

GOING HOME STAYING HOME REFORM SPECIALIST HOMELESSNESS SERVICES

Inner City Sydney Funding and Service Plan

1 INTRODUCTION

The Going Home Staying Home reform of the Specialist Homelessness Services (SHS) Program aims to strengthen the capacity of homelessness services and deliver a better balance of prevention, early intervention and crisis support.

A State-wide SHS tender process was conducted between November 2013 and February to procure SHS services to be funded in the Department of Family and Community Services (FACS) Districts from July 2014. Providers who successfully applied for the SHS Prequalification Scheme were invited to bid for services on the basis of the capabilities they demonstrated in their prequalification application.

As part of the reform process, in November 2013, the NSW Minister for Family and Community Services announced a collaborative planning and procurement approach for SHS in inner city Sydney.

FACS held initial consultations through a Roundtable in December 2013 with prequalified homelessness service providers and other key stakeholders. A proposed planning and procurement approach was subsequently circulated to the same group for comment. FACS received a number of comments on the proposal which were considered in the development of this final approach.

2 BACKGROUND

2.1 Homelessness in the inner city area of Sydney

The inner city of Sydney¹ has historically received a significant proportion of the SHS Program budget because of its high concentration of homelessness services and crisis accommodation.

The following factors are some of the unique features of the inner city of Sydney homelessness service system:

¹ The inner city of Sydney area comprises the City of Sydney Local Government Area (LGA)

- an 'inner city drift' has been occurring where people from regional and suburban areas are drawn to the inner city of Sydney for a range of reasons including to access homelessness and other services;
- service providers have targeted a significant component of their homeless response to single men;
- high numbers of crisis beds with many being large congregate style properties and mostly owned and operated by large charities;
- service models which are predominantly focused on crisis responses; and
- an area which has historically been known as a hotspot for rough sleepers (the February 2013 City of Sydney Rough Sleeper Count recorded 270 rough sleepers and 473 homeless clients occupying hostel beds).

2.2 A redistribution of SHS resources

Under the Going Home Staying Home (GSH) Reform, a Resource Allocation Model (RAM) was developed to enable resources to be targeted to where they are needed most. This has resulted in the redistribution of resources from the inner city of Sydney to other parts of the State.

The RAM indicated that, based on population need alone, a significant part of the resources currently allocated to homelessness services in inner city Sydney should shift to other parts of the State. However, in determining the final resource allocation, a number of other factors were considered. Importantly, the resource shift will be phased in to allow time for strengthening services outside the inner city, moving further towards a focus on early intervention and working with the large charities that contribute significant crisis properties and resources to the homelessness service system.

3 PAST REFORM AND INNOVATION

Over recent years, there has been considerable reform and innovation in the inner city area of Sydney to build on. This includes:

- National Partnership Agreement on Homelessness (NPAH) funded projects such as the Camperdown project, Way2Home and Platform 70 which focus on long term and sustainable outcomes for people who are chronically homeless with complex needs;
- the Inner City Integrated Services (ICIS) Coalition which focused on collaboration and integration of services delivered by the large charities;
- SHS service initiated reform and partnerships where providers redesigned services and formed networks and partnerships with community housing providers and other services;
- GSH Innovation and Industry Development Funds provided to SHS providers to redesign and reconfigure services;

- the City of Sydney's commitment to, and investment in, the reduction in homelessness and rough sleeping in the city; and
- the contribution of other NSW Government agencies, notably the Ministry of Health and Corrective Services NSW, to services targeting homelessness, guided by the NSW Homelessness Action Plan and funded under the NPAH.

4 SECTOR CONSULTATION AND FEEDBACK

4.1 Roundtable Forum

In recognition of the special circumstances of inner city Sydney, a separate planning and pre-market engagement strategy was implemented to inform the procurement approach for SHS.

FACS convened a Roundtable forum on 16 December 2013 to engage relevant stakeholders in the planning process. The objectives of the Roundtable discussion were to:

- develop a long-term, strategic direction for reducing the concentration of homelessness in the inner city
- develop strategies for longer-term reform (including reducing inner city drift and strengthening the focus on early intervention to prevent homelessness)
- identify opportunities within current property holdings
- explore ways that FACS can facilitate partnership efforts, phased implementation of long-term goals and transition arrangements
- provide input into service planning, including:
 - 2014/15 SHS Program funding
 - identifying the current client case mix and shifts required in this case mix over the next six years
 - determining and funding service packages
 - transition arrangements.

Key outcomes from the Roundtable were recognition of the need to:

- reconfigure the homelessness service system incrementally in an effort to reduce the concentration of services and crisis responses over time – this will ensure that current service provision does not cease abruptly and cause significant impact to clients;
- work collaboratively with those NGOs that currently contribute significant resources to the homeless sector to ensure current effort is not significantly reduced as a result of the reform; and
- develop service models which are consistent with: Housing First approaches; assertive outreach for rough sleepers; brokerage models; early intervention approaches; approaches that aim to reduce the inner

city drift; integrated and coordinated approaches; service hubs; and specialised approaches.

4.2 Homelessness NSW Forum

Following the Roundtable, the three peak bodies involved in homelessness (Homelessness NSW, Yfoundations and DVNSW) convened a meeting on 20 January 2014 to facilitate further consultation with prequalified inner city Sydney service providers.

The outcomes from this meeting were provided to FACS.² Key advice identified the need to establish a six year transition plan for the management of change to the homelessness services system which considers the following:

- a set of outputs and outcomes for the homelessness service system in inner city Sydney for three years and six years;
- a business plan which identifies the gradual movement of funding, services and properties from inner city Sydney to other locations over the six years;
- a property strategy that identifies what may be transferred elsewhere; what can be transformed within inner city Sydney; and what can be purchased, constructed or leased in other locations where client need is greatest; and
- an indicative set of service packages to commence in 2014/15 once work has commenced or completed for the above points.

4.3 Funding and Service Plan proposal consultation

A draft Funding and Service Plan Proposal was distributed to all Roundtable participants for comment in February 2014. Responses were received from 18 organisations and this feedback informed the final direction within this plan.

Overall, the feedback provided broad support for the approach, acknowledging the rationale for reducing congregate care arrangements and increasing approaches that intervene early and achieve long term outcomes for clients.

Key themes from the feedback included:

- support for a long term service and collaborative planning approach, and views that the funding reduction should take place over a six year period to ensure a successful transition;
- support for innovation and reconfiguration of services to achieve GSH outcomes through the procurement approach for the four large charities (Strategy 1) that isn't confined to crisis driven responses;

² Summarised in paper by Homelessness NSW entitled *GSH Reform – Transition of service system in inner Sydney*

- support for a two part procurement approach, with preference for the approach whereby all prequalified providers, except for the four large organisations, would be invited to tender for all Strategy 2 services (Option 1);
- support for the proposed establishment of a governance group to drive the reform process;
- support for the inclusion of an Aboriginal specific approach in the assertive outreach service model;
- support for gender based specialist homelessness services in the inner city area;
- support for people living marginally in boarding houses and overcrowding in the private rental sector to be considered as part of the client mix;
- suggested expansion of the rapid response service model target client group to include people already located in the inner city as well as recent arrivals; and
- issue with the proposed package for short-term residential support for chronically homeless with complex needs as the approach only provides temporary respite without suitable long-term exit options.

Sections 5 and 6 below outline the approach to long term planning and reform and to service design and procurement. This has been revised in consideration of the some of the feedback received during the consultation phase. The main change is:

- removing the short-term residential support for chronically homeless with complex needs service – services for this client group will be addressed in other service packages and other existing services
- Housing First has been integrated as an approach to all service packages as an underlying principle and service approach. FACS – Housing NSW and Community Housing Providers will continue to work in partnership with SHS to provide housing assistance linked to support to eligible clients.
- Aboriginal people are identified as a priority client group within all packages and specifically targeted in the Assertive Outreach service.

As noted below, in addition to the services in this Plan, there are a number of services in the Sydney and South Eastern Sydney services that also cover inner city Sydney. These include services that provide support for people living marginally in boarding houses and overcrowding in the private rental sector.

5 LONG TERM PLANNING AND REFORM

In recognition of the service needs in the inner city of Sydney, reconfiguration of the service system must occur incrementally to ensure that the needs of

clients in crisis continue to be met while the capacity of the system to intervene early to prevent homelessness is strengthened.

Building on past reform, innovation and sector feedback, a dual short and long term planning and service delivery reform approach will be implemented.

Over the next six years, FACS will implement a collaborative long-term homelessness service and asset planning approach linked to a robust monitoring and evaluation strategy that allows for reform to be tracked and monitored.

This approach will be developed in consultation with the City of Sydney, homelessness service providers, community housing providers, peak bodies and other stakeholders. This will identify key service, asset and system reform priorities which may include:

- long term service system outcomes, outputs and performance measures;
- long term service delivery directions building on lessons from the first phase of service delivery design outlined below;
- areas requiring more detailed research, analysis and monitoring such as inner city drift; and
- an evaluation strategy to assess the effectiveness of phase one service design, the impact on inner city drift of resource reallocation and to inform longer term service redesign and resource allocation.

FACS will also work with the large charities who own substantial assets in the inner city to continue to work and plan with other key stakeholders to modernise and reconfigure their assets. These providers will be encouraged to achieve a balance between retaining some crisis beds in the inner city and shifting some accommodation to other locations as well as reconfiguring some of their short term accommodation into long term affordable accommodation.

FACS will work with these providers and with the City of Sydney to put in place a more structured approach for such planning and identify ways that the providers can be supported during this process.

A reform group will also be established to advise on and drive reform in inner city Sydney. This will build on the work of the homelessness Inner City Senior Officers Group and the Inner City Services Coalition and have a key role in advising on the development of longer term planning. This group is expected to include FACS, the City of Sydney, peak bodies, SHS providers and other key providers of services to homeless people such as Local Health Districts and Medicare Locals. Specialist groups, such as the inner city youth homelessness interagency forum, are encouraged to continue and provide input to the reform group.

6 SERVICE REFORM OVER THE NEXT THREE YEARS

6.1 Objectives

The approach to service design and procurement for 2014-2017 has been developed with the following objectives in mind:

- to recognise the valuable property and financial contributions that a number of providers contribute to homelessness services in the inner city;
- to recognise the important specialist role that smaller providers play in the inner city homelessness service system;
- to build on the evidence and lessons learned from recent reform and innovation in the inner city;
- to provide all prequalified providers currently delivering services in the inner city with an opportunity to tender for services;
- to ensure that a mix of specialist and generalist homelessness services are provided; and
- to retain crisis effort whilst working towards shifting towards early intervention to prevent homelessness.

6.2 Case Mix

The number and profile of clients to be assisted through the services proposed below will at this stage be indicative and subject to change.

The City of Sydney Council currently jointly funds some homelessness services through a long-standing partnership to delivering services to people who are homeless or at risk of homelessness in the inner city of Sydney. FACS has requested that City of Sydney continue to jointly fund homelessness services in the inner city. The Council is currently considering their future funding contribution to homelessness services.

Therefore the funding levels and client numbers for some of the service packages may be revised when Council's final advice is received. As a result, the total SHS case mix for the inner city will not be finalised until client numbers for all the Service Packages is confirmed.

6.3 Service Design Principles

The inner city Sydney service packages have been designed to build on best practice initiatives and practice learnings, including those from successful NPAH projects.

Design principles include:

- responses to people in crisis with the ultimate aim to achieve long term sustainable outcomes;
- responses to the first time homeless to avoid a further escalation of issues before they are entrenched;
- approaches to achieve long term outcomes for people who are chronically homeless with complex needs instead of approaches that sustain them to continue living on the street;
- services which embed Housing First principles;
- integrated and coordinated service responses to support access to the full range of services (including mainstream and specialist) to respond to client needs;
- intervening early to prevent homelessness;
- providing outreach to clients in their homes instead of them needing to access service centres;
- providing specialised support to specific client groups (such as women and children escaping domestic and family violence, rough sleepers, young people and people leaving custody);
- supporting the client for as long as needed to ensure they sustain their living arrangements; and
- robust service delivery models which can be flexible to meet the needs of individual clients.

6.4 Service packages

Services to be funded and delivered through the SHS Program from 2014/15 will be consistent with the Going Home Staying Home service delivery framework and build on best practice. These services will include a mix of responses, target client groups and levels of complexity. Aboriginal and Torres Strait Islander people are a priority client group in all service packages in the inner city Sydney area.

It is important to consider the inner city Sydney services packages in the context of the SHS service system currently being tendered for South Eastern Sydney and Sydney Districts. While those service packages do not specifically focus on inner city Sydney, many include the City of Sydney Local Government Area within their geographic coverage, including tenancy support, family, women and youth services.

The service packages for the inner city Sydney area are:

a. Crisis System Reform – crisis services are an important part of the inner city Sydney service system. These services must also strengthen the focus on early intervention and achieving sustainable long term client outcomes, retaining crisis beds and responses and build on recent innovations and

reform. These services will continue to deliver a range of models for client groups including homeless men, women, families and young people.

b. Assertive Outreach – work directly with rough sleepers in inner city Sydney. Outreach workers will directly engage with clients on the street offering assistance and case management. Clients who can move into accommodation are supported for up to 12 months. The service will include case coordination for vulnerable homeless people who require unique outcomes as traditional support exit options fail to meet their needs. The service will include formal links with a range of relevant services, including Local Health Districts and Medicare Locals, to ensure an integrated response to clients with a range of needs.

c. Rapid response service – an early contact service to engage clients who are new arrivals or those already located in inner city Sydney to offer: comprehensive case management; support to access appropriate services if required; brokerage funds; rapid rehousing approaches; approaches that aim to relocate the client outside inner city if appropriate or support the client to return to their community of origin. This service will support the spectrum of needs (i.e. low, medium and high) and all levels of client complexity. The service will have formal links with a broad range of relevant services to ensure streamlined referrals and integrated response for their clients.

d. Homelessness prevention and support for young people – will have a multidisciplinary service approach to support young people with low to complex needs who are homeless or at risk of homelessness. To strengthen the overall youth response, the service will work collaboratively with the new services established as part of the GSH tender in other Districts. Part of this service model will support a multi-agency integrated service response and collaborative case coordination for young people with complex needs within identified youth homelessness hot spots.

e. Homelessness prevention and support for women – will have a multidisciplinary service model approach to support women, and women with children, who are homeless or at risk of homelessness with low to complex needs with issues such as mental health, alcohol and other drug use, domestic and family violence, financial issues, and employment and training needs. This service will provide a range of service delivery approaches such as: crisis accommodation; outreach for tenancy support; service hub and service outlets where required. The service will have formal links with relevant services in the region (such as domestic and family violence and other women's services) to facilitate referrals and provide an integrated response for single women and women with children.

f. Complex needs care and support service – will operate as a 'soft' engagement point for chronically homeless people in inner city Sydney who may fall through the gaps of other service approaches. This service will provide basic needs and case management for clients to assist them into

other specialist homelessness and mainstream services to meet their long term needs.

6.5 Funding allocations

Funding under the Specialist Homelessness Services Program for the inner city Sydney totals \$15.4 million per annum over the next three financial years.

Currently, approximately two thirds of SHS Program funding is provided to four large charities, which also contribute significant resources and assets of their own to the delivery of inner city Sydney services. The balance is provided to other providers who have an important role in delivering specialist services to diverse clients. This funding ratio has been considered when determining the distribution of available funds across inner city Sydney services.

As indicated in section 6.2, the City of Sydney Council jointly funds some homelessness services through a long-standing partnership to delivering services to people who are homeless or at risk of homelessness in the inner city of Sydney. FACS has requested that City of Sydney continue to jointly fund homelessness services in the inner city. The Council is currently considering their future funding contribution to homelessness services.

6.6 Proposed Procurement approach

Consistent with the SHS Procurement Plan and the funding distribution outlined there will be two procurement strategies for the inner city Sydney:

- **Strategy one:** involves single invited tenders with SHS funded organisations that invest their own assets and resources towards addressing homelessness, including contributing the majority of crisis accommodation within the inner city Sydney service system. These are: Mission Australia, St Vincent de Paul, Salvation Army and Wesley Mission. This strategy does not involve competitive tender as the aims are to: retain the contributions of these providers into homelessness services; retain a significant proportion of the existing crisis beds and services with a strong intention to reduce these types of responses over time; and increase responses that aim to intervene early and achieve long term outcomes for clients.

This procurement approach relates to the service package outlined in section 6.4 (a).

Strategy Two: involves a select invited tender to all prequalified homelessness service providers who currently deliver services in inner city Sydney, except the four SHS funded providers involved in the tender

outlined at Strategy One. This strategy is based on competition and is intended to support the participation of smaller prequalified inner city Sydney service providers in the tender process and encourage diversity in the service system.

This procurement approach relates to service packages outlined in section 6.4 (b) to (f).

7 Timeframe and support

Support during the tender process will be made available to Aboriginal and small organisations (those with five or less full time equivalent staff) consistent with the SHS Procurement Plan. Providers requiring this support are encouraged to seek it as early as possible in the tender process.

The procurement timeframe for the inner city Sydney service packages is as follows:

Tenders open	19 March 2014
Tender briefing	20 March 2014
Tenders close	28 April 2014
Tender assessment concludes	mid May 2014
Contract negotiation, transition and establishment	June to September
SHS inner city Sydney services commence	1 October 2014

Further information and tender documents will be provided to prequalified providers through the eTenders website. Inquiries can be directed to the Going Home Staying Home Reform hotline on 02 8753 9215 or email GHS@facns.nsw.gov.au.