

Report for: Cabinet – 19th January 2021

Title: Request for variation and extension of contracts for Housing Related Support - Single Homeless Pathway Services as allowed under Contract Standing Order (CSO) 10.02.1(b)

Report authorised by: Charlotte Pomery – Assistant Director for Commissioning

Lead Officer: Gill Taylor – Strategic Lead, Single Homelessness & Vulnerable Adults - E-mail: Gill1.Taylor@haringey.gov.uk

Ward(s) affected: All

**Report for Key/
Non-Key Decision: Key Decision**

1 Describe the issue under consideration

1.1 This report seeks approval for a variation and extension of the following seven existing contracts for the provision of housing related support in the Single Homeless Sector each for a period of up to 14 months from 12th January 2021 to 11th March 2022 as allowed under Council's Contract Standing Order (CSO) 10.02.1(b):

- a) The contract with St Mungo's Community Housing Association Ltd for Assessment and Engagement, Complex Needs and a Specialist Substance Misuse and Offenders Service.
- b) The contract with St Ignatius Housing Association Ltd for the Move Through Service.
- c) The contracts with St Mungo's Community Housing Association Ltd for High Cross, Women's Complex Needs and Northumberland Park Pilot Service. Flexible Homelessness Support Grant (FHSG) has been approved by Ministry of Housing Communities and Local Government for the year 2021/22.

1.2 This report seeks approval to include a clause in the aforementioned contract variations which creates provision for the Council to claw back funding from providers who do not fulfil the staffing requirements of their contracts.

2 Cabinet member introduction

- 2.1 We know that people experiencing homelessness have some of the poorest outcomes of all our residents. They are more likely to be unemployed, have unmet physical and mental health needs, and are at risk of a preventable early death. As a borough, we are committed to ending street homelessness and ensuring that vulnerable people have access to high quality supported accommodation that helps them rebuild their lives after homelessness.
- 2.2 The Council currently commissions and directly delivers a range of supported accommodation for single adults that provides person-centred and tailored support. It is appropriate that these contracts should be extended, as set out here, to offer vulnerable residents continuity and security while a new service model is co-designed and put in place in 2021.

3 Recommendations

- 3.1 For the Cabinet to approve, in accordance with Contract Standing Order (CSO) 10.02.1(b), the variation and extension of the following single homeless contracts for a period of up to 14 months as outlined below:
- 3.1.1 St Mungo's Community Housing Association Ltd for the Assessment and Engagement Service at a total additional cost of £508,908. The aggregated value of the contract over a period of 7 years and 2 months will be £3,764,269 including proposed extension.
- 3.1.2 St Mungo's Community Housing Association Ltd for the provision of a Specialist Substance Misuse and Offender Service and Complex Needs Service at a total additional cost of £789,974. The aggregated value of the contract over a period of 6 years and 11 months will be £5,863,768 including proposed extension.
- 3.1.3 St Mungo's Community Housing Association Ltd for the provision of Women's Complex Needs Service and Northumberland Park Pilot Service at a total additional cost of £322,979. The aggregated value of the contract over a period of 4 years and 2 months will be £997,879.00 including proposed extension.
- 3.1.4 St Ignatius Housing Association Ltd for the provision of a Move Through Service at a total additional cost of £145,470 and a reduction of units from 57 to 50. The aggregated value of the contract over a period of 7 years and 2 months will be £1,203,492 including proposed extension.

3.1.5 Variation of contracts to include provision for the Councils to claw back funding from providers who do not fulfil the staffing requirement of their contract.

4 Reasons for decision

- 4.1 It is in the Council's overall interest to agree to the extension of the current contracts whilst a tender process is completed. The current contracts were awarded for a period of four years with option to extend for an additional two years until January 2021. An open tender process was planned early this year in order to and ensure new contracts would be put in place before the expiry of current contracts and a supplier engagement event held in March 2020. However, the tender process was delayed due to disruptions caused by Coronavirus (Covid-19) pandemic, as the existing resources were diverted to support vulnerable residents and ensure business continuity. Furthermore, the impact of the pandemic on homeless service providers and supported housing services led to a number of limitations to the supply market as providers focused their efforts on managing the situation which meant that a tender process would be onerous for bidders and would not be an efficient use of Council resources.
- 4.2 An award of the contract to St Mungo's and St Ignatius for up to 14 months is required to avoid disruption to the delivery of support and accommodation to vulnerable adults as well as extra time required to undergo virtual consultations and stakeholder feedback, which will inform the service specification of the Single Homeless Pathway contracts and address the needs and gaps identified in the last 12 months.
- 4.3 The total award of the FHSG funding of £322,979 in contracts with St Mungo's meets the Council's strategic commitment to deliver early intervention to people in crisis, preventing homelessness. The FHSG is a ring-fenced grant from Central Government, to be used for 'work to prevent or deal with homelessness'. Future funding allocations will be closely linked to boroughs ability to prevent homelessness at scale.
- 4.4 Given the above reasons, it is paramount to extend all seven (7) existing contracts to allow sufficient time to undertake a competitive procurement process. It will also allow time to smooth transition and mobilisation of contracts.
- 4.5 Performance has been evaluated as good throughout the contract period. Performance returns are completed and submitted on time and targets are met.

5 Alternative options considered

- 5.1 There is only a statutory requirement to provide housing for single homeless people where they are identified as vulnerable and in priority need under Section 189 of the Housing Act (1996 amended 2002). However, Haringey like all London boroughs recognises the human, social and economic costs associated with homelessness and the need to ensure that people are adequately supported to recover from it and prevent future instances. Therefore, it is not deemed in the best interests of homeless individuals or the Council to cease the current contracts for the provision of supported housing services.
- 5.2 Deliver the services in house – St Ignatius and St Mungo’s have established agreements and leases with the current landlords. For the Council to take over existing leases and deliver the service in-house, we would need considerably more time to undergo due diligence and negotiations with the landlords, however with the planned redesign of the single homeless pathway insourcing is the preferred option for all services in the pathway and therefore will be robustly explored where it is advantageous for residents and the Council.
- 5.3 Procurement of new contracts was considered, however this would not facilitate sufficient time to draw on recent service reviews to redesign the service and then engage with the market to identify best value and best practice.

6 Background information

- 6.1 The Housing Related Support (HRS) programme funds services for homeless and vulnerably housed people in Haringey. There are currently 12 contracts in the Single Homeless Pathway delivering supported accommodation to a wide range of client groups including those at risk of homelessness, people with mental health needs: substance misuse, offending, rough sleepers, and young people.
- 6.2 The intention was to tender the services for a start date 12 January 2021, unfortunately this has been delayed, mainly due to the ability of providers to undergo a full tender process due to Covid 19. Therefore, a proposal to extend the contracts for up to 14 months only and during that time to design a new single homeless accommodation pathway will be undertaken.
- 6.3 The contract with St Mungo’s for the Assessment and Engagement Service as well as the Engaged & Planning Service and the Move Through contract with St Ignatius both commenced on 12th January 2015 and will expire on 11th January 2021. They were awarded for a period of four years with an extension period of a further two years.

- 6.4 The Complex Needs and Substance Misuse and Offenders contract with St Mungo's commenced on 1st April 2015 and will expire on 11th January 2021. It was awarded for a period of four years with an extension period of a further two years.
- 6.5 The Assessment Centre Service is directed principally to those in need of short term (12 weeks), 24 hour supported accommodation whilst a needs assessment is undertaken to ascertain their route out of homelessness. The service is critical to delivering the benefits of the Pathway by reducing the use of temporary accommodation, addressing delayed discharge from hospital, supporting prison leavers with support needs, and providing rapid emergency placements for rough sleepers. The value of the extension is £281,963 for 20/21.
- 6.6 The Engaged and Planning service provides low to medium level visiting support to 57 people aged 18 and over in dispersed properties across the borough. The service is for those who have moved-on from higher support specialist provision and delivers an average of 3 hours of support per service user per week. The value of the extension is £156,130 for 20/21.
- 6.7 The Complex Needs Service is contracted to provide 24 hour support to 23 clients in Vartry Road for up to 18 months. The service is directed principally to those in need of medium to high supported accommodation with more than one identified need including mental health, substance misuse, offending history and entrenched rough sleepers. The value of the extension is £328,861 for 20/21.
- 6.8 Following the Supported Housing Review, High Cross Road as part of the complex needs contract was reconfigured to a 24-hour staffed site for women-only. This was achieved by utilising resource from Flexible Homelessness Support Grant. Women who are homeless and rough sleeping experience multiple disadvantages, including mental and physical health issues, substance use, offending histories, and exploitation. Research and client engagement have proven the need for female only space for those who have experienced trauma and domestic abuse. As a result, High Cross Road will continue to only accommodate female residents. The value of the Complex Needs High Cross extension is £155,422 for 20/21.
- 6.9 The Northumberland Park service provides step-down accommodation to 20 single homeless households with medium support needs for up to 24 months. A successful Flexible Homelessness Support Grant (FHSG) will fund staffing at both sites 99-101 and 131 Northumberland Park, which are a short walking distance from each other. The service delivers an average of 5 hours of support per service user per week. The value of the extension is £142,433.80 for 20/21.

- 6.10 The Substance Use and Offending service provides a mixture of 24 hour supported accommodation and visiting support to those with a history of offending and/or substance misuse issues to improve their quality of life and live more independently during recovery. The value of the extension is £371,682 for 20/21.
- 6.11 The Move Through Service is contracted to provide low-level visiting support to 57 service users for a period of up to 12 months, it provides support to sustain a tenancy, source move on accommodation in the private sector and source employment opportunities, the value of the extension is £145,470 for 20/21. St Ignatius have requested to reduce the number of units to 50 in response to the reduction of referrals for those with low support needs from the Single Homeless Pathway.

7 Contribution to strategic outcomes

- 7.1. These contracts support the delivery of the Housing priority in the Borough Plan (2019-2023) '*A safe, stable and affordable home for everyone, whatever their circumstances*', in particular to.

- 1d) Secure the delivery of supported housing that meets the needs of older, disabled, and vulnerable people in the borough
- 2a) Reduce the number of households in temporary accommodation by a third to under 2000 by 2022
- 2c) Aim to end street homelessness by 2022
- 2d) Ensure access to high quality housing support that prevents or relieves homelessness for people with additional needs

- 7.2. The service also supports the delivery of the People Priority in the Plan, '*Strong families, strong networks and strong communities nurture all residents to live well and achieve their potential*', in particular to.

- 7b) People will be supported to live independently at home for longer
- 7c) Adults will feel physically and mentally healthy and well
- 7d) Adults with multiple and complex needs will be supported to achieve improved outcomes through a coordinated partnership approach

- 7.3. The services will contribute to the strategic objectives of Adults Social Care and their partners to offer preventative interventions at individual and community levels; meeting demand for on supported housing, preventing escalation of need and offering viable alternatives to residential care.

- 7.4. The services will contribute to the delivery of the Council's Homelessness and Rough Sleeping (2018) strategies by helping to prevent and relieve

homelessness, reduce the use of temporary accommodation and provide rapid exit from street homelessness for those in need.

- 7.5. The service also contributes to the Council's statutory responsibilities under a range of legislation including the Homelessness Reduction Act (2018), the Care Act (2014) and the Equality Act (2010), by providing housing-related support to vulnerable people in order to ensure they are able to live independent, fulfilling and active lives in the community for as long as possible.

Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

8 Finance

- 8.1 The report seeks approval to extend the contracts listed below for the provision of housing related support in the Single Homeless sector for a period of 14 months from 12th January 2021 to 11th March 2022.

- 8.2 The contracts are:

Provider	Service	Annual Contract value	Value of Extension	Aggregated contract value (with Extension)	Estimated extension value in financial year	
		£000	£000	£000	2020/21	2021/22
St Mungo's Community Housing Association Ltd	Assessment Service (PW)	281	328	1,990	61	267
St Mungo's Community Housing Association Ltd	Engage and Planning (PW)	155	181	1,302	34	148
St Mungo's Community Housing Association Ltd	Northumberland Park Pilot	122	142	388	27	116
St Mungo's Community Housing Association Ltd	High Cross	155	181	491	34	147
St Mungo's Community Housing Association Ltd	Complex Needs Vartry Road (PW)	318	371	2,915	69	302
St Mungo's Community Housing Association Ltd	SMO Service with HAGA (PW)	359	419	3,070	78	341
St Ignatius Housing Association Ltd.	Move Through Service (YP / PW)	125	146	1,203	27	119
Total		1,515	1,768	11,359	329	1,438

- 8.3 Spend on the High Cross and Northumberland Park pilot contracts are funded from the flexible Homelessness support grant. The other contracts are will continue to be funded from the Housing related support budgets.

- 8.4 The extension of these contracts is not expected to cause additional financial pressure to the council.

9 Procurement

- 9.1.1 The provision this report relates to are services under Schedule 3 of the Public Contract Regulations 2015. As such the contracts were let following a tender process that was duly advertised as required in the Official Journal of the European Union.

- 9.1.2 A new tender process was planned, however, the COVID 19 pandemic has meant it is not possible in the current climate to carry out an effective tender process as providers do not have capacity given the gearing up of service provision to meet increased demand, as well as , the effect on staffing numbers due to travel disruptions, ill health, the unavoidable limits on face to face service delivery and the limited availability of suitable accommodation.
- 9.1.3 An additional 14 months is required to enable the contracts to expire in March 2022 to assist a tender process when it is hoped the worse of the pandemic would be over. Usually a modification of this type would necessitate a new tender process, however under Regulation 72 of the PCR 2015, an increase in a contract value maybe permitted provided it is less than 50% of the contract value, as is the case with these contracts.
- 9.1.4 The variation is also permitted under Contract Standing Orders and the Procurement Code of Practice and may be approved.
- 9.1.5 During the extension period commissioning will continue to monitor contracts to ensure service delivery meets contractual outcomes.

10. Legal

- 10.1 The Assistant Director of Corporate Governance notes the contents of the report.
- 10.2 Pursuant to the provisions of Regulation 72(1)(c) of the Public Contracts Regulations 2015 and in view of Strategic Procurement comment that a planned tender process was unable to be carried out due to the COVID-19 pandemic, the Contracts in the report may be extended by way of modification on the grounds that the modification has been brought about by unforeseen circumstances, it does not alter the overall nature of the contracts and the increase in price resulting from the modification/extension does not exceed 50% of the original value of the contracts.
- 10.3 Pursuant to CSO 10.02.1(b) and Regulation 72(1)(c), Cabinet may approve the variation and/or extension of a contract if the value of the variation is £500,000 or more and as such Cabinet has power to approve the variation and extension of the Contracts in the report.
- 10.4 The Assistant Director of Corporate Governance sees no legal reasons preventing the approval of the recommendations in the report. The Assistant Director of Corporate Governance further comments are contained in Part B of the report.

11. Equality

- 11.1 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
 - Advance equality of opportunity between people who share those protected characteristics and people who do not
 - Foster good relations between people who share those characteristics and people who do not.
- 11.2 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex, and sexual orientation. Marriage and civil partnership status apply to the first part of the duty
- 11.3 Those most likely to be affected by the decision are single homeless adults and those at risk of homelessness aged 18+ in the borough. This cohort of people is broadly made up of men aged between 25-50 years old, with over-representation of people from BAME backgrounds, people with long-term mental health conditions, substance use needs and physical health concerns related to prolonged periods of rough sleeping, drug use and self-neglect. Women represent around 23% of the cohort but are often disproportionately affected by issues of previous trauma and violence, as well as substance use and lack of engagement with services. Further detail about the profile of the single homeless population in Haringey is set out in the Equalities Impact Assessment of the Cabinet Report on the Creation of a Single Homelessness Hub (September 2018).
- 11.4 The decision will help ensure that the Council continues to address known inequalities that affect individuals with protected characteristics relating to age, sex, race, and disability. Accordingly, the decision represents progress to eliminate discrimination and advance equality of opportunity.

12. Use of Appendices

Appendix 1 – Exempt Legal Comments - T
[These are exempt under paragraph 12A of the LGA 1972 paragraph 3 Information relating to the financial or business affairs of any particular person (including the authority holding that information) & Paragraph 5 Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings]

13. Local Government (Access to Information) Act 1985

13.1. Background papers:

The Creation of a Single Homelessness Hub 11th September 2018 Cabinet Report:

<http://www.minutes.haringey.gov.uk/mgConvert2PDF.aspx?ID=103453&ISATT=1#search=%22homeless%20hub%22>

Request to vary contract under Contract Standing Order (CSO) 10.02.1(a) for Housing Related Support- St Mungo's Complex Needs Service Cabinet Report:

<http://minutes.harinet.haringey.gov.uk/ieDecisionDetails.aspx?id=2177&LLL=0>

Award of Contract for the Provision of the Pathway Service – Phase One

<https://www.minutes.haringey.gov.uk/documents/s52689/Pathway%20Phase%20One%20-%20Public%20Report.pdf>

Award of Contracts for Pathway Phase Two (Housing Related Support) Short Term Supported Housing - (1) Specialist Substance Misuse and Offender Service (2) Complex Needs Services:

<https://www.minutes.haringey.gov.uk/documents/s54168/140718%20Pathway%20phase%20two%20housing%20related%20support%20short%20term%20supported%20housing.pdf>

Haringey Homelessness Strategy (2018)

<http://www.minutes.haringey.gov.uk/documents/s100152/Appendix1HomelessnessStrategyv24.pdf>

Haringey Rough Sleeping Strategy (2018)

<http://www.minutes.haringey.gov.uk/documents/s100015/Appendix%201%20Draft%20Rough%20Sleeping%20Strategy%20v23.pdf>