

Title: Novation of contract from London Hotel Group Ltd T/A Ibis Styles Hotel to London Walthamstow Ltd for temporary accommodation for vulnerable homeless adults (Covid-19).

Report

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Ward(s) affected: All

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

1. Describe the issue under consideration

1.1 This report seeks approval for a novation of contract for accommodation and services from the following organisation:

London Hotel Group Ltd T/A Ibis Styles Hotel, 543 Lea Bridge Road, E10 7EB to

London Walthamstow Ltd, **543 Lea Bridge Road, E10 7EB**

for 63 units of accommodation for up to six months, from 1 April 2021 to 30 September 2021 as allowed under Contract Standing Order 10.03

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.

3. Recommendations

3.1 That the Cabinet Member approve the novation of contract for emergency Covid-19 accommodation for vulnerable rough sleepers, to London Walthamstow Ltd from April to September 2021 at a cost of £525,404 as permitted under Contract Standing Order 10.03.

3.2 That this replaces the previous Cabinet Member approval of 19 March 2021 for an extension of contract to London Hotel Group t/a Ibis Styles Hotel.

4. Reasons for decision

- 4.1 A Member decision was granted on 19Th March 2021 to extend the contact with London Hotel Group Ltd t/a Ibis Styles Hotel for the above provision for a period of 6 months from 1 April 2021 to 30 September 2021. However, the Provider had since restructured their business. A novation is now required to ensure the Council is contracting with the appropriate business entity and to transfer the contract obligations to the new business entity London Walthamstow Ltd.
- 4.2 As part of the response to the Covid-19 global pandemic, Haringey Council is committed to providing temporary accommodation and subsistence to single homeless adults who are rough sleeping or at imminent risk of rough sleeping. This commitment acknowledges the particular vulnerabilities and inequalities they face and will ensure they are able to adhere to government guidelines around self-isolation, where they would not ordinarily have the accommodation or financial means to do so.
- 4.3 The Covid-19 Emergency Accommodation Board have been governing this work, which has already rapidly mobilised a range of accommodation and subsistence options for vulnerable homeless people. This report outlines a procurement decision which has the pre-approval of that Board.

5. Alternative options considered

5.1 Conduct a full RFQ process

The need for additional temporary accommodation and subsistence is urgent and unprecedented. It was deemed unfeasible to conduct a lengthy procurement process when the need was urgent and immediate and it is now understood after four months of hotel acquisition arrangements that this hotel is unique in its location and offer therefore a procurement process wouldn't be a valuable use of time.

5.2 Do nothing

The Council could elect not to use its discretionary powers to source accommodation for vulnerable homeless people during the Covid-19 situation. However, to do so would be to ignore its commitments to adult safeguarding, public health and rough sleeping as well as wider responsibilities to public safety.

6. Background information

- 6.1 The coronavirus disease outbreak was confirmed to have spread to the UK in February 2020. Since then Haringey Council has provided accommodation and support to more than 1100 people.
- 6.2 In June 2020, the Council developed an Emergency Accommodation Exit Strategy. Following this, in July 2020, the Council developed a Rough Sleeping

Discretion Policy. Both these documents confirm our ongoing commitment to the 'In for Good' principle, which means we will continue to provide emergency accommodation and provide HRS support to vulnerable homeless people until we have made a reasonable offer of accommodation for everyone we have placed in accommodation during the Covid-19 lockdown.

- 6.3 The advice from the government and NHSE is for vulnerable people to stay at home to stop the novel coronavirus spreading. The provision of temporary accommodation and subsistence will assist people in following this guidance in exceptional circumstances.
- 6.4 The initial contract period was for 5 months from November 2020. However, the pandemic has gone on for considerably longer than first anticipated. This contract extension is required to avoid disruption to the delivery of the service to vulnerable adults and to keep them safe in light of the pandemic and London being under Tier 4 restrictions.
- 6.5 Cabinet Member approval was given on 19th March 2021, for an extension of the contract to cover the period 1 April 2021 to 30 September 2021. The approval was for London Hotel Group Ltd t/a Ibis Styles Hotel.
- 6.6 In May 2021, London Hotel Group Ltd t/a Ibis Styles Hotel advised that a new company, London Walthamstow Ltd, took over this contract from 1 April 2021.
- 6.7 This rendered the agreed extension ineffective, as the contract was extended with a company that is no longer performing this service. A novation is required to ensure the Council is contracting with the correct entity and all the rights, responsibilities and protections are novated or transferred to the new business, London Walthamstow Ltd as it it were a party to the original contract

7. Contribution to strategic outcomes

- 7.1 The service directly links to **Priority 2 – Enable all adults to live healthy, long and fulfilling lives:**
 - All residents will be as healthy as possible for as long as possible.
 - Health related quality of life will improve over time (including mental health and wellbeing)

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

8.1 Finance

- 8.1.1 There are £0.5m of confirmed grant for 2021/22 so far from the MHCLG to support emergency accommodation and support. This will be the first call for funding for this.

- 8.1.2 Provision of £200,000 is also available in the 2021/22 Housing Related Support (HRS) budgets for accommodation costs over the value of specific grants available.
- 8.1.3 Any further eligible grant funding received will be applied to meet any further such approved costs before recourse to the HRS budgets.
- 8.1.4 The report is for a novation of the original contract and should not present additional spend to the previously agreed contract.

8.2 Procurement

- 8.2.1 The services which this report relates to are Schedule 3 services for the purposes of the Public Contract Regulation 2015.
- 8.2.2 This modification would usually require a new tender process however it is one of the exceptions permitted under Public Contracts Regulation Regulation 72 (1) d . The request may also be granted under Contract Standing Order 10.03
- 8.2.3 The request to novate the contract from **London Hotel Group Ltd T/A Ibis Styles Hotel** to London Walthamstow Ltd is required as the former restructured its business is no longer providing the service which it transferred to the London Walthamstow Ltd. The transfer will ensure that all rights, responsibilities and protections of contract are novated to the London Walthamstow Ltd as it was the original contractor

8.3 Legal

- 8.3.1 The Head of Legal and Governance (Monitoring Officer) has been involved in the preparation of this report.
- 8.3.2 As the identity of the contractor has changed from the one originally providing the services, a novation will transfer all obligations and liabilities from the outgoing contractor to the new contractor as if the incoming contractor were the original party to the contract.
- 8.3.3 Regulation 72 of the Public Contracts Regulations 2015 sets out a number of circumstances where contracts may be modified without the need to engage in a procurement exercise. One of these is where there has been corporate restructuring and the original contractor is replaced by a new one.
- 8.3.4 There is also provision for contracts to be novated under CSO 10.03.
- 8.3.5 The novation of this contract will be a Key Decision as the value of the contract is over £500,000, so the Council will need to comply with all its governance processes in respect of Key Decisions including publication in the Forward Plan (see CSO 9.07.1 (e)).

8.3.6 The Cabinet Member has power under CSO 16.02 (decisions taken inbetween Cabinet meetings) to approve the recommendations in this report.

8.3.8 The Head of Legal and Governance (Monitoring Officer) sees no legal reasons preventing the Cabinet Member from approving the recommendations in the report.

9. Equality

9.1 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.

9.2 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.

9.3 The proposed decision is to approve the extension of contract for emergency Covid-19 accommodation for vulnerable rough sleepers, to London Hotel Group Ltd T/A Ibis Styles Hotel. The objective of this decision is to mitigate the impact of Covid-19 on Haringey residents through provision of temporary accommodation and subsistence to single homeless adults who are rough sleeping or at imminent risk of rough sleeping.

9.4 The decision will affect individuals and households who have been identified as vulnerable through Council-held datasets as rough sleeping or at imminent risk of rough sleeping. We know that since the lockdown homelessness has increased, and Haringey residents on lower incomes, young people, BAME communities, and lone parents are likely to have faced challenges associated with housing on a disproportionate scale and will likely be among those overrepresented as affected by this decision. Notably, Haringey's homeless population are exceptionally vulnerable to Covid-19. The proposed decision, therefore, represents a measure to meet the needs of people with protected characteristics and therefore mitigate any new inequalities arising as a result of the impact of Covid-19. This decision will help the Council to meet its equalities duties and address known inequalities affecting individuals with protected characteristics, particularly relating to age, race, and disability.

Accordingly, the decision represents progress to eliminate discrimination and advance equality of opportunity.

- 9.5 No negative consequences are identified for those who identify with one or more protected characteristics and it is concluded that the extension of this contract will have a positive impact by ensuring vulnerable residents are safe in light of the pandemic and London being under Tier 4 restrictions.

10. Use of Appendices

None

11. Local Government (Access to Information) Act 1985

Not applicable