

Report for: Cabinet Member for Housing, Regeneration and Planning –
4th of July 2017

Title: Extension of Housing Related Support Contracts in the Generic
Floating Support Sector

Report

authorised by : Lyn Garner, Director for Regeneration, Planning and
Development

Lead Officer: Alan Benson, Head of Housing Strategy & Commissioning

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 the extension of housing related support contracts in the Generic Floating Support Sector for a maximum of two extensions of up to one year each to 31st of July 2019 as follows:

- (a) One Housing Group (Key Support) for the provision of floating support services to single people and couples without children at the annual contract value of £597,847; a total value for 2 years of £1,195,694.
- (b) Family Mosaic (Haringey Families) for the provision of housing related support services to families at the annual contract value of £419,096; a total value for 2 years of £838,192.

2. Cabinet Member introduction

2.1 Supported Housing is a vital component of the work we do as a Council, providing specialist homes and floating support to residents whose housing needs mean that they need additional help and support.

While we are working through the recommendations from the cross party Supported Housing Review, this report recommends extending two current housing related support contracts. This ensures continuity of service while our wider transformation plans are implemented, and gives us the flexibility to respond to the recommendations of the Review.

3. Recommendations

3.1 For the Cabinet Member for Housing, Regeneration and Planning in accordance with Contract Procedure Rule 16.02 to approve the following contract extensions:

- (a) One Housing Group (Key Support) for the provision of floating support services to single people and couples without children for a maximum of two extensions of up to one year each at the annual contract value of £597,847. Total for 2 one year extension periods is £1,195,694.
- (b) Family Mosaic (Haringey Families) for the provision of housing related support services to families for a maximum of two extensions of up to one year each at the annual contract value of £419,096. Total for 2 one year extension periods is £838,192.

4. Reasons for decision

- 4.1 It is in the Council's overall interest to approve the extension of the current contracts whilst a strategic programme of transformation agreed by Cabinet in the report on the Supported Housing Review on 14th of March 2017 is implemented.
- 4.2 The services meet the Council's strategic objectives of delivering short term housing related support early intervention tenancy sustainment services which prevent escalation to higher end needs.

5. Alternative options considered

- 5.1 The existing contracts are due to expire on 31st July 2017 and there is no further facility to extend beyond this date.
- 5.2 Procurement of new contracts was considered, however this would not enable the efficiencies and improvements that can be gained in strategic commissioning exercises with partners and may result in an increase in the price of contracts without corresponding value for money benefits
- 5.3 De-commissioning the services was considered, but despite the immediate financial pressures on the Council this option has been ruled out as it would worsen outcomes for Haringey residents. Savings will be achieved aligned with service improvements

6. Background information

- 6.1 The Housing Related Support (HRS) programme funds support services for vulnerable people in Haringey. There are currently over 60 contracts delivering support to a wide range of client groups including: older people; people with mental health problems; learning and physical disabilities; young people; women fleeing domestic violence; people with substance misuse issues; those at risk of re-offending and those at risk of homelessness.
- 6.2 HRS services provide tenancy support and connections to health and wellbeing, care, employment and training services which enable individuals and families to live independently in the community; preventing higher end needs and reducing by two thirds costs in homelessness, tenancy failure, crime, health and residential care packages.
- 6.3 Extending the existing HRS generic floating support contracts will ensure continuity of services whilst an overall transformation of HRS service commissioning and service pathways takes place.
- 6.4 The current Family Mosaic and One Housing contracts commenced on 1 August 2013 and will expire on 31 July 2017.
- 6.5 The Family Mosaic service has an annual contract capacity to provide 230 floating support units for 200 Families, 20 Teenage Parents and 10 Mediation units and the annual contract value is £465,662.
- 6.6 The One Housing service has an annual contract capacity to provide 400 floating support units to single people and couples without children and the annual contract value is £664,274.
- 6.7 The floating support services provide specialist advice on tenancy support, money management, advice on housing options, preventing evictions, benefits and incomes maximisation, council tax and signposting clients to other support agencies.
- 6.8 The performance of these organisations has been evaluated as good throughout the contract period; performance returns are completed and submitted on time and targets are met.
- 6.9 Following contract negotiations with One Housing and Family Mosaic, both providers agreed to 10% efficiency savings on their contracts totalling £112,994, to be implemented at the beginning of the contract extension period of 1st August 2017 subject to approval.
- 6.10 These contracts were not tendered for at the end of the extension period because the recommendations of a Supported Housing Review which was

carried out over 18 months, highlighted efficiencies and improvements which can only be gained by in depth strategic commissioning exercises and co-design with partners and users across the HRS programme.

6.11 Delivery planning will require sufficient flexibility in the timeline assured by the contract extensions, without which procurement may result in an increase in the price of contracts without corresponding value for money benefits, and adverse impact across the HRS programme budget.

6.12 The Supported Housing Review took place between January 2016 and March 2017, which is after the contracts started.

6.13 These contract extensions are in accordance with Regulation 72(1)(c) of the Public Contract Regulations 2015 due to unforeseen circumstances brought about by the Supported Housing Review.

7. Contribution to strategic outcomes

7.1 This service supports Council Priority 5, Creating homes and communities where people choose to live and are able to thrive, and Priority 2, Prevent homelessness and support residents to lead fulfilling lives.

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

8.1 Finance

8.1.1 This report request Cabinet Member's approval of contract extensions below for a maximum of two years in accordance with Contract Procedure Rule 16.02.

- One Housing Group (Key Support): Provision of floating support services to single people and couples without children at the annual contract value of £597,847. Total for 2 years £1,195,694.
- Family Mosaic (Haringey Families): Provision of housing related support services to families at the annual contract value of £419,096. Total for 2 years £838,192.

8.1.2 The cost of the current contract is: One Housing Group - £664,274; Family Mosaic - £465,662.

8.1.3 A 10% efficiency savings have been agreed, and this will result in a saving of £75,329k in this financial year (August to March 2018) and £112,994 in 12 calendar months.

8.1.4 It is not clear if this represents the most competitive price and value for money as there are no other quotes for comparison and other ways of delivering these services were not considered.

8.1.5 Financial provision exists within the 2017/18 Housing Related Support budget to meet the cost of extending these contracts.

8.2 Procurement

8.2.1 The requested extensions are in line with the requirements of CSO 16.02 and the Public Contract Regulations 2015 (the "Regulations"), which state that an extension of contract may be permitted without the requirement to tender, if the value does not exceed 50% of the original contract value and the reason for the extension is within one of the prescribed areas which must be publicised. The Service has confirmed the requested extensions do comply with the Regulations.

8.2.2 Whilst the business unit did not go out to tender they did secure a 10% reduction in cost and seek to obtain as best value as possible during the extension period.

8.2.3 The Business unit undertakes regular contract monitoring and the Contractors have demonstrated contract compliance and quality outcomes for service users

8.3 Legal

8.3.1 The Assistant Director of Corporate Governance notes the contents of the report.

8.3.2 This is a key decision and the Service has confirmed it has been included on the Forward Plan in accordance with Contract Procedure Rule 9.07.1(e).

8.3.3 The Service have confirmed the extensions comply with Regulation 72 of the Public Contracts Regulations 2015 (the "Regulations"). Therefore the Assistant Director of Corporate Governance sees no legal reasons preventing the Cabinet Member for Housing, Regeneration and Planning from approving the recommendations in the report.

8.4 Equality

8.4.1 The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to the need to:

- tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- 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.

8.4.2 This report is not a change in policy but a decision to extend current contracts. As these services are to provide support to vulnerable people, the alternative option – to not extend the service – would have a negative impact on protected groups.

8.4.3 Equalities principles were incorporated within the original procurement process and the bidders' equalities policies and procedures have been evaluated and deemed sufficiently thorough.

8.4.4 A detailed equalities impact assessment, based on service use data and covering the protected characteristics, was carried out for the development of the Housing Related Support Commissioning Plan.

8.4.5 Service users were consulted with prior to the original tendering process, and the results were analysed to identify whether any equalities issues were raised. No equalities issues were noted.

8.4.6 Equalities monitoring is incorporated as a requirement of the contract and the contract also states that access to the service must be available to the diverse community of the borough and any imbalances must be addressed.

9. Use of Appendices

9.1. None