

ITEM 3. COMMUNITY SERVICES GRANT - OUT OF ROUND APPLICATION - FUNDING TO ADDRESS HOMELESSNESS IN THE INNER CITY**FILE NO: S116523****SUMMARY**

The City of Sydney's 18th bi-annual street count on 21 February 2017 counted 433 people sleeping rough across the local government area and 489 people occupying crisis and temporary accommodation beds, with an additional 26 people in hospital beds identified as having no fixed address. Despite some variations, the number of people sleeping rough in the city has been trending upwards over recent years.

While primary responsibility for homelessness rests with the State Government, the City has responded to homelessness for over 30 years, including linking people sleeping rough with services, managing the impact of rough sleeping in the public domain and sector leadership and coordination. The City's ongoing commitment to addressing homelessness is identified in the draft Community Strategic Plan: *People who are homeless or at risk of homelessness have access to safe and sustainable housing and support* (Objective 8.4). The City works in partnership with NSW Government agencies and specialist homelessness services to provide collaborative outreach to people sleeping rough. Last financial year, this collaboration supported more than 130 people to exit homelessness. The City also supports innovative projects that seek to reduce homelessness, including approving a contribution of \$1.5M to support the construction of an aged care facility with the expectation that this facility will support people who are homeless or at risk of homelessness.

Over the past three years, the City has contributed \$1.4M per annum in funding to NSW Family and Community Services to contribute to the delivery of specialist homelessness services in the inner city, including \$600,000 to fund assertive outreach services delivered by Neami Way2Home, \$200,000 to provide service coordination and brokerage for young people delivered by Launchpad Youth Community, and \$600,000 to deliver 25 packages of housing and support for people sleeping rough in the inner city delivered by FACS through the Connect 100 program.

The current funding agreement with NSW Family and Community Services ends on 30 June 2017. The services delivered by Neami Way2Home and Launchpad have delivered positive outcomes. In 2015-16, Neami Way2Home supported 97 adults sleeping rough to access stable housing with ongoing support. In the same period, Launchpad prevented 456 young people from becoming homeless, and supported 184 young people who were homeless to access safe and stable housing.

The Connect 100 Program has not been able to deliver the agreed 25 packages of housing and support to rough sleepers in the inner city and has delivered 9 packages to date. NSW Family and Community Services remain committed to delivering the 25 three-year packages of support without any further funding contribution from the City. Any new funding agreement will include an obligation to deliver on this commitment.

NSW Family and Community Services has requested a further three years funding from 2017-18 to 2019-20. The request was assessed under the Community Services Grant Program. The panel recommends that the City provides funding over three years for the following priorities:

- continued funding for assertive outreach for people sleeping rough provided by Neami Way2Home (\$600,000), with an additional funding allocation (\$100,000) to enhance post-crisis support services;
- continued funding for service coordination and brokerage to prevent young people from becoming homeless provided by Launchpad (\$200,000), including additional funding (\$100,000) in years two and three to increase capacity for brokerage; and
- funding to provide culturally specific assertive outreach in the inner city (\$200,000) to be delivered by the Aboriginal Corporation for Homelessness and Rehabilitation Community Services (\$100,000) and Innari Housing (\$100,000).

The City will play an active role in setting service specifications, developing performance measures and actively monitoring the services provided with these funds in partnership with the NSW Government.

The City will also continue to explore additional opportunities to support innovative responses to homelessness. The City sometimes receives requests to support homelessness projects through provision of funding. These requests are considered through the City's grants programs. Bridge Housing has approached the City seeking support for the establishment of a not-for-profit real estate agency in the inner city based on a successful model established in Victoria called HomeGround. The model aims to increase the supply of affordable housing through investment of property management fees back into affordable housing rentals, along with increasing the number of dwellings leased at affordable rates.

The HomeGround model in Victoria was established in 2014 and manages 250 properties. Bridge Housing is seeking one year 'start-up' funding to support the establishment of the agency. In line with the City's grants process, Bridge Housing will be asked to submit a grant application for consideration by Council. All figures quoted in this report are exclusive of GST.

RECOMMENDATION

It is resolved that:

- (A) Council approves a cash grant to NSW Family and Community Services of up to \$3.5M (excluding GST) over the three years 2017-18 to 2019-20 for the delivery of specialist homelessness services in the inner city as follows:
- (i) up to \$1.1M in 2017-18;
 - (ii) up to \$1.2M in 2018-19; and
 - (iii) up to \$1.2M in 2019-20;

- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer an agreement with NSW Family and Community Services in respect of the cash grant outlined in clause (A) above; and
- (C) Council note that NSW Family and Community Services have committed to fulfil its commitment to deliver 25 three-year packages of housing and support to people sleeping rough in the inner city without any additional funding, and that this commitment will be included as part of the new funding agreement.

ATTACHMENTS

Nil.

BACKGROUND

1. The City of Sydney's 18th bi-annual street count on 21 February 2017 counted 433 people sleeping rough across the local government area and 489 people occupying crisis and temporary accommodation beds, with an additional 26 people in hospital beds identified as having no fixed address. Despite some variations the number of people sleeping rough in the city has been trending upwards over recent years.
2. The factors that contribute to homelessness are complex and no single organisation can address homelessness alone. The City of Sydney has had a strong commitment to responding to homelessness over 30 years, and works in partnership with NSW Government agencies and specialist homelessness services to respond to homelessness in the inner city. This includes providing collaborative outreach support to people sleeping rough. Last financial year, this collaboration supported more than 130 people to exit homelessness. The City's ongoing commitment to addressing homelessness is identified in the draft Community Strategic Plan under objective 8.4: *People who are homeless or at risk of homelessness have access to safe and sustainable housing and support.*
3. In 2013 and 2014, NSW Family and Community Services undertook a major reform of the specialist homelessness services sector called Going Home Staying Home. In this process, organisations applied for packages of funding to deliver specialist homelessness services. In the inner city, this process resulted in a redistribution of funding and service delivery responsibilities.
4. Whilst the NSW Government had initially intended to reduce funding in the inner city to provide increased funding across the rest of NSW to prevent and respond to homelessness at its source, the Minister later announced a reinstatement of funding in the inner city and an additional \$2 million in funding towards specialist women's services.
5. NSW Family and Community Services has undertaken a review of the Going Home Staying Home reforms, however the results are not currently available. The NSW Government is also in the process of developing a new strategy for responding to homelessness. In October 2016, the City made a submission to the NSW Government discussion paper – *Foundations for Change – Homelessness in NSW*. The discussion paper and consultation process will inform a new NSW Government homelessness strategy that is expected to be available in the coming months. As part of this process, a focused inner city strategy will also be developed. NSW Family and Community Services District staff have been working collaboratively with the City to develop the inner city strategy.
6. The City is also preparing a Homelessness Action Plan that will outline the City's ongoing role in responding to homelessness and rough sleeping in the city. This plan is currently being drafted in consultation with NSW Family and Community Services, and with input from non-government organisations and people with a lived experience of homelessness.
7. For the last three years, the City has provided funding of \$1.4 million per annum to NSW Family and Community Services for the delivery of specialist homelessness services in the inner city. In April 2014, Council decided to quarantine its existing homelessness budget with a view to funding specialist homelessness services or projects in the inner city. Subsequently, the City received a written request from NSW Family and Community Services seeking a financial contribution towards three of the programs supported through their specialist homelessness services funding.

8. In October 2014, Council resolved to provide \$1.4 million per annum to NSW Family and Community Services over three years (2014-15 to 2016-17) to fund three programs as follows:
 - (a) \$600,000 for an assertive outreach service delivered by Neami Way2Home;
 - (b) \$200,000 for a youth-specific service, comprising brokerage funds administered by Launchpad Youth Community in partnership with 19 other services; and
 - (c) \$600,000 for Connect 100, a program delivered by NSW Family and Community Services focussed on providing private market rental tenancies and support services for people at risk of or experiencing homelessness in the inner city.
9. The grant the City currently provides to NSW Family and Community Services expires on 30 June 2017. NSW Family and Community Services has requested a further three years funding from 2017-18 to 2019-20. The request was assessed under the Community Services Grant Program. The application was assessed by the Manager, Social Programs and Services, Manager Grants and Manager, Social Policy and Programs. NSW Family and Community Services has announced that the State Government funding arrangements established in 2014 will be continued for a further three years (2017-18 to 2019-20).
10. The service delivery outcomes achieved through the current grant and the details of the NSW Family and Community Services request for further funding are detailed below. The City has been able to realise a number of additional benefits through the grant, including developing a stronger working relationship with NSW Family and Community Services that has enabled joint contract management, and increased collaboration on strategies for addressing homelessness and rough sleeping in the inner city, including through collaborative outreach for people sleeping rough.

Assertive outreach

11. The first service for which NSW Family and Community Services is seeking the City's support is to continue an assertive outreach service provided by Neami Way2Home.
12. Under the current grant, the City has contributed \$600,000 per annum for this service, which focuses on:
 - (a) engaging clients with complex needs who are sleeping rough, where outreach workers directly engage with clients on the streets offering assistance and case management;
 - (b) working in partnership with health services, general practitioners and other services to address the needs of the chronically homeless;
 - (c) ensuring a Housing First approach, which focuses on helping clients access and sustain long-term supported housing solutions; and
 - (d) delivering a targeted response to Aboriginal and Torres Strait Islander men and women who are at risk of homelessness.
13. Over the three year funding period, the service has met its funding requirements and delivered positive outcomes. In 2015-16, 97 adults sleeping rough successfully accessed stable housing with ongoing support.

14. Support for assertive outreach is directly aligned with the City's priorities in responding to homelessness, and assisting people who are sleeping rough to exit homelessness.
15. Continuing to provide funding to this service will enable it maintain the level of assertive outreach delivered over the past three years. One of the key features of the service offered by Neami Way2Home is the provision of both outreach services and post-crisis support. Under this model, support is maintained for an individual while they transition from homelessness in to accommodation and for a period after they are housed, to ensure the person maintains a successful tenancy. A key issue faced by Neami Way2Home is their ability to provide sufficient post-crisis support services so that people can successfully exit the service and new clients can be supported.
16. It is proposed that for the period 2017-18 to 2019-20, the City provide \$700,000 per annum to Neami Way2Home, comprised of \$600,000 to enable the organisation to maintain assertive outreach services and \$100,000 to enhance post-crisis support services.

Preventing young people from becoming homeless

17. The second service for which NSW Family and Community Services has requested funding is a service to prevent youth homelessness as part of the Inner City Homelessness Prevention and Support Service for Young People funding.
18. Young people who first experience homelessness before the age of 18 are more likely to experience persistent homelessness in adulthood. Pathways into homelessness for young people may include family breakdown and being in foster care. Being able to prevent young people from becoming homeless in the first place, or stopping them from becoming entrenched in homelessness, helps give them the best chance in life.
19. Currently, the City provides \$200,000 per annum for case coordination and brokerage to provide flexible support to prevent young people with complex needs from becoming homeless, or entrenched in homelessness. Launchpad Youth Community administers these funds. Brokerage is funding for services to prevent young people from becoming homeless including bond, housing establishment such as furniture, emergency transport, accommodation, medical support, mental health support, reconnection with family members and education.
20. The service has met its funding requirements and exceeded expectations in the delivery of outcomes for young people. In 2015-16, the service prevented 456 young people from becoming homeless, and supported 184 young people who were homeless to access safe and stable housing.
21. Due to slower than expected rates of expenditure in its first two years of operating, the service is currently underspent in its brokerage budget. However, now that the service is well established, these funds will be expended on additional service delivery in the 2017/18 financial year and deliver increased outcomes for young people. Further, Launchpad projects that they have capacity to maintain this enhanced level of service should increased funds for brokerage be provided in the following years.

22. It is proposed that the City provide funding of \$200,000 to Launchpad in the 2017-18 financial year and provide increased funding of \$300,000 per annum in the following two financial years to maintain and enhance service coordination and brokerage for young people.

Establishing an Aboriginal outreach service

23. The third service for which NSW Family and Community Services is requesting funding is Aboriginal outreach services.
24. More than 17 per cent of people experiencing homelessness in Sydney identify as being Aboriginal or Torres Strait Islander. This is despite Aboriginal and Torres Strait islanders making up only 3 per cent of the total Australian population (AIHW 2014).
25. Currently, there is no Aboriginal-specific service funded in the inner city, despite the over representation of Aboriginal people among people who are homeless, particularly rough sleepers.
26. Both the Aboriginal Corporation for Homelessness and Rehabilitation Community Service and Innari Housing currently provide assistance to outreach efforts, with people sleeping rough in Wentworth and Belmore Parks as part of collaborative outreach efforts. However, the organisations do not currently receive funding to provide this service and are not able to sustain their involvement in the long term without additional support.
27. Providing these organisations with dedicated funding would enable both agencies to expand their outreach efforts as part of the Homelessness Assertive outreach Response Team (HART) response.
28. Outcomes expected as a result of providing this funding include an increase in the number of Aboriginal people sleeping rough in the inner city who are engaged and/or housed; and an increase in the number of Aboriginal people sleeping rough in the inner city with culturally appropriate case plans.
29. It is proposed that the City provide funding of \$200,000 per annum, comprising \$100,000 per annum to the Aboriginal Corporation for Homelessness and Rehabilitation Community Service and \$100,000 per annum to Innari Housing for the delivery of Aboriginal-specific outreach services.

Connect 100

30. Under the current grant, the City has contributed \$600,000 per annum to NSW Family and Community Services for Connect 100. This is a 'street to home' initiative whereby people sleeping rough are provided with housing linked to support using properties leased from the private rental market. NSW Family and Community Services established the program with a view to providing three-year packages of housing and support to 100 people across NSW. The program is delivered directly by NSW Family and Community Services and seeks to support people to be housed in their community of origin.
31. The City's contribution was intended to support an additional 25 tenancies and support packages for people sleeping rough who identified the inner city as their community of origin, and provide them with housing in an inner city location.

32. This program has not been able to achieve the outcomes being sought within the timeframes – as at 31 March 2017, nine of the expected 25 inner city tenancies have been funded. Under the broader program (as at 31 March 2017), NSW Family and Community Services has supported 62 people to access the program, with 54 housing and support packages currently funded by the program across NSW.
33. NSW Family and Community Services advises that there were a high number of inner-city referrals made but, as the majority of early package allocations were to people who were homeless but not rough sleepers, the City of Sydney allocation has been under-subscribed. NSW Family and Community Services report that several barriers impact the ability to fulfil inner city placements including:
 - (a) funding is provided for a three-year period. After that time, tenancies must be absorbed into the providers' housing portfolio. Where providers have stable tenancies and little turnover, this is difficult to achieve;
 - (b) difficulty in securing leasehold properties in the highly competitive and expensive inner city rental market; and
 - (c) difficulty in finding inner city properties suitable to individual client needs (such as no steps or low density properties).
34. NSW Family and Community Services has committed to delivering the full complement of 25 three-year packages as per its agreement with the City. This obligation will be included in any new funding agreement. No additional funding will be provided. More broadly, NSW Family and Community Services is reviewing the Connect 100 program model with a view to using learnings to shape future initiatives to address homelessness in the inner city.

City investment in responding to homelessness

35. In 2016-17, the City has allocated \$2.2 million per annum to addressing homelessness. This includes direct staffing and operational costs of \$800,000, along with \$1.4 million per annum in grant funding for specialist homelessness services. In addition to these funds, the City also supports other initiatives that respond to homelessness, including for example:
 - (a) support for Oasis Youth Support Network to provide a transitional accommodation service for young people aged 16-25 who are at risk of or experiencing homelessness at 90 Regent Street, Redfern. The property is owned by the City and leased to the Property Industry Foundation for \$1 per annum. The City forgoes potential market rent of approximately \$50,000 annually to facilitate this arrangement – an in-kind contribution of in excess of \$250,000 over the five-year lease; and
 - (b) provision of an Affordable Housing Grant of \$1.5 million in 2016-17 to HammondCare as a contribution to capital cost for development of a residential aged care home for older people who are homeless or at risk of homelessness.

36. The City sometimes receives requests to support homelessness projects through provision of funding. These requests are considered through the City's grants programs. Bridge Housing has approached the City seeking support for the establishment of a not-for-profit real estate agency in the inner City based on a successful model established in Victoria called HomeGround. The model allows for landlords to have their properties rented at full market rent, reduced market rent or on a philanthropic basis. The model aims to increase the supply of affordable housing through investment of property management fees back into affordable housing rentals, along with increasing the number of dwellings leased at affordable rates. The HomeGround model in Victoria was established in 2014 and manages 250 properties.
37. Bridge Housing has approached the City to seek one year 'start-up' funding to support the establishment of the agency. In line with the City's grants process, City staff will request Bridge Housing to submit a grant application for consideration by Council.
38. It is proposed that the overall recurrent budget of \$2.2 million per annum be maintained and that it be allocated as detailed in the table below. It is proposed that \$0.2M be maintained in reserve for any unplanned costs that may arise in responding to homelessness, such as those experienced in 2015/16 and 2016/17 when the City temporarily placed security services in Belmore Park as a public safety measure.

| | 2016-17 Budget | 2017-18 proposed budget allocation | 2018-2020 proposed annual budget allocation |
|--|---------------------------|--|--|
| Operational costs | \$0.8M | \$0.8M | \$0.8M |
| Grant funding for specialist homelessness services (as outlined above) | \$1.4M | \$1.1M comprising: <ul style="list-style-type: none"> • \$0.7M - assertive outreach and post crisis support • \$0.2M - youth brokerage services • \$0.2M - Aboriginal outreach services | \$1.2M comprising: <ul style="list-style-type: none"> • \$0.7M - assertive outreach • \$0.3M - youth brokerage services • \$0.2M - Aboriginal outreach services |
| Funding for other innovative project proposals to address homelessness | - | \$0.1M | - |
| Reserve | - | \$0.2M | \$0.2M |
| Total | \$2.2M | \$2.2M | \$2.2M |

KEY IMPLICATIONS

Strategic Alignment - Sustainable Sydney 2030

39. *Sustainable Sydney 2030* is a vision for the sustainable development of the city to 2030 and beyond. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This grant is aligned with the following strategic directions and objectives:
- (a) Direction 8 - Housing for a Diverse Population – the grant funding provided to NSW Family and Community Services will support better outcomes for people who are homeless or at risk of homelessness, including access to long term housing and support.

Organisational Impact

40. A new funding agreement between the City and NSW Family and Community Services will need to be developed. City officers will be involved in joint contract management for the overarching agreement with NSW Family and Community Services, as well as for each of the organisations funded via the agreement.

Social / Cultural / Community

41. The proposed mix of funding for specialist homelessness services has been informed by evidence of trends in homelessness, including over representation of Aboriginal and Torres Strait Islander people. Recommendations have also been informed by 'on the ground' observations of the collaborative services to people sleeping rough in the inner city, and where investment by the City could deliver the greatest impact in reducing and/or breaking the cycle of homelessness.

Economic

42. The reduction of street homelessness carries positive economic impacts across the inner city through the reduction of resources directed toward areas such as security; waste and cleansing; policing; and repeated provision of expensive health, corrective services and other welfare services.

BUDGET IMPLICATIONS

43. Provision for the allocation of funding for homelessness, including funding to NSW Family and Community Services as outlined above, has been made in the draft 2017-18 operating budget.
44. Provision for the \$1.5M Affordable Housing Grant to HammondCare has been made in the 2016-17 budget.

RELEVANT LEGISLATION

45. Section 356 of the *Local Government Act 1993* (NSW).

CRITICAL DATES / TIME FRAMES

46. The current grant provided to NSW Family and Community Services expires on 30 June 2017. To ensure continuity, approval is sought to allow time to ensure a new agreement can be in place for the commencement of the new financial year.

ANN HOBAN

Director City Life

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