

Report for **Cabinet Member for Housing Service, Private Renters and Planning**

Title: Request to approve to vary the and extend the contract with D Shelton Hotel Limited, for Interim night shelter accommodation.

Authorised By: Denise Gandy – Assistant Director of Housing Demand

Lead Officer: Maddie Watkins - Strategic Lead for Single Homelessness and Vulnerable Adults

Ward(s) affected: All

Report for Key/

Non-Key Decision: Key Decision

1. Describe the issue under consideration

1.1. Request to approve to vary and extend the contract with D Shelton Hotel Limited, for Interim night shelter accommodation for the period 19th September 2023 to 7th January 2024 under the procedure enlisted in Contract Standing Order (CSO) 16.2

1.2. The extension will be at a cost of £89,910 (excl. VAT) and an aggregate cost for the contract of £552,582 (excl. VAT).

2. Cabinet member introduction

Not applicable

3. Recommendations

3.1. For the Cabinet Member for Housing Services, Private Renters and Planning to approve to vary and extend the contract under the procedures enlisted in Contract Standing Order (CSO) 16.2 for the interim night shelter accommodation to D Shelton Hotel Limited for 111 days. The accommodation is for 15 units of accommodation and is paid monthly from 19th September 2023 to 7th January 2024. The cost for this extension will be £89,910 (excluding VAT). There will be no subsequent extension to this arrangement after 7th January 2024.

3.2. The aggregated cost over the life of the contract until 7th January 2024 will be £552,582 (excluding VAT).

4. Reasons for decision

4.1. Haringey Council was awarded a Rough Sleeper Initiative grant to fund a night shelter. The plan is to use the Clarendon Hub. Currently the Clarendon hub houses the Clarendon Recovery College, and this is due to move to a new development which has been delayed. This has led to the continued use of

the D Shelton Hotel Limited (D Shelton), until the Clarendon Hub night shelter opens.

4.2. D Shelton provides suitable accommodation at a competitive price in a location that is easily accessible to residents and support workers. In the past, alternative accommodation options have been explored, proving that due to cost, location and availability these alternatives were not viable. This was confirmed for the following reasons:

- HRS team had investigated the market and found that alternative accommodation that has previously been used in at least 9 boroughs (including Tower Hamlets, Waltham Forest, Islington, Camden, Westminster, Kensington and Chelsea, Barnet, and Enfield) were unwilling to consider any future bookings. The reason for this is that our residents have complex and intersecting needs, which the hotels feel they are unable to accommodate.
- Alternative hotels explored which offer suitable and comparative accommodation, range in price from £85 - £150 per night. In comparison D Shelton have agreed a nightly rate of £54 per night which offers a favourable value for money option.
- We identified a night shelter in Edmonton which could accommodate between 6 and 8 residents, with the remaining residents accommodated in different locations. This would require the support workers from Thames Reach to spend approximately 8-10 hours per week travelling between locations which would take up valuable support time.
- Out of borough accommodation would also incur increased travel costs to enable residents to access services in Haringey i.e., Mulberry Junction and our health services in Finsbury Park. Travelling time and associated difficulties may lead to non-engagement and a potentially harmful return to rough sleeping, compounding self-neglect and therefore produce a detrimental effect on physical and mental health.

4.3. The hotel is subject to regular monitoring to maintain standards required to facilitate a stable and safe environment. This function is carried out by Haringey Council and Thames Reach.

- The Hotel is visited on a monthly basis by Haringey Council staff, Thames Reach support team are co-located in the hotel, and service users provide regular feedback. Incident reports are completed by Thames Reach staff and subsequently monitored and followed up by commissioning officers.
- Monthly meetings are held face to face with the manager and feedback is discussed and acted on where necessary. After complaints of a mould problem in one room, the resident was moved and in accordance with the existing contract, Haringey staff carried out a room check. This consisted of smoke and fire alarms as well as room safety and suitability.

- In the past 6 months, in response to resident feedback, we have asked for evidence of a code of conduct signed by all staff, which reflects the residents' more complex needs.
- Evidence of maintenance contracts are requested and checked. Infestations of pests have been dealt with in a prompt manner. Health, safety and fire procedures have been evidenced.
- The residents have fed back to support workers that the hotel is responsive to their needs. i.e., when a resident booked in and complained that the room felt unclean due to paintwork being damaged and dirty, this was remedied within 24 hours and, whilst the work was ongoing, the resident was moved to another room.

4.4. D Shelton meets the needs of the client group by being within 20 minutes walk of our Homeless Health GP and 45 minutes walk of Mulberry Junction homelessness hub. Train and bus links are within 5 minutes' walk. In addition, Homeless Health Inclusion Team (HHIT) and drug and alcohol services can easily access this accommodation at least twice a week to visit those residents who are unable to travel. Ad hoc visits from health-related support teams are also possible due to the convenience of location. Support with communication with the Thames Reach team is also available through the reception desk if residents have no access to funds for phones.

5. **Alternative options considered**

5.1. **Conduct a full RFQ process** - It would be possible to procure a new contract however, there are a number of ongoing projects aligned with the Interim Night shelter accommodation which are still in development. It is therefore not considered an effective use of resources to procure a new service at this time.

5.2. **Do Nothing** - It would be possible to leave the contract to cease at the end of the current contract period. However, there is continued high demand for this service, and it continues to achieve positive outcomes for vulnerable people whom the Council have a statutory and/or strategic responsibility for and commitment to. Therefore, it would not be in the Council's interest to let this contract end at this time. The council is also being funded by a DLUHC grant to provide a night shelter and this would contravene our grant funding responsibilities.

6. **Background information**

6.1. Rough sleeping is one of the most harmful and visible consequences of an unequal society. People affected by it are disproportionately victims of abuse and exploitation, more likely to die prematurely and less likely to secure their legal rights and fair access to health services. In 2021-22, 268 people slept rough on the streets of Haringey; the cost-of-living crisis, ongoing impact of Covid-19 and a challenging national policy environment means this figure is likely to increase in the coming years. In January 2023, Haringey recorded a single night figure of 24. This is a 73% decrease since recording began in July 2018. However, it is a 300% increase since January 2022 during Everyone In

where a universal accommodation offer was used to safeguard those who were rough sleeping from the harms of the COVID-19 pandemic.

- 6.2. Partnership working throughout successive funding programmes including the Rough Sleeping Grant, Rough Sleeping Accommodation Programme and the Rough Sleeping Initiative has highlighted the crucial role of health, social care, and public health partners at both strategic and operational levels within our work. Often those experiencing rough sleeping require additional support to move away from the streets. Everyone In evidenced the benefits of lowering the threshold for immediately accessible accommodation, and that the outcomes of partnership working are more successful if undertaken from a place of accommodation away from the streets. Hotel provision that began under COVID-19 evidenced that once in, generally support needs, incidents, experiences of harm and neglect lessen, and outcomes are improved.
- 6.3. The Rough Sleeping Strategy 2023-2027 outlines our commitment to opening a 20-bed night shelter in 2024-25 and we have strategic commitment and ringfenced funding to do so.
- 6.4. The existing Approval for receipt of Grant from the Rough Sleeping Initiative, Department of Levelling Up, Housing and Communities and to award grants to partnering agencies 2022-25, allows for acceptance of grant, and award of contract, for the full night shelter provision. However, delays to the date of building readiness at Clarendon Hub, has led to an interim plan being developed in relation to the delivery of the night shelter from D Shelton. Therefore, the extension has been requested to allow time for the Clarendon building re-development. DLUHC have been consulted and are satisfied with the use of our RSI grant for this interim purpose.
- 6.5. The original award was granted for a period covering 1st April 2022 to 17th October 2022 a total cost of £190,512 incl. VAT. Then a further extension period from 18th October 2022 to 18th September 2023, was approved at a cost of £272,160 incl. VAT. The aggregate cost up until 18th September 2023 is £462,672 incl. VAT.
- 6.6. D Shelton has been used as night shelter accommodation since 1st April 2022. This was in response to the Covid pandemic. This was originally for a 4-month period but has been extended up until 18th September 2023.
- 6.7. At present there is consistent and increasing demand for night shelter accommodation for the most vulnerable and at-risk people that have been found rough sleeping. This prevents additional costs for other social care provisions, as it makes best use of resources, specifically targeted to these residents.
- 6.8. For some of the residents move-on options have been identified and work is progressing to achieve these. For others more detailed work is ongoing to resolve immigration status or to secure employment which will unlock housing options.
- 6.9. The interim night shelter provides stability and consistency required for the clients to enable positive outcomes to be achieved. If we didn't have the

interim night shelter, the residents would continue to experience chaotic lifestyles in an unstable environment. This would not be conducive to enable the consistent support that is required to produce evidenced and positive outcomes.

7. Contribution to the Corporate Delivery Plan 2022-2024 High level Strategic outcomes.

7.1. The service directly links to Theme 4 Adults, health and welfare – Enable all adults to live healthy, long and fulfilling lives and feel connected and safe in the community.

7.2. The service will contribute to the strategic objectives of Adults Social Care and their partners to offer preventative interventions at individual and community levels; decreasing demand on supported housing, preventing escalation of need and offering viable options to residential care.

7.3. The services will contribute to the delivery of the Council's Rough Sleeping (2023-2027) 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.

7.4. 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 to ensure they are able to live independent, fulfilling, and active lives in the community for as long as possible.

8. Carbon and Climate Change

8.1. The climate action plan is not a consideration for the Shelton Hotel extension.

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

9.1. Finance

9.1.1. This report seeks the approval to extend the contract with D Shelton Hotel Ltd for interim night shelter accommodation, from 19 September 2023 to 7 January 2024. The cost of this extension is £89,910 excl. VAT.

9.1.2. The cost of this extension will be funded from the Rough Sleeping Initiative grant following agreement from Department of Levelling Up, Housing and Communities that the grant can be used for this interim measure, until Clarendon Hub Night Shelter is ready for occupation on 8 January 2024. There will be no impact on service budgets should this contract extension be approved.

9.2. Procurement

9.2.1. The report relates to services which would be subject to the Light Touch Regime under the Public Contract Regulations 2015 (PCR), if valued at or

above a threshold of £663,540. Furthermore, the Cabinet Office published a Procurement Policy Note (PPN) no. 10/21 in December 2021, which came into effect from 1st January 2022, which requires public sector contracting authorities to include VAT (where applicable), when calculating the estimated value of the contract to determine whether the regulations apply.

The total aggregated value of the contract would be £663,098.40 (including extension proposed in paragraph 3.1 and 20% VAT for whole life of the contract value) which is below the threshold of £663,500 and therefore the PCR Light Touch Regime requirements will not apply.

9.2.2. Under the CSO 10.02.1, a contract extension and variation may be approved subject to satisfactory outcomes of contract monitoring. The service provider has demonstrated that contract targets and outcomes have been met which meet the CSO 10.02.1 criteria to permit the request.

9.2.3. The request for contract variation is permitted under Contract Standing Orders (CSO) 16.02 and 10.02.1, the reasons for which are set out at paragraphs 4 and 6 above.

9.2.4. The extension will enable service continuity as well as allowing time for the re-development of Clarendon building for Night Shelter.

9.2.5. Strategic Procurement notes, this service has not been market tested and therefore it is difficult to ascertain whether or not this contract delivers best value.

9.3. **Legal**

9.3.1. The Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of this report.

9.3.2. The services are classified as Schedule 3 services subject to the Light Touch Regime under the Public Contracts Regulations 2015 and are below the threshold where the rules on modification apply to the procurement. Therefore, the rules contained in the Contract Standing Orders (CSO) shall apply. CSO 10.02 allows the extension and variation.

9.3.3. The contract value is above the value of £500,000, however, under CSO 16.02 Cabinet member for Housing Service, Private Renters and Planning to approve the extension and variation.

9.3.4. The Head of Legal and Governance (Monitoring Officer) confirms that there are no legal reasons preventing the AD for Communities and Housing Support from approving the recommendations in this report.

9.4. **Equality**

9.4.1. 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.
- 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.
- This decision will help the Council to meet its equalities duties and address known inequalities affecting individuals with protected characteristics, in particular relating to age, sex, sexuality, gender identity, race, and disability. Accordingly, the decision represents progress to eliminate discrimination and advance equality of opportunity.

10. Use of Appendices

10.1. None

11. Background papers

11.1. [RSI Grant Approval link](#)