

**Committee Name and Date of Committee Meeting**

Cabinet – 15 December 2025

**Report Title**

Housing First Recommissioning

**Is this a Key Decision and has it been included on the Forward Plan?**

Yes

**Strategic Director Approving Submission of the Report**

Ian Spicer, Strategic Director of Adult Care, Housing and Public Health

**Report Author(s)**

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**Ward(s) Affected**

Borough-Wide

**Report Summary**

This report sets out recommendations for the future commissioning of Housing First provision in Rotherham. Housing First is a non-statutory, established approach to supporting residents to move away from long term homelessness. It provides intensive support where the provider also sources suitable accommodation for the client. It is reserved for the most complex and disengaged people within the homeless population, complementing the Council's offer to alleviate and prevent homelessness. Housing First has been delivered in Rotherham since 2018 by South Yorkshire Housing Association (SYHA) following a direct award.

**Recommendations**

That Cabinet:

1. Approves the recommissioning and procurement of Housing First for a five-year contract term on a 3 year plus up to 2-year basis.
2. Notes the intention through the recommission to align more closely to the principles of Housing First, recognising that this is key to driving sustainable change and securing long-term impact for residents.

## **List of Appendices Included**

Appendix 1 South Yorkshire Housing Association, Housing First Impact Reports  
Appendix 2 Part A – Initial Equality Screening Assessment  
Appendix 3 Part B – Equality Analysis Form  
Appendix 4 Carbon Impact Assessment

## **Background Papers**

[Cabinet on 16 October 2017](#)

[Housing First fidelity assurance framework | Homeless Link](#)

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**  
No

**Council Approval Required**  
No

**Exempt from the Press and Public**  
No

## Housing First Recommissioning

### 1. Background

- 1.1 Housing First is an established approach to successfully reducing long-term homelessness for the most complex and disengaged people within the homeless population. People accessing the service are not required to meet specific conditions beyond a willingness to maintain a tenancy, as they would be with more traditional approaches. Support services are offered but are not mandatory, allowing individuals to choose when and how they engage with them. Support is individualised to meet the specific needs of each person, empowering them to take control of their lives. According to research published by Homeless Link in November 2024, Housing First reduces anti-social and offending behaviours. 84% of participants were involved in ASB or offending at entry, dropping to 45% by the end of year three.
- 1.2 Housing First, as a model, was first introduced to the UK in 2010, with various projects being developed across the Country by local authorities and charitable organisations. The Housing First England approach has been developed over this time by the charities and local authorities involved, alongside Homeless Link, which is the national membership charity for organisations working directly with people who are homeless or at risk of homelessness in England.
- 1.3 Between 2018 and 2023, three major pilot programmes were conducted in Greater Manchester, Liverpool City Region, and the West Midlands, funded by the Ministry of Housing, Communities and Local Government (MHCLG). The October 2024 Cost Benefit Analysis (CBA) report by MHCLG evaluated the financial impact of the Housing First pilots. It found the average annual cost per person supported was £7,737 with estimated annual benefits per person of £15,880.
- 1.4 Housing First in Rotherham was approved as a pilot project by Cabinet on 16 October 2017 (Background Papers Agenda item 11. Rotherham Side by Side - Housing Related Support Review Pages 124 - 160) and has been operational for over 6 years. This followed a recommendation that a pathway be created for people with complex needs based on a Housing First model to support 20 – 30 clients.
- 1.5 Housing First supports Priority 3 of Rotherham's Housing Strategy 2025-2030: Supporting our residents to live independently, including through prevention of homelessness.

The priority aims are:

- We will work with partners to help our most vulnerable residents live independently.
- We will provide a range of housing to suit the needs of individual households.
- We will end rough sleeping in Rotherham and work to prevent our residents from becoming homeless.

- 1.6 It also supports Priority 5 of the Council's Homelessness Prevention and Rough Sleeper Strategy (2023-2026) 'Support People with Complex Needs'.
- 1.7 The current contract is delivered by South Yorkshire Housing Association (SYHA) which subcontracts part of the service to Target Housing Ltd, with a total capacity for 35 service users, following an increase of 10 units from 25 units in 2021. This contract ends on the 31 May 2026.
- 1.8 Currently South Yorkshire Housing Association provide 29 units of accommodation with the remaining 6 properties provided either by private landlords (x3), RMBC housing stock (x1) or Registered Social landlords (x2). SYHA deliver the accompanying support for 20 service users and Target Housing Ltd. provide support for 15 service users. The support is service user led, with small caseloads (5-7 per support worker) so that people can receive more intensive support.
- 1.9 There are seven core principles to the Housing First England model and evidence suggests that the closer a project aligns to the principles, the more effective Housing First can be in achieving outcomes for people accessing the service (see background paper above). The core principles are:
1. People have a right to a home.
  2. Flexible support is provided for as long as it is needed.
  3. The provision of housing and support should be separated.
  4. Individuals should be given choice and control.
  5. An active engagement approach is used.
  6. The service is based on people's strengths, goals, and aspirations.
  7. A harm reduction approach is used.
- 1.10 A review undertaken by the Council's Strategic Commissioning team, within the Adult Care, Housing and Public Health Directorate, using the Homeless Link review tool (June 2025) concluded that the support offered in Rotherham is aligned with most of the core Housing First principles, offering flexible support to service users that is strength-based, incorporating an active engagement and harm reduction approach. However, the model is not aligned fully with principle 3 because the support is often being provided by the same organisation as the landlord.
- 1.11 **Successful outputs and outcomes**
- The review undertaken by Strategic Commissioning found that 75% of people currently accessing Housing First in Rotherham are identified as 'stable with lower risk of future return to homelessness' or 'moving towards stability with elevated support'. The remaining 25% of service users have been identified as having an 'elevated/imminent risk of returning to homelessness'. This is in line with other Housing First projects across

England and demonstrates the positive impact Housing First can have on sustaining a tenancy.

- 1.12 Housing First in Rotherham measures wellbeing using the Warwick-Edinburgh Mental Wellbeing scale. Between 2022–2025, service users exiting Housing First reported an average increased level in wellbeing by 7.4% from the baseline at intervention start. National averages vary between 5% and 12%. Service users also recorded a decreased level of environmental chaos by 15.7% on average when applied to the CHAOS scale (Confusion, Hubbub, and Order Scale).
- 1.13 SYHA also evidenced that Housing First customers' use of unplanned and crisis services (A&E, police, mental health crisis teams, and the fire service) had reduced by 19.5%, in a SYHA Housing First Impact Report published in November 2022 (Appendix 1).
- 1.14 In November 2021 and 2022, South Yorkshire Housing Association published Impact Reports on Housing First. (Appendix 1). Some of the customer feedback was as follows:

"I can't believe how quickly I have changed and taken control of my life, my health, my wellbeing and my money – The service and your support is massive to me."

"My new house means so much to me. It is like being given a second chance to prove to everyone, family, friends and my workers who I really am. I look forward to making new friends in the community, positive ones."

"I can't describe how happy I am with the support I get. I have a nice little flat and my own space. I've had so many chances, but no one has let me show how I can change. I feel at peace and feel excited that I will be here forever, so thank you."

"I see my keyworker nearly every day, and she helps me get my methadone, so I don't have it stopped. She is always a phone call away and we work well. First person I have trusted since forever."

"I cannot stress enough how much I would recommend Housing First to everyone. For me, it is so different than any other service, I have had loads of support services in the past. I love the way the support can be there as long as you want or need it."

## **2. Key Issues**

### **2.1 Complexity of need**

The Council has seen an increase in complexity of need (those with two or more vulnerabilities) of people residing in Council tenancies and making a homelessness application. Complex cases include mental health support, substance misuse, domestic abuse (DA), hoarding, safeguarding and anti-social behaviour (ASB). Between November 2022 and November 2023, the

Council's locality-based teams dealt with 220 safeguarding cases (approx. 6 per Area Housing Officer). Council Area Housing Officers dealt with 70 ASB cases per 1,000 properties during 2023/24 compared to the national average of 35.

Housing First currently offers a solution for a small number of people with complex and chaotic lifestyles, who would otherwise be seeking re-housing through the Council, because, unlike more traditional models, Housing First does not require people to complete a substance misuse treatment programme or become 'tenancy ready' before securing a permanent home. It therefore brings a structured support system alleviating pressures in the Council's Area Housing function.

## **2.2 Demand**

The Council is undertaking a review of its Homelessness Prevention and Rough Sleeper Strategy (2023-2026), and Housing First plays a key role in preventing recurrence of homelessness and supporting people with complex needs.

2.3 Data analysed as part of this review shows a year-on-year increase of people making a homelessness application in Rotherham.

2.4 Data also shows an increase in the number of households presenting as homeless having multiple support needs. This indicates that more households require tailored support and housing solutions to ensure accommodation is not only suitable but also sustainable. These local trends reflect and, in some cases, exceed national patterns, highlighting the growing complexity of homelessness and the need for responsive, person-centred approaches.

2.5 Stakeholder engagement across Housing and Homelessness and Adult Care shows that demand for Housing First remains high, given the high proportions of people presenting as homeless, with complex needs and high chaos index scores.

2.6 Housing First is an available pathway for people with complex and high needs who are verified rough sleepers or at high risk of rough sleeping. In 2024 (full year), of the placements made by the Council into emergency accommodation (e.g. hotel or bed and breakfast), 29% were for people recorded as having high level needs and 16.7% were for people who were rough sleepers.

2.7 In 2024 (full year) there were 36 placements made into the Rough Sleeper Accommodation Hub, known locally as the Rough Sleeper Hostel. Housing First is one of the move-on options from this short-term (up to 6 weeks) accommodation and support service providing a pathway to longer term sustainable tenancies with an intensive level of support. This is aimed to prevent recurrence of homelessness and rough sleeping.

2.8 There are currently 32 people accessing the service (of an available 35 units), all are at different stages in their support journeys. Not recommissioning Housing First would result in a need for an alternative housing solution to be found for customers with complex needs. As commissioned supported accommodation is operating at over 95% capacity, not recommissioning would place further strain on the system and would be likely to result in these and future customers requiring temporary housing with limited support, prolonging their time as homeless.

## 2.9 **Costs**

The total current annual contract value is £229,189 (for 35 people this is equivalent to £6,548 per person, per annum). These costs have not increased since 2018 and for the financial year 2023/24 the lead provider, reported making a significant deficit which would suggest these costings are no longer viable.

2.10 Cost analysis undertaken has shown that an increase in budget will be required to make the service financially attractive/viable to the market. Providers that are member organisations on the Council's Flexible Purchasing System (FPS) for Housing Related Support have also indicated that the costs to run the service are dependent on the size of the project (number of units), as larger projects can achieve economies of scale in non-staff related costs.

2.11 Benchmarking has shown that it is difficult to determine a cost per unit as it is dependent on usage and service model and therefore fluctuates. However, Housing First project costs on average are between £7,000 and £9,000 per person, per annum.

2.12 The uplift to the contract value will be included when the tender is advertised and will bring the service in line with other Housing First programmes. This will be more attractive to the market when undertaking the procurement and will allow for the provider to source properties outside of their existing portfolio as it would be less reliant on rental income to supplement the income of the project. This would allow the alignment with principle 3, having a separate housing provider and support provider.

## 2.13 **Contract Capacity**

As Housing First has proved a successful solution for some of the most complex people experiencing homelessness, it is recommended that this service continues. Due to the principle of the service offering a longer-term housing option, compared with more traditional models, a longer-term contract would be most suited to the project. The current service has delivered approximately 90% occupancy (based on the last full year figures for 2024/25). This means that of the 35 units commissioned, around 32 are being delivered at any one time. The slight undercapacity allows for the contractor to make changes and repairs to the property as required. The tender process will require a minimum of 30 units but providers may be able to provide more with the increase in budget.

## **2.14 Alignment with the principles and continuous improvement**

Research conducted by Homeless Link on the approach shows that the effectiveness of services is linked to how closely they adhere to the set of key principles underpinning delivery, see background paper above.

2.15 The separation of the provider for the housing and support elements is a core principle of the Housing First model. The Rotherham model is not fully aligned with principle 3 because in many cases the support is being provided by the same organisation as the landlord. Providers report that this creates a conflict of interest when housing management issues occur, which can lead to a breakdown in relationships and support with the client.

2.16 The commencement of legal action from the provider to evict tenants who breach their tenancy agreements, detrimentally impacts the working relationship with the key worker, and can result in failed tenancies, abandoned properties and service users no longer engaging in support.

2.17 Separating the landlord from the support provider will adhere to the evidence base as support relationships can remain in place regardless of tenancy issues and would allow support to continue should the person leave their tenancy. In the re-commissioned service, support providers will be required to offer assistance in sourcing a suitable tenancy that could become a long-term solution. The proposed model will focus on identifying suitably sized and located properties for each customer moving away from allocated housing stock. The successful provider will need to demonstrate their ability to do this and manage any risk. This early engagement and support to find the most suitable property will also ensure greater choice and control to individuals (and aligning closer to the Housing First principles).

## **3. Options considered and recommended proposal**

### **3.1 Option 1: Re-commission with an increased budget (recommended option)**

Re-commissioning the service with an increased budget will allow the Council to maintain the provision (originally directly awarded following negotiation in 2018). It would also give the Council the flexibility to separate the support element from the landlord. The commissioned Housing First provider will secure a suitable landlord and property for the individual, then deliver flexible support to help them sustain their tenancy and address personal needs -while housing and support remain separate.

The estimated cost per person, per annum is between £6,516 and £8,688, dependent on number of units of support supplied; benchmarking has shown this to be in line with other Housing First projects.

A revised Service Specification for this provision will be co-designed with the market and will include people's lived experience of homelessness. It

will incorporate good practice gained through providers' experience and learning from recent delivery with an increased focus on personal outcomes, and the seven core principles of Housing First. Tools such as the Warwick-Edinburgh outcomes star and the CHAOS index will be used to capture evidence of personal outcome attainment.

Long term commitment of 5 years (3 years, plus 2 years in any combination) would ensure stability of the project given that the model offers a long-term solution for people accessing the service.

### **3.2 Option 2: Re-commission with existing budget (not recommended)**

Retain the same characteristics of the current provision without an increase in costs and re-procure the service. There is continued demand for the service, however, the current provider has submitted cost data that shows a significant loss on the contract. This is largely due to staff costs and maintenance costs for the properties. It is anticipated that, at the current contract value, the market may only be able to offer a reduced level of provision. This reflects ongoing financial pressures and evolving service delivery costs, which may impact the scope and quality of services available within the existing budget. This would not be recommended to meet the existing demand. This would also not allow for any developments in the model to achieve better fidelity and outcomes.

### **3.3 Option 3: De-commission the provision (not recommended)**

This would require a formal notification to the lead provider (recommended at 6 months) of the decision to decommission the contract following contract expiry on the 31 May 2026. No future placements would be made during this period. De-commissioning the provision would detract from the key element of Housing First that no time limits are put on the offer of support. This decision also does not support Rotherham's Housing Strategy 2025-2030 Priority 3: Supporting our residents to live independently, including through prevention of homelessness.

With the limited options for people with complex needs, it is unlikely all the current service users would be moved on successfully by the end of the contract term.

De-commissioning the provision would lead to a significant gap in provision for a complex cohort of people, impacting on other services.

## **4. Consultation on proposal**

4.1 All providers who are member organisations of the Council's Housing Related Support Flexible Purchasing System were invited to a market engagement event to ask for their views on the Housing First model. Four of the seven qualified providers attended and fed back that:

- The most important factor in successfully delivering Housing First is a multi-agency approach from start to end.

- Average caseloads of seven for support staff in the community have seen most success as it allows a persistent approach. The support should start early and remain with the person regardless of their tenancy. Sourcing properties is always the biggest barrier to fully aligning with the Housing First principles.
- The size of the service is important, especially if delivered by a single provider: making the service too large could dilute the service.

4.2 The Council is currently reviewing the Homelessness Prevention and Rough Sleeper Strategy. As part of this work consultation was undertaken with people who have lived experience of Homelessness, along with a wider public consultation. Feedback has included the importance of appropriate support to help individuals sustain tenancies. It highlighted that increasing access to specialist supported accommodation such as Housing First or similar models would offer greater stability for people with complex needs. This, in turn, would enhance their ability to maintain accommodation and engage in key areas of support. The most commonly cited factors affecting tenancy sustainability were mental health and substance misuse, due to their significant and often interrelated impact.

## **5. Timetable and Accountability for Implementing this Decision**

5.1 Subject to Cabinet approval of the recommendations set out in this report, the procurement process will proceed with the tender being advertised in January 2026, with the intention for the contract to commence in June 2026. This will be led by the Strategic Commissioning Manager and Senior Procurement Category Manager.

## **6. Financial and Procurement Advice and Implications**

6.1 There is currently an annual budget for Housing First of £229,189. The recommended proposal is expected to increase this to approximately £260,649, a rise of £31,460 but will be dependent on the outcome of the procurement process. Funding for this increase has been identified from within the Adult's Strategic Commissioning Service.

6.2 The re-procurement of the Housing First Service must be undertaken in compliance with relevant procurement legislation. The Council has an existing Housing Related Support: Flexible Purchasing System procured in compliance with the Public Contracts Regulations 2015 and the Council's own Financial and Procurement Procedure Rules, which will be explored as an appropriate use for this procurement activity.

## **7. Legal Advice and Implications**

7.1 The Housing First Service Contract has been discussed with Legal Services in order to ensure compliance.

7.2 There are no further legal implications raised by this report.

## **8. Human Resources Advice and Implications**

- 8.1 There are no Human Resources implications associated with this report.

## **9. Implications for Children and Young People and Vulnerable Adults**

- 9.1 There are no implications for children or young people as this is an adult service.
- 9.2 The nature of Housing First means that it is accessed by vulnerable adults. The current provider contributes to the Council's Vulnerable Adult Pathway, adopting a multi-agency approach to supporting and safeguarding vulnerable adults. Going forward the new service model will build on this, adopting a multi-agency approach. Once the service has been tendered and a new contract awarded, there may be a need for the vulnerable adults who are currently in Housing First to move to a new provider. This may also mean moving tenancies and support provider dependent upon the successful provider and any negotiations around properties with the current landlords. This process will be overseen by Strategic Commissioning and Homelessness Teams to ensure any moves are not detrimental to the vulnerable adults and supports choice and control.

## **10. Equalities and Human Rights Advice and Implications**

- 10.1 An Equality Analysis has been conducted in line with the Council's procedures (Appendix 2 and Appendix 3). There are no further Equalities and Human Rights implications identified outside of the Equality Analysis documentation.

## **11. Implications for CO2 Emissions and Climate Change**

- 11.1 There are no anticipated implications for CO2 Emissions and Climate Change as detailed in the Carbon Impact Assessment (Appendix 4).

## **12. Implications for Partners**

- 12.1 Engagement with providers from the Housing Related Support Flexible Purchasing Scheme (FPS) co-production approach will be taken into account, in the development of the specification and the service following the initial Market Engagement event held on 24 September 2025, the feedback from which has been included in this report.

## **13. Risks and Mitigation**

- 13.1 The financial envelope, including the enhanced budget may not be attractive to the market. Although this has been mitigated as much as possible the market has been consulted and benchmarking has been undertaken, changes in costs and legislation will contribute to a provider's decision to tender for a project. There is the potential of a lack of bids from the market. Further co-production with the market will be undertaken to produce an achievable offer. This may result in a lower offer of units.

- 13.2 Incumbent provider/s may choose not to tender for the new Housing First contract or may be unsuccessful and consequently may have alternative intentions for the properties currently in use. This would mean that customers transferring to the new provision may have a change in both support provider and property, which potentially may be detrimental to their progress in the short term. Mitigations will include establishing the incumbent providers' intentions early via market engagement including potential future use of properties occupied by Housing First customers. Sourcing suitable properties may result in a delay to the project start. This will be mitigated by ongoing contract management with the incumbent provider.

**14. Accountable Officers**

Ian Spicer, Strategic Director, Adult Care, Housing and Public Health

Approvals obtained on behalf of Statutory Officers: -

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	John Edwards	27/11/25
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	25/11/25
Assistant Director of Legal Services (Monitoring Officer)	Phil Horsfield	24/11/25

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