

Decision Maker: EXECUTIVE

Pre decision scrutiny by Care Services Policy, Development and Scrutiny Committee on the 11th March 2014

Date: 2nd April 2014

Decision Type: Non-Urgent Executive Key

Title: GATEWAY REVIEW OF TENANCY SUPPORT SERVICES FOR YOUNG PEOPLE

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Ward: Boroughwide

1. Reason for report

- 1.1 The current contracts for Tenancy Support Services for Young People will end on 30th August 2014. This report reviews the outcomes achieved by the current service and the on-going demand and makes recommendations for the future commissioning of these services.
- 1.2 Expenditure on Supporting People Services for young people assists the Council in meeting its statutory duties under homeless and children in need legislation in a cost effective manner.

2. **RECOMMENDATION(S)**

Members are asked to agree:

- 2.1 a new contract by negotiation with One Support for a period of 3 years with the potential to extend for a further 2 years. This will be subject to the negotiation of efficiency savings either in the unit price or by a reconfiguration of the service. Authority to take up the option to extend is to be delegated to the Executive Director for Education, Care and Health Services in consultation with the Portfolio Holder.
- 2.2 If a competitive tendering exercise is required Members are requested to agree to a short extension for 3 months from 1st September 2014 to 30th November of the current contract with One Support in order to ensure that arrangements between a new provider and the landlords and the staff transferring under TUPE regulations can be managed in an orderly manner. This

extension may also enable the Council to procure using the new Supporting People Framework which is currently being developed by Southwark and Lewisham to which the Council will be a party.

- 2.3 If the negotiations with One Support are satisfactory the outcome will be reported to Members. If the negotiations are not successful officers will proceed with a procurement exercise and will request authority from Members to make a contract award at the appropriate time.

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Supporting Independence. Children and Young People
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Financial

1. Cost of proposal: Estimated cost £438, 870 p.a.
 2. Ongoing costs: Recurring cost. £438,870 p.a
 3. Budget head/performance centre: Supporting People Services, 749000
 4. Total current budget for this head: £1,751,340 Supporting People contracted services
 5. Source of funding: Revenue Support Grant
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Staff

1. Number of staff (current and additional): LBB staff are engaged in contract monitoring and quality assurance of these services.
 2. If from existing staff resources, number of staff hours: 0.25FTE
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Legal

1. Legal Requirement: Non-statutory - Government guidance.
 2. Call-in: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 92 young people are supported at any one time
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments:

3. COMMENTARY

3.1 The Council has 2 current contracts with One Support which deliver tenancy support services to young people. The contracts were let by competitive tender in 2011 and were for a period of 2 years with an option to extend for a further year. The option to extend was taken up and the contracts now end on 30th August 2014. The details are set out below:

Scheme	Number of Units	Annual Value	Weekly Unit Cost
Supported Accommodation	59 (spread over 9 schemes, including 1 unit for teenage parent)	£343,620	£1111.70
Floating Support	5823 hours per month to @ 33 users at one time	£95,255	Ave £42.48

3.2 The Supporting People programme funds housing related support to people who need assistance to continue to live independently and to enable people to acquire the skills to move into their own tenancies and to sustain them. The programme covers a wide range of client groups, the majority of whom are adults; however the programme also funds services for 16/17 year olds and care leavers. The Commissioning Division of Education, Care and Health Services led on a gateway review of the services provided to young people in order to be able to recommend an appropriate strategy for the procurement of the contracts.

3.3 The programme benefits young people who are leaving care, homeless young people and teenage parents who are assisted whilst living in supported accommodation, in temporary accommodation or in their own tenancies. The programme provides housing related support to assist with the development of key life skills needed to sustain a tenancy and to obtain and manage welfare benefits and can help the smooth transition to independent living for those leaving an institutionalised environment.

3.4 A gateway review always includes consideration of whether there is a need to continue to provide the service. These tenancy support services are not a statutory requirement, however they were developed to enable the authority to meet the duty to homeless young people under the Homelessness (Priority Need for Accommodation) (England) Order 2002 (SI 2002/2051), article 3, which includes children aged 16 and 17 within the list of priority groups.

3.5 The House of Lords judgment in R v LB Southwark [2009] was that any young person between 16/17 years of age who presents for housing must be assessed by Children's Social Care to determine if the young person is a Child in Need under section 17 of the Children Act 1989, with the presumption that, only very rarely will the young person follow the homelessness route as currently prescribed in homelessness legislation. Since November 2009 the Council has funded a senior practitioner social worker to work with the Support and Resettlement Team in Housing to undertake assessments of young homeless people who present themselves to Housing Options. Appropriate use of the supported accommodation schemes for these young people represents a cost effective means of meeting the requirements of this legislation.

Floating Support Service

3.6 The gateway review concludes that the floating support service meets the majority of the targets

set and utilisation is 100%. The service offers flexibility of hours depending of changing needs of the young people, for example will provide additional support if a young person has a crisis. The provider also brokers and ensures engagement with other support services, such as health and further education services or support services for substance misuse.

Supported Accommodation

- 3.7 There are 59 units spread across nine different schemes which are owned by four separate registered social landlords. A list of the units and locations is set out in Appendix 1. Referrals to these units are made by the Children and Families Leaving Care Team or the Support and Resettlement (S&R) Team from Housing. The arrangements for housing management differ depending on the landlord, ranging from a situation where the landlord is involved in the initial interviews of all tenants to where the support provider takes responsibility for all rent collection. These differing arrangements make management of the support contract for the provider complex. The support provider has experienced difficulties in getting a speedy response to make good faults and accommodation defects and as a result the accommodation is generally not in a good state of repair.
- 3.8 The performance of One Support, the service provider against the key performance indicators is satisfactory in the areas service availability, utilisation, staff input, throughput of tenants and planned departures. The service records achievement of outcomes at departure from the service and these records demonstrate success in most areas. The areas of weakness are ensuring that young people receive effective support with substance misuse and in being supported to obtain paid work. The key reason given for the lack of success in these targets is that the young people are reluctant or unwilling to engage with the support. Overall 80% of young people declare that they have achieved their desired outcome when they leave schemes and 79% of young people move onto independent accommodation. The teenage parent scheme reports the highest level of positive outcomes across all areas.
- 3.9 During the period of the contract there have been a number of anti-social behaviour incidents at the schemes. One Support staff report these to the Council and take appropriate action, depending on the nature of the incident. None of the schemes have 24 hour staff cover which can make it difficult to fully enforce bans on people entering the schemes; however, all schemes have CCTV which is used retrospectively to identify the young people involved in incidents. The police are involved with the incidents when required and the provider takes a robust approach with young people that breach the terms of their tenancy.
- 3.10 The Head of Housing Needs and the Assistant Director for Children and Families have confirmed that the current provider is delivering a good service which meets the needs of their service users. Both have been consulted with and agree with the proposals contained within this report.

Options

- 3.11 Contract procedure rules require that this tenancy support contract is tendered again, although the current contract has only run for a total of 3 years. The supported accommodation contract is complex and as part of a decision to re-tender the contract it is necessary to consider in detail the impact of a change of provider on service delivery and on the management of the supported accommodation.
- 3.12 Officers have also identified that the complexity of dealing with housing management arrangements with 4 different landlords will further reduce the support time available to young people through the contract. The current provider has made formal agreements and forged relationships with the landlords, all of which would be a drain of time on a new provider. Three of the landlords have confirmed that the properties will remain available to the Council for the

purpose of supported housing. The fourth will not commit themselves at this stage. If this landlord chose to withdraw their properties from the scheme this would result in a loss of 21 units, however the Council could contest this decision as considerable public funding was made available for the conversion of these for the purpose of supported housing.

- 3.13 Some of the accommodation units were developed 10 -15 years ago and over time and through heavy usage it has become clear that the original designs are not ideal for the current service and tend to hinder delivery of a the service. Exploratory discussions with the GLA confirmed that there is a possibility of funding availability for refurbishment of these schemes however; the Council would need to work over several years with the support provider and landlords in order to pursue this. It is likely that providers with short term contracts will not be interested in investing the effort required.
- 3.14 Commissioners have considered whether there are any efficiency options that could be applied to these two contracts without compromising the standard of service delivery. It is proposed that the hours are re-aligned between the contracts, in order that those young people living in the schemes with lower support needs are attached to the floating support scheme, rather than the supported accommodation scheme.
- 3.15 The funding commitment for these services was reduced by £223,590 per annum as a result of the previous tender. The hourly rates for the current contract are £15.92 for accommodation based support and £16.36 for floating support. There has been relatively little contracting activity in this area recently, but the contract awards in Bromley and neighbouring boroughs have all been at hourly rates of approximately £15.90. Although it is possible that some further savings may be achieved through another competitive tendering exercise these will be marginal in comparison to the previous reductions. The cost of a tendering exercise, plus the service disruption that could be caused by the change of service provider need to be considered when deciding to market test the service again.
- 3.16 The market has changed during the last few years. This is due to the impact of formal procurement exercises in this area which resulted in swift and significant reductions in unit prices. There are still a number of alternative providers, but these have consolidated into a smaller number of larger organisations who have several contracts of this type across many boroughs. On the whole smaller local voluntary organisations have not been able to compete on quality or price.
- 3.17 One Support has already demonstrated its commitment to the contract by investing £46,000 of its own resources on refurbishing The Hub in order to bring it back into use quickly following an episode of serious vandalism at the property.
- 3.17 The transfer of these contracts from the previous support providers to One Support was a complex and difficult programme, mainly due to the complexity of establishing relationships with 4 different landlords and managing the TUPE transfer of staff at the same time. The impact of this was that a significant amount of time and focus was diverted away from the support to young people during the transfer period which lasts for several months.
- 3.18 Officers propose to enter negotiations with One Support in order to establish that the proposal in paragraph 3.15 is feasible. Officers will also seek to secure One Support's commitment to working with the four landlords and LBB's Housing Development and Strategy Team to achieve refurbishment of Anerley Station Road. If these negotiations are successful officers would make arrangements to enter into a new contract with One Support for 3 years with the possibility of extending for a further 2 years.
- 3.19 If negotiations are unsuccessful and a competitive tendering exercise is required Members are requested to agree to a short extension for 3 months from 1st September 2014 to 30th November

of the current contract with One Support in order to ensure that arrangements between a new provider and the landlords and the staff transferring under TUPE regulations can be managed in an orderly manner. This extension may also enable the Council to procure using the new Supporting People Framework which is currently being developed by Southwark and Lewisham to which the Council will be a party.

- 3.20 If the negotiations with One Support are satisfactory the outcome will be reported to Members. If the negotiations are not successful officers will proceed with a procurement exercise and will request authority from Members to make a contract award at the appropriate time.

4 POLICY IMPLICATIONS

- 4.1 National and local policies expect that appropriate accommodation and support is provided for homeless young people and care leavers. These services are key to fulfilling the statutory duties of Adult and Community Services towards young homeless people as well as Children and Young People Department responsibilities for under 18 care leavers and younger teenage parents.

5 FINANCIAL IMPLICATIONS

- 5.1 The 2014/15 budget for contracted Supporting People services is £1,751,340. Within the budget the allocation for these young people's contracts is £438,870. This report seeks agreement to negotiate with the current provider to deliver efficiencies in this contract, either through a reconfiguration of the contract or a reduction in the hourly cost. The report acknowledges that the current price benchmarks favourably against current services and that it is unlikely that significant savings could be achieved via market testing.
- 5.2 The contract terms and conditions set out that an annual increase in contract price can only be paid if the Council budgets allow. Due to the extreme financial pressure on the Council an increase has not been offered and the Provider has absorbed all cost pressures that have arisen during the 3 year period of the contract.
- 5.3 The contract should allow for flexibility to enable further efficiencies/savings or termination of the contract to be achieved should the need arise.

6 LEGAL IMPLICATIONS

- 6.1 The properties at which the services and accommodation are provided are not owned by the Council. The owners of the properties have been requested to confirm that they will ensure rights of access for the providers' staff.
- 6.2 In the event that the service is market tested this will either be via an open tender process, or by using the new joint Supporting People Framework if this has been established in time.
- 6.3 This service is considered to be a Part B service under European Legislation. Therefore although the full EU procurement regulations do not have to be followed the Council will ensure that the exercise is conducted in a fair and transparent manner.

7 PERSONNEL IMPLICATIONS

- 7.1 Any TUPE transfers of staff from existing Providers will be carried out in accordance with TUPE 2006 Regulations

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	<p>ACS 10043 Commissioning Arrangements for Supporting People Services for Young People.</p> <p>ACS 10059 Commissioning Arrangements for Supporting People Services for Young People.</p> <p>Gateway review of One Support Services – January 2014.</p>