

Management report to Council

Agenda item 6.3

Pathways Innovation Package Funding

Council

Presenter: Dean Griggs, Manager Social Investment

30 May 2017

Purpose and background

1. On 20 December 2016 Council endorsed the \$2 million *Pathways Innovation Package*. The package is comprised of six initiatives to address homelessness. The largest component of the package is the *Pathways Housing Fund* (\$1.2 million). The fund was intended to deliver direct housing to people experiencing homelessness in Melbourne. In light of recent investments into housing by the state government this report recommends an alternative allocation of the \$1.2 million.
2. The other initiatives in the *Pathways Innovation Package* are well underway (refer Attachment 2). It should be noted that \$523,120 from the \$2 million package has been allocated in the proposed 2017–18 budget as payments to selected contractors for services that will take place in the 2017–18 financial year.

Key issues

3. The Victorian Government has recently made substantial investments into housing and head leasing programs, much of which will actualise in this calendar year (Attachment 3). It is management's view that the *Pathways Housing Fund*, as initially conceived, would likely duplicate Victorian Government efforts.
4. In the past 12 months there have been numerous approaches to Council by individuals, community organisations, housing providers, philanthropists and the businesses, all with a range of innovative suggestions to address homelessness. The ideas relate to housing, storage facilities for personal belongings, fitness and healthcare programs, material aid and employment. The Activities Local Law 2009 submission process has also delivered significant information and suggestions of innovative solutions to address rough sleeping *and* homelessness in Melbourne.
5. Given this large amount of information and suggestions of innovative approaches to address homelessness, it is recommended that the *Pathways Housing Fund* be renamed to the *Pathways Innovation Fund*.
6. A contribution of \$1.2 million from the Council would be made to the Lord Mayor's Charitable Fund to establish a grant fund. The fund would be used to transparently deliver a grants program for projects that make an enduring difference to homelessness in Melbourne. The fund would also be able to receive contributions from other entities that have a priority to address homelessness. The intent of the fund is to support a small number of high impact ideas that warrant further development. Such ideas could include assertive outreach throughout the central city and initiatives that address the shifting expectations about the duration of homelessness such as the 'No Second Night Out Program' which has been successful in the United Kingdom.
7. The Lord Mayor's Charitable Fund has confirmed it is able to receive the contribution and the suggested intent of the fund *aligns* with their impact area of Homelessness and Affordable Housing.
8. It is recommended that an agreement be developed between the Council and Lord Mayor's Charitable Fund by 30 June 2017 in order to commence funding projects in the 2017–18 financial year. The agreement would include: governance and administration of the fund; guidelines and criteria for funding initiatives; duration of the fund; membership of an expert grants committee to administer the funds.

Recommendation from management

9. That Council:
 - 9.1. Makes a contribution of \$1.2 million to the Lord Mayor's Charitable Fund from the 2016–17 budget. The contribution will be used to establish the City of Melbourne *Pathways Innovation Fund* for homelessness projects in the municipality.
 - 9.2. Develops an agreement between the City of Melbourne and Lord Mayor's Charitable Foundation by 30 June 2017 in order to commence funding projects in the 2017–18 financial year.
 - 9.3. Notes that \$523,120 is included in the proposed 2017–18 budget to deliver the Daily Support Team and Night Time Safe Spaces programs as part of the *Pathways Innovation Package*.

Attachments:

1. Supporting Attachment (Page 2 of 6)
2. Pathways Innovation Package Update (Page 3 of 6)
3. Funding and Program Announcements Update (Page 5 of 6)

Supporting Attachment

Legal

1. Legal advice will be provided as required in respect to the proposed funding agreement.

Finance

2. On 20 December 2016, Council endorsed the \$2 million *Pathways Innovation Package*. This package included a \$1.2 million allocation for the *Pathways Housing Fund*; \$350,000 for the Daily Support Team, \$300,000 for the Night Time Safe Space program and a \$150,000 grant to HomeGround Real Estate.
3. By 30 June 2017 it is expected that the \$150,000 grant will be made to HomeGround Real Estate; \$80,760 will be expended towards the Daily Support team, covering 12 weeks of operation and \$46,120 will be expended towards the Night Time Safe Space program, covering eight weeks of operation.
4. Council notes that \$1.2 million allocation for the *Pathways Housing Fund* will be made as a contribution to the Lord Mayor's Charitable Fund to establish the *Pathways Innovation Fund* by 30 June 2017.

Conflict of interest

5. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a direct or indirect interest in relation to the matter of the report.

Stakeholder consultation

6. Recommendations for the *Pathways Innovation Package* were based on consultation with an expert advisory panel, convened from September to November 2016. The panel noted that Council's efforts in the homelessness space would be best focused on identifying gaps and providing programmatic responses at the capital city level rather than potentially duplicating the role of the Victorian Government to provide housing.
7. On 17 March 2017, Council completed 28 days of extensive community consultation regarding proposed amendments to the Activities Local Law 2009. Through this engagement, Council ran 19 face to face sessions with people experiencing homelessness, homelessness sector workers and leaders, representatives of the disability sector and business owners. Significant feedback was received with suggestions of how to assist people to exit homelessness.

Relation to Council policy

8. Pathways Homelessness Strategy 2014–17.

Environmental sustainability

9. Environmental sustainability principles will be included wherever possible in implementing the *Pathways Homelessness Strategy*.

Pathways Innovation Package - Update

The \$2 million Pathways Innovation Package was endorsed by Council on 20 December 2016.

The package was based on recommendations made by an expert advisory group that considered Council's role in responding to homelessness as well as the activities of government and service agencies in meeting the needs of an increasing number of rough sleepers within the City of Melbourne municipality.

Project	Current status	Funding considerations
1. Daily Support Team * operating for 12 months from April 2017	<ul style="list-style-type: none"> • A contract has been signed with Launch Housing and the project commenced in early April. • The team will be delivered by Launch, in partnership with Melbourne City Mission Frontyard Youth Service and be located with the Social Investment branch, working alongside partner branches. • The team comprising four outreach workers (one with a lived experience of homelessness) will work directly with rough sleepers in the municipality to assist them in accessing housing and services. • The team will run in close coordination with the Melbourne Rough Sleepers Initiative and Melbourne Streets to Home (both run through Launch Housing) and the Melbourne Homelessness Service Coordination Program. The team will also maintain close connections with other projects funded through the Pathways Innovation Package. 	<ul style="list-style-type: none"> • \$350,000 + GST. • Tender awarded March 2017. • 12 weeks of program will be delivered in 2016/17 financial year. • Budget allocation of \$269,240 in 2017-18 financial year.
2. Night time safe space program * operate for 12 months from May 2017.	<ul style="list-style-type: none"> • Tender for this program was open from 4 – 27 March 2017. • Program aims to provide a safe overnight location/s in the city for Melbourne rough sleepers and other vulnerable groups experiencing homelessness. • The program builds on the success of the Night Café, funded by the City of Melbourne and run by the Salvation Army for five months in late 2017. • In this iteration, the program will include integrated service provision requirements to provide pathways to housing or clinical care. Program partners could include: primary care agencies, housing providers, hospitals, police and drug and alcohol services. 	<ul style="list-style-type: none"> • \$300,000 + GST. • Tender awarded to Salvation Army. • Based on current timelines, eight weeks of program will be delivered in 2016/17 financial year. • Budget allocation of \$253,880 in 2017-18 financial year.
3. Home Ground Real Estate * operate through the 2017-18 financial year.	<ul style="list-style-type: none"> • One-off grant to HomeGround real estate (Launch Housing) in 2016-17, to oversee and contribute to activities that will increase the number of rental properties on offer and increase the number that are available to people experiencing homelessness within the municipality. 	<ul style="list-style-type: none"> • \$150,000 plus GST • Community Funding Agreement (strategic partnership) has been drafted. • Expected to commence delivery in April 2017. • All funds expended in 2016-17 financial year.

Project	Current status	Funding considerations
<p>4. Connect Respect</p> <p>* commences April 2017 and will continue through the 2017-18 financial year</p>	<ul style="list-style-type: none"> Delivered in partnership with the Council to Homeless Persons Peer Educator Program (people with a lived experience of homelessness), this program aims to work with businesses to build their understanding of homelessness issues and support their response to homelessness in the city. 	<ul style="list-style-type: none"> Program already budgeted
<p>5. Senior Housing Advisor</p> <p>*role has been appointed and continues through the 2017-18 financial year</p>	<ul style="list-style-type: none"> Position based in the Urban Strategy branch will work closely with the Social Investment branch to explore opportunities available through the Melbourne Planning Scheme and examine opportunities for social housing in key locations throughout the city. Will link work undertaken through the City of Melbourne's Pathways: Homelessness Strategy (2014-17) and Housing Strategy – Homes for People (2014-2018). 	<ul style="list-style-type: none"> Program already budgeted
<p>6. Pathways Housing Fund</p> <p>* Not allocated</p>	<ul style="list-style-type: none"> A \$1.2 million fund to be distributed through an EOI process. Aimed towards homelessness housing providers to deliver direct housing through a third party asset or within their own programs or housing stock (including headleasing). It is the intention that the fund would not be used for capital projects. Given Victorian Government announcements in 2017 (see Attachment 3), a recommendation has been put forward to reallocate these funds, so as to avoid duplication. 	<ul style="list-style-type: none"> Council Briefing Paper of 28 March recommends reallocation of funds. Expected that funds will be allocated in 2016-17 financial year with no carry over.

Victorian Government Funding and Program Announcements - Update

6 March 2017 - Affordable Housing Plan, *Homes for Victorians*

Homes for Victorians includes a wide range of initiatives including:

- \$1 billion social housing 'future' fund with the \$1 billion of capital invested in equities. The fund will generate \$70-\$80 million in annual dividends in perpetuity for both new build and head leased social housing. Community housing agencies seeking grants from the fund would need to participate in the Housing Register. New rules for agencies participating in the register include the requirement that they allocate 75% of vacancies to priority applicants.
- \$1 billion social housing loan guarantee and \$100 million revolving loan fund - these will decrease the cost to community housing of borrowing money for new social housing.
- Measures to support home ownership
- Planning changes including an inclusionary zoning pilot
- Reform of tenancy legislation.

Homes for Victorians also includes funding initiatives announced over 2016 and early 2017:

27 January 2017 - *Towards Home: \$10m emergency response to rough sleeping in the City of Melbourne including:*

- Access to 40 transitional housing units across Melbourne until new additional permanent housing is in place by the end of 2017.
- 30 new modular and relocatable homes on public land to be in place by the end of 2017.
- A pathway to permanent supportive housing so that rough sleepers gain stable housing as quickly as possible.
- Case management and targeted supports for an immediate 40 vulnerable rough sleepers for up to 2 years to help them maintain their housing

11 January 2017 – 57 new homes on VicRoads land in the inner West

A collaborative project between philanthropic donors, Launch Housing and the Victorian Government to build relocatable housing on vacant VicRoads land.

24 November 2016 - \$185 million *Public Housing Renewal* including:

- Redevelopment of 2,500 ageing public housing properties across public housing estates, regional centres and growth corridors.
- Growth in the supply of social housing in these communities by 10%.
- Create mixed tenure communities encompassing social, affordable and private housing.
- Program delivery through partnerships with the community housing, government and private sectors.

24 November 2016 - \$33 million, two-year extension to private rental brokerage support:

- Support private rental access programs for up to 6,000 disadvantaged Victorians per year to access and maintain private rental housing.
- Flexible funding assistance and private rental brokers to support people.
- This allows the \$16 million private rental assistance funded under the 2016-17 Budget to continue for a further two years.

14 November 2016 - \$109m homelessness support including:

- \$15.6m to intervene early to prevent people becoming homeless
- \$60.8m to provide localised and person centred responses
 - Outreach services to rough sleepers
 - Therapeutic services in crisis accommodation facilities
 - New crisis and long term accommodation
 - Supportive housing models for people in the west of Melbourne

- \$32.7m to better support people to sustain housing and achieve independence
 - Extend leasing programs
 - Provide accommodation for people with a severe mental illness
 - Flexible support packages for people who have experienced chronic homelessness
 - Construct a new supportive housing facility of up to 30 units for women and children

6 September 2016 - \$120m Social Housing Pipeline including:

- \$30m Flemington public housing estate redevelopment
- Rapid Housing Assistance: \$24m to purchase 94 and lease 79 properties through the community housing sector for short term housing for homeless Victorians.
- Vacant and under-used land development: \$60m to increase the number of social housing properties on vacant or under-used land currently owned by the Director of Housing.
- Purchase and upgrade of City Gate Apartments in St Kilda -\$5m

13 April 2016 - \$152m Family Violence Housing Blitz including:

- Private rental assistance: \$16m to provide to support access to private rental.
- Flexible support packages: \$40m to meet the individual needs of victims of family violence, including support to stay safe at home.