

Report of Strategy and Commissioning

Report to Director of Environment & Housing

Date: 17th December 2014

Subject: To seek approval to waive Contracts Procedure Rules 9.1 and 9.2 and approve Contracts Procedure Rule 22.1 in order to establish interim contracts for housing related support services to ensure services continue during a review to determine future commissioning need.

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 checked="" type="checkbox"/> Yes	<input 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 commissions a programme of services that deliver a combination of floating and accommodation-based housing related support to vulnerable people in Leeds. The primary aim of these services is to enable people to achieve and maintain independent living. The programme is managed by the Strategy and Commissioning Team in Public Health on behalf of Environment and Housing.
2. A detailed review of all commissioned Housing Related Support services is to be undertaken in order to assess future need and demand and to inform the commissioning of an effective model that is holistic, flexible and responsive. The timetable for completion of the review and implementation of the outcomes is April 2017.
3. A number of the services in scope have sufficient contract arrangements in place but in order to ensure continuity of provision until the outcomes of the review are implemented, approval is sought to terminate a number of other contracts and put in place new contracts with coterminous end dates of 31st March 2017. The combined maximum cost of these services is £4,851,406.60 per annum. A competitive procurement exercise will follow the review. It is anticipated that new services will start on or before 1st April 2017. In the event that the review is completed sooner

than this, six months' notice will be served on contracts in line with the contract terms.

Recommendations

4. The Director of Environment and Housing is recommended to approve Contracts Procedure Rule 22.1 in order to terminate existing contracts and enable the establishment of new interim contracts with coterminous end dates (see Appendix 1).
5. The Director of Environment and Housing is recommended to approve the waiver of Contracts Procedure Rules 9.1 and 9.2 in order to establish interim contracts with coterminous end dates of 31st March 2017 for current Housing Related Support providers (see Appendix 1). This will ensure continuity of provision during the course of the service review and outcome implementation. The maximum value of the contracts will not exceed £4,851,406.60 per annum.

The majority of the contracts will run from the 1st February 2015 to 31st March 2017 apart from those listed below:-

- RD Willis – 6 month contract from 1st April 2015 with three six month extensions.
- Keyring – Two year contract from 1st April 2015.
- GIPSIL – Contract from 1st February 2015 to 31st March 2017 but explore the possibility of doing this via the White Rose Framework.
- Leeds Housing Concern, Sinclair service – Two year contract from 1st April 2015.
- Care and Repair Housing Choices – Two year contract from 1st April 2015.

1 Purpose of this Report

- 1.1 The purpose of this report is to consider the contract arrangements which need to be put in place to ensure that services are maintained during a review of commissioned housing related support. The report requests that contracts with coterminous end dates are established with a number of current Housing Related Support providers, detailed in Appendix 1, in order to maintain service provision whilst a major review is carried out and recommendations implemented. This may include decommissioning, remodelling and procurement.

2 Background Information

- 2.1 The Housing Related Support (HRS) programme comprises of a number of contracts for accommodation-based and visiting floating support services, which aim to support vulnerable individuals and families across the city to achieve and maintain independent living.
- 2.2 A number of reviews have taken place in recent years and services decommissioned, re-modelled and retendered as a result. This has included services for homeless adults, young people, people with mental health issues, those suffering domestic violence and abuse and those with drug and alcohol issues.

- 2.3 This work has developed a more integrated and flexible programme, strengthening partnership working and integrating pathways for clients. A revised performance management framework is enabling the provision of more robust performance data and information which ensures maximum impact is achieved for clients aligned to the strategic priorities for the Council and the City. Providers have adopted a more holistic approach to delivering support to clients, which has simplified the referral pathways to some degree and encouraged partnership working, but more work is needed to strengthen and build on this approach.
- 2.4 An ongoing challenge is to maintain the ability to effectively and efficiently respond to need within the current budgetary and economic context and at a time of significant policy and service change in many areas which may affect these client groups such as changes to welfare benefits and health and social care provision.
- 2.5 Feedback from key stakeholders and providers demonstrates that client needs are becoming more complex and that needs have changed. Similarly, other organisations delivering key services to these client groups are also changing and it is important to ensure that housing related support adds value and makes best use of commissioned resources in the City.
- 2.6 In light of the above, it is timely to conduct a review of all HRS services, in order to:
- analyse the changing needs of people who have complex needs;
 - understand how services should be developed in order to best meet these needs,
 - align and compliment other provision such as that provided by Housing Leeds, helping to deliver the prevention agenda and contribute to the outcomes as set out in key Council strategies such as the Housing Strategy, Children's and Young People's Plan and Ageing Well Plan.
 - inform the design of a programme of support which can be flexible and responsive to changes in demand and need whilst offering value for money. The outcome of this review may affect the way services for vulnerable people in housing need are delivered.
- 2.7 In preparation for the wider review, work has already commenced in 2014 on services for older and disabled people. This included carrying out needs analysis to identify gaps and duplication and ensure that services are meeting strategic priorities and provide value for money. Initial consultation with staff, clients and stakeholders has taken place. This work will feed into the review of all floating support and accommodation services and inform future service delivery.

3 Review of housing related support accommodation and floating support services

- 3.1 A review is to be undertaken of housing related support services to determine what services should be commissioned in the future. This will include analysis of current

services and of need and demand. Consultation will take place with stakeholders including Council Directorates, Members, other public sector partners, providers and service users.

3.2 The ambition is to provide:

- accommodation services that:
 - are able to respond and meet the needs of people who are homeless and have complex needs
 - reduce the need for temporary accommodation
 - have effective referral pathways
 - offer accommodation that is fit for purpose and delivers the best outcomes with links to wider outcomes of employment, financial inclusion, improved health and wellbeing
 - are flexible and responsive in times of changing demand both in terms of number of units and availability of support
 - provide timely support to avoid clients' needs becoming more complex; and

- floating support services that:
 - have effective referrals systems in place to ensure that those most in need are supported, preventing homelessness and costs to other public services
 - have better links to housing management, in order to identify support needs and prioritise support to those tenants who are most in need of support to maintain independent living
 - support the tenancy initiative scheme, helping tenants identified to move /downsize
 - support 'think family' and help to reduce the numbers of children entering care
 - are flexible and responsive in times of changing demand both in terms of number of units and availability of support
 - provide timely support to avoid clients' needs becoming more complex
 - have frameworks in place that are able to establish levels of ongoing need and demand for floating support.

3.3 A summary of the services within scope for the Housing Related Support service review is attached to this report at Appendix 1 and Appendix 2.

3.4 These services provide a range of housing related support interventions for people in housing need to help them to live safely and independently within their community. It is critical therefore that joint working arrangements are maintained throughout the review so that people who are vulnerable and at risk, continue to receive appropriate support.

3.5 Contracts for the services listed in Appendix 1 will be terminated and new contracts put in place to ensure that services remain on contract for the period of the review. The interim contracts proposed in this report ensure both service continuity and consistency of contracting arrangements across all the services. Any new contracts would replace those currently in place and will run to the end of March 2017.

- 3.6 Appendix 2 lists services that are in scope for the review but that do not need new contracts as their current contractual arrangements extend beyond the point when we expect the review to have been completed. As shown in the Appendix, the contracts run to 2016, with two one year extensions available should they be required. All of the services listed in this appendix have been subject to a recent tender exercise and/ or review.
- 3.7 It is envisaged that the review will take up to 2 years to complete, allowing time for analysis, consultation, service design and the tender process. A mobilisation period for new services of up to 6 months is included within this timescale.

4. Details of new contracts

- 4.1 The majority of the contracts for services in Appendix 1 will commence on 1st February 2015 and run to the end of March 2017. There are a number of exceptions listed below.
- 4.2 **RD Willis** - Leeds City Council has a contract for the supply and management of furnished temporary accommodation with RD Willis Properties. This contract is utilised by Environment and Housing, Children's Services and Adult Social Care.
- 4.3 It is suggested that a new contract is put in place with RD Willis for the period of the review. This would be from the 1st April and on the same basis as current contracting arrangements with RD Willis i.e. a six month contract with three further 6 month contract extensions available. In advance of each extension period the amount of properties required would be determined and a minimum guarantee set. This would allow timely responses to fluctuations in demand for properties and ensure value for money.
- 4.4 **Making Space** - A contract review has taken place on the Making Space Waterhouse Court scheme as part of the work on the review of the older and disabled people's services. The scheme comprises of 12 self-contained flats on one site providing permanent accommodation to older people with mental health support needs. Making Space are the managing agents of the service, the building is owned by Anchor Housing Association and the service users are assured tenants of Anchor. There is a resident caretaker partly funded through Housing Benefit, a full time support worker and an out of hours alarm call service.
- 4.5 The review findings indicate that tenant support needs could be met through alternative means. Work will be carried out with the provider to identify alternative arrangements. This may include transferring more costs to Housing Benefit and looking at alternative ways of supporting the tenants including via the Making Space befriending service, Adult Social Care and other floating support commissioned through Strategy & Commissioning.
- 4.6 It is suggested that a new two year contract is put in place from 1st February 2015 but that alternative arrangements to support the scheme are established as soon as possible. Strategy and Commissioning will work with the provider to develop an exit strategy.

- 4.7 **KeyRing** – A contract review has been carried out on the KeyRing Living Support Network. The service provides floating support for people with learning disabilities focused mainly around tenancy issues, combating social isolation and ensuring that individuals are supported in the community.
- 4.8 The contract review has recommended a revised service model at a reduced cost. A new two year contract will be put in place from the 1st April 2015 at a reduced contract price. This service will be subject to the wider review of floating support services.
- 4.9 **GIPSIL Care Leavers service** – the recommendation is to put in place a new contract from 1st February 2015 up to the end of March 2017. The possibility of doing this as part of the White Rose Framework managed by Children’s Services rather as a separate contract, will be explored.
- 4.10 **Leeds Housing Concern, Sinclair** – This service is currently on the same contract as Sustain which is in scope as part of the new drug and alcohol tender. It is suggested that the current contract is terminated and that a new contract for the Sinclair service is put in place from 1st April 2015.
- 4.11 **Care and Repair Housing Choices** – This service is currently part of a wider contract with Care and Repair. It is suggested that the current contract is terminated and that a new contract for the Housing Choices service is put in place from 1st April 2015.
- 4.12 Throughput targets indicate the number of service users who it is expected will use the services each year. As part of the establishment of a new performance framework for housing related support, throughput targets have been reviewed. Where relevant and in consultation with providers, revised throughput targets will be included in the new contracts.

5 Corporate Considerations

5.1 Consultation and Engagement

- 5.1.1 A Project Board and Project Team will be established to oversee the implementation of the review and re-commissioning of Housing Related Support services. This includes representation from Strategy and Commissioning, Housing Support, Housing Management, Children’s Services, Adult Social Care and Public Private Partnerships and Procurement Unit.
- 5.1.2 Providers of services outlined in Appendix 1 are aware of the plans to terminate existing contracts and to put new arrangements in place for the period of the review. Members, providers and stakeholders have been made aware of the plans for a review and welcome the opportunity to be involved.
- 5.1.3 As part of the review and re-commissioning processes, key stakeholders including providers, service users, staff and elected members will be consulted about the

current services and any potential changes. Feedback from this consultation will be used to inform service re-design.

5.2 Equality and Diversity / Cohesion and Integration

5.2.1 An equality impact assessment screening tool (EIA) has been completed in relation to the recommendation to put in place interim contracting arrangements with services in scope of the review, 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 the recommendation to put in place new contracts to extend for the period of the review will ensure that services remain in place and clients are supported.

5.3 Council Policies and City Priorities

5.3.1 The review presents an opportunity to re-shape the provision of Housing Related Support in the city so that it is able to deliver the priorities agreed within the Leeds Housing Strategy, by creating opportunities and choice to enable people to stay in their homes or to find alternative quality housing options so as to minimise homelessness in the city.

5.3.2 The HRS programme directly contributes to the delivery of key outcomes within the Best Council Plan 2013/17, specifically to improve the quality of life for our residents, particularly those who are vulnerable or in poverty and the delivery of the 'Better Lives' objectives.

5.3.3 The services make significant contributions to all of the City Priority Plans, but particularly the Health and Wellbeing Plan and its priority to make Leeds the best city for health and wellbeing by 2030. This is achieved through supporting clients to make healthy lifestyle choices and to live safely in their own homes.

5.4 Resources and Value for Money

5.4.1 There is provision within the Environment and Housing budget for these contracts. The cost is less than the current financial arrangements as it has been possible to identify efficiencies as part of this process.

5.4.2 Two services in scope for the review are jointly funded with Children's Services, who have confirmed funding is available for the lifetime of the proposed contracts.

5.4.3 The total value of the new contracts will not exceed £4,851,406.60 per annum. A breakdown of the cost is included at Appendix 1.

5.4.4 The review and any subsequent re-design and re-modelling of services will focus on delivering value for money and ensuring efficiency within service delivery.

5.4.5 All services are contract managed by the Strategy and Commissioning team in the Office of the Director of Public Health. Robust contract management processes allow for the on-going monitoring of performance.

5.5 Legal Implications, Access to Information and Call In

- 5.5.1 This is a Key Decision as the maximum combined cost of services within this review is more than £250k. A notice was published on the List of Forthcoming Key Decisions on the 20th November 2014.
- 5.5.2 Advice has been sought from Public Private Partnerships and Procurement Unit about the process required for the review and interim contracting arrangements for services.
- 5.5.3 The report suggests the waiver of Contracts Procedure Rules 9.1 and 9.2 to allow continuity of services whilst a service review is undertaken and the subsequent procurement.
- 5.5.4 This report does not contain any exempt or confidential information.
- 5.5.5 Awarding contracts directly to the providers listed in Appendix 1 in this way could leave the Council open to a potential claim from other contractors to whom the contracts could be of interest, that it has not been wholly transparent. In terms of transparency, it should be noted that it is a requirement of European case law that contracts of this value are subjected to a degree of advertising. It is up to the Council to decide what degree of advertising is appropriate. In particular, consideration should be given to the subject-matter of the contract, its estimated value, the specifics of the sector concerned (size and structure of the market, commercial practices, etc.) and the geographical location of the place of performance.
- 5.5.6 The Director of Environment & Housing has considered this in relation to the contracts for which they have responsibility and, due to the nature of the services being delivered and the requirement to be physically located in the City of Leeds, are of the view that the scope and nature of the services is such that it would not be of interest to other EU member states
- 5.5.7 Due to the potential total value of these contracts (approx. £4.851m per annum) giving these contracts direct to the incumbent service providers without competition may be seen as a significant risk of challenge from other potential contractors who have not been given the chance to tender for this opportunity. However following the review it is expected that new services will be tendered.
- 5.5.8 As these are Part B Services for the purposes of the Public Contracts Regulations 2006 ("Regulations"), and therefore not subject to the full procurement regime, the risk of challenge identified at paragraph 5.5.5 in relation to the interim contracts can be diminished somewhat by the publication of a voluntary transparency notice in OJEU immediately after the decision to award the contract has been taken and then waiting 10 days to see if any challenges are made. If no challenges are made a claim for ineffectiveness cannot be brought. Further, publishing such a notice will also start time running for any other potential claim for breach of the Regulations, which must be brought within 30 days of the date that an aggrieved party knew or ought to have known that a breach had occurred.

5.5.9 Although there is no overriding legal obstacle preventing the waiver of CPR 9.1 and 9.2, the above comments should be noted. In making their final decision, the Director of Environment & Housing should be satisfied that the course of action chosen represents best value for money for the Council.

5.6 Risk Management

5.6.1 Appropriate governance arrangements will be put in place to identify and mitigate a range of risks associated with this review, including weekly project team meetings and regular feedback to the project board which will have representation from key strategic partners and stakeholders. There will also be a Risk Register, which will be reviewed regularly by the Project Team.

5.6.2 Interim contracts would allow continuity of provision whilst the review is completed after which services will be re-modelled, re-tendered and/or decommissioned to achieve best value. Contracts will continue to be performance managed by officers in the Strategy and Commissioning team during the review period and any safeguarding or performance issues will be addressed.

5.6.3 Without these interim arrangements services would fall out of contract causing significant risk to the council and its providers. Should the services not continue to be delivered beyond the expiry of the current contract, this would result in vulnerable people being without support, including those to whom a statutory housing duty may be owed.

6 Conclusions

6.1 A review of accommodation and floating support services within the housing related support programme is planned. The purpose of the review is to determine future commissioning needs relating to housing related support services. The review will include consultation with a range of stakeholders including Members, Council directorates, other partners, providers and service users.

6.2 A number of contracts for services within the scope of the housing related support review will expire before the outcomes of the review are due to be implemented. In order to maintain service continuity, the proposal is to establish interim contracts for these services to run to the 31st March 2017. These services are listed in Appendix 1.

6.3 A number of other services are in scope for the review but have contract arrangements which already extend for the period of the review. These are detailed in Appendix 2.

7 Recommendations

- 7.1 The Director of Environment and Housing is recommended to approve Contracts Procedure Rule 22.1 in order to terminate existing contracts and enable the establishment of new interim contracts with coterminous end dates (see Appendix 1).
- 7.2 The Director of Environment and Housing is recommended to approve the waiver of Contracts Procedure Rules 9.1 and 9.2 in order to establish interim contracts with coterminous end dates of 31st March 2017 for current Housing Related Support providers (see Appendix 1). This will ensure continuity of provision during the course of the service review and outcome implementation. The maximum value of the contracts will not exceed £4,851,406.60 per annum.

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8 Background Documents¹

- 8.1 Equality, Diversity, Cohesion and Integration screening paper.

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.