

# Cabinet (Resources) Panel

## 28 July 2015

<b>Report title</b>	Housing support and social inclusion services for people at risk of violence and abuse	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Val Gibson Children and Young People	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	No	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Linda Sanders, Strategic Director, People	
<b>Originating service</b>	Children and Young People	
<b>Accountable employee(s)</b>	Jessica Timmins	Strategic Improvement and Development Officer – Housing Support and Social Inclusion, Children’s Commissioning
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<b>Report to be/has been considered by</b>	People Leadership Team	13 July 2015

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### Recommendation(s) for action or decision:

The Cabinet (Resources) Panel is recommended to:

1. Agree that The Haven Wolverhampton’s voluntary sector grant of £175,000 per year is not re-invested when the grant contract ends on 31 March 2016, which will meet the Children’s Commissioning budget reduction requirement of £175,000 from 1 April 2016.
2. Agree that The Haven Wolverhampton’s £727,126 per year contract for the provision of housing support and social inclusion services be re-tendered in line with the contract expiry on 7 December 2016.

## 1.0 Purpose

1.1 The purpose of this report is to:

1.1.1 Seek approval of the proposal to achieve a housing support and social inclusion services budget reduction of £175,000 from 2016/17.

1.1.2 Seek approval to re-tender The Haven Wolverhampton's £727,126 per year contract for the provision of housing support and social inclusion services as the contract expires on 7 December 2016.

## 2.0 Background

2.1 On 17 March 2015, the Head of Finance for People presented a report to People Leadership Team (PLT) describing a budget pressure of £498,000 relating to housing support and social inclusion services contracts. PLT agreed that a task and finish group should be convened to address the budget pressure.

2.2 Housing support and social inclusion service contracts are held by three service areas: Children's Commissioning (People), Disability and Mental Health (People) and Education and Enterprise (Places). The task and finish group, with representation from all three service areas, agreed the following contributions that together total £498,000:

Service area	Contribution £000
Children's Commissioning	175
Disabilities and Mental Health	123
Education and Enterprise	200
<b>Total</b>	<b>498</b>

2.3 At its meeting on 13 July 2015, PLT supported the recommendation that Cabinet (Resources) Panel is asked for a decision on the proposal that The Haven Wolverhampton's voluntary sector grant of £175,000 per year will not be re-invested when the grant contract ends on 31 March 2016. This will enable the achievement of Children's Commissioning's £175,000 budget reduction target.

2.4 At its meeting on 13 July 2015, PLT supported the recommendation that Cabinet (Resources) Panel is asked for a decision on the proposal to re-tender The Haven Wolverhampton's £727,126 per year contract for the provision of housing support and social inclusion services to ensure continuity of services when the contract expires on 7 December 2016.

2.5 12 voluntary sector grant contracts, including The Haven Wolverhampton's, are held by voluntary sector organisations in Wolverhampton. All 12 contracts expire on 31 March 2016. A corporate approach is ensuring a review of the remaining voluntary sector grants.

### 3.0 Proposals regarding The Haven Wolverhampton

- 3.1 The Haven Wolverhampton holds a contract with the council for a voluntary sector grant of £175,000 per year. The contract time expires on 31 March 2016. There is no extension option. The grant funds one Benefits and Immigration Officer at an annual cost of £24,718. The remaining £150,282 contributes towards core staff salaries including that of the Chief Executive Officer and senior managers.
- 3.2 The Haven Wolverhampton also holds a £727,126 per year contract with the council for the provision of housing support and social inclusion services (emergency accommodation and floating support) for people at risk of violence and abuse. The contract expires on 7 December 2016 and has an extension clause of two years until 7 December 2018.
- 3.3 In light of the value of this contract together with the need to ensure it is targeting and supporting the most appropriate groups, a strategic review of the needs of people at risk of violence and abuse in Wolverhampton is planned to start during summer 2015. Following the review, an open competitive tender process will be carried out to commission a service model that best meets the need identified by the strategic review. It is expected that the tender process will begin in December 2015 with the commissioned services starting on 8 December 2016 to correspond with the end date of The Haven Wolverhampton's contract.
- 3.4 With effect from 1 April 2015, the annual value of The Haven Wolverhampton's housing support and social inclusion services contract was reduced by £302,931 per year (from £1,030,057 to £727,126) in line with the requirements of the council's Medium Term Financial Strategy 2015/16 – 2018/19. The reduction was achieved by reducing the capacity of accommodation based provision from 73 to 50 in line with proposals put forward by The Haven Wolverhampton.
- 3.5 The table below shows The Haven Wolverhampton's Statement of Financial Activities Year Ended 31 March 2014.

	Restricted Funds (£)	Unrestricted Funds (£)	Total Funds 2014 (£)	Total Funds 2013 (£)
<b>INCOMING RESOURCES</b>				
<b>Incoming resources from generated funds:</b>				
Voluntary income	70,549	10,302	80,851	174,192
Activities for	-	34,625	34,625	36,251

generating funds				
<b>Incoming resources from charitable activities:</b>				
Grants and contracts	597,514	1,053,511	1,651,025	1,705,300
Accommodation charges	-	703,700	703,700	737,536
<b>TOTAL INCOMING RESOURCES</b>	<b>668,063</b>	<b>1,802,138</b>	<b>2,470,201</b>	<b>2,653,279</b>
<b>RESOURCES EXPENDED</b>				
<b>Costs of generating funds</b>	-	118,901	118,901	217,704
<b>Charitable activities</b>	632,452	1,589,033	2,221,485	2,200,936
<b>Governance costs</b>	-	50,958	50,958	50,328
<b>TOTAL RESOURCES EXPENDED</b>	<b>632,452</b>	<b>1,758,892</b>	<b>2,391,344</b>	<b>2,468,968</b>
<b>Net incoming resources and net income and expenditure</b>	35,611	43,246	78,857	184,311
<b>Transfers between funds</b>	13,780	(13,780)	-	-
<b>Net movement in funds for the year</b>	49,391	29,466	78,857	184,311
<b>Funds brought forward</b>	222,030	1,239,816	1,461,846	1,277,535

<b>FUNDS CARRIED FORWARDS</b>	<b>271,421</b>	<b>1,269,282</b>	<b>1,540,703</b>	<b>1,461,846</b>
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3.6 The table below shows The Haven Wolverhampton's Balance Sheet as at 31 March 2014.

	2014		2013	
	£	£	£	£
<b>Tangible fixed assets</b>		1,046,601		1,093,090
<b>Current Assets:</b>				
Debtors	276,182		236,684	
Cash at bank and in hand	498,403		831,779	
<b>Creditors: due within one year</b>	(280,483)		(684,282)	
<b>Net Current Assets</b>		494,102		384,181
<b>Total Assets Less Current Liabilities</b>		1,540,703		1,477,271
<b>Creditors: due after more than one year</b>		-		(15,425)
		<b>1,540,703</b>		<b>1,461,846</b>
<b>Funds:</b>				
Unrestricted funds		1,269,282		1,239,816
Restricted funds		271,421		222,030
<b>TOTAL FUNDS</b>		<b>1,540,703</b>		<b>1,461,846</b>

3.7 Corporate Procurement has confirmed that the voluntary sector grant contract would need to be re-tendered in line with EU procurement regulations if the council wishes to continue to award the funding. Therefore The Haven Wolverhampton would have to be successful in the tender process in order to continue to receive the funding. To award the grant contract directly to The Haven Wolverhampton without following a tender process would be giving an unfair advantage to the organisation over any other when tendering for other contracts.

3.8 The Benefits and Immigration Officer provides support within The Haven Wolverhampton's refugees to women and children who are resident. Working directly with

255 residents per year, the post holder co-ordinates and oversees the application process for housing benefits and welfare benefits and provides up to date information, advice and assistance on related issues. Within other housing support and social inclusion services, this role is carried out by support workers. The Benefits and Immigration Officer also supports women with no recourse to public funds to secure immigration status (around seven women per year).

- 3.9 Alternative services are available should the post no longer exist. Citizens Advice Bureau (CAB) and the council's Housing Benefits and Welfare Rights teams are able to offer advice and assistance regarding housing benefits and welfare benefits. Via the Advice Agencies Consortium contract, CAB receives £74,064 per year from Public Health for the provision of advice services. CAB also holds a £358,200 per year contract with the council for the provision of advice including on immigration, housing and debt.
- 3.10 The Refugee and Migrant Centre (RMC) is able to offer support to people with and without recourse to public funds on all aspects of immigration, including securing immigration status. RMC holds a £99,711 per year contract with Education and Enterprise (funded by Public Health Transformational funding) to provide advice and guidance. In recognition of the specific needs of women from Black and minority ethnic groups, RMC holds a women only drop-in session every Tuesday. As the number of women seeking support from The Haven Wolverhampton's Benefits and Immigration Officer to secure immigration status is small (around seven per year), there will be little impact on the capacity of RMC if it provides the support instead.
- 3.11 In addition to the benefits and immigration service, the core staff members whose salaries are funded by the voluntary sector grant also manage the delivery of The Haven Wolverhampton's £727,126 per year contract for the provision of housing support and social inclusion services for people at risk of violence and abuse. The council's expectation is that The Haven Wolverhampton will restructure in a way that minimises impact on front line service delivery.
- 3.12 The Haven Wolverhampton had planned to become independent of public sector funding through the development of an income generating women's resource centre at 103 Salop Street in Westside 3. Due to the regeneration of Westside 3, the council has decided not to proceed with the asset transfer of 103 Salop Street although The Haven Wolverhampton is able to remain the leaseholder until January 2017 at the earliest. The council has identified alternative freehold properties and co-ordinated site visits but none have met with The Haven Wolverhampton's approval to date.
- 3.13 A meeting has been held with The Haven Wolverhampton to discuss its business plan for the end of the grant contract, with the risks to the delivery of the housing support and social inclusion service contract a key item for discussion. The Haven Wolverhampton plans to apply for replacement funding and has recently increased resource within its grant team, although acknowledges that there are few funders of core service costs and that there may not be enough time to secure sufficient funding before the grant contract ends. In the absence of sufficient replacement funding being secured, the council will

work with The Haven Wolverhampton to agree a restructure that minimises impact on front line service delivery.

- 3.14 The Haven Wolverhampton has expressed that to date, the public relationship between itself and the council has been well maintained through difficult times, including a re-tender process in 2012 and the £302,931 funding reduction which took effect on 1 April 2015. However, it is likely that the Haven Wolverhampton will raise media and political interest upon official notice of the end of its voluntary sector grant contract. To mitigate this risk, Children's Commissioning will continue to work positively and proactively with The Haven Wolverhampton, Councillors and Corporate Communications.

#### **4.0 Financial implications**

- 4.1 Housing support and social inclusion service contracts are held by three service areas: Children's Commissioning (People), Disability and Mental Health (People) and Education and Enterprise (Places). The following contributions from each service area that together total £498,000 have been agreed:

<b>Service area</b>	<b>Contribution £000</b>
Children's Commissioning	175
Disabilities and Mental Health	123
Education and Enterprise	200
<b>Total</b>	<b>498</b>

- 4.2 The recommendation to not re-invest The Haven Wolverhampton's voluntary sector grant when the grant contract expires on 31 March 2016 arises from the need for Children's Commissioning to contribute £175,000 to the total budget reduction target of £498,000.
- 4.3 This budget shortfall is in addition to the existing savings targets included in the council's Medium Term Financial Strategy 2015/16 – 2018/19.
- 4.4 The financial implications of re-modelling and re-commissioning housing support and social inclusion services for people at risk of violence and abuse will be reported according to the Council's governance processes when they are known.

[NM/13072015/B]

#### **5.0 Legal implications**

- 5.1 There are no legal implications arising from this report.

#### **6.0 Equalities implications**

- 6.1 Appendix 1 contains an equality analysis of the end of The Haven Wolverhampton's voluntary sector grant which reflects discussions held with Democratic Services.

- 6.2 The equality analysis shows that the adverse impact of the end of the Benefits and Immigration Service can be mitigated by re-providing the service through alternative, specialist services that are available in Wolverhampton.
- 6.3 The equality analysis considers the potential impact of The Haven Wolverhampton not being able to identify alternative funding for core staff costs and therefore posing potential risk to the housing support and social inclusion services contract it holds with the council. Mitigating actions taken/available include:
- 6.3.1 Discussions with The Haven Wolverhampton began in April 2015 regarding the end of their voluntary sector grant contract and its plans to ensure its continued financial viability post contract end. The council will continue to work closely with The Haven Wolverhampton, providing support as required.
- 6.3.2 The Haven Wolverhampton has increased the capacity of its Grants team in recognition of its need to secure alternative funding and reduce reliance on public sector funding.
- 6.3.3 The council will continue to provide support to The Haven Wolverhampton to identify and apply for alternative funding.
- 6.3.4 In the absence of replacement funding being secured in time, The Haven Wolverhampton has discussed re-structuring to reduce core costs.
- 6.3.5 In its 2013/14 Annual Review, The Haven Wolverhampton declared total funds of £1,540,703 of which £1,269,282 are unrestricted and £271,421 are restricted. These funds could be used for core staff costs for the nine months between 1 April 2016 when its voluntary sector grant contract ends and 7 December 2016 when its housing support and social inclusion services contract ends.
- 6.4 Further equality analyses will be carried out as part of the strategic review process to ensure that due consideration is given to protected characteristic groups when re-modelling and re-commissioning housing support and social inclusion services for people at risk of violence and abuse.

## **7.0 Environmental implications**

- 7.1 There are no environmental implications arising from this report.

## **8.0 Human resources implications**

- 8.1 There are no human resources implications arising from this report.

## **9.0 Corporate landlord implications**

- 9.1 As outlined in paragraph 3.12 the Council will continue to work with and assist The Haven in finding an alternative location from where they are currently based at 103 Salop Street.

## **10.0 Schedule of background papers**

- 10.1 (17 March 2015) People Leadership Team – Housing Support and Social Inclusion Contract Monitoring
- 10.2 (30 March 2015) People Leadership Team – Addressing the 2015/16 housing support and social inclusion services £498,000 budget pressure
- 10.3 (18 May 2015) People Leadership Team – Decommissioning Impact Assessment – Housing Support Contracts
- 10.4 (22 June 2015) People Leadership Team – Addressing the 2015/16 housing support and social inclusion services £498,000 budget pressure
- 10.5 (13 July 2015) People Leadership Team – The Haven Wolverhampton: Housing support and social inclusion services