Greater Manchester Combined Authority

Date: 22 March 2024

Subject: A Bed Every Night 2024-25 Budget and Update

Report of: City Mayor Paul Dennett, Portfolio Lead for Homelessness

Purpose of Report

To seek approval for a reprofiled 2024/25 funding settlement for the final year of the agreed A Bed Every Night 2022-25 programme.

Recommendations:

The GMCA is requested to:

1. Approve A Bed Every Night budget for 2024/25 (**£5,600,000**)
2. Note the intended direction of travel for the ABEN budget for 2025/26

Contact Officers

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Equalities Impact, Carbon and Sustainability Assessment:

Results of the Sustainability Decision Support Tool to be included here:

Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion	G	The Service will support the prevention of homelessness, which impacts disproportionately on those with protected characteristics The Service will support the prevention of homelessness, which impacts disproportiontely on those who are socially or economically disadvantaged. The Service will enhance the accessibility of Public Services for the cohort In the contribution to lower levels of rough sleeping, in some communities, which is a cause for anti-social behaviour
Health	G	The Service will support the prevention of homelessness, with consideration for improving physical health The Service will support the prevention of homelessness, with consideration for improving mental health and wellbeing The Service will support the prevention of homelessness, with consideration for reducing social isolation
Resilience and Adaptation		
Housing	G	The service will support the prevention of homelessness, including rough sleeping. The service will support the prevention of homelessness, with consideration of move on into affordabile homes.
Economy		
Mobility and Connectivity		
Carbon, Nature and Environment		
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target		
Further Assessment(s):		Equalities Impact Assessment

Positive impacts overall, whether long or short term.	**Mix of positive and negative** impacts. Trade-offs to consider.	**Mostly negative**, with at least one **positive** aspect. Trade-offs to consider.	**Negative** impacts overall.

Risk Management

Risks relating to service delivery will be managed through structured contract management, delivered by Greater Manchester Local Authorities within Grant Agreements with Greater Manchester Combined Authority.

Legal Considerations

The procurement of A Bed Every Night services will be subject to legal advice relating to procurement and information governance.

Financial Consequences – Revenue

Revenue income is subject to risk, with mitigations and impacts outlined for assessment.

Financial Consequences – Capital

None.

Number of attachments to the report: 2

Appendix 1 – *ABEN approved service developments.doc*

Appendix 2 – *ABEN Incomes and Expenditure 2022/23-2024/25*.exl

Comments/recommendations from Overview & Scrutiny Committee

N/A.

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution

Yes

Exemption from call in

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?

No

Please state the reason the report is exempt from call-in

GM Transport Committee

N/A

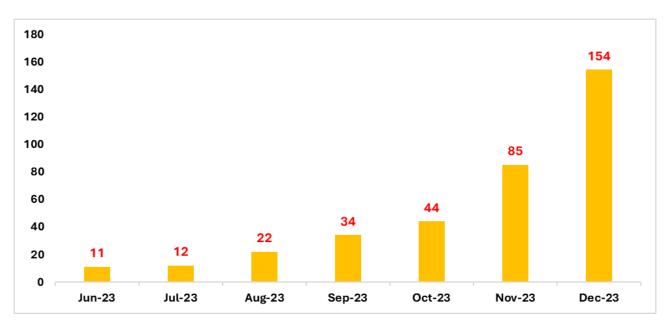**Overview and Scrutiny Committee**

N/A

1. Introduction

1.1. Greater Manchester has, over many years, invested heavily in a strategic and mission-oriented approach to end rough sleeping and prevent homelessness across our region. At the core of these efforts is A Bed Every Night (ABEN), which remains a central pillar of our safety net for people experiencing, or at risk of, rough sleeping.

1.2. Since 2018, over £30million has been invested in ABEN, providing accommodation and support to over 10,000 people across Greater Manchester who are experiencing, or at risk of, rough sleeping. Consequently, ABEN has undoubtedly played a pivotal role in the reductions in rough sleeping we have seen since 2018.

1.3. This investment comprises contributions from the Mayor, Local Authorities, Health and Social Care, the government, and the Criminal Justice System. This pooled investment model is groundbreaking, demonstrating a whole-system commitment to ending homelessness.

1.4. ABEN does not operate in isolation and forms part of a progressive, holistic response to rough sleeping in Greater Manchester, a commitment which has developed over many years. Our response has grown in maturity and now comprises ca. £19 million p.a. investment in: homelessness prevention (Young Person's Pathfinder), support for specific cohorts (Restricted Eligibility Support Service, CAS-3) and support for people experiencing long-term homelessness and multiple disadvantage (Housing First, RSAP, Dual Diagnosis Support).

1.5. In February 2023, a three-year budget was agreed for ABEN, with a view to addressing some of the inconsistencies in resourcing and support offers that had arisen from a series of piecemeal commissioning cycles.

1.6. In establishing this budget, and in the context of record low rough sleeping numbers, key drivers included:

- Increasing the equity of funding into Local Authorities.
- Driving long term financial sustainability by drawing revenue from the welfare system.
- Ambition for greater investment in other areas of homelessness response and prevention.
- Responding to clear requirements from national government to reduce our overall funding envelope from the Rough Sleeping Initiative.
- Reducing overall grant requirement as far as possible by end of national parliament and Greater Manchester Mayoral term and thereby improve future sustainability.

1.7. This decision and the broad direction of travel recognised the inherent risks and uncertainties both on the income side (requiring further agreement and potentially greater or additional contributions) and the expenditure side (viability of budget reductions while maintaining bed numbers and support quality in all areas).

1.8. Key milestones in the development of ABEN over the last 12 months include:

- Improving data and insight: enhancing our case management system to enable the tracking of personal outcomes during and after a stay in ABEN, in order for us to better understand the impact ABEN services are having on individuals' health and wellbeing. This includes better intelligence about immigration status, welfare entitlement and the extent of substance misuse.

- Rollout of Dog Champions training in partnership with Street Paws, ensuring that as many of our ABEN sites as possible are able to accommodate people with pets.

- Delivering a WiFi project in partnership with Jangala, to provide ABEN sites with accessible WiFi.

- Supporting Local Authorities to transform their services to drive better quality and value for money, including changes to the support and accommodation model.

- Developing a comprehensive workforce development offer for ABEN managers and frontline practitioners to share best practice and influence service development.

1.9. Since 2022, the landscape for homelessness, rough sleeping and poverty has changed considerably across Greater Manchester. We have seen:

- Record high numbers of people approaching their Local Authority for support due to being at risk of homelessness.

- Record numbers of households in Temporary Accommodation (over 5,000 at any one point in time).

- Sustained increases in the number of people seen rough sleeping on a single night (+46% in November 2023).

- Sustained increases in the number of people receiving a Section 21, no-fault eviction.

- A changing migration/asylum landscape, with the accelerated asylum decision-making process creating additional rough sleeping pressures (see below). This includes homelessness risks faced by growing Ukrainian and Afghan refugee populations and increasing EEA national cohorts ineligible for the EU Settlement Scheme or facing barriers to late applications.

- Macroeconomic factors driving up homelessness risk for a wide range of households, including rising cost-of-living and mortgage interest rate rises.

- Frozen Local Housing Allowance rates restricting GM residents in receipt of welfare benefits to less than 4% of properties in the private rental sector.

2. Pressures created by Accelerated Asylum Decision-making

2.1. We are seeing a rapid increase in the number of refugees rough sleeping in Greater Manchester following an acceleration of the pace of asylum decisions, which saw over 2,500 Home Office-supported households receive a decision between August and December 2023. All ten Greater Manchester Boroughs now reporting increased rough sleeping amongst people recently granted refugee status. Across Greater Manchester, this amounts to a 1,300% increase over the last 7 months of 2023 (see figure 1).

2.2. This echoes long-term trends in statutory homelessness, where in the latest quarter in GM the number of people per 100k population owed a homelessness duty who have had to leave asylum accommodation was almost triple the England rate for prevention (2.3 Vs. 0.9) and relief (4.7 Vs.1.6)

Figure 1) People seen sleeping rough in-month across Greater Manchester, who had left Home Office accommodation in the last 86 days.

2.3. A number of Local Authorities are reporting unprecedented levels of families in Temporary Accommodation from the asylum system, along with record-breaking ABEN waiting lists.

2.4. Across boroughs, the nature of the rough sleeping challenge from the asylum system is distinct in a few key ways:

- People rough sleeping and in off-the-street accommodation are typically **single person households**, who are unlikely to be deemed in Priority Need for temporary accommodation.

- **New refugees are being drawn to urban areas** from elsewhere in GM and the rest of the country – overwhelmingly to Manchester - therefore pressures being

experienced are not necessarily proportionate to asylum populations in each borough.

- **The rough sleeping is highly visible.** Most local authorities report a consistent pattern of rough sleeping in groups outside town halls or in bus stations.

- **Distrust and expectations of housing offer:** In the absence of funded, community based, face-to-face support for asylum seekers, the level of advice people have access to in the asylum system is inadequate. When confronted with the realities of the limited accommodation options available, people often feel anger and frustration, which has led to tensions.

- **Risks to social cohesion and community safety:** the pace at which people are receiving decisions and becoming at risk of homelessness creates wider risks of inflaming pre-existent far-right tensions related to local asylum placements.

2.5. Home Office have confirmed that the pace of asylum decisions (and therefore the flow onto the streets) will continue for the foreseeable future, with a new target of 40,000 asylum decisions set for January-March 2024. We do not yet have an accurate breakdown of projections for GM, the indicative data received suggests we will see approximately 805 additional households in GM leaving their Serco accommodation before April.

2.6. Due to the nationalities included in this cohort of decisions, it is also likely that a higher proportion will receive negative decisions when compared to the decisions made between August-December.

2.7. The impact of negative decisions is likely to been seen over a number of months, but if individuals are unable to appeal, they will have no recourse to public funds and face acute exploitation risks.

2.8. We have demonstrated through ABEN and the Restricted Eligibility Support Service, that, when you provide people with accommodation, support and immigration advice, the overwhelming majority of people are able to regularise their status. This is recognised as best practice by DLUHC and Home Office officials and this model is a specific theme of the recently announced DLUHC Test and Learn programme, evaluating rough sleeping interventions.

3. Health and Wellbeing Impact

3.1. Beyond alleviating the housing issues people are facing, ABEN provides people with the time, space and in-reach services to address broader determinants of health and wellbeing. In the absence of a housing intervention, however, this would be extremely difficult. A breakdown of the health needs of the ABEN cohort in 2023 is presented in Appendix 1.

3.2. In 2023, 60% of people referred to A Bed Every Night had at least one identified health need and, over the last 3 years, 2,479 individuals have been helped to register with a GP, and 310 were helped to access dental support. As waiting lists for ABEN grow, our ability to respond to the health needs of people experiencing homelessness diminishes.

3.3. This is particularly important in the context of growing refugee homelessness and the need to respond to the specific needs of migrants experiencing homelessness. In this context, the excellent work done across health and social care to embed inclusion health and race equality principles takes on a new importance and provides a good foundation for future work in this space.

4. Budget – income

4.1. The budget agreed in February 2022 considered a best case (tapering) and worst case (sustained) budgeting scenario for each year, based on the income secured through our various investors. For 2024, this meant assumed revenue of either £4.25million (tapering) or £5.25million (sustained).

4.2. This reduction was driven by a shared desire to reallocate £1million health expenditure on homelessness away from funding projects like ABEN and towards more homelessness prevention interventions. Whilst this ambition remains, it has not been possible to achieve this shift at the required pace and the prevailing extreme rough sleeping demands mean that there is an ongoing funding requirement to sustain.

Table 1 – 2024/25 Core A Bed Every Night Budgeted Income

	Tapering	Sustained	Proposed	25/26 Plan A
GM Mayor's Charity	£400,000	£400,000	£250,000	£250,000
GM Mayoral Precept	£2,400,000	£2,400,000	£2,400,000	£2,400,000
HMPPS	£100,000	£100,000	£100,000	£100,000
GM Police and Crime Commissioner	£250,000	£250,000	£250,000	£250,000
Health	£700,000	£1,700,000	£1,950,000	£1,950,000
DLUHC Rough Sleeper Initiative 22-25	£400,000	£400,000	£400,000	£1,100,000
Reserves			£250,000	
Planned position	**£4,250,000**	**£5,250,000**	**£5,600,000**	**£6,050,000**
Change to 2022/23 budget	-13%	-6%	0%	+2%

4.3. To ensure we have adequate provision for 2024/25, it is therefore proposed:

- To retain the 2024/25 health contributions at the same level as 2023/24.
- To commit £250k Homelessness reserves, which is within tolerance.

4.4. For 2025/26 onwards, it is intended to negotiate with DLUHC to restore our Rough Sleeping Initiative allocation for A Bed Every Night to 2021/22 levels, plus a modest 10% uplift.

4.5. This approach is not without risk. It is incredibly difficult to project income from national government-funded programmes beyond 31 March 2025, given the impending general election. Based on similar transitions in previous years, it seems reasonably likely that the next administration will not have sufficient time to complete a full bidding and allocation exercise for an extension of the Rough Sleeping Initiative.

4.6. Despite this risk, the rationale for this is clear:

- The original RSI funding settlement was based on reduced investment in crisis services across the 3 year settlement, in favour of preventative interventions.

- The continued increase in rough sleeping over the period, exacerbated by the accelerated asylum decision-making process.

- We have proposed preventative solutions to mitigate some of the policy shifts (e.g. accelerated asylum process) behind the recent rapid rise in rough sleeping, to no avail.

- Via RSI funds, we commission the Restricted Eligibility Support Service, which provides prevention and recovery support to people with restricted eligibility for public funds who are rough sleeping. This service is consistently overwhelmed with demand from people sleeping rough or in ABEN accommodation.

- The proposed investment from DLUHC represents 18% of the overall budget envelope, demonstrating significant match funding.

4.7. Leaders are recommended to approve the 2024/25 income and note the intended direction of travel to seek additional government funding for future years.

5. Budget - expenditure

5.1. It has not been possible to transition towards the tapering budget over this period, despite implementing many of the revenue changes required, including shifts toward full rent recovery models. This is the result of a number of factors, including:

- Extremely high demand over the course of the last two years, with all areas routinely at or over 100% occupancy.

- Reduced accommodation capacity due to bottlenecks as a result of frozen Local Housing Allowance rates.

- Ambiguity from government on the extent to which public funds can be utilised to accommodate people sleeping rough who have restricted eligibility.

- Significant reductions in winter pressures funding from DLUHC.

Table 5 – 2024/25 Expenditure for Approval see also Appendix 2, sheet 4.

	Beds (Original)	Beds (Proposed)	Original	Proposed
Bolton	38	38	£418,000	£418,000
Bury	25	25	£225,000	£225,000
Manchester	88	88	£1,144,000	£1,320,000
Oldham	23	23	£253,000	£253,000
Rochdale	26	26	£234,000	£234,000
Salford	100	130	£1,300,000	£1,500,000
Stockport	10	10	£90,000	£90,000
Tameside	26	26	£260,000	£260,000
Trafford	10	10	£90,000	£90,000
Wigan	20	20	£220,000	£227,200
Core beds Total	*366*	*396*	**£4,234,000**	**£4,617,200**
NRPF - Oldham	*6*	*6*	£79,200	£79,200
NRPF- Manchester	*30*	*30*	£396,000	£396,000
NRPF - Rochdale	*4*	*4*	£52,800	£52,800
NRPF- Salford	*20*	*20*	£264,300	£264,300
NRPF - Support			£118,100	£140,500
NRPF beds Total	*60*	*60*	£910,400	**£932,800**
Project Mgmt			£50,000	£50,000
Total	*426*	*456*	**£5,250,000**	**£5,600,000**

5.2. Even with the proposed sustained revenue budget, this leaves a £250k shortfall. As described above, this is within the tolerance of the current reserves, but this would necessitate additional investment in future years to ensure the sustainability of the ABEN offer (see 3.3-3.6).

6. Long Term Future and Sustainability of ABEN

6.1. In 2024, we will commence a full review of the ABEN offer across Greater Manchester, looking at the current state and opportunities for change within:

- The accommodation offer.

- The support and staffing models.

- Funding models (looking particularly at alternative funding for people with restricted eligibility for public funds).

- Access and referral routes.

- Move on destinations, good practice and wider system pressures.

- Data, insight and evidence of effectiveness.

- Demographic change and under-served cohorts (e.g. women, people who are LGBTQ+, people experiencing racial inequality etc.)

- Policies, procedures and best practice

6.2. This review will consider the various investment partners and future sustainable funding models for ABEN. This includes considering ABEN investment across the spectrum of GMCA commissioned services and reinvigorating the strategic shift towards prevention.

6.3. Considering the current (and likely prolonged) demand emanating from the asylum system, we will be specifically considering the investment model for people with restricted eligibility for public funds and exploring opportunities to move towards a fully immigration neutral ABEN offer.

6.4. The uprating of Local Housing Allowance to the thirtieth percentile of rents in April 2024 presents an opportunity to drive improvements in the positive move on rate across ABEN. Whilst this remains a temporary uplift that is projected to end in 2025/26, it will allow Local Authorities and ABEN providers a brief window to free up capacity and help with the current pressures. This will be a key focus of 2024/25.

6.5. The enhancement of our data and insight on ABEN outcomes over the last 2 years allows us to take a critical look at the strengths, weaknesses and opportunities within the current ABEN landscape.