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Report of: *John Macilwraith, Executive Director, People Services*

Report to: *Councillor Bob Johnson, Leader of the Council*

Date of Decision: *23rd April 2021*

Subject: **Re-procurement of Housing Related Support Contracts**

Is this a Key Decision? If Yes, reason Key Decision:-

Yes No

- Expenditure and/or savings over £500,000

- Affects 2 or more Wards

Which Cabinet Member Portfolio does this relate to? *People.*

Which Scrutiny and Policy Development Committee does this relate to? *Health and Social Care*

Has an Equality Impact Assessment (EIA) been undertaken?

Yes No

If YES, what EIA reference number has it been given? *(923)*

Does the report contain confidential or exempt information?

Yes No

If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-

*“The (**report/appendix**) is not for publication because it contains exempt information under Paragraph (**insert relevant paragraph number**) of Schedule 12A of the Local Government Act 1972 (as amended).”*

Purpose of Report:

To obtain approval for the Council to re-procure 14 Housing related support contracts to ensure the continuation of crucial services to enable a longer-term review and commissioning and procurement plan to be developed.
The details of the contracts, the recommissioning and procurement plan is discussed below.

Recommendations:

1. Approve the proposed housing related support services as set out in this report.
2. Approve the procurement of the housing related support services as set out in this report.
3. Delegate authority to the Director of Commissioning in consultation liaison with the Director of Finance and Commercial Services to agree appropriate contract terms and following the procurement approve contract awards and thereafter enter into such contracts.
4. Delegate authority to the Director of Commissioning in consultation with the Director of Finance and Commercial Services and the Director of legal Services that following such procurement to take such other necessary steps, not covered by existing delegations, to achieve the outcomes and objectives of this report.

Background Papers:

(Insert details of any background papers used in the compilation of the report.)

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: <i>Anna Beeby</i>
	Legal: <i>Henry Watmough-Cownie</i>
	Equalities: <i>Ed Sexton</i>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	EMT member who approved submission: <i>John Macilwraith, Executive Director of People Services</i>
3	Cabinet Member consulted: <i>George Lindars Hammond, Cabinet Member for Health and Social Care</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.
	Lead Officer Name: <i>Sam Martin</i>
	Job Title: <i>Head of Commissioning for Vulnerable People</i>
Date: 14/04/2021	

1. PROPOSAL

This report seeks approval to re-procure 14 housing related support contracts, as outlined in the following proposals.

The People Portfolio commission a programme of Housing Related Support which consists of a range of accommodation-based support services in varying models, prevention and recovery services and a number of alternative services to assist the Council in supporting vulnerable people who might otherwise require formal care, become homeless or suffer a crises in their mental and physical health.

A review of housing related support programme is being undertaken which will be followed by the development of a new strategic commissioning plan and programme of commissioning which could take up to five years to complete. The previous five year strategic commissioning plan ended in February 2020 just as the pandemic was commencing. It is likely to take a medium to long term period to review and remodel the breadth of services.

In order to ensure that no break in provision occurs while the review is being completed and any new service model is being implemented and mobilised it is now recommended that 14 of the services are retendered to allow a sufficient time for the process to take place without disruption to services being delivered. This approach will ensure that the Council is compliant throughout this longer term planning and delivery.

1.1 The purpose of this report is to:

- a. Recommend that the People Portfolio re-procure 14 housing related support contracts over the next six months. These will be split into 3 tenders with a number of individual lots per tender to make the exercise manageable. Further details around the services and the procurement processes will be discussed in the body of the document but the three tenders are split between Tender 1 homelessness and domestic abuse, homeless prevention and recovery, tender 2 family supported accommodation, tender 3 young peoples' support and accommodation
- b. Ensure an interim solution to maintain needed services to allow an appropriate length of time for a broader review and longer-term commissioning plan to be developed and all service scheduled for recommissioning over a five year period
- c. Ensure that current crucial services can continue and end any uncertainty around continuation of service delivery
- d. Ensure that services are on a sustainable footing to enable providers, amongst other things, to recruit staff to vacant posts, invest in repairs and building improvements and to continue to lease their own office accommodation.
- e. To commission services as far as possible in line with emerging priorities for housing support and in line with ambitions to help people live independent, safe and healthy lives.

1.2 Background and Context to the services

- 1.2.1 The services in the scope of this report comprise accommodation and non-accommodation-based support services for vulnerable people who have a range of vulnerabilities which mean that they cannot manage in ordinary housing for a range of reasons including, physical and mental health issues, victims of domestic abuse with recovery needs, people with addiction to drugs and alcohol and people with a range of difficulties arising from adverse childhood experiences or abuse in later life. The services are focussed on health inequalities and most service users are in poverty. Many of the services accommodate and support homeless young people and care leavers, adults who are homeless with a range of support needs, and families at risk. Services also provide support to prevent further decline in wellbeing, homelessness and the need for secondary health and social care services, as well as support to enable recovery.
- 1.2.2 Services are generally provided by the charitable, housing association and voluntary sector providers and have been in existence as part of the City's service offer for many years. Many were inherited from the former Supporting People Programme. They are commissioned through the People Portfolio Housing Independence Service as part of commissioning for vulnerable people.
- 1.2.3 The 14 services in scope currently provide 402 units of short term supported accommodation for approximately 770 people/ families a year and provide 353 units of prevention and recovery support for approximately 600 people/families with children in need each year. In addition, services provide mediation for young homeless people to reconnect with / return to their families.
- 1.2.4 The services are providing a range of positive outcomes for vulnerable people. For example, in 2019/20 93% of young people were supported to improve their basic income and budgeting skills, 76% reported some improvement in their mental health and anxiety levels and 75% of young people improved their safety and risk. Over 95% of families were supported to improve their income and resources and reduce their debts. Access to primary care services was improved for all families and over 80% were more able to manage their mental health and wellbeing. Over half the families supported improved their risk of harm from others.
- 1.2.5 Overall, in the 14 services, in 2019/20 over 82% of customers were supported to maintain their current home or move on successfully to more independent accommodation. Throughput in services halved during 2020/21 because of covid restrictions but the Services did an excellent job of keeping people safe and well with very few of the clients becoming ill with covid and there were no major outbreaks in any of the schemes, even those with shared accommodation.
- 1.2.6 The current value of the 14 contracts is £3,596,811.88 per year.

1.2.7 The current services covered by these proposals are:

Service	Provider	Service description
Young Persons hostel	Roundabout ltd	Supported accommodation with 24 hour on site support for young men and women with medium and high needs aged 18 to 24
Supporting tenants	Roundabout ltd	Support service for young men and women to live independently in their own homes
Mediation Service	Roundabout ltd	Mediation service for young people and their families to improve relationships and prevent homelessness
Young Persons hostel	Cherry Tree	Supported accommodation with 24 hour on site support for young men and women with medium and high needs aged 18 to 24
Piele House	Young Women's Christian Association	24 hour supported accommodation for vulnerable young women some of whom with have young babies
Foyer	Guinness	Large youth hostel style accommodation with support on site 24 hours for young men and women with low and medium needs
YWHP core & clusters	Young Women's Housing Association	Specialist accommodation with therapeutic support for young women experienced sexual abuse and or exploitation
Supported Lodgings	DePaul UK	Supported lodgings in the home of a trained and vetted host for a small number of young people who need to live in a home environment
Dispersed accommodation	DePaul UK	Supported accommodation across the city for young people in their own flats or sharing in 2 and 3 bed room houses
Family supported housing	South Yorkshire Housing Association	Family homes with onsite support and communal play space for families at risk
Family supported housing	Places for People	Family homes with onsite support and communal play space for families at risk
Men's hostel	Salvation Army	Large hostel for homeless men with 24 support on site
Men's hostel	St Annes	Large hostel for homeless men with 24 support on site
Homeless prevention and Resettlement Service	Shelter	A visiting prevention and recovery service for single people and families at risk and in need of support to prevent homelessness and to support wellbeing and recovery. This includes some direct support for children at risk.

1.2.5 The Proposed Procurement Strategy

A recommended procurement strategy has now been developed with tight timescale. The lots will be divided into 3 Tenders. In line with the indicative timetables we intend to approach the market in May with the first tender, followed by the second tender in June/July and the third in July/August with a view to having all contracts awarded before the end of 2021. the procurement portal YorTender when the procurements go live. The tender process will be

by open tender.

1.2.6 The 3 tenders and relative values are shown below.

Tenders	Service Cohort	Annual Cost	Max 5yr cost
Tender 1	Homeless accommodation and prevention	£1,609,922	£8,049,609
Tender 2	Family schemes	£166,296	£831,480
Tender 3	Young People	£1,872,594	£9,362,970
Total		£3,648,812	£18,244,059

1.2.7 Following consultation with commercial Services the recommendations have been made to procure contracts with the following contract terms in the table below. Five year contracts are recommended to provide stability for service users, enable the Council to plan forward, possibly including new accommodation developments, enable the providers to invest funding into current buildings in need of upgrading, recruit staff and enter into office leases.

To mitigate any risks and allow flexibility to vary or exit the contracts, break clauses will be included in the contracts as below. The contract terms have been designed based upon predicted activity arising from the wider review of services.

Tender 1. Homelessness Prevention Support and Accommodation Services			
Lot	Incumbent	Service Description	Contract Duration
Lot 1 – Mens Hostel	Salvation Army Mens	55 units Centrally based accommodation for men with 24 hr support, inc communal facilities and emergency beds for medium and high needs	5 years with Break Clause at years 2 & 4
Lot 2 – Mens Hostel	St Annes	66 units of accommodation for men with 24 hr support, communal facilities for low, medium and high needs outside of city centre	5 years with Break Clause at years 2 & 4
Lot 3 – Floating Support	Shelter	Homeless prevention and Resettlement Support Service (specifically families at risk, single people with high or complex needs and people at risk of domestic abuse)	5 years with Break Clause at year 3

Tender 2 Young Peoples Support and Accommodation Services			
Lot	Incumbent	Service Description	Contract Duration

Lot 1	Roundabout hostel	27 unit mix sex hostel & flats for young people med & high need. With night cover.	5 years with Break Clause at years 2, 3 & 4
Lot 2	Cherrytree Hostel	28 units of mix sex hostel provision over 1 or 2 sites with night cover	5 years with Break Clause at years 2, 3 & 4
Lot 3	Roundabout supporting young people	visiting key work support service for young tenants and those needing accommodation.	5 years with Break Clause at years 2, 3 & 4
Lot 4	Roundabout YP and Families	Mediation service for YP and families	5 years with Break Clause at years 2, 3 & 4
Lot 5	Peil House YWCA	14 units for young women, some with babies, including night cover	5 years with Break Clause at years 2, 3 & 4
Lot 6	Foyer Guinness	65 units for young men and women with low to medium support needs. Scheme based with 24 hr cover.	5 years with Break Clause at years 2, 3 & 4
Lot 7	YWHP	13 /15 units of core & clusters for young women victims of sexual abuse and exploitation	5 years with Break Clause at years 2, 3 & 4
Lot 8	DePaul	Supported Lodgings for 3 YP paid by actual numbers difference between Housing Benefit and host payment of £150 p.w.	5 years with Break Clause at years 2, 3 & 4
Lot 9	De Paul Dispersed	Dispersed supported housing for young men, women, couples and young families.	5 years with Break Clause at years 2, 3 & 4

Family Accommodation and Support Services			
Lot	Incumbent Provider	Service Description	Contract Duration
Lot 1	SYHA (Cuthbert Bank)	31 Family support with accommodation with communal space & staff on site inc satellite units	5 years with Break Clause at years 2 & 4
Lot 2	Places for People (Windmill Lane)	19 Family support units with accommodation, communal facility and staff office on site	5 years with Break Clause at years 2 & 4

2. HOW DOES THIS DECISION CONTRIBUTE ?

- 2.1 The services provided through the contracts named in this report help vulnerable families who are at risk of family breakdown including children being taken into care, homelessness, victims domestic abuse, long term unemployment, substance misuse, long term poverty and long-term health conditions. The services provide interventions to support families to stay together safely and recover from traumatic events including abuse and homelessness, debt, develop parenting skills, and supporting children into school and with appropriate diets and routines. Some of the older adults have already become entrenched in homelessness and are at risk of rough sleeping, criminal behaviour and serious substance addictions. Services accommodate and support adults in a trauma informed way and support them to gain independent living skills, access services such as drug treatment services and mental health services and move on to more independent living. Other Services accommodate and support young people by addressing issues such as developing life skills, budgeting, training and employment, drug/alcohol problems and harmful relationships and behaviour. Services contribute to the Council's ambitions for all age support and whole household approaches to work and ensure people feel safe, healthier and happier and can participate in their communities.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 This is a re-procurement of housing support services. Officers regularly undertake consultation when they review individual services and look at lessons learned from any serious incidents or safeguarding issues. Consultation for young people was undertaken in 2018 as part of a wider review of young people's services which is still relevant to these contracts. Consultation was also undertaken with families in family supported accommodation in 2019 which is still relevant. Various consultations have taken place with homeless men in 2019 and 2020.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

- 4.1.1 Decisions need to take into account the requirements of the Public Sector Equality Duty contained in Section 149 of the Equality Act 2010. This is the duty to have due regard to the need to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
 - foster good relations between persons who share a relevant protected

characteristic and persons who do not share it

The Equality Act 2010 identifies the following groups as a protected characteristic: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex and sexual orientation.

An Equality Impact Assessment has been carried out (ref 923) and highlights that this decision will ensure that services that provide this accommodation and support continue until such time as any new service is developed or existing services recommissioned in line with the outcome of the review process. Extending/re-procuring the contracts will benefit this disadvantaged group of people and will not have any detriment to other people with protected characteristics.

4.2 Financial and Commercial Implications

4.2.1 The current contract value of the 14 services in scope is £3,648,812 per year. To extend the contracts for an upper period of 5 years the overall cost over 5 years will be £18,244,059 at current value. The current values for each tender are specified in the table below.

	Service Cohort	Annual Cost	Max 5yr cost
Tender 1	Homeless accommodation and prevention services	£1,609,922	£8,049,609
Tender 2	Family schemes	£166,296	£831,480
Tender 3	Young People services	£1,872,594	£9,362,970
Total		£3,648,812	£18,244,059

4.2.2 There is a risk that costs for services could increase. Most services have been in place for over 10 years and most have not received an inflationary increase. Indeed, many services have had cuts in their funding and have supported the Council's challenging financial situation by contributing funding to keep up with costs.

4.2.3 Funding is available within the current budget to procure at this year's value. However, the contracts may come in at a higher cost. If services come in at an additional 1% - the cost over 5 years will be £182,441 (£36,488 per year). A 4% rise would cost £729,762 over 5 years (£145,952 per year)

There may be scope to manage some level of increase within existing budgets. However, any increase above this, will require additional funding or a reduction in services which could then have an impact on expenditure in other budgets such as the Homeless bed and breakfast budget, Adults / Children and Young people's social care purchasing budget.

4.3

Legal Implications

4.3.1

There are a complex set of overlapping statutory duties and associated powers, all these services support the delivery of a range of statutory duties and discretionary responsibilities on behalf the Council.

4.3.2

The Council has duties to meet the care needs of those adults considered eligible for care and support under the Care Act 2014. In addition, social care authorities have duties in relation to the promotion of wellbeing and the need to prevent, reduce and delay needs for care and support.

4.3.3

The Council has a range of social care responsibilities in relation to children and young people: to unaccompanied child asylum seekers, to children who are at risk of harm, to young people under 18 who may otherwise not have accommodation available to them.

4.3.4

A number of these services support the delivery of statutory functions in relation to addressing and preventing homelessness. The Care Act 2014 and the Homelessness Prevention Act 2017 create reciprocal duties to co-operate in relation to prevention.

4.3.5

The proposals in this Report will assist the Council in meeting its statutory duties under Section 2 of The Care Act 2014 to provide or arrange for the provision of services, facilities or resources or take other steps, which it considers will contribute towards preventing or delaying the development by adults in its area of needs for care and support and reduce the needs for care and support of adults in its area.

4.3.6

The Council is also under a duty to provide advice and assistance to persons in its area who are homeless or threatened with homelessness or threatened with homelessness and to provide accommodation for persons in its area who are eligible, homeless and in priority need under Part VII of the Housing Act 1996. It will also support our duties under the Homelessness Reduction Act.

4.3.7

Commercial Services have been involved establishing procurement strategies. Procurements carried out by the Council must be in accordance with Contracts' Standing Orders and the Public Contract Regulations 2015. The procurement strategies outlined in this report are consistent with these requirements.

4.3.8

Depending on the outcome of the procurement, TUPE may apply in some cases. Where TUPE might apply, appropriate timescales will be included in the overall project timetable to allow for providers to mobilise in order to meet statutory obligations.

5 **ALTERNATIVE OPTIONS CONSIDERED**

5.1 Allow the services to cease. This would have a major and serious impact on very vulnerable people including young people and children in families at risk and

vulnerable adults. These impacts would include:

- families at risk being placed into bed and breakfast
- More children being taken into care
- An increased risk of domestic abuse
- Young people rough sleeping or sofa surfing, not developing their potential and potentially committing crime and antisocial behaviour or self-harming
- More adults sleeping rough and misusing substances, including causing antisocial behaviour
- An increase in serious mental health crises

- 5.2 To go out to tender for a shorter period of time.
Short tenders do not provide market confidence and may result in less or no interest from bidders. Importantly it would not give the Council the flexibility to strategically plan and reschedule new commissions in relations to any significant changes that may be required. However, the break clauses will enable flexible remodelling of services with providers where required.

6 REASONS FOR RECOMMENDATIONS

- 6.1 14 housing related support contracts need to be re-procured.
The services are supporting and accommodating vulnerable people and families.
- 6.2 Providers need to be able to recruit to vacant posts which is difficult if contracts are due to run out.
- 6.3 Other providers wish to invest substantial amounts of money into the accommodation but cannot do this without some certainty of continuing in service. Without re-procuring or extending contracts the quality of some of the accommodation in use will reduce and other measures intended to provide changes to buildings to deal better in the longer term with covid.
- 6.4 To retain needed services in the city at a time of increased demand and economic vulnerability for people whilst other longer term service reviews take place.