

12 May 2009

**HOMEGROUND SERVICES – SUPPORTIVE HOUSING
SERVICE FUNDING PROPOSAL**

Division Community and Culture

Presenter Colleen Lazenby, Manager Community Safety and Wellbeing

Purpose

1. To inform Council of the HomeGround Services proposal for funding of its service support system which is linked to implementation of the Supportive Housing Model in Melbourne.

Recommendation from Management

2. That the People and Creative City Committee:
 - 2.1. note the funding submission from HomeGround Services requesting recurrent service system funding of the Common Ground/Supportive Housing site at Elizabeth Street in Melbourne;
 - 2.2. note the contributions Council has made to the project to date;
 - 2.3. decline the funding request from HomeGround Services; and
 - 2.4. request Management work in collaboration with the State Government and other relevant agencies to develop a strategic plan for solving homelessness that includes defining the role of the relevant parties.

Background

3. The *Homelessness Framework 2007 -2009* was endorsed by Council in February 2007. The key objective of the *Homelessness Framework 2007 -2009* is *creating sustainable pathways out of homelessness*.
4. The Council resolution endorsing the framework included a request for immediate research to be undertaken to identify the local homelessness profile for Melbourne both now and as projected over the next five years and an analysis of gaps in service and recommendations for development of models to meet the needs of homeless people.
5. Stage One of the homelessness research project documented the local homelessness profile for Melbourne, identified the needs and aspirations of people who are homeless and undertook an analysis of the service system capacity and gaps. Stage Two of the Homelessness Research Project considered alternative service models, operational and capital costs, as well as estimated costs of not developing alternative responses to homelessness. Stage Three of the Homelessness Research Project reviewed and assessed the most effective models and approaches for monitoring the level of homelessness in Melbourne, and established a preferred methodology and process to undertake the first street count in Melbourne which took place in June 2008.

6. In February 2008 Council received the findings of Stage Two of the Homelessness Research. The findings of this research identified the differences and potential cost savings in changing the focus of the service system from a managing homelessness to solving homelessness. The report recommended that the Housing First/Supportive Housing Model be implemented in Melbourne. Council accepted the research findings and resolved to formalise a strategic partnership with the State Government and other relevant partners to implement the Supportive Housing Model in Melbourne.
7. The Key Principles of the Model are Housing First/Supportive Housing in Melbourne:
 - 7.1 provision of housing is not contingent on acceptance of support;
 - 7.2 targeted at individuals with complex and multiple needs who have been homeless for over twelve months;
 - 7.3 provides long term, safe, self-contained, affordable accommodation;
 - 7.4 provides long term housing and support, in recognition that people require time, stability and support to address personal issues;
 - 7.5 includes on-site supports and access to a broader range of support services; and
 - 7.6 requires 24 hour staffing in medium-high density properties.
8. In April 2008 the State Government announced purchase of the property at 660 Elizabeth Street Melbourne as the site for development of the first Common Ground/Supportive Housing Model project in Victoria.
9. Planning approval for the Supportive Housing development in Elizabeth Street was granted in February 2009. Project development and construction, which is being undertaken at cost by Grocon, recently commenced on the site. It is anticipated that the Supportive Housing project in Elizabeth Street will be ready for occupation in mid to late 2010.
10. Since 2008, Council's contributions have been:
 - 10.1 \$10,000 grant to HomeGround Services for specialist financial advice to develop the Supportive Housing services model;
 - 10.2 discontinuance of Council Lane 1014, valued at \$210,000, and sale of the property to Yarra Community Housing, site owner, for \$1.00; and
 - 10.3 development of a community information plan, with partners including Yarra Community Housing, HomeGround, Grocon and the Department of Human Services, that will ensure community engagement with the proposed development of the site and inclusion of all residents in the fabric of the neighbourhood.
11. HomeGround Services is an independent, not for profit and secular organisation which has a vision to end homelessness in Melbourne. HomeGround Services assist the largest number of homeless people in Inner Melbourne and provides a range of homeless support services, housing, community development and social change projects. HomeGround has particular expertise in assisting people with complex needs and chronic homelessness.
12. HomeGround has been selected by the Department of Human Services as the provider of case management and 24/7 concierge support as well as co ordinating the provision of health, allied health, therapeutic, legal, vocational, employment, educational and recreational services on site at the Supportive Housing site at 660 Elizabeth Street Melbourne.

13. HomeGround Services have submitted a proposal for recurrent funding of approximately \$500,000 to contribute to provision of support services for implementation of the Supportive Housing model in Melbourne.

Key Issues

14. A key aspect of the success of the Supportive Housing Model is the provision of on-site support services to ensure residents receive appropriate and timely assistance with various needs. HomeGround Services has submitted a proposal to the City of Melbourne for a funding partnership for service delivery at the Elizabeth Street Common Ground site. The proposal seeks recurrent Council funding for support services which will form an integral part of implementing the Supportive Housing Model in Melbourne.
15. There are three key cost aspects of operating a successful Supportive Housing Model project Capital Costs, Establishment Costs and Support Costs. Support Costs include recurrent annual costs for the provision of management and support services.
16. The critical elements for successful implementation of the Housing First/Supportive Housing model in Melbourne are: on –site support using assertive engagement; provision of quality, affordable, long term housing; twenty four hour security; community connectedness and employment.
17. The HomeGround funding submission seeks annual funding of approximately \$500,000 for an initial four year period to provide key service aspects of Case Management, Program Co Ordination, Recreation Program and a Subsidised meal program.
18. The State Government has committed \$3 million (over four years) to fund the case management and concierge functions of the program. Additional resources are being sought to contribute to the non funded activities of the program and to supplement the case management activities.
19. The key consideration for Council is the nature and the extent of Council’s contributions to Supportive Housing.
20. Supportive Housing service provision is one aspect on a continuum of contributions to a resolution for homelessness.
21. The United States experience has demonstrated that a coordinated inter agency strategic plan to resolve homelessness is the single most important determinant of success. Such a plan needs to clarify and differentiate the roles of different levels of government and agencies.
22. Management recommends that until a strategic plan is developed in collaboration with the State Government and relevant agencies, it would be unwise to commit to Supportive Housing service delivery when it maybe that the most suitable role of Council is something quite different.
23. Funding the proposal without a strategic plan sets a precedent for the role of Council in any future Supportive Housing developments in the municipality.

Time Frame

24. Preparation for opening of the Elizabeth Street Supportive Housing project will commence in January 2010. The building is expected to be ready for occupation by mid 2010.

Relation to Council Policy

25. *The Homelessness Framework 2007 – 2009* and the *Social and Affordable Housing Framework 2006 – 2009* are the relevant policies.

Finance

26. The proposal submitted by HomeGround is seeking recurrent funding of \$500,000 to support implementation of the Supportive Housing Model in Melbourne. There is no proposed budget for this in 2009/2010.

Legal

27. The recommendations made in this report are within the power and functions of Council.

Sustainability

28. The *Homelessness Framework 2007 – 2009*, including the vision, principles and strategies makes a significant contribution to the social and economic sustainability of the City. The development of initiatives to address the issue of homelessness contributes directly to achieving social equity, builds sustainable communities and has an indirect impact on ensuring economic prosperity in the city. Implementation of the Supportive Housing Model in Melbourne will directly contribute to the *Framework* objective of *creating sustainable pathways out of homelessness*.
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FINANCE ATTACHMENT

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The financial implications are outlined in the body of the report. The recommendations, if accepted would have no significant direct financial implications.

Joe Groher
Manager Financial Services

LEGAL ATTACHMENT

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No direct legal issues arise from this report.

Section 3C(1) of the *Local Government Act 1989* (“the Act”) provides that:

“The primary objective of a Council is to endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions.”

Further, section 3C(2) of the Act sets out that in seeking to achieve its primary objective, the Council must have regard to facilitating objectives, including:

“(c) to improve the overall quality of life of people in the local community;”

The subject matter of the report and the recommendation are within the objectives of the Council

Kim Wood
Manager Financial Services