

Decision Maker: Executive

For Pre-Decision Scrutiny by the Renewal, Recreation and Housing PDS Committee on 21st January 2020

Date: 12 February 2020

Decision Type: Non-Urgent Executive Non-Key

Title: **TENANCY SUPPORT SERVICES FOR HOMELESS PEOPLE**

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Chief Officer: Sara Bowrey: Director of Housing, Planning, Property and Regeneration

Ward: (All Wards);

1. Reason for report

1.1 The Council currently engages two contracts to supply accommodation based and floating support services for vulnerable homeless people:

The first contract is provided by Evolve. This provides accommodation based support.

The second contract is provided by Hestia. This provides floating support and specialist accommodation based support for ex-offenders.

1.2 Both contracts are due to expire on the 30th of September 2020. All extension options available in the contracts have been exhausted. This report is requesting authorisation to extend these contracts via an exemption to competitive tendering for a period of **up to 6 months** in order to allow for the services to be amalgamated and re-tendered as one contract.

1.3 The value of the Evolve contract is £198k per annum; £99k for 6 months. The value of the Hestia contract is £195k per annum; £97.5k for 6 months.

2. **RECOMMENDATION(S)**

2.1 **The Renewal, Recreation and Housing PDS Committee are asked to note and comment on the contents and recommendations contained within this report.**

2.2 Executive is recommended to authorise a six month extension to 31 March 2021 for both contracts, via exemption from competitive tendering, to enable the services to be amalgamated and put out to tender. The combined estimated value of the extension is £196.5k.

Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Supporting Independence:
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Financial

1. Cost of proposal: Estimated Cost up to £197k:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Housing Supporting People
 4. Total current budget for this head: £1,004k
 5. Source of funding: Existing revenue budget
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Personnel

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
-

Legal

1. Legal Requirement: Statutory Requirement:
 2. Call-in: Applicable:
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected):

There are currently in the region of 1600 households in temporary accommodation.

The Evolve contract provides accommodation and support to 41 single person households for (on average) a period of up to 2 years as part of a supported housing pathway and an alternative to nightly paid temporary accommodation enabling the Council to fulfill its statutory rehousing obligations. Evolve provide access to 2 x emergency out of hours units which allows immediate access to safe and managed emergency accommodation for households in crisis thus avoiding use of hotel or bed and breakfast accommodation.

The Hestia contract provides accommodation and support to 9 ex-offenders and floating support for (up to) 100 tenants who have been identified as vulnerable and requiring support to maintain existing social tenancies, reducing the pressure on housing services and helping to ensure that the number of presentations from households losing their tenancies remains low.

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments:

Cllr Morgan, Ward Member for Plaistow and Sundridge and Portfolio Holder for Renewal, Recreation and Housing highlighted concerns regarding issues of anti-social behaviour which have occurred and which have or are perceived to have been linked to residents at Charles Darwin and Lewis King House and the impact that this has had on local residents and retailers. He would welcome any changes to the service that would enhance the management of the accommodation and allow for any issues to be logged and responded to promptly. He also advised that it would be appreciated, if changes are proposed, that prior notice and consultation with the ward councillors be undertaken. These views were supported by Cllr Allatt, Ward Member for Plaistow and Sundridge.

3. COMMENTARY

- 3.1 The Homelessness Act places a legal duty on Councils so that anyone who is homeless or at risk of homelessness will have access to meaningful help as long as they are eligible for assistance. For those to whom the Council owes a statutory rehousing duty, the legislation also sets out clear criteria on the suitability of accommodation and support that must be provided to enable households to sustain that accommodation. The two contracts in question provide in borough accommodation based and floating support to vulnerable households. Evolve are based in Sundridge Park and the accommodation aspect of the Hestia contract is based in Crystal Palace.
- 3.2 The Evolve Scheme has been in place since 1st October 2014 and provides supported housing for 41 homeless people in Charles Darwin House and Lewis King House. Please note that the initial contract was awarded to the South London YMCA. On the 22nd of July 2015 a special resolution was passed and the company adopted the name Evolve Housing and Support. The accommodation is owned by the Riverside Housing Group who are a Registered Provider (RP). The service users referred to the service are vulnerable, single homeless people who the Council has a duty to re-house. The scheme also provides two emergency rooms which enable the Council to place households who approach in a crisis out of hours. This is a direct alternative to hotel or bed and breakfast accommodation. Support staff provide a permanent on site presence.
- 3.3 The accommodation provided by Hestia has been in place since 1st October 2016 and offers support and accommodation for up to 9 ex-offenders. Support staff are based at the scheme during the day with a concierge service overnight. The owner of the property in which the scheme is located is The Home Group who are a registered provider (RP). This accommodation is used as a direct alternative to nightly paid temporary accommodation as part of a rehousing pathway for ex-offenders.
- 3.4 The floating support element that is provided by Hestia is designed to avoid tenants in general needs social housing losing their existing tenancies. This has a positive impact on reducing the pressure on housing services and ensuring that the number of presentations from households losing their social housing tenancies remains low. The service is not a frontline homelessness service, but a short term service designed to intervene prior to crisis in order to resolve problems and prevent escalation. Under the terms of the contract Hestia are required to support up to 100 tenants at any one time.
- 3.5 Both contracts are due to expire at the same time. Individually they are relatively small and may not attract competitive market interest if re-tendered in the current format. This report seeks to consider all the available options in order to continue to provide a high quality service for Bromley residents whilst also achieving a cost effective solution for the Council going forwards.

4. SUMMARY BUSINESS CASE

- 4.1 The Housing Tenancy Support Service contracts enable the Council to fulfil its statutory obligations to meet the needs of eligible vulnerable adults with regards to their housing. Both contracts are relatively low value and initial market observations concluded that combining the services when the time came to re-tender would generate more competition from the market and achieve greater efficiencies of scale and in turn potential financial savings.
- 4.2 There are currently approximately 1,600 households in temporary accommodation of which approximately 960 households are in insecure forms of costly nightly paid accommodation. Around 35% of households accepted as homeless are single vulnerable adults. These services

provide an alternative option to nightly paid accommodation and contribute towards reducing the risk of those in settled accommodation from accruing significant level of arrears, abandonments or relapse. The service is fully utilised with a waiting list of applicants requiring these services.

- 4.3 Given the current pressures in relation to homelessness and temporary accommodation and limited availability of local supply, it is critical that the Council is able to ensure access to local, supported accommodation in order to ensure that homeless households can be provided with the appropriate level of support to sustain accommodation and reduce the numbers of repeat homelessness.
- 4.4 Through the approval of Members officers have been given permission, via the transformation work streams, to explore new and innovative ways to increase access to accommodation. This work is well underway and has included reviewing all land owned by the Council in order to consider its potential for housing and other community uses. Officers have also been looking at both traditional and more innovative build models in order to expedite accommodation once a suitable site has been identified. Consultation is also being undertaken to explore all of the routes to market available to the Council in further increasing development and accommodation opportunities and this will be passed to Members for scrutiny in due course.
- 4.5 Whilst the Council considers how best to utilise its land and assets careful consideration must be given to the way that we facilitate this period of transition between the utilisation of accommodation provided by third parties and to potentially using accommodation that is under Council control. Failure to carefully map through service demand, contract start and end dates and the on boarding of new stock will result in increased pressure on housing services and an inability to meet our statutory responsibilities.
- 4.6 Both contracts are due to expire at the same time. Individually they are relatively small and may not attract competitive market interest if re-tendered in the current format.
- 4.7 The properties out of which the accommodation services are provided are not under the direct control of the Council and are managed by two separate Registered Providers. This has potential repercussions on market interest for an amalgamated contract as it would require any new provider to agree and enter into arrangements with two different providers across two separate sites in order to deliver the service.
- 4.8 The current schemes are well established. Maintaining the services in these locations on an interim basis will ensure that disruption to services is kept at a minimum.

5. SERVICE PROFILE / DATA ANALYSIS

- 5.1 There are currently approximately 200 single vulnerable adults placed into costly forms of nightly paid accommodation.
- 5.2 Both services currently operate at full capacity and provide much needed supported housing as an alternative to nightly paid accommodation, providing those more vulnerable people with a comprehensive support package to enable them to sustain their placement before moving on to independent accommodation.
- 5.3 In the event that the Council was unable to retain this provision we would have no option but to secure two further emergency units with 24 hour cover and alternative placements for 50 households. Due to a lack of available accommodation, given the number of households, the most likely move on option would be nightly paid temporary accommodation. At present this is the most costly form of accommodation at an average annual net cost of £6,500 per household per annum. This equates to £325k per annum for all 50 households (41 at Evolve and 9 at Hestia).

- 5.4 The cost of providing 5 hours of floating support per week per client is in the region of £5,200 per annum. This equates to £260k per annum for all 50 households.
- 5.5 The services therefore represent value for money to the Council considering the alternative of accommodating people in costly forms of in nightly paid accommodation.
- 5.6 Both services are monitored and reviewed via the Council's Contract Compliance and Monitoring service annually. Contracts are scored in accordance with an A-D rating, A being high. Neither service was awarded any D ratings, with the majority of areas reviewed for both contracts being awarded a B grading or above. The conclusions of the most recent monitoring report were as follows:
- Evolve: Overall Evolve are doing a good job and are adhering to the development and delivery of the service. They scored reasonably well on the QAF and they are ensuring that the service is carried out in compliance with all relevant legislation.
 - Hestia: (the Manager) and his team are doing a good job and are adhering to the development and delivery of the service. They scored well on the QAF and they are ensuring that the service is carried out in compliance with all relevant legislation.

6. OPTIONS APPRAISAL

- 6.1 The options are as follows:

Option 1: Terminate the contracts.

This would result in the inability to maintain the service and would result in increased cost to the Council as alternative placements would be required alongside the need to procure appropriate support for those households.

Option 2: Put the services out to tender in their current formats.

Due to the size and value of the contracts, it is extremely unlikely that better pricing can be achieved through retendering at this point. Initial market testing has indicated that there is little interest in pursuing contracts of this size as the economies of scale needed in order for the service to be financially viable are marginal if achievable.

Option 3: Award a new contract, via an exemption to competitive tendering, for up to 6 months in order to go out to tender for an amalgamated service.

Initially it is anticipated that the services would be provided at the existing locations. However, this would be kept under review as part of the transformation work being undertaken so that, in the future we could consider options to relocate the combined service into one centralised hub, owned and managed by or on behalf of the Council thus securing greater control of the accommodation and achieving greater operational efficiencies.

- 6.2 **Preferred Option:** Option 3 as outlined above. This will ensure there is no break in the service and the Council sees the full benefit from the transformation agenda whilst allowing the successful award and mobilisation of the new contract.

7. MARKET CONSIDERATIONS

- 7.1 There is a relatively limited market for this service considering the specialist nature of support to be provided.

7.2 When reviewing similar contracts for the provision of support services, stakeholders suggested that larger contracts would attract a greater degree of interest from providers and allow for the delivery of a higher quality of service.

7.3 Soft market testing is being undertaken to establish market interest.

8. STAKEHOLDER ENGAGEMENT

8.1 The current service providers have all been contacted and have all indicated that they are happy to proceed with a temporary contract extension pending re-tender.

9. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS

9.1 Estimated Contract Value

Hestia – £195k per annum; £97.5k over 6 months

Evolve – £198k per annum; £99k over 6 months

9.2 **Other Associated Costs** – None

9.3 **Proposed Contract Period** – Extend for up to a further 6 months.

9.4 There is no procurement or tendering involved in the exemption of this contract. The exemption period will commence on 1st October 2020.

10. SUSTAINABILITY AND IMPACT ASSESSMENTS

10.1 This decision has been judged to have no or a very small impact on local people and communities.

11. POLICY CONSIDERATIONS

11.1 The housing objectives are set out in the relevant business plans and Homelessness Strategy. These objectives are compliant with the statutory framework within which the Council's housing function must operate

11.2 The legislation pertaining to homelessness requires appropriate support to be provided to households at risk of homelessness and suitable accommodation and support to those households to whom the Council owes a statutory rehousing duty. These services play a key part within the overall provision of homeless prevention and accommodation services

12. PROCUREMENT CONSIDERATIONS

12.1 This report seeks to award a contract to Evolve for a duration of 6 months at a value of £99k. A mini-competition process was completed in 2014 for the current contract, awarding a contract for a period of three years with a two year extension period which was taken, ending in October 2019. A further 1 year exemption was previously approved, due to end in October 2020.

12.2 This report seeks to award a contract to Hestia for a duration of 6 months at a value of £97.5k. The current contract commenced in November 2016 for a period of three years, with an option to extend for 1 year ending September 2020.

12.3 The Council's specific requirements for authorising an exemption are covered in CPR 13 with the need to obtain the Approval of the Portfolio Holder following Agreement by the Chief Officer, the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance for a contract of this value.

13. IT AND GDPR CONSIDERATIONS

13.1 Both organisations operate in compliance with data sharing and GDPR.

14. FINANCIAL IMPLICATIONS

14.1 The total value of the proposed six month exemptions is £197k, which will bring the total whole life value of the contracts to £2,166k as set out in the table below:

	Evolve	Hestia	Total
	£'000	£'000	£'000
<u>Existing contracts</u>			
2014/15 (6 months)	99		99
2015/16	198		198
2016/17	198	98	296
2017/18	198	195	393
2018/19	198	195	393
2019/20	198	195	393
2020/21 (6 months)	99	98	197
	1,188	781	1,969
<u>Proposed extension</u>			
2020/21 (6 months)	99	98	197
	1,287	879	2,166

14.2 These costs of these contracts will be contained within the existing Supporting People budget, which is currently £1,004k per annum.

15. LEGAL IMPLICATIONS

15.1 The service provided under both contracts are “light touch” services under the Public Contracts Regulations 2015 (Regulations) . The cumulative value of each contract is in excess of the relevant threshold and subject to the application of the Regulations and competitive tendering requirements under the Council’s Contract Procedure Rule 8.2.

15.2 The report seeks an exemption from competitive tendering requirements as set out in the Council’s Contract Procedure Rules. Further legal implications are set out in part two of the report.

Non-Applicable	HR, Personnel
Sections:	
Background Documents: (Access via Contact Officer)	