WHO IS SUPPORTING PEOPLE NOW?
EXPERIENCES OF LOCAL AUTHORITY COMMISSIONING AFTER SUPPORTING PEOPLE
WHO IS SUPPORTING PEOPLE NOW?

EXPERIENCES OF LOCAL AUTHORITY COMMISSIONING AFTER SUPPORTING PEOPLE

PRODUCED BY
Policy Team

ACKNOWLEDGEMENTS
We would like to thank the local authority and service provider staff from the seven case studies, as well as the homeless people they worked with, for taking the time to participate in our research.

We are also grateful to our Advisory Group for their comments on the emerging findings and draft report.

PUBLISHED
January 2013
CONTENTS

Summary and conclusions 4
Introduction 6
  Background to Supporting People funding 6
  Project aims 6
Findings 1: The impact of funding and commissioning changes on local authorities 8
  Management and commissioning of housing-related support 8
  Budget decisions by local authorities 10
  Oversight and performance management 12
Findings 2: The impact of funding and commissioning changes on service providers 14
  The availability of homelessness services 14
  Responding to reduced budgets 15
Findings 3: Client experiences 17
  Changing client characteristics 17
  The impact of welfare reform 17
Future work by Homeless Link 18
Appendix A: Research design 19
SUMMARY AND CONCLUSIONS

There is no place for homelessness in modern Britain. But the services that support people out of homelessness are increasingly under pressure from reduced funding and increasing demand.

We carried out this research to understand the impact of funding reductions on the services that provide support to homeless people in England. Homelessness is increasing, and it is essential that people are given help to find settled accommodation as well as the support they need to address the reasons they became homeless.

Across the country, local authorities are having to take tough decisions about which services to fund with their limited resources, which will see further reductions following the Autumn Statement. For some, this is a decision about whether to prioritise statutory services, such as adult social care, and can mean that housing-related support services, which carry no statutory duty, are given lower priority. Others, however, have been able so far to respond in a more strategic way. We found that, although some authorities had maintained a separate commissioning team, albeit with reduced staff, others had restructured or rolled housing-related support into wider commissioning teams.

Where budgets were tight, we found that monitoring and performance management were often casualties. Although some areas maintained a good understanding of service effectiveness, in other areas local authorities felt they did not have the capacity to monitor providers’ performance. This means that opportunities may have been lost to take an evidence-led approach to commissioning and improving services in the future.

The new funding and commissioning situation is having an impact on providers, with almost all those we spoke to making substantial changes to their services. Some have been able to adapt their businesses to the new financial situation. This may have involved significant restructuring and fundamental re-thinking of how the organisation works, or reducing staff salaries or terms and conditions. The strong message from providers, however, was that they will not be able to sustain services in the face of more funding reductions and the potential impact of the welfare reform changes. Some are increasingly on the edge of financial viability.

Some authorities have been able to protect homelessness services so far from the larger funding cuts. But it was widely recognised that we have not yet felt the full impact of funding reductions on the homelessness sector. During the course of our research, we have heard of areas planning to cut housing-related support budgets by up to 85%.

Whilst recognising the context in which local authorities and providers are working, we highlight the following risks to the support that is essential for people who are homeless:

- **As local authorities restructure, housing-related support teams are losing experienced staff, which puts at risk crucial relationships with service providers and understanding of the needs of clients.** Experienced and skilled local authority staff are invaluable in driving quality and making strategic commissioning decisions. Many have in-depth understanding of service providers and can use their contacts and experience to negotiate. It is also essential that elected members have proper understanding of what housing-related support is and its value so that they can make informed decisions about budgets and the impact of reducing them.

- **Incremental funding reductions will push providers beyond the point of financial viability.** There are likely to be more revenue funding reductions in future years and, for some providers, this will push

---

them beyond the ability to make cuts and still run effective services. Homeless people’s needs are diverse, and providers should engage with public health, clinical commissioning groups, NHS Trusts, criminal justice and substance use services as potential funding sources other than the local authority.

- **Service quality declines and authorities have no oversight of provider performance because effective monitoring is not carried out.** We found that some local authorities have stepped back from regular monitoring of providers, considering that either it is not important or there is insufficient capacity to carry it out. There are, however, still a common data framework and national data collection coordinated by Sitra. Monitoring services is essential as part of the process of maintaining quality, as well as ensuring that providers are delivering value for money, and can be done flexibly and in a risk-based way. Providers also welcome monitoring and oversight to measure up their performance against commissioner and service user expectations.

- **Those providers who cannot demonstrate the needs of their clients, or the outcomes they have, because their information is poor risk losing their services.** Robust evidence about client needs is essential for services and commissioners to understand how best to support people who are homeless. Providers should take the lead in gathering useful and relevant information across a range of outcomes frameworks (such as public health), and sharing it with local authorities as they plan services for the future.

- **The hourly rate for support work is pushed down so far that good staff leave and experience and judgement is lost, leading to poor quality and safeguarding issues.** To meet their funding targets, providers are reducing staff salaries and terms and conditions, with some now offering low wages to support workers. There is a very real risk that these changes will mean the sector will lose experienced workers, and fail to recruit good quality, committed staff. Support workers need to be appropriately skilled, trained and supported to run services properly and work with those with complex or multiple needs and vulnerabilities. Driving down prices too far will ultimately impact on quality.

- **Local authorities do not involve providers early in decision-making, so that providers have to find financial savings quickly and with little notice.** Some local authorities and providers have mitigated the impact of funding reductions by working together to find ways to restructure services or draw on additional funding streams. These close relationships are essential for areas to maintain an appropriate level of provision for homeless people. They also allow providers time to get ready for future funding reductions and make sensible business decisions.

- **The value of homelessness services is not recognised by government, particularly HM Treasury, so that in future budget support to homeless people is cut even further.** It is important that providers and others raise the profile and value of housing-related support services so that essential services to support homeless people are sustained.
INTRODUCTION

BACKGROUND TO SUPPORTING PEOPLE FUNDING

Most homelessness services are reliant on local authorities for funding. Research in 2012 showed that the local authority is the primary funding source for over 70% of homelessness services. 84% of services receive at least some funding from the local authority.\(^2\)

Since 2003, funding for accommodation-related homelessness services has largely been provided through the Supporting People programme. This brought together seven housing-related funding streams from across central government into a single programme funded by the Department for Communities and Local Government (DCLG).

The programme was ring-fenced within local authority funding to provide housing-related support services for vulnerable adults, including single homeless people. Local authorities had a ‘lead officer’ post and commissioning board and made decisions on what services to fund from this programme. They tended to fund a combination of preventative services, such as floating support, and accommodation-based services.

Services that received Supporting People funding were required to submit annual returns which local authorities used, along with the Quality Assessment Framework, to manage the performance of providers. DCLG commissioned the Centre for Housing Research at the University of St Andrew’s to collate this information at a national level, and it was made publicly available.

In 2009, the ring-fence around the Supporting People funding stream was removed. It is now a wholly decentralised programme, administered through 152 top-tier authorities which have complete discretion over where to direct their funding best to meet local needs. In 2010, the Supporting People administration grant, which paid directly for local authority staff and monitoring costs, was also stopped. This was in addition to few inflationary increases which have reduced Supporting People budgets in real terms.

From 2011-12, Supporting People funding was rolled into the Formula Grant – a single grant given by central government to local authorities. There is now no specific budget allocation for Supporting People services as it is part of this single grant. DCLG ended the requirement that local authorities collect or submit client data from April 2011, although some authorities and providers continue to commission the Centre for Housing Research to monitor their information. Sitra has since consulted with providers and local authorities and developed guidance on collecting a common data framework for housing related support.\(^3\)

These changes in the administration of funding have led to a diverse range of responses by local authorities. Combined with welfare reforms, and a changing homeless population, the landscape of housing-related support is shifting.

PROJECT AIMS

This project explores the responses of local authorities and providers to these changes in local authority funding of homeless services. The aim was to understand how changes in funding and commissioning are affecting homeless people themselves.

\(^2\) Survey of Needs and Provision 2012, Homeless Link
The findings are in two main sections – **local authority responses** and **provider responses** – and we also present some evidence on the **issues facing people who are homeless** that we found during the research.

We carried out semi-structured qualitative interviews with local authorities and providers in seven case study areas across England. We asked about how budgets and commissioning had changed for homelessness services, how authorities monitored and performance managed providers, the range of services now available, and how providers had responded to changes to their funding. We also carried out focus groups with clients in most of the case study areas. We have anonymised the case study areas in this report. More information about our approach is in Appendix A: Project Design.

Alongside this research, we have produced guidance and advice for local authorities and for providers as they maintain and develop new relationships in the new funding climate.
FINDINGS 1: THE IMPACT OF FUNDING AND COMMISSIONING CHANGES ON LOCAL AUTHORITIES

Changes to Supporting People programme funding have led local authorities to make a range of internal changes in their management and commissioning of housing-related support. Authorities have also approached budget decisions in different ways, and performance management of service providers varies widely. This section explores local authority responses to changes in the Supporting People programme.

MANAGEMENT AND COMMISSIONING OF HOUSING-RELATED SUPPORT

MOVING TO ADULT SOCIAL CARE DEPARTMENTS

When the ring-fence was removed from the Supporting People budget, there was concern in the homelessness sector that housing-related support teams would lose their distinguishing ‘Supporting People brand’, be merged into adult social care departments, and funding would be diverted to statutory services.

Our research found, however, that some teams responsible for housing-related support had been located in adult social care for many years, including two authorities which had a strong Supporting People ‘brand’. One authority explained how having the same commissioner as social care made it easier to secure access to suitable care packages for eligible homeless clients.

Commissioning care and support

One local authority commissions supported housing for people with histories of long-term and dependent alcohol use. Many of them have poor physical health brought about by heavy drinking, and so have a range of personal care as well as support needs.

As the same commissioner is responsible for adult social care as well as housing-related support, the authority was able to put in place care packages that were appropriate for the needs and living situation of these residents.

Where teams have long been established in adult social care departments, they have had the time and experience to understand the relationship between housing-related support – a preventative programme providing ‘downstream’ cost-effective services – and social care.

Those that have moved recently to social care departments have not yet had the time for that understanding to develop. Some housing-related support teams which had or were likely to move to adult care raised concerns that the relatively small housing-related support budget would get lost amongst the larger adult social care portfolios and budgets.

There were concerns that non-statutory housing-related support would be an easy place to make reductions when statutory care budgets were under pressure. Interventions to prevent homelessness, which was seen as a major argument in favour of housing-related support, was expected to be reduced as budgets were stretched elsewhere. In one area, the authority had not renewed any of the floating support contracts, so there was no provision left to prevent repeat homelessness.

QUALITY AND SKILLS OF COMMISSIONING TEAMS

As well as moving directorates, some housing-related support teams were substantially restructured, such as reducing the number of staff or changing management responsibilities, or removing the ‘lead officer’ role. Those authorities with a stronger understanding of providers were also those with a more stable team, with the
same staff in post for several years. This stability was appreciated by providers, and where teams had substantially changed, providers felt that important knowledge had been lost.

Important skills for housing-related support teams were contract management and monitoring, and understanding service provision. They tended to have generic knowledge of supported housing, and specific experience of homelessness services was not common and not seen as particularly important. In some areas, however, there had been more of a revolving door for staff between the authority and service providers, and commissioners had personal experience of delivering services. The authorities which seemed to have a better understanding of local services reported visiting providers frequently, listening to clients, and focusing on performance monitoring.

In authorities with substantial budget reductions in housing-related support, staff were spread thinly across several commissioning areas. Some explained that it was not now possible to have the depth of knowledge previously required, or to spend sufficient time building relationships with providers and across the authority. In one authority, the Housing Strategy team explained that it no longer met regularly with housing-related support staff, and the staff did not have the time to review data on homelessness or feed in to the strategy.

KEY STAKEHOLDER RELATIONSHIPS

Having good links with other parts of the local authority was seen as important for housing-related support teams. One team described the impact its prevention work can have on other statutory services and the role for housing-related support in co-ordinating them:

*By preventing a 16 or 17 year old progressing on a career of homelessness, you ameliorate the impact on the NHS and other services. The only way to do this is to get everyone in a room together and by acting as a conduit for getting all these things done.*

Key internal relationships were with Housing Benefit teams, Housing Strategy, Social Care, Children’s Services, and Mental Health services in the NHS. Public Health, which moves to local authorities from April 2013, was seen as another major stakeholder for housing-related support. From our wider work, we are also increasingly seeing providers working with Health and Wellbeing Boards and contributing to Joint Strategic Needs Assessments.

Making these relationships work to deliver better services was seen as a significant challenge by several authorities, with one saying that the major frustration was getting other services engaged. In two-tier authorities, the relationships between commissioning at a county-level and housing at a district-level provided an additional challenge as responsibilities for housing-related support services were split.

Engaging other parts of the local authority

One housing-related support team described its frustration with engaging other services provided by the local authority. Some of the clients using the homelessness services it commissioned also had complex mental health issues and some had personal care needs. The team felt that there had been so much staffing change in the local authority teams commissioning those services that the relationships they had built up previously had now been lost.

THE ROLE OF ELECTED MEMBERS

Elected members tended to have little engagement with housing-related support services, with their input mostly limited to approving new contracts or agreeing to contract amendments. The role of elected members was generally felt, however, where significant changes had been made within authorities. In these cases, elected members were seen as influential decision-makers, and key players to influence for the future of housing-related support services.
Explaining prevention services to councillors

In one area, homeless prevention services took large reductions in the first year of local authority budget cuts. One provider described how they lobbied local councillors to make them aware of the value of preventative services. In subsequent years, they found that councillors were more proactive in coming to visit services, and wanted to get a better understanding of how prevention services could be used to reduce the impact on statutory services in the future.

BUDGET DECISIONS BY LOCAL AUTHORITIES

MAKING DIFFICULT DECISIONS

All the authorities we researched had had budget reductions in housing-related support, as a result of wider funding changes across the local authority. It was clear in speaking to commissioning managers that they had to make difficult decisions about prioritising services.

In making these decisions, local authorities have taken different approaches to managing budget reductions for housing-related support services. In part, this was due to the stage they were at in the commissioning cycle when they were required to make budget reductions. Since we concluded our research this autumn, we have seen local authorities making rapid decisions on funding for 2013-14, which is challenging for providers as they plan for the future.

The responsibility for making decisions, however, lies with elected members, and housing-related support staff are often required to carry out decisions in which they have not been involved. One commissioning manager explained that:

*Councillors are never more important stakeholders than now… I think that the political dimension has never been more important. Ultimately, when we are looking at budget saving, it’s the politicians who will make the decisions. We can give them the information and highlight the risks and talk through the implications of A, B or C, but ultimately it’s down to them.*

APPROACHES TO BUDGET REDUCTIONS

In some cases, authorities worked with providers individually to determine how much reduction they could absorb, where they could make efficiencies, and how they could re-focus services. This was often a two-way discussion, with providers aware of authorities’ reduction targets and presenting options for reducing the cost of services.

Authorities tended to take a strategic approach to these reductions, with the more critical services being protected, and peripheral ones reduced. Some commissioning teams were able to draw in funding from other local authority sources, such as drug and alcohol or mental health budgets, to plug gaps in providers’ funding.

Having a good understanding of local providers

In planning for funding reductions in housing-related support, one commissioning team carried out a market analysis of supported housing providers in the area. It researched each provider’s approach to delivering support, their plans for the future, and also examined the area’s demographics to model what provision might be needed in subsequent years. It also did scenario planning, including modelling what a ‘worst case’ might look like.

When it came to make budget cuts, the authority was upfront about its funding situation. It shared what other providers had done to reduce costs, taking and sharing good practice. The commissioners talked to each provider separately and, from this informed position, negotiated new funding packages for each.
In other areas, authorities took a stronger line to meet budget reductions and stopped funding some services entirely. In one authority, the housing-related support budget was reduced by around 12 percentage points more than the average reduction across the authority. The reason given by commissioners was that certain housing-related support services were seen to be ineffective and poor value for money, there was evidence that clients had become dependent, and there was a revolving door back into services.

For some, budget reductions coincided with re-tendering exercises, and the pathway of services was redesigned. One area, for example, managed its housing-related support funding strategically. It reassessed local need and found there was too large a gap in expectation for clients moving on from intensive support, so increased the number of supported places available in the pathway. It made the decision to focus on clients with high needs and made budget reductions accordingly, rather than applying a single top-slice across all providers.

With additional funding reductions being sought now in many authorities for 2013-14, however, it is likely that authorities will not have the time to do a strategic review of local need and provision.

**CONSULTATION WITH PROVIDERS**

In general, local authorities had consulted widely with providers and been open with them about the financial situation. One authority explained that:

> It’s about having an open and honest relationship with providers […] having that conversation and keeping people in the loop. It’s about communication so that providers can adjust to the change.

In some areas, where budget reductions across the local authority were made rapidly, providers felt unable to influence high level funding decisions that had been taken at council level. Since we concluded our research, we have seen more authorities making rapid decisions on funding for 2013-14 without time for proper consultation, which is concerning when decisions are made with long-lasting consequences.

In general, however, they appreciated that commissioners were open with them about the funding situation. There was just one case study in which providers felt the authority was not clear about the rationale for making funding reductions, or explaining why certain providers had reductions, which had led to some distrust.

---

**Keeping providers informed**

One authority warned providers of likely budget reductions and pathway restructuring 18 months in advance, as current contracts were coming to an end. The commissioners held consultation meetings with service providers. They set out in presentations how they would approach the changes, including the mix of contracts they were looking for, the procurement process, and the timetable.

---

**FUTURE UNCERTAINTY ABOUT BUDGETS**

Overall, there was a strong sense of uncertainty from providers and commissioners, as they were expecting more budget reductions in future years. In some of the case study areas, providers had taken a percentage reduction, which was then increased at short notice when the authority had to find further savings. From our wider research, we understand that this is not an unusual situation when authorities have to find further budget savings.

One provider agreed to take a larger percentage reduction in return for a two-year rather than one-year contract so that there would be stability for the organisational changes to bed in. We understand from our
wider work that other providers have sought to negotiate in the same way, but some authorities have been unable to extend contracts because of their own budget uncertainty.

In another area, a provider felt unable to enter into partnerships to maintain services as its contract with the authority was only for a year. Several also described trying to find alternative funding sources other than the local authority, although they recognised that fundraising for this client group was often challenging. There may be scope to explore different models of funding such as social impact bonds, individual budgets, or payment by results.

Providers were concerned that further rounds of budget reductions would ‘cut beyond the fat’ and impact on their ability to provide services. It was felt that providers’ funding situation was ‘at the edge’ and there was a question over whether they would be able to take further funding reductions and still remain financially viable. Several providers said that they would have to close if they were given further budget cuts.

OVERSIGHT AND PERFORMANCE MANAGEMENT

APPROACHES TO OVERSIGHT OF PROVIDERS

We found a broad range of practice in how local authorities were monitoring the performance and value for money of housing-related support providers.

Most authorities involved in our research were using some form of monitoring framework, based on the Quality Assessment Framework (QAF). This tended to involve approximately annual service quality reviews, including gathering information from clients and stakeholders, and some form of data collection from providers. Those authorities that still collect St Andrew’s data on client records and outcomes spoke of the importance of this sort of information, and that they used it to hold providers to account.

One local authority described having taken a more strategic approach to reviews, such as overseeing providers through spot-checks and annual QAFs, rather than a rolling three-year service review programme. It had also taken a risk-based approach to oversight, having at least one annual contract discussion with all providers but meeting the larger providers more frequently.

There was a substantial difference between those authorities that held frequent monitoring meetings with providers, and those that had sporadic meetings, or none. Those authorities that had maintained a high level of monitoring tended to be the ones with a stronger understanding of the providers in their area, and were able to talk about their strengths and weaknesses; those that reduced monitoring levels had less understanding of front-line delivery.

For example, one authority with a high degree of monitoring went into detail with providers about the outcomes for individual clients, such as their move-on options and the length of time they spent in services. Conversely, another authority reported that it had not held performance review meetings for two years, and providers in that area said they rarely met with contract management staff.

Using St Andrew’s data on client needs and outcomes

In one authority, the Housing Strategy team raised concerns that its understanding of the needs of homeless clients was now much poorer because the housing-related support team had stopped collecting St Andrew’s data. A provider in the area also explained that no-one in the local authority now challenges their voids, move-on rates, or outcomes for clients. For them, the commissioning process feels less evidence-led.
BALANCING PERFORMANCE MANAGEMENT AND THE REPORTING BURDEN

Authorities were aware of the burden of reporting on providers and were in general taking a lighter-touch approach. This included reducing the type and volume of information requested. For example, local authorities commonly told providers to stop collecting St Andrew’s information on the number of support hours provided by staff as it was not used as a monitoring tool. Several wanted to improve their measurement of outcomes, with one exploring how to measure outcomes 12 months after clients leave a service.

In general, however, providers were in favour of frequent monitoring meetings and a hands-on approach from local authorities. Providers in areas that had reduced monitoring said that they no longer knew where they stood in relation to performance. Those with a heavier monitoring regime felt that it gave them clarity about what the authority wanted, and reassurance when they were performing well.

CAPACITY TO MONITOR PROVIDERS

Some providers raised the concern that, with internal local authority reductions, there were insufficient staff to review the performance monitoring information that providers submitted on a regular basis. This raised the risk that authorities may not identify poor performance by providers in a timely way, which could lead to poorer client outcomes.

Monitoring information is not only important for providers to improve their performance, but also for other parts of the local authority. In one case study, the Housing Strategy team noted that they did not see data about client needs and outcomes as much as they should, and were not reviewing it robustly. There was a risk that authorities’ housing departments would become less evidence-led if performance monitoring information was substantially reduced.
FINDINGS 2: THE IMPACT OF FUNDING AND COMMISSIONING CHANGES ON SERVICE PROVIDERS

Providers had often made substantial changes to their business in response to changes in funding and commissioning of housing-related support services. In most areas that we researched, some providers had lost contracts or ceased to operate altogether. We spoke largely to those which had retained contracts to understand what differences they had made to their ways of working.

THE AVAILABILITY OF HOMELESSNESS SERVICES

RESTRUCTURING LOCAL PROVISION

There has been a lot of change in homelessness services as a result of funding changes from local authorities. Some areas have restructured their homeless pathways and so services have closed or new ones opened. Services may have changed the clients that they will work with, or the routes through which they take referrals.

In some cases, providers were opening new services: support to get clients into the private rented sector was increasingly in demand and one provider described setting up a food bank at a day centre to support those at risk of becoming homeless. For some local authorities that had restructured, there was a sense that ‘weaker’ providers had gone from the local market of provision, and those that remained were providing better services. The size of providers did not seem to have been a factor in these decisions.

One provider noted, however, that because the local authority had reduced the number of providers operating in the area, it now had no choice but to get those remaining to supply the full range of support it needed, as it had narrowed the market substantially. This limitation of market choice for commissioners, and for homeless people themselves, is likely to lead to less variety in services, reduced innovation, and may have an impact on competition and price.

GAPS IN SERVICE PROVISION

Some areas highlighted a reduction in the amount of supported accommodation available. In some areas, clients described their difficulties in getting access to services, or the sense that Housing Options teams were steering them away from entering services.

Service provision in a rural area

One authority in a rural area reported that, following commissioning and budget changes, it now had no homeless supported accommodation locally as it was focused around the county town. However, homeless people did not want to move away from their area and support networks, so were reluctant to use the provision available. There was very little suitable accommodation in the private rented sector locally, and no other emergency accommodation. The options were that the authority had to keep people in B&Bs for longer, otherwise homeless people would end up rough sleeping.

Floating support had also been reduced in some areas, and was felt to be a significant gap in terms of preventing people from moving back into homelessness. One authority described the situation:
We are finding that some people are coming on to the housing register and getting allocated a home – not needing 24-hour support but needing a bit of help coming into a tenancy… [But] now it’s either accommodation-based or you’re on your own in your own tenancy.

Generally, however, gaps in provision tended to be where homeless clients needed support from statutory services. Mental health services were often said to be insufficient or seen to be difficult to access for homeless clients.

In one area, a provider noted that the local authority had changed its FACS (Fair Access to Care Services) eligibility criteria for social care, so people with lower needs were not getting statutory care, and were falling through the gaps and being picked up by housing-related support services. Our wider research has also reported that providers are seeing clients with higher needs using homelessness services.

Clients also noticed limitations in the services that they could access. Some, for example, felt the limited time they could have a support worker for was problematic; others described longer waiting times for getting on courses, or being told they were no longer available. We have also found a similar trend in our research with providers for our annual Survey of Needs and Provision.4

RESPONDING TO REDUCED BUDGETS

CHALLENGING BUDGET REDUCTIONS

Providers that relied on the local authority for the majority of their funding were substantially affected by reductions in funding. They experienced a range of budget reductions, up to around 25% in one year.

When these reductions were proposed, some providers lobbied local councillors and MPs to raise the profile of their work and try to protect their funding. Many tried to, and often succeeded in, negotiating their financial settlements with the local authority. For example, one provider suggested that they could meet funding reductions by reducing the support provided in an intensive support hostel, but this would increase the level of risk that they would have to accept. The local authority did not want to accept this higher level of risk, so found savings elsewhere and maintained the high level of support needed for that hostel to operate safely.

CHANGES TO STAFF ROLES AND CONTRACTS

As a result of reduced funding, providers made a range of changes. In terms of financial changes, some lowered staff salaries and hourly rates in order to win contracts, or made no cost-of-living increases for several years.

<table>
<thead>
<tr>
<th>Reducing support worker salaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>One provider explained that the only way to win contracts was to reduce staff costs. It used to pay £18,000-22,000, increasing in increments, for a support worker, but now offers a flat rate of £18,500. Another provider in the same area offers £13,000-16,000 a year. By offering lower salaries, or few opportunities for progression, the provider found that applicants had lower skills, less experience, and poorer understanding of relevant issues like welfare reform. The provider felt that support working was no longer seen as a career path.</td>
</tr>
</tbody>
</table>

Several providers redesigned their management structures, such as by removing a layer of management and redistributing responsibilities. One organisation increased staff hours per week from 35 hours to 37.5 hours with no pay increase. Some providers were trying to reduce the number of hours provided by paid staff and

4 Survey of Needs and Provision 2012, Homeless Link
using volunteers more, such as for front-of-house and reception to allow paid staff to focus on key-working sessions. In some areas, providers made staff redundancies, mostly voluntary but some compulsory.

Providers described wider changes to staffing. These included changing the night staff team to a concierge service; holding vacancies across the organisation; increasing staff caseloads; reducing sickness benefits; using zero hours contracts; and moving from full-time to part-time workers.

There was a suggestion from providers that these changes could not continue without having a wider impact, and there was a limit to the change possible before service quality slipped. Several recognised that working conditions were now very challenging for staff and there was already or would soon be an impact on morale. There was also a risk that, with lower pay levels and less progression available, it would be difficult to recruit high quality or experienced staff. These findings are echoed in our Survey of Needs and Provision 2012.

**FINDING OTHER SOURCES OF FUNDING**

Some accommodation providers described moving appropriate charges into their Housing Benefit allocation as part of housing management, so reducing the overall costs of their support provision.

Providers also described trying to diversify their funding base, such as by applying to trusts and foundations, to the Lottery, and for Crisis PRS funding. One has set up a social enterprise and lettings agency to reduce its reliance on local authority funding.

Some providers have changed their organisation or services more widely. One changed the provision in a newly built hostel so that 30 of the 80 beds were unsupported, thus reducing the amount of support work needed. Some stopped providing specific services, such as a domestic violence support service and a service for people with addictions in one case. Others restructured their teams, such as one merging three teams into one, and sharing back office functions with other providers.

One provider described how the financial situation had made them think more creatively about the services they provided and has led to some improvements in provision. For example, they wanted staff to work more flexibly which has meant that clients can now keep the same support worker as they move to other services rather than changing with each move.
FINDINGS 3: CLIENT EXPERIENCES

During our research, we spoke to some clients of the service providers. Through this work, we heard people's stories and experiences of using services. We also talked to local authorities and providers about the changing characteristics of people using their services. The issues that people were facing will be relevant for both local authorities and providers as they plan housing-related support services for the future.

CHANGING CLIENT CHARACTERISTICS

Local authorities and providers reported an increase in clients with more complex or multiple needs, particularly substance use, mental health issues, and involvement in the criminal justice system. Some described seeing clients with more complex needs as changes in the FACS eligibility criteria were limiting provision of social care to all but those with the highest need.

Combined with the reductions in staffing levels and experience that the research has shown, there could be increased risk for services and clients where people with complex needs could be getting lower levels of support.

Several noticed an increase in alcohol dependence, including complicated physical health problems and end-of-life care issues. One area was seeing an increase in those who would not normally be homeless, but who found themselves in that situation as a result of relationship breakdown or redundancy – older professional people in their 50s, increasingly with drug or alcohol issues.

THE IMPACT OF WELFARE REFORM

In all areas, the impact of initial welfare reform changes was seen to be exacerbating homelessness and vulnerability. The affordability of the private rented sector, especially after changes to the local housing allowance and shared accommodation rate, was of particular concern.

Debt was seen to be an increasing problem for some clients. Other providers had seen an increase in crime as a result of benefit sanctioning. Clients themselves raised concerns about not having the choice to have their rent paid directly to their landlord, as in the model for Universal Credit. This was a particular issue when there were gambling or substance use issues involved.
FUTURE WORK BY HOMELESS LINK

As well as highlighting the wider risks at the beginning of this report, we will be using this research to inform our future work to sustain support for homeless people.

We have produced a companion piece for the research which provides guidance for local authority commissioners on sustaining this support.

We will also be producing guidance for providers on working with local authorities and elected members which will be published on our website www.homelesslink.org.uk.
APPENDIX A: RESEARCH DESIGN

The project explores the impact of changes in funding and commissioning of housing-related support services on local authorities, service providers and their clients. Our research questions were:

- How are single homeless people in England affected by changes in local authority funding of housing-related support services?
  1) How are services for non-statutorily homeless people now being funded by local authorities?
  2) How are decisions being made in local authorities about how to fund services for homeless people?
  3) What is the impact of service changes on current and future homeless people?

We carried out qualitative research in seven case study areas, which we have anonymised in this report. The areas were chosen based on the following criteria:

- Level of funding cut in the local authority and the extent to which funding cuts have been passed to front-line services
- Level of homeless service provision prior to funding cuts (2010-11)
- Geographic location
- Rural / urban areas

Using Homeless Link’s network of Regional Managers, we identified contacts within each local authority and got agreement from them to participate in the research. The Regional Managers then provided contact details for between two and four homeless service providers in the local authority area. All of the providers that we contacted agreed to be involved in the research.

The fieldwork was carried out between August and October 2012. We followed the same approach in each case study area, carrying out semi-structured interviews with: (1) local authority officials responsible for commissioning housing-related support; (2) chief executives or service managers at homeless service providers; and (3) a focus group in almost every area with clients of one of the providers we interviewed.

Where participants permitted, we recorded the interviews and focus groups and transcribed them subsequently. We analysed the interviews using a thematic approach. The themes largely derived from the topics covered in the semi-structured interviews.

The project was overseen by a Homeless Link project group, which advised on the content and research questions. There was also an advisory group which commented on the emerging findings, and provided advice on how to disseminate the messages. Members of the advisory group were: DCLG, the Association of Directors of Adult Social Services (ADASS), the Local Government Association (LGA), the National Housing Foundation, the Housing Learning and Improvement Network, and Sitra.