

Report for: 11 December 2018 CABINET

Title: Request to vary and extend contracts under Contract Standing Order (CSO) 10.02.1(a) for Housing Related Support - Single Homeless Pathway Services

Report authorised by : Charlotte Pomery – Assistant Director for Commissioning

Lead Officer: Gill Taylor – Strategic Lead, Single Homelessness & Vulnerable Adults

Ward(s) affected: All

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

1. Describe the issue under consideration

1.1 This report seeks approval to extend and vary the Council's following three existing contracts for the provision of housing related support in the Single Homeless Sector each for a period of up to 2 years, as allowed under Clause 2.4 of the contracts and in accordance with the Council's Contract Standing Order (CSO) 10.02.1(a):

- a) The contract with St Mungo's Community Housing Association Ltd for an Assessment and Engagement Service and an Engaged and Planning Service;
- b) The contract with St Mungo's Community Housing Association Ltd for a Complex Needs Service and a Specialist Substance Misuse and Offenders Service; and
- c) The contract with St Ignatius Housing Association Ltd for the Move Through Service.

1.2 This report seeks approval to include a clause in the 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 As a borough we are committed to ending street homelessness and to ensuring that vulnerable people have access to high quality housing-support that helps them rebuild their confidence and independence after a period of homelessness. The single homeless pathway provides a range of supported

housing services that are vital to our efforts to achieve this. During such a significant period of change and investment in the area of homelessness in Haringey, not least with the decision to open a single homelessness hub service in 2019, it is pragmatic to extend these contracts pending the design of the future operating model of supported housing for this group.

3. Recommendations

- 3.1 For the Cabinet to approve, in accordance with Contract Standing Order (CSO) 10.02.1(b), the extension and variation of the following single homeless contracts as outlined below:
- 3.1.1 The extension of the contract with St Mungo's Community Housing Association Ltd for the provision of an Assessment and Engagement Service and an Engaged and Planning Service for a further period of 2 years at a total additional cost of £876,186 with variations to the contract to reduce the number of Assessment and Engagement units from the current 25 down to 21 and the number of Engaged and Planning units down from 87 to 58 for which the contractor would need to discontinue its subcontracting arrangement with the North London Young Mens Christian Association (NYMCA);
- 3.1.2 The extension of the contract with St Mungo's Community Housing Association Ltd for the provision of a Specialist Substance Misuse and Offender Service at an additional cost of £372,190 per annum and of a Complex Needs Service at an additional cost of £319,240 per annum for a further period of 21 months resulting in an overall additional cost of £1,210,002.36 to cover the extension period with a variation to reduce the units used in the Specialist Substance Misuse and Offender Service from 52 to 50;
- 3.1.3 The extension of the contract with St Ignatius Housing Association Ltd for the provision of a Moved Through Service for a further period of 2 years from 12th Jan. 2019 with a variation to discontinue service provision in relation to Young People after 28th Feb. 2019 and retain it only in relation to Adults at an additional cost of £287,648 to cover the extension period (consisting of £280,510 for the extended service in relation to Adults and £7,138.10 in relation to Young People).

4. Reasons for decision

- 4.1 It is in the Council's overall interest to agree to the variations and extension of the current contracts whilst a redesign process is completed. The contracts were awarded for a period of four years with an option to extend for a further period of up to two years until 2021 in order to facilitate this.

- 4.2 Performance has been evaluated as good throughout the contract period. Performance returns are completed and submitted on time and targets are met. However, following a comprehensive review, it is proposed to address increasing demand for supported housing and improve service utilisation and delivery by varying the existing contracts to create new capacity in the interim period.
- 4.3 As a result of the sale of Dial House by owner Metropolitan Housing Association, the relocation of the Assessment Centre to 332 High Road Tottenham was approved by Cabinet on 11 September 2018 as part of the creation of a new single homelessness hub. The new property is in Tottenham Green and is comprised of nine flats with 21 rooms in total. To facilitate the effective implementation of this new service, the current contract needs to be varied and extended before the move to the new building takes place, which will be before April 1st 2019.

5. Alternative options considered

- 5.1 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.
- 5.2 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.
- 5.3 In order to deliver the priorities set out in the Supported Housing Review (2017), Homelessness and Rough Sleeping Strategies (2018), Single Homelessness Pathway Review (2018), short term transitional arrangements are required to facilitate a robust redesign and recommissioning process.

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 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 2019. They were awarded for a period of four years with an option to extend for a further period of up to two years until 11th January 2021.
- 6.3 The Complex Needs and Substance Misuse and Offenders contract with St Mungo's commenced on 1st April 2015 and will expire on 30th April 2019. It was awarded for a period of four years with an option to extend for a further period of up to two years until 30th April 2021.
- 6.4 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.
- 6.5 The Engaged and Planning service provides low to medium level visiting support to 87 people aged 18 and over in dispersed properties across the borough, including 25 units subcontracted to NLYMCA. 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 annual value of the contract is £207,714 of which the subcontractor is paid an annual value of £68,250 for 25 units of supported accommodation. This decision to cease subcontracting arrangements between St Mungo's and North London YMCA, is a result of sustained high void rates indicating oversupply of low support units. The mismatch between supply and demand was evidenced in the Single Homeless Pathway, Supported Housing Reviews and Mental Health Evaluation. In addition, North London YMCA are exploring options for the redevelopment of the site, meaning the cessation of this arrangement is timely.
- 6.6 The Complex Needs Service is contracted to provide 24 hour support to 23 clients in Vartry Road and visiting support to 12 service users in High Cross 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. Following the Supported Housing Review, High Cross Road was reconfigured to a 24-hour staffed site for women-only. This was achieved by utilising resource from Flexible Homelessness Support Grant of £118,901.

- 6.7 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. There are 8 units of 'dry house' provision for those completing an abstinence-based substance misuse programme.
- 6.8 The Move Through Service is contracted to provide low-level visiting support to 79 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 Council awarded St Ignatius the Move Through contract, which includes a subcontracting arrangement with Christian Action for 22 units to support young people aged 18-25. The annual value of the contract is £194,378 of which the subcontractor is paid an annual value of £54,130. It is proposed to extend this contract for one year, but from 28th February 2019 the sub-contracting arrangement with Christian Action will cease. Therefore, the 2019 contract value will be £140,255 for 55 units, with the 22 units for young people rationalised into the newly commissioned Young People's Pathway which will commence operation in February 2019.
- 6.9 Our evidence shows an increase in people sleeping rough, delayed discharge from hospital and in the complexity of need, risk and experience faced by homeless people. This evidence results in increased demand for supported housing that delivers higher and more specialist support rather than visiting support units. A saving of £99,890 will be made from reducing the number of units in the Engaged and Planning contract. This resource will be utilised to deliver a 20-unit higher-support provision to meet this identified gap in service.

7. Contribution to strategic outcomes

- 7.1 The council has recently published its Homelessness and Rough Sleeping strategies, which set out a new direction for homelessness services in Haringey. The extension and variation of the Supported Housing Pathway contracts is necessary to enable the delivery of the strategic objectives set out in the strategies:
- Homelessness: Through early intervention, proactive prevention and strong partnership working, we will reduce the financial and human costs of homelessness
 - Rough Sleeping: We will deliver an ongoing reduction in rough sleeping and address the multiple harms it brings to individuals and communities

7.2. The services are also linked to the Corporate Plan, Building a Stronger Haringey Together 2015- 18, in particular:

Priority 5 - creating homes and communities where people choose to live and are able to thrive.

- Prevent homelessness and support residents to lead fulfilling lives.
- More people, including vulnerable people and those with complex housing needs, will be able to maintain their tenancies successfully and have greater independence.

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).

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

8. Finance (ref: CAPH18-48)

8.1 The £2,339.1k total costs of the contract extensions in the 2-year period 12 January 2019 to 11 January 2021 will be met from existing resources within Housing-Related Support. The costs of the contract are summarised in the table below –

	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
St Mungo's Community Housing Association Ltd				
Assessment, Engagement & Planning Services	94.8	439.3	342.3	876.5
Specialist Substance Misuse & Offender Service	-	341.6	290.8	632.4
Complex Needs Service	-	293.0	249.5	542.4
	94.8	1,073.9	882.6	2,051.3
St Ignatius Housing Association Ltd				
Moved Through Service - Adults	30.4	140.6	109.6	280.6
Moved Through Service - Young People	7.1	-	-	7.1
	37.5	140.6	109.6	287.7
	132.3	1,214.5	992.2	2,339.1

9. Procurement

- 9.1. The contracts outlined above are under the Schedule 3 of the Public Procurement Regulations. The value of the contracts are over threshold and therefore the requirements of PCR 2015 must be fully met.
- 9.2. Under s72 of the Regulations a modification of contract (i.e. the requested extension) would usually necessitate a new procurement process. However, as the contracts specifically allow contract extension this request is permissible.
- 9.3. The proposed variations to contracts will enable service delivery to be recalibrated and focused on the area of most need and will facilitate adult and young people's provision to be dove tailed in the new service pathways currently being commissioned
- 9.4. Moreover, the request for contract variation and extension is in line with Contract Standing Orders and the Procurement Code of Practice. Commissioning has carried out regular contract monitoring and Contractors are providing a good service, contract extensions are therefore, justifiable.

10. Legal

- 10.1 This report is seeking extensions, each for a period of up to 2 years, of three existing Council contracts with different providers for the provision of housing related support in the Single Homeless Sector as well as variations to the contracts to adjust the specified services and reduce service delivery capacity with consequential revision to the price of each contract. The extension of the contracts is specifically provided for by the terms of each contract as originally tendered.
- 10.2 The value of the proposed contract variations involves an additional spend for the further contract periods which is in excess of £500,000. Under Contract Standing Order 10.02.1(b), Cabinet may approve contract variations including extensions valued over £500,000.
- 10.3 The Assistant Director of Corporate Governance confirms that there are no legal reasons preventing Cabinet from approving the recommendations in paragraph 3 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 applies to the first part of the duty
- 11.3 The decision is to extend and vary the existing contracts for the provision of housing-related support in the Single Homeless sector. Variation of the contracts is necessary to address an oversupply in Engaged and Planning units. By doing so, the Council will generate savings that will be used to commission an additional service and thereby increase support for vulnerable individuals.
- 11.4 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).
- 11.5 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

Not Applicable

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&ISA TT=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>

13.2 This report contains no exempt information.