

**Report to:** Cabinet

**Date of meeting:** 25 February 2025

**By:** Director of Adult Social Care and Health

**Title:** Supported Accommodation for adults with mental health, and additional needs

**Purpose:** To consider the outcome of the public consultation and to decide on the proposal to cease the on-site support provided at five Supported Accommodation services for adults with mental health needs, and adults with additional support needs who are homeless or at risk of homelessness.

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## **RECOMMENDATIONS**

**Cabinet is recommended to:**

- 1) Agree that the on-site support provided at three Supported Accommodation services for adults with mental health needs who are homeless or at risk of homelessness (as set out in paragraph 2.4 of this report) cease from 31 December 2025.**
  - 2) Agree that the on-site support provided at two Supported Accommodation services for adults with additional support needs who are homeless or at risk of homelessness (as set out in paragraph 2.4 of this report) cease from 31 December 2025.**
  - 3) Agree that the contract with Pathways be terminated with effect from 31 December 2025 and delegate authority to the Director of Adult Social Care & Health to serve notice of early termination.**
  - 4) Delegate to the Director of Adult Social Care & Health authority to take all other necessary actions to give effect to the recommendations set out in this report in order to deliver Adult Social Care & Health Reconciling Policy, Performance and Resources (RPPR) requirements.**
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## **1 Introduction**

- 1.1** Cabinet agreed on 26 September 2024 to launch two consultation exercises relating to ceasing the on-site support provided at five Supported Accommodation services (one for adults with mental health needs and one for adults with additional support needs, who are homeless or at risk of homelessness) (the papers are available: [here](#)). These proposals, as well as other potential service changes being explored by Adult Social Care & Health, are to help close the Council's funding gap.
- 1.2** The consultation ran between 3 October and 28 November 2024. The impact of the new funding settlement for the Council has been considered when making the proposals in this report.

## **2 Background**

- 2.1** East Sussex County Council Adult Social Care & Health commissions a range of supported accommodation for adults with mental health needs, and adults with

additional support needs at risk of homelessness as part of its role in prevention under the Care Act 2014.

- 2.2 The Council has commissioned this type of Supported Accommodation since April 2014. It originated from the Supporting People Programme under which the Council was in receipt of the Supporting People Grant. From 2011, Supporting People was subsumed into the overall Formula Grant paid to Local Authorities. Unlike many other Local Authorities, the Council has continued to invest in this type of Supported Accommodation in recognition of the relationship between suitable housing and improving health and reducing health inequalities.
- 2.3 Whilst funded by the Council, the provision is commissioned in partnership with the five District and Borough housing authorities.
- 2.4 The services are commissioned under separate contracts, called-off under an East Sussex County Council 'Approved Provider List', and are broken down as follows:

<b>Homeless adults with additional support needs (Vulnerable adults):</b>					
<b>Scheme</b>	<b>Council area</b>	<b>Provider</b>	<b>Number of units of accommodation</b>	<b>Contract end date</b>	<b>Gross annual contract value</b>
Priory Avenue	Hastings	Sanctuary Supported Living	19	31/12/2025	£129,000
St Aubyn's	Eastbourne	Sanctuary Supported Living	9	31/12/2025	£129,000
<b>Totals</b>			<b>28</b>		<b>£258,000</b>

<b>Homeless adults with mental health needs:</b>					
<b>Scheme</b>	<b>Council area</b>	<b>Provider</b>	<b>Number of units of accommodation</b>	<b>Contract end date</b>	<b>Gross annual contract value</b>
Pathways	Rother	Salvation Army Homes	14	31/12/2027	£111,000
Bal Edmunds	Hastings	Sanctuary Supported Living	12	31/12/2025	£117,000
Hyde Gardens	Eastbourne	Sanctuary Supported Living	19	31/12/2025	£128,000
<b>Totals</b>			<b>45</b>		<b>£356,000</b>

- 2.5 The aim of these services is to underpin the strategic priorities of Adult Social Care and Health and Housing by providing a flexible, outcome focused, on-site housing support service that:
- Prevents a wide range of crisis situations including homelessness;

- Prevents individuals' mental health from deteriorating into crises (this includes support to access and engage with relevant professionals, particularly when presenting a risk to themselves or others).
  - Supports people to keep them safe;
  - Builds resilience;
  - Supports healthy living and wellbeing;
  - Supports people to engage with education, employment, volunteering, and training;
  - Promotes self-care and avoids hospital or accommodation-based care;
  - Supports people to gain independence, maximising their capacity to live as independent a life as possible with a view to positive move on into mainstream accommodation within 18 months of moving in;
  - Provides peace of mind for wider family members through knowing the individual is living in a secure environment reducing their caring responsibilities.
- 2.6 Most of the schemes are intended for single adults. However, the scheme in Priory Avenue has the facility to house homeless families. In the last year, there have been two children living there with their families (one young child is currently living in the property).
- 2.7 Referrals into the service are primarily (c.90%) via the District and Borough housing teams. However, people can be referred directly from Adult Social Care and Health.
- 2.8 In 2023/24 a total of 105 individuals were accommodated within these schemes – 66 in the mental health services and 39 in the adults with additional support needs services (excluding any dependents or family members). A total of 28 people moved on from the services, with 26 of these moves being planned.
- 2.9 Please see Appendix 1 for a map of services, profiles of adults accessing the service, and outcome of service provision taken from the 2023/24 performance data and information from the providers.
- 2.10 When people leave the service they are offered six months 'move-on' support to help them maintain their tenancy and support living independently in the community. This helps to reduce the risk of accommodation break-down.
- 2.11 The support provider is also a 'Registered Social Landlord'. People using the service are accommodated either on an assured shorthold tenancy (AST) or under a licence agreement between themselves and the Landlord. Across the five services, there are currently 32 ASTs, and 41 Licence Agreements.
- 2.12 Rental costs are usually funded via Intensive Housing Management housing benefit. This form of benefit is 'exempt' from the Local Housing Allowance caps and can be fully claimed back from the Department of Work & Pensions. This is not the case for private temporary accommodation where around 70% of the cost needs to be met by each District or Borough council. The current Housing Benefit rates for the units ranges between £250-£350 per week.
- 2.13 The accommodation is often used for people with very few other housing options, such as prison leavers, rough sleepers, and those experiencing drug and alcohol misuse.
- 2.14 Vacancy levels are extremely low due to high demand for the service and there is an expectation with providers that vacant properties will be re-let within 48 hours.

- 2.15 The total value of these contracts is £614,000 gross annually. These services have been identified as being a low-cost provision comparative to the high return on investment due to the preventative impact they have.

Service area	Average weekly cost per person
Homeless Adults with additional support needs:	£178
Homeless Adults with Mental Health needs:	£152

### 3 Proposal

- 3.1 The proposal is to cease the on-site support element of these services, which is the element funded by the County Council. This includes 24-hour cover in both types of Supported Accommodation.
- 3.2 The estimated savings for this proposal, as outlined in the September 2024 Cabinet papers, were:

#### Homeless Adults with additional support needs:

	Current Budget	Revised Budget		
	2024/25	2025/26	2026/27	Total Savings
	£'000	£'000	£'000	£'000
Expenditure budget	258	129	0	
Income budget	0	0	0	
<b>Net budget</b>	<b>258</b>	<b>129</b>	<b>0</b>	
<b>Net savings</b>	<b>0</b>	<b>129</b>	<b>129</b>	<b>258</b>

#### Homeless Adults with Mental Health needs:

	Current Budget	Revised Budget		
	2024/25	2025/26	2026/27	Total Savings
	£'000	£'000	£'000	£'000
Expenditure budget	356	178	0	
Income budget	0	0	0	
<b>Net budget</b>	<b>356</b>	<b>178</b>	<b>0</b>	
<b>Net savings</b>	<b>0</b>	<b>178</b>	<b>178</b>	<b>356</b>

- 3.3 To determine the potential savings we took the overall gross budget for the service including a three months' notice period as set out in the contracts and allowing for

additional time (three months) to support people currently living within the service to move on in a planned way. These figures do not include any estimated costs for reprovisioning of ongoing care and support if any individuals are found to have ongoing care and support needs, nor do they include any accommodation related costs.

- 3.4 Within the consultation feedback, the Housing Partnership Board, local District and Borough Councils, providers and other organisations all raised concerns over the planned implementation timescales and suggested these needed to be extended:
- (a) to allow time for people living within the services to find alternative suitable accommodation, including time for any formal eviction and court related proceedings if required, and,
  - (b) to allow the wider health, social care and housing system to come together to try and support with additional funding or make improvements to the system to compensate for the loss of funding.
- 3.5 Having considered the feedback from the consultation, which has highlighted the significant risk of service closure and resultant risk of people currently living in the supported accommodation being made homeless, it is acknowledged the initial proposal of six months is unlikely to provide sufficient time for those living within the service to find alternative housing.
- 3.6 Whilst the proposal is still for the support services to cease, it is now recommended to delay the implementation of the proposals and to continue the funding for these services for an additional three months until 31 December 2025.
- 3.7 The revised date for cessation is in line with the natural expiry date of four of the five contracts. The contract with Pathways runs until December 2027, and Cabinet are therefore recommended to agree to terminate this contract early, and to delegate authority to the Director of Adult Social Care and Health to serve the notice of early termination.
- 3.8 If Cabinet agree the proposal to terminate contracts on 31 December 2025 this would result in a revised profiling of the savings, as set out below, with the original amount still being fully delivered in 2026/27:

Homeless Adults with additional support needs:

	<b>Current Budget</b>	<b>Revised budget</b>			
	<b>2024/25</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
Expenditure budget	258,000	258,000	64,500	193,000	0
Income budget	0	0	0	0	0
<b>Net budget</b>	<b>258,000</b>	<b>258,000</b>	<b>64,500</b>	<b>193,000</b>	<b>0</b>
<b>Net savings</b>	<b>0</b>	<b>0</b>	<b>64,500</b>	<b>193,000</b>	<b>0</b>

Homeless Adults with Mental health needs:

	Current Budget	Revised budget			
	2024/25	2024/25	2025/26	2026/27	2027/28
Expenditure budget	356,000	356,000	89,000	267,000	0
Income budget	0	0	0	0	0
<b>Net budget</b>	<b>356,000</b>	<b>356,000</b>	<b>89,000</b>	<b>267,000</b>	<b>0</b>
<b>Net savings</b>	<b>0</b>	<b>0</b>	<b>89,000</b>	<b>267,000</b>	<b>0</b>

#### 4 Insight

- 4.1 An eight-week public consultation on the proposal ran from 3 October to 28 November 2024. We asked people for their views on the proposal and how they would be affected if it went ahead.
- 4.2 All the feedback received during the consultation is available within the Members' and Cabinet Rooms for Members' consideration.

#### Supported accommodation additional needs:

- 4.3 78 responses were received across the survey, consultation meetings and other feedback methods on this proposal, as follows:

Respondent method	Total
Survey	52
Emails	13
Consultation meetings (attendees)	13

- 4.4 The majority of respondents across all response methods disagreed with the proposal to stop funding the on-site support for these accommodation services for adults with additional support needs:

Response	Total	Percentage
Strongly disagree	40	77%
Disagree	7	13%
Strongly agree or agree	3	6%
Neither agree or disagree or did not answer	2	4%

- 4.5 The full consultation results report can be found in Appendix 3 but the key messages included the following themes:
- a) The on-site support is seen as critical to the service and people say they couldn't cope without it. The staff are praised for their specialist skills, knowledge, and the quality of support they provide;
  - b) The safe environment the service provides allows residents to flourish, supporting them with day-to-day tasks but also helping them to build the skills they need to live independently in future;
  - c) The proposal targets vulnerable people at a time when services are already under pressure. Other services aren't able to offer the same level of support and

people are worried about how they would get the support they need if the on-site support wasn't available;

- d) Residents were worried about where they would live instead if the accommodation had to close. Some family and carers say they would be unable to support them and worry about how their family member would cope;
- e) The current housing challenges and the Council's other proposal to reduce funding for the East Sussex Floating Support Service would make it even harder for people to find alternative support;
- f) Residents of the accommodation would be more at risk, experience poorer mental and physical health, and be much more likely to become homeless. This would put a massive strain on hospitals and the police and create extra cost for them too;
- g) If the on-site funding stopped it is possible the accommodation would have to close. People said the alternatives, such as temporary accommodation, are not suitable and would cost more in the long term for local authorities.

- 4.6 Organisations are keen for alternative options to be explored to keep the service open. Extending the period before the funding is stopped would allow for this exploration and also allow more time for transition to other services if needed.

#### **Supported accommodation mental health:**

- 4.7 154 responses were received across the survey, consultation meetings and other feedback methods on this proposal, as follows:

<b>Respondent method</b>	<b>Total</b>
Survey	110
Emails	17
Consultation meetings (attendees)	27

- 4.8 The majority of respondents across all response methods disagreed with the proposal to stop funding the on-site support for the accommodation services for adults with mental health needs:

<b>Response</b>	<b>Total</b>	<b>Percentage</b>
Strongly disagree	91	83%
Disagree	12	11%
Strongly agree or agree	7	6%

- 4.9 The full consultation results report can be found in Appendix 2 but the key messages included the following themes:

- a) People consider this a vital service that helps reduce pressure and costs on other services. People value the fact staff are always there and help them to build resilience and independence;
- b) Compared to other services, particularly temporary accommodation, people said how safe and supported they felt in the service. It helps them turn their lives around and there are not any other services offering this type of support to people with mental health needs;

- c) It would be short-sighted to stop funding the service, as it would lead to higher costs in the long term for the Council and other organisations;
  - d) Mental health services are already under pressure and do not offer the same kind of specialist and 24-hour support that the service offers. It would affect the mental health of existing residents and be a loss to the community if the service wasn't available in future;
  - e) Hospitals would see more admissions and it would be harder for people to be discharged as there would be fewer suitable services. It would lead to an increase in anti-social behaviour, crime and drug and alcohol misuse if people cannot get the support they need. This would have an impact on the community and put pressure on the police;
  - f) More people could end up living in unsafe environments and it is likely to lead to an increase in homelessness, suicides and deaths;
  - g) This service should be prioritised and savings found elsewhere.
- 4.10 As with the additional needs Supported Accommodation, organisations are keen for alternative options to be explored to keep the service open. Extending the period before the funding is stopped will allow for this exploration and also allow more time for transition to other services, if needed.

### **Equalities Considerations**

- 4.11 In considering these proposals, Cabinet must have due regard to the need to:
- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
  - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
  - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it,
- as required under s.149 of the Equality Act 2010.
- 4.12 To better understand the likely impacts of the proposal on those who have one or more protected characteristics, a separate Equality Impact Assessments (EqIA) has been carried out for each of the services (the EqIA for Supported Accommodation Services for people with mental health issues can be found at Appendix 4; and the EqIA for Supported Accommodation Services for people with additional needs can be found at Appendix 5).
- 4.13 The responses from the consultations were used to inform the analysis carried out in the EqIAs. Cabinet members must read and have regard to the EqIAs when making the decision about these proposals.
- 4.14 Key Impacts identified from the EqIAs:
- a) The Supported Accommodation Services support some of the County's most disenfranchised residents to access appropriate support to exit homelessness in a rapid and sustainable way. They can improve the lives and conditions of those who have experienced multiple disadvantage and inequality.
  - b) By withdrawing funding for the support, it is likely the services would no longer be financially sustainable resulting in people living there needing to find alternative accommodation or facing eviction.
  - c) People who are homeless are often disproportionately disadvantaged across multiple areas and have more than one protected characteristic, in particular in



terms of race, socio-economic status, sex and disability, thereby exacerbating the impact of a decision to cease these services.

- d) Applying a systemic analysis to the impact of the decision ensures protected characteristics are not considered in isolation from the individuals who embody them.

#### **Supported accommodation provision for homeless adults with additional support needs**

- 4.15 Data suggests that the proposals will have the highest negative impact on disability (mental health) and people who are on a low income or homeless. There is an additional impact on age (predominantly working age) and gender (men).
- 4.16 90% of people living in the service reported having a disability. A quarter of people also reported having or having had issues with substance use.
- 4.17 There is a high likelihood that adults using these Supported Accommodation services will not have needs that are eligible for Adult Social Care and Health (ASCH) support. These adults may therefore be at a higher risk of harm due to there being less options for support available to them if these services are ceased.
- 4.18 This situation may be exacerbated as several grant funding streams supporting services for people with multiple compound needs, including the 'East Sussex Rough Sleeping Initiative' and 'Changing Futures programme', are funded by short term grant allocations leaving uncertainty about the future of these services.

#### **Supported accommodation provision for adults with mental health needs**

- 4.19 Data suggests that the proposals will have the highest negative impact on disability (mental health, with many people having at least two long term conditions) and people who are on a low income or homeless. There is an additional impact on age (predominantly working age) and gender (men).
- 4.20 100% of people living in the service reported having a mental health diagnosis, two thirds of which are severe and enduring mental health conditions, and 32% of which are reported to have a secondary mental health condition. A quarter of people are also reported to use substances.
- 4.21 17% of the current people living in the service are open to Adult Social Care and Health. Individuals currently living in the service will require an Adult Social Care and Health Care Act assessment to assess their eligibility for services.

#### **Impact for both service areas:**

- 4.22 The closure of the services will result in the loss of a valuable preventative support service, which houses and supports people with a variety of multiple and compound needs and aimed at working with individuals to enable them to return to independent living, and moreover, to become productive members of society. It is highly likely the proposals to cease the Council funding for the on-site support would result in the closure of both services, as the current service providers have reported that without the Council funding, the services would be unviable. Whilst we will do everything we can to ensure people move on to suitable accommodation there remains a high risk some of the individuals will not be able to secure suitable accommodation. This is therefore likely to result in an increase in homelessness, including outcomes that are related to homelessness, such as:
  - street homelessness;

- suicides and death on the streets;
- people living in unsafe conditions;
- use of health services particularly Accident & Emergency Services;
- demand for mental health services;
- sexual, physical, and emotional exploitation of vulnerable people at risk;
- alcohol and drug misuse;
- safeguarding;
- criminal behaviour.

## **Mitigations**

4.23 There are no other similar services catering for people over 25 years old in East Sussex and the closure of these services will impact on individuals currently living within the services. As a result, the wider system is likely to see an increase in demand impacting a variety of Stakeholders. There are relatively few mitigations to the potential impact of the services closing. The following mitigations have been identified:

- Under our duties under the Homelessness Reduction Act to refer all people currently living within the services to their local housing authority for an assessment;
- To offer all individuals living within the services an Adult Social Care and Health assessment to identify if they have any Care Act eligible support needs; and
- For any individuals living within the service who are under 25 years of age at the time of the decision to be considered for suitability to move into one of the East Sussex County Council Young People's Supported Accommodation Services if any vacancies become available (at most recent count this would apply to 10 individuals). Noting that there may be limited vacancies available and/or some individuals may not be suitable for these services due to other specialist needs, risks or issues.

## **5 Alternatives considered**

- 5.1 Our priority in Adult Social Care & Health is to meet our legal duties under the Care Act. To help us to do this, we have identified funding areas that we think need to be protected when we are looking at savings options.
- 5.2 These priority areas are the community care budget, carers support services, funding for the voluntary and community enterprise sector (VCSE), and funding for staffing frontline and care market roles.
- 5.3 The value of the Supported Accommodation services and the role they play in preventing the need for other types of support, including adult social care, is recognised. That is why we have protected these services during the budget reductions over the last ten years.
- 5.4 However, the legal responsibility for providing advice, help and housing to those who are homeless, or at risk of becoming so, lies with District and Borough councils. There is no legal requirement for East Sussex County Council to fund the on-site support services and many local authorities have already reduced or withdrawn funding for similar services.
- 5.5 The consultation feedback and discussions with partners have identified two main themes with regards to alternative options requiring consideration. These are:
  - a) To review and revise the current on-site support, seeking to find alternative ways to make savings whilst still retaining a service. This includes restructuring the on-

site support hours, reducing and revising service hours, considering telephone support and only having staff on-site Monday to Friday.

- b) To explore with partners and stakeholders' options to develop alternative models, funding and solutions and allowing more time for transition.
- 5.6 Whilst consideration has been given to the first option, the providers have already made significant efficiency saving during previous rounds of budget setting. Staffing structures are at a level that, if reduced further, are likely to make the service unviable. Moreover, the feedback from people benefiting from the supported accommodation services is that the on-site support is what sets the service apart from unsupported accommodation.
- 5.7 The on-site support services provide safety and security whilst developing resilience and coping strategies to support people to better manage difficulties that originally led to them requiring supported accommodation.
- 5.8 Any further reduction in the level of on-site support would also potentially lead to a review of the level of intensive housing management allowance, further reducing the financial viability of this option.
- 5.9 Due to the speed at which the savings are required, to set a balanced budget, there has been limited opportunity to work with the providers and other stakeholders to develop a systemwide approach to respond to the proposals.
- 5.10 Whilst there is no guarantee of alternative funding opportunities from other partners, particularly recognising the significant financial challenges many of them are also facing, allowing additional time for stakeholders within the Housing Partnership to explore alternative models of provision is recommended.
- 5.11 This additional time would also enable time for people currently living within the accommodation to seek a new home or for alternative support to be put in place where required.

## **6 Impacts and risks**

- 6.1 This section explores the impacts and risks of going ahead with the proposal, including those outlined in the EqIAs.
- 6.2 While homelessness prevention in relation to housing provision is not an East Sussex County Council statutory responsibility, improving health and reducing health inequalities is, alongside the duty to prevent, reduce and delay the need for support (under section 2B of the National Health Service Act 2006 and section 2 of the Care Act 2014 respectively). The cohort of individuals supported by these services have some of the poorest health and wellbeing outcomes in the county.
- 6.3 The Council's 2024 'State of the County' report showed that East Sussex has some of the most deprived council wards in the country, making specific reference to Hastings and Eastbourne.
- 6.4 Approximately one third of the overall funding for the services comes via the East Sussex County Council contract, with the remainder of the funding usually derived from individuals' Intensive Housing Management housing benefit claims. Intensive Housing Management housing benefit provides an element of funding to cover intensive housing management activities. There is strict regulation around the types of activities intensive housing management can cover and any activities not relating directly to management of the building would be excluded from this.
- 6.5 Almost half of people living within the services have Assured Shorthold Tenancy agreements with their landlord, which offers a level of protection against eviction.

Individuals with license agreements have a legal protection which may require a court process to secure vacant possession. Current estimates for this are approximately 6 months from the landlord issuing a Section 21 notice to the tenant.

- 6.6 The consultation responses have highlighted concerns about the impact these proposals will have on: (a) the individuals currently living within the service; (b) people who may require a similar service in the future but have nowhere to go as there is not a similar alternative available; (c) carers, or potential carers of people who fall into (a) or (b); and (d) the system as a whole, due to increased demand as a result of these services no longer being available.

- 6.7 Impact to people living in the service:

<b>Impact to people living in the service.</b> <i>Snapshot from people living in the service on a day in November 2024.</i>	<b>Mental Health</b> (43 people as 2 vacancies at time of snapshot)	<b>Additional Needs-Vulnerable Adults</b> (28 People)
Require some form of support once they move on from the services	88%	89%
Historical or current issue with alcohol and/or drug misuse	74%	57%
At risk of physical, emotional or sexual harm	51%	21%
At risk of financial harm	60%	32%
At risk of street homelessness	79%	46%
Adults with 'Multiple & Compound needs'	72%	54%
At risk of increased criminal activity	37%	14%
At increased risk of deliberate self-harm and suicide	44%	18%

- 6.8 Please see Appendix 6 for a full breakdown of risks, impacts and mitigations.

## Financial implications

- 6.9 The impact the three month delay on implementation will have on the budget is detailed in paragraph 3.8. However, it is anticipated that implementing these proposals may have broader financial implications. There is a risk that in withdrawing the onsite support there will be increased costs both to the Council and the wider health, care and housing systems, as has been reported within the consultation feedback.
- 6.10 Whilst it is difficult to exactly quantify the wider financial impacts these proposals would have, research on the effectiveness of similar housing related support for people with mental health issues has evidenced a saving of approximately £5.20 for every £1 spent across all public services<sup>1</sup>.
- 6.11 The findings from the EqlAs and the consultations have identified similar themes and impacts across both services; therefore, these have been combined below to explore

<sup>1</sup> Marc Fury, Gareth Lynn Montes & Dr Helen Taylor (2020) Evidencing the Impact of The Housing Support Grant in Wales

the potential impacts the proposal could have on the health and care system, organisations, services and residents.

Health and Care System
<p><b>Adult Social Care and Health (ASCH):</b> Expected increased demand for services due to the loss of a preventative service.</p> <p>All people living in the service at the time of the decision will require an ASCH Assessment (or review) to determine if they have eligible care and support needs. This will mean additional pressure on ASCH to assess the 73 individuals.</p> <p>It is likely some of these individuals will have Care Act eligible needs. It is possible that the cost of additional, ongoing support provided by ASCH will exceed the current contract costs.</p> <p><b>NHS Sussex and Sussex Partnership Foundation Trust:</b></p> <ul style="list-style-type: none"> <li>• Negative impact on health</li> <li>• Increased hospital admissions</li> <li>• Difficulty managing complex hospital discharges</li> </ul> <p>It is anticipated the loss of the service would result in an increased demand for acute mental health services including an increase in hospitalisation due to mental ill health.</p> <p>In addition, the services are used to ‘step-down from acute hospital settings where the person requires additional support. The loss of these services may mean people have to stay in hospital for longer.</p> <p><i>“Poor housing impacts on both physical and mental health and wellbeing and is estimated to cost the NHS over £1 billion annually reflecting it being a strategic priority for the wider Integrated Care System (ICS).”</i></p> <p><i>“Supported accommodation provides a vital safety net, offering stability and care while preventing unnecessary institutionalisation in care homes.”</i></p> <p><b>Drug and alcohol services:</b> Likely to see an increase in demand.</p> <p><b>Children’s Social Care:</b> Potential for people to be accommodated in higher cost accommodation placements due to the lack of supported accommodation options available in East Sussex</p> <p><i>“A decision to stop funding the on-site support for accommodation services for adults with additional and mental health support needs would lead to a reduction in the number of supported accommodation options for care leavers who are most likely to require support to develop their tenancy sustainment skills before moving on to live independently.”</i></p>
Organisations and Services
<p>East Sussex continues to face high demand for housing services, some parts of the county report rates of homelessness per 1,000 of the population of twice that of the England average. In 2023/24, 3,054 people presented as homeless and were owed a statutory housing duty across East Sussex. This trend is principally caused by a shortage of affordable housing across the county and has recently been compounded by the rising cost of living.</p> <p>High demand for temporary accommodation means there is a shortage of accommodation for people with additional needs in East Sussex, and placements are often required out of area.</p>

To date, in this financial year (2024/25) the 5 local housing authorities have spent £6,358,800 on temporary accommodation. In 2023/24, the cost of temporary accommodation in East Sussex was in excess of £14 million.

Local District and Borough Councils report significant financial challenges as a result of this, These proposals would further exacerbate this as outlined below:

**Hastings Borough Council:**

*To accommodate the 31 households at risk of homelessness from Priory Avenue and Bal Edmund the cost to HBC of providing Temporary Accommodation (TA) would be £460,954 pa. Hastings Borough Council is forecast to spend £6.8million in 24/25 on temporary accommodation costs already which is £800k over budget. Losing this would place more strain on Hastings Borough Council's budget.*

**Eastbourne Borough Council (EBC):** *"The proposal .. would also increase pressure on EBC's Housing Options service, which is already under considerable financial and operational challenge."*

**Sanctuary Supported Living:**

*"Loss of support and housing income revenue of circa £1m.*

- *Void loss costs incurred as referrals cease.*
- *Costs relating to maintenance/utilities/council tax/security of empty units and buildings.*
- *Cost of Options Appraisals as alternative uses are identified for buildings."*

**Salvation Army Homes:**

*"In October 2023 Salvation Army Homes took over the support contract from Peabody Homes after they withdrew their services. We did so on the understanding that ESCC would provide a contract for 4.5 years giving us an element of security. We also then invested £662,000 in purchasing the property being keen to both increase our provision of services through East Sussex but also to commit to a long-term investment in the future of Pathways as a vital provision for mental health within Rother and East Sussex."*

**Criminal Justice System:**

*"There is also the risk of heightened involvement with the criminal justice system, as individuals with chaotic lifestyles and untreated mental health conditions often find themselves caught up in criminal activity.*

*The cost of a prison stay, not to mention court and probation services, can be astronomical compared to the cost of early intervention through housing support. This, without accounting for, the social impact on families and neighbourhoods and the potential increase in anti-social behaviours requiring even more resources from the local authority to manage these challenges."*

*"We struggle to find housing for these individuals who need considerable support to make the transition back into the community from prison, or while learning to manage tenancies and live alone. We have a need for an increase in supported housing as we see an increasing number of individuals with multiple compound needs. As such the loss of services such as these will negatively impact on our vital work in keeping people out of prison, reducing risk and reintegrating people into the community. CAS and other accommodation does not offer this level of support and as such we are likely to see increased homelessness in this both vulnerable and risky group"*

**VCSE sector:**

*Will not be sufficient to pick up the shortfall and increased demands that will follow as a result of the proposed cuts.*

Residents
<p><b>Current users of the service:</b></p> <p>There is a significant risk that it will not be possible to secure suitable alternative accommodation even within the additional timeframes proposed, as a result people will be made homeless.</p> <p>Not everyone at risk of being made homeless through these decisions will be owed a statutory duty. Therefore, the number of people pushed into rough sleeping will increase.</p> <p>It will leave people facing homelessness for longer, which will inevitably create a statutory duty over time for the Housing authorities, but only after the person has developed vulnerabilities associated with having to sleep on the streets.</p> <p><b>Healthwatch:</b></p> <p><i>“It is important to acknowledge that some individuals may be affected by more than one of the proposed service changes and experience an aggregated effect, including those with drug and alcohol dependencies, and people at risk of homelessness. Homelessness leads to premature mortality, and the ONS reported in 2021 that 35% of all deaths of homeless people were attributed to drugs or alcohol.”</i></p> <p>Any increase in homelessness and people living in unsafe environments brings about an increase in the risks associated with people who have nowhere to go including:</p> <ul style="list-style-type: none"> <li>• physical, emotional, financial and sexual exploitation;</li> <li>• self-harm and harm from others;</li> <li>• offending behaviour;</li> <li>• alcohol and drug misuse;</li> <li>• an increase in street homelessness and risk of suicide and death on the streets;</li> <li>• increase in need for safeguarding, mental health services and primary health services;</li> <li>• increase in need for other statutory and non-statutory care and support.</li> </ul> <p><b>Carers:</b></p> <p>Additional impact highlighted in the consultation was the potential impact to carers. Those living in the service that have a family network are likely to need to take on more of a carer role if the on-site support was removed.</p> <p><b>Economic impact on wider system:</b></p> <p>Proposals are likely to result in job losses for over 40 trained and skilled staff, this will impact on local employment and economy.</p> <p>The services work to support people into education and employment which in turn supports them into productive members of the community; without this support it is likely people will be pushed back into the cycle they are trying to escape.</p> <p><b>Community Impact:</b></p> <p>Local communities could see an increase in street homelessness, begging and criminal activity.</p>

- 6.12 The main risks of going ahead with the proposal are:
- a) the human cost to individuals using the service, as outlined above due to the closure of the service and the need for people living there to find a new home at a time when they still require additional support. This could impact on their mental health, physical health outcomes, risk behaviours and ultimately risk of harm.
  - b) Potential long-term increase in cost to Adult Social Care and Health, Children's Services and the wider system including acute hospitals, community mental

health teams, housing, police and probation due to a reduction/lack of supported accommodation options for people.

- c) Significant impact on District and Borough Council's capacity and resources due to costs associated with homelessness.
- d) These risks are likely to be exacerbated by the proposal (in a separate item on the agenda) to reduce the funding for the East Sussex Floating Support Service within a similar timeframe, which is likely to see more people seeking housing and support from District and Borough Councils.
- e) Whilst extending the timeframe for implementing these proposals may assist to mitigate some of these risks, there is no guarantee that all individuals will be able to move on to alternative accommodation within this timeframe, or that the wider system will be able to remodel or resource alternative services to fill the gap losing these services will cause.
- f) There is a risk that during the transition period, existing staff working within the services will seek alternative employment. This would leave the services short of skilled staff, decreasing the level of on-site support and potentially increasing risk of harm to those still living within the service. This will require ongoing monitoring.

## 7 Outline implementation plan

- 7.1 Overarching principles: Council officers will work with the service providers affected, local District and Borough Housing departments and Health colleagues with the aim of supporting people currently living within the service to identify and transition into alternative housing within the timeframes of the proposal.
- 7.2 The service provider will need to decide at what point to issue a 'Section 21 notice to quit' to the tenants to commence eviction proceedings, if required.
- 7.3 The implementation timeline for this proposal, if approved, is as set out below:

Milestone	Action
March 2025	Provider to be informed of Cabinet decision
March 2025	All people living within the services to be informed of the East Sussex County Council decision to end the support contract, the implications of this on their tenancy and the implementation plan
April – June 2025	Housing departments to identify how many individuals may be owed a statutory housing duty
June – August 2025	Offer an Adult Social Care assessment or review to ensure any Care Act eligible care and support needs are identified and services put into place. This may include transition into long term ASC funded supported living services where the individual meets the eligibility criteria for this, or ongoing support in the community
September 2025	Issue notice to provider
31 December 2025	Support funding ceases



## **8 Conclusions and reasons for recommendations**

- 8.1 The Council is required to set a balanced budget. The 'State of the County' report presented to Cabinet in June 2024 set out a projected £55m deficit on the 2025/26 budget. Savings proposals requiring public consultation that would help to close this gap were presented to Cabinet in September 2024.
- 8.2 The total savings proposals for the Medium-Term Financial Plan for 2025/26-2027/28 set out in November 2024 were £20.628m, across all Council departments. The Adult Social Care and Health (ASCH) contribution to the savings total is £11.455m. In addition to these savings proposals, in order to achieve a balanced budget, the Council is also drawing on its financial reserves.
- 8.3 The accommodation-based services covered within this report provide support to a range of homeless people with mental health needs and adults with multiple complex support needs. Demand for the services is high and the unit costs represent exceptional value for money.
- 8.4 The impact of withdrawing the funding for the support element of the contract is likely to render the services financially unviable and the providers have informed us that as a result they will be forced to close.
- 8.5 The people currently living within the service will need to move out. These individuals have been referred into the service because they were homeless, or at risk of homelessness, so many will not have accommodation options available to them.
- 8.6 Notwithstanding the above, in order to support the Councils legal duty to set a balanced budget, and as these are not services that the Council has a statutory duty to provide, it is recommended that Cabinet agrees to cease the on-site support provided at three Supported Accommodation services for adults with mental health needs and two Supported Accommodation services for adults with additional support needs who are homeless or at risk of homelessness.
- 8.7 It is, however, recommended that the implementation of these proposals is delayed from the initial date proposed in the consultation (i.e. 30 September 2025) by three months, to take effect from 31 December 2025. It is proposed that the extension could be funded from an underspend in another ASCH contract which has been generated by a vacancy freeze pending the outcome of RPPR consultations. This extension will allow additional time for people currently living in the services to secure alternative accommodation and for partners to explore alternative funding sources or means of keeping these or equivalent services available.
- 8.8 Cabinet members must read and have regard to the EqlA when making decisions related to this proposal.

**Mark Stainton**

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**Local members**

All divisions

## **Background Documents**

Consultation responses

## **Appendices**

Appendix 1: Profile of Services

Appendix 2: Consultation Report - Supported Accommodation for Adults with mental health needs

Appendix 3: Consultation Report - Supported Accommodation for Adults with additional needs

Appendix 4: Equality Impact Assessment - Supported Accommodation for Adults with mental health needs

Appendix 5: Equality Impact Assessment - Supported Accommodation for Adults with additional needs

Appendix 6: Table of Risks, Impacts and Mitigations