scale in England. Rather than following the traditional ‘staircase’ approach (which uses transitional accommodation and provides support to address needs before moving clients into settled accommodation), ‘Housing First’ places homeless people into long term settled accommodation and then uses this stability as a basis to address their other support needs. Pilots in other parts of Europe and North America have seen positive results with tenancy retention rates of around 90%. To date, no large scale pilot has been conducted in the UK³⁵, and we are keen to see what results can be achieved, and at what cost.

Next steps

46. We know that improving services and delivering real change for very vulnerable people will be complex and challenging, and will not happen overnight. We are interested in piloting interventions for this group, based on the principles above, so that we can learn how best this type of model could be implemented.

47. Clearly, this is not something that government can do alone. We are keen to draw on the experience and expertise of trusted partners in local government, health services, the criminal justice system and the voluntary sector who work with this cohort on a daily basis. Your input is the key to designing a future scheme which delivers effective outcomes for vulnerable people and is viable for providers and commissioners. Building on the experience of existing homelessness social impact bonds, we are also keen to draw on the expertise of the social finance sector to design a funding model which is financially viable and delivers a return on investment.

48. We know that the problem we are seeking to address is a challenging one, requiring a long term solution. We value your views and are committed to working with you to ensure that we can deliver the transformation needed to turn around the lives of some of society’s most vulnerable people. The final chapter of this report contains a list of questions which will help us to understand the scope and potential of a future scheme. We invite all those with experience or an interest in working with this cohort to respond, using the instructions 22.

³⁵ Several small-scale ‘Housing First’ pilots have been run in the UK, and an evaluation of nine of them can be found in Homeless Link’s report: <http://www.homeless.org.uk/facts/our-research/housing-first-in-england-evaluation-of-nine-services>

Chapter 4

Call for evidence

1. a) Drawing on your experience, are you able to identify a homeless group who are vulnerable and at risk of falling through service gaps?
If yes, please identify the needs of this group by ticking all that apply.
If no, please tick 'None'.
 - *Low mental health issues*
 - *Medium mental health issues*
 - *Severe mental health issues*
 - *Physical health problems*
 - *Offending history*
 - *Drug addiction*
 - *Alcohol addiction*
 - *Unemployment*
 - *Low educational attainment*
 - *None*
 - *Other, please specify*b) If you selected multiple answers, please describe how these needs overlap or combine and the impact this has on the clients.

2. a) If possible, please provide an estimate of the number of homeless individuals with complex needs in your area.
b) Please define the area that your local estimate refers to.
c) Please define the needs of the individuals included in your local estimate.
d) Please provide the data source or an explanation of how you came to your local estimate.

3. a) If your organisation operates nationally, please provide an estimate of the number of homeless individuals with complex needs across England.
b) Please define the needs of the individuals included in your national estimate.
c) Please provide the data source or an explanation of how you came to your national estimate.

4. a) Are there particular service gaps your organisation faces to achieving long-term outcomes for the complex needs homeless group?
If yes, please tick all that apply.
If no, please tick 'None'
 - *Access to accommodation*
 - *Access to mental health services*
 - *Access to physical health services*
 - *Access to drug treatment services*
 - *Access to alcohol treatment services*
 - *Access to employment support services*
 - *Access to education and skills training*
 - *None*
 - *N/A – I do not work directly with this group*
 - *Other, please specify*

b) If appropriate, please provide further detail or explanation to your answers on service gaps.

5. Who is best placed to commission services for the complex needs homeless group? Please tick more than one if you feel a combination of commissioners would work best.
- *Central government*
 - *Local authorities*
 - *Statutory organisations*
 - *Voluntary providers*
 - *Other, please specify*
6. Who is best placed to coordinate services for the complex needs homeless group? Please tick more than one, if you feel that a combination of coordinators would work best.
- *Local authorities*
 - *Statutory organisations*
 - *Voluntary providers*
 - *Central government*
 - *Other, please specify*
7. Who is best placed to deliver services for the complex needs homeless group? Please tick more than one, if you feel a combination of delivery agents would work best.
- *Local authorities*
 - *Statutory organisations*
 - *Voluntary providers*
 - *Other, please specify*
8. a) Is there potential for the payment by results model to achieve improved long-term outcomes for the complex needs homeless group?
b) Please substantiate your response.
9. Do you have any experience of commissioning a payment by results scheme?
If yes, please explain what you have learned from that experience.
10. Do you have any experience of delivering a payment by results scheme?
If yes, please explain what you have learned from that experience.
11. a) What outcomes could best be rewarded through a payment by results model with the complex needs homeless cohort? Please tick all that apply, or tick 'None'.
- *More stable accommodation*
 - *Improved physical health*
 - *Improved mental health*
 - *Reduced offending*
 - *Reduced drug misuse*
 - *Reduced alcohol misuse*
 - *Progress towards and entry into employment*
 - *Better educational attainment*
 - *Volunteering and training opportunities*
 - *None*

- *Other, please specify*

b) Please provide more detail on your answers. What specific outcomes could be paid for within the categories you selected?

12. What further support, if any, would you require to successfully participate in (delivering or commissioning) a payment by results scheme?

13. How can we improve coordination across local service provision to improve outcomes for homeless individuals with complex needs?

14. How can we improve coordination of services across geographical areas to improve outcomes for homeless individuals with complex needs?

15. What can we do to build on existing services or delivery structures to improve outcomes for this group?

16. Do you have any other suggestions on how services could be improved for the complex needs homeless group?

Please answer the questions above using the following instructions:

<p>Who should respond?</p>	<p>The questions above are aimed primarily at voluntary sector and statutory service providers, local authorities, and social investors.</p> <p>Given the overlapping nature of this cohort's needs, we would value feedback from a full range of local partners working with those with complex needs, including :</p> <ul style="list-style-type: none"> - Voluntary sector organisations in the areas of: <ul style="list-style-type: none"> i) homelessness ii) mental health iii) addiction iv) offending - Health and Wellbeing Boards - Local Authority Housing Options teams - Citizens Advice Bureaux - Police and Crime Commissioners <p>We also welcome responses from service users and members of the public.</p>
<p>Deadline for responses:</p>	<p>21st May 2015</p>
<p>How to respond:</p>	<p>Please complete the online survey here: https://www.surveymonkey.com/s/AddressingComplexNeedsDCLG</p>
<p>Enquiries:</p>	<p>Please send an email to: singlehomelessness@communities.gsi.gov.uk</p>