

Report of Strategy & Commissioning

Report to: Director of Environment & Housing

Date: 15th July 2014

Subject: Variation to the contract with Leeds Federated Housing Association for the Leeds Emergency Accommodation Provision (LEAP).

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of Main Issues

1. Leeds City Council has a contract with Leeds Federated Housing Association to provide accommodation based support for homeless single people and families in self-contained dispersed and furnished temporary accommodation through the Leeds Emergency Accommodation Provision (LEAP) service. This forms part of the programme of Housing Related Support commissioned by Strategy and Commissioning, Public Health on behalf of Environment and Housing.
2. The service provides support to 65 households at any one time through 6 month Assured Short hold Tenancies with support and a focus on achieving a move into longer term independent housing.
3. The service is currently underutilised and it is recommended that the contract is varied to reduce the capacity of the service from 65 to 50 units.

Recommendations

The Director of Environment and Housing is recommended to approve the contract variation to the Leeds Federated Housing Association, Leeds Emergency Accommodation Provision (LEAP) service to reduce the number of units from 65 to 50, this will reduce the overall contract value to a maximum of £72,644.00 per annum. This will be effective from 24th July 2014.

1 Purpose of this Report

- 1.1 The purpose of this report is to seek approval to vary the contract with Leeds Federated Housing Association for the Leeds Emergency Accommodation Provision (LEAP) service to reduce the number of units from 65 to 50.

2 Background Information

- 2.1 The LEAP service forms part of a programme of housing related support commissioned by Strategy and Commissioning, Public Health on behalf of Environment and Housing Directorate. It was reviewed as part of the Homeless Sector review which concluded in July 2012. Following this review, the recommendation for homeless accommodation based services was a focus to increase self-contained dispersed accommodation with floating support rather than hostel based provision.
- 2.2 As a result of the review the LEAP service was reduced and remodelled and a two year contract was put in place in December 2012. This contract is due to expire on the 10th December 2014 with the option for a further 12 month extension.
- 2.3 Leeds Housing Options (LHO) is the main service that those who are homeless and at risk of homelessness approach for advice and assistance. LEAP currently take referrals from LHO to place those households that are deemed by the council as having a homeless duty owed.
- 2.4 A self-assessment was undertaken by the provider in April 2014 against the standards in the Quality Assurance Framework for housing related support providers and the LEAP service achieved an overall rating of A, the highest grading.
- 2.5 There are no issues with the performance, contract compliance or complaints about the service. The service has consistently performed well over the contract period. The quality of the service is high with a recent self -assessment against the Quality Assurance Framework at level A.

3 Main Issues

- 3.1 Over the last 12 months the LEAP service has experienced a reduction in referrals resulting in a high number of voids. This is due to a renewed focus on homeless prevention work by Leeds Housing Options (LHO) and an increasing focus on timely move on within commissioned services, supported by LHO. Successful move on work from temporary accommodation such as hostels and dispersed accommodation, such as LEAP, into permanent accommodation through Private Rented Accommodation and stay put solutions has resulted in reduced demand for temporary accommodation and commissioned services.
- 3.2 The number of voids within the LEAP service over the last 12 month period has caused the organisation to experience financial loss which is unsustainable long term. The funding model for the LEAP service has a void loss level built into the original terms of the contract, but the service also relies on income from Housing Benefit. The reduced number of referrals into the service has resulted in a loss of income for the service within the 12 month period.

- 3.3 The LEAP contract expires in December 2014 with the option to extend for a further 12 months. Following consultation with LHO it is felt that there is still a need for this provision and there is a concern that a combination of the current economic climate and the impact of welfare changes could lead to a rise in homelessness acceptances and demand for accommodation.
- 3.4 Reducing the units from 65 to 50 will ensure continuity of service provision for vulnerable single people and homeless families. Both the provider and LHO are supportive of the reduction of units to 50 at this time as this reflects current demand. In order to ensure that the level of temporary accommodation is sufficient and available to meet demand it has been agreed that LHO are the only referral source into the LEAP units. A 12 month extension is available for the LEAP service in December 2014. A further review and monitoring of the service will identify any changes to demand prior to this extension. There is provision for families within other commissioned accommodation services.

4 Corporate Considerations

4.1 Consultation and Engagement

The numbers placed in housing related commissioned services have fallen over the last year. Consultation has taken place with the provider, Leeds Federated Housing Association, about this issue. Discussions have also taken place with Housing Services about the proposal to reduce the number of units provided by LEAP. All key stakeholders agree that a reduction in the number of units from 65 to 50 is the best way forward with referrals made via LHO.

4.2 Equality and Diversity / Cohesion and Integration

An Equality Impact Assessment Screening Tool has been completed in relation to the recommendation to vary the LEAP contract, and is attached as a background document for information. The EIA Screening Tool indicates that a full EIA does not need to be completed as there is currently a reduced need for the service and so there will be no impact if the service is reduced.

4.3 Council Policies and City Priorities

- 4.3.1 The LEAP service is strategically relevant and contributes to the Best Council Plan 2011–2030 for Leeds to be the 'Best City' by delivering on the priorities set out in the City Priority Plan 2011 to 2015. The service will especially contribute to the Health and Wellbeing Leeds City Priority Plan to ensure that *'people are supported to live safely in their own homes'*.
- 4.3.2 The Service also contributes directly to the priorities set out in the Leeds Homelessness Strategy 2012 to 2015. In particular this service will contribute to Priority three – *minimise the use of temporary accommodation and deliver an effective and modern programme of housing related support.*
- 4.3.3 The LEAP service also contributes to the Children and Young People City Priority Plan 2011 to 2015 by supporting homeless families with dependent children.

4.4 Resources and Value for Money

- 4.4.1 The service is wholly funded through the Environment and Housing commissioning budget for housing related support services managed by Strategy and Commissioning, Office of the Director of Public Health.
- 4.4.2 The total cost for the service following the reduction of units is £72,644.00 per annum. This has been agreed with the provider. There is sufficient financial provision for this service within the budget as this is a reduction in contract value.
- 4.4.3 The LEAP service is currently underutilised and varying the number units from 65 to 50 and the annual contract value represents best value for money and will result in a reduction of staffing resulting in a saving of £4,597.00 per annum. This saving acknowledges that overheads and fixed costs remain static as economies of scale are not being realised with fewer units in place.
- 4.4.4 The unit price for the LEAP contract remains good value for money in comparison to similar commissioned services.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 Advice has been sought from Public Private Partnerships and Procurement Unit about the process required for the variation of the LEAP contract.
- 4.5.2 This is not a key decision as the value of the contract is below £250k per annum.

4.6 Risk Management

- 4.6.1 The LEAP service is underutilised and options for future use of the contract were analysed. Continuing to pay for the full service did not offer value for money and giving notice to terminate the contract presented too much risk in terms of the continuity of support to current clients being supported. Following consultation with the provider and LHO a reduction in the size of the contract is considered to be the best way forward with referrals being made through LHO only.
- 4.6.2 Fluctuations in demand for temporary accommodation will be managed within the programme through existing provision of accommodation based services for homeless single people and families, including the LEAP service.
- 4.6.3 The LEAP contract is due for extension in December 2014, a further review of the provision and demand will be undertaken prior to this date along with continued monitoring of the service following this variation.
- 4.6.4 There is no risk of challenge from other providers as this is not open to competition and is a variation to the original terms of the contract.
- 4.6.5 The contract will continue to be performance managed by officers in Strategy and Commissioning. This includes regular reviewing of performance information and quarterly contract management meetings with the provider, at which any delivery issues are discussed. To date, however, the service has consistently delivered to the performance criteria outlined in the specification. Furthermore, a quality assurance

self- assessment exercise carried out in April 2014 by the provider showed the service is being delivered at level A standard.

5 Conclusions

Due to a reduction in the number of referrals to the LEAP service this report seeks approval from the Director of Environment and Housing to vary the number of units from 65 to 50 to ensure best value for money and continuity of the service and support to existing clients at a cost of £72,644.00 per annum. This will be effective from 24 July 2014.

6 Recommendations

The Director of Environment and Housing is recommended to approve the contract variation to the Leeds Federated Housing Association, Leeds Emergency Accommodation Provision (LEAP) service to reduce the number of units from 65 to 50, this will reduce the overall contract value to a maximum of £72,644.00 per annum.

7 Background Documents¹

EIA screening tool

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.