

**Report of: Head of Commissioning, Strategy & Commissioning, Public Health**

**Report to: Director of Environment and Housing**

**Date: 1<sup>st</sup> March 2017**

**Subject: Request to approve extension of existing contracts under Contracts Procedure Rules (CPR) 21.1 and enter into new contracts for the delivery of Housing Related Support services under CPR 8.1, 8.2, 9.1 and 9.2. In addition, approval is sought to award longer term contracts for the delivery of Housing Related Support services for a period of up to 5 years (with the option to extend by another 3 years) using the Negotiated Procedure without prior publication of a notice under Regulation 32 (2) (b) (ii) of the Public Contracts Regulations 2015..**

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. The Council commissions a range of services which help vulnerable people in Leeds through a combination of visiting and accommodation based support to enable people to achieve and maintain independent living. The programme is managed by the Strategy & Commissioning Team in Public Health on behalf of Environment and Housing.
2. To date the majority of services have been subject to strategic review by officers within Strategy & Commissioning resulting in two procurement exercises and new services starting in 2017. It is necessary to ensure continuity of provision for a short period for those services before they are replaced by the two new single services.
3. This report seeks approval to establish short term contracts to provide continuity of service until new services commence in 2017; new longer term contracts for

specialist housing related support services and the taking up of available contract extensions where appropriate.

4. Full details of these categories of approval are given in Appendix 1. The combined total maximum value of the decision is £7,545,725.39 for which there is provision within the existing budget.

### **Recommendations**

The Director of Environment and Housing is recommended to:

5. Waive Contracts Procedure Rule 8.1 and 8.2 using the authority set out in CPR 1.3, to enter into short term interim contracts for services to maintain continuity between 1<sup>st</sup> April 2017 to 30<sup>th</sup> June 2017. The value of each individual contract is less than £100K and the maximum value of all contracts will not exceed £435,682 (see table 1A at Appendix 1); and
6. Request to approve the extensions of existing contracts under Contracts Procedure Rules (CPR) 21.1 to take up the available 12 month contract extensions for the Mental Health accommodation based services and Young People's services that are subject to an on-going strategic review. The Maximum value of the extensions not to exceed £1,647,075 (see table 1B at Appendix 1); and
7. Waive Contracts Procedure Rule 9.1 and 9.2 using the authority set out in CPR 1.3, to enter into new interim short term contracts between 1<sup>st</sup> April 2017 to 30<sup>th</sup> June 2018 for housing related support services for Young People, also subject to ongoing review. Maximum value of contracts not exceeding £1,281,373.06 (see table 1C at Appendix 1); and
8. Waive Contracts Procedure Rule 8.1, 8.2, 9.1 and 9.2 using the authority set out in CPR 1.3, to enter into a new 12 month contract with BASIS between 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018 for the New Futures housing related support service. Maximum value of contract not exceeding £16,717 (see table 1C at Appendix 1); and
9. Waive Contracts Procedure Rule 9.1 and 9.2 using the authority set out in CPR 1.3, to enter into a new contract commencing 1<sup>st</sup> April 2017 for up to three 12 month periods with St Anne's Community Service for the RAISE service providing housing related support services for homeless people. Maximum value of contracts not exceeding £513,000 (see table 1C at Appendix 1); and
10. Waive Contracts Procedure Rule 8.1, 8.2, 9.1 and 9.2 using the authority set out in CPR 1.3, to enter into a contract based on a period of up to 24 months under the proviso that the council will retain the right to enter into short term contract comprising up to four separate six month periods with R.D. Willis from 1<sup>st</sup> April 2017 for the Temporary Accommodation Service (see table 1C at Appendix 1); and

11. Waive Contracts Procedure Rule 9.1 and 9.2 using the authority set out in CPR 1.3, to enter into a new contract with C.G.L. for the Street Outreach Service commencing 1<sup>st</sup> April 2017 for a period of 12 months with the option to extend further up to 26<sup>th</sup> December 2019. Maximum value of the contract period not to exceed £589,148 (see table 1C at Appendix 1); and
12. Waive Contracts Procedure Rule 9.1 and 9.2 using the authority set out in CPR 1.3, to enter into a new longer term contract with Home Group for the Kirkstall Lodge service between 1<sup>st</sup> April 2017 and 31<sup>st</sup> March 2020 to the sum not exceeding £171,002.16 (see the second row at table 1D at Appendix 1); and
13. Approve the award of 3 contracts for the delivery of Specialist Housing Related Support services for a period of up to 5 years (with the option to extend by another 3 years) using the Negotiated Procedure without prior publication of a notice under Regulation 32 (2) (b) (ii) where the services can only be provided by a single provider due to competition being absent for technical reasons (see rows 3, 4 and 5 at table 1D at Appendix 1).

## **1 Purpose of this report**

- 1.1 The purpose of this report is to seek approval to put in place arrangements to ensure service continuity until newly procured services are in place, or further reviews have been completed in line with outcomes of the Housing Related Support strategic review.
- 1.2 This includes putting in place new contracts for specialist services.

## **2 Background information**

- 2.1 Housing Related Support services are commissioned by the Council to provide support to help vulnerable people manage independent living through a range of services, delivered in supported accommodation by support staff, or by support being delivered by support workers visiting people in their own homes.
- 2.2 The main purpose of these services is to help vulnerable people live independently and provide interventions to meet a wide range of support needs such as immediate homelessness, mental health problems, substance misuse and help for those experiencing domestic violence. These services are delivered by a range of third sector organisations across the city.
- 2.3 Officers within Strategy & Commissioning completed a strategic review of the majority of adult commissioned services in 2015. The main recommendation of the review was to combine separate services that provide visiting support and accommodation based support into two separate single services. The review also recommended a common access point to these through a new I.T. Gateway Hub.
- 2.4 The review took a phased approach and some services have yet to be reviewed and are required to continue under active contracts until this work is completed and the outcomes implemented. These are services which provide housing related support to young people, outreach / in-reach support and supported

accommodation for people with mental health problems. Review work will be carried out during 2017 and outcomes implemented during 2017/18 which may include re-procurement.

- 2.5 Recommendations in this report about the timing and order of the remaining review and procurement work have been made based on assessment of the available resource and capacity of officers to complete review work and procurement exercise within timescales. Also more time is required to assess the impact of the new procured services commencing in 2017 on remaining services, information gathered will inform the second phase of review and procurement work.
- 2.6 As a result a phased approach is being taken to ensure sufficient time and resource is available to carry out a full and proper strategic review of the remaining services and assess the working relationships between services.
- 2.7 The 2014/15 strategic review also recommended that some specialist housing related support services be retained and given new long term contracts from 2017 when their current contracts expire to reflect the wider model. Further information about these services and the case for direct contracts is given within the next section of the report.
- 2.8 The findings and recommendations from the main review were presented in a report to the Council Executive Board in October 2015 which gave approval for the further review and procurement work and delegated authority to the Director of Environment and Housing to approve subsequent contract awards.

### **3 Main issues**

#### **Contracting arrangements – Group 1**

- 3.1 As a result of the strategic review and procurement exercises in 2016 a new single Visiting Support service and single Intensive and Dispersed Accommodation service will commence in 2017 replacing several individual contracts.
- 3.2 Eleven contracts for the current accommodation based services identified at paragraph 3.1 above expire on 31<sup>st</sup> March 2017 prior to the new Intensive and Dispersed Accommodation based service commencing on 1<sup>st</sup> July. There is a 3 month gap in contract continuity prior to services ending which requires a short interim contract.
- 3.3 These services have been subject to recent competitive procurement exercise for the remodelled Intensive and Dispersed Accommodation tender for which there was a lack of response with only one bid being received from a consortium of existing providers. Therefore it is unlikely any alternative provider would be interested in delivering these short interim contracts for a 90 day period, furthermore this would cause unnecessary disruption to clients currently receiving support in these services.

- 3.4 Therefore there is a requirement for short term interim contracts to ensure continuity of service See table 1A at Appendix 1

### **Contracting Arrangements – Group 2**

- 3.5 A report presented to the Council Executive Board in October 2015 set out the phased approach and intention to review services which support young people, those for people with mental health problems and those providing in-reach / outreach support at a later date.
- 3.6 These services are on current contracts but require further time to complete strategic reviews and implement outcomes. Some of these contracts have extensions available whilst others will need interim contracts to allow completion of this work.
- 3.7 Three housing related support services are commissioned to provide supported accommodation to people with mental health problems. These are Foundry Mill delivered by Catholic Care, and The Maltings and Rose Villa delivered by Community Links. The contracts for these services expire in 2017 but have one remaining 12 month extension available to provide continuity.
- 3.8 A strategic review of these services, and those commissioned through Adult Social Care for people with mental health problems is being carried out in partnership with colleagues in Adult Social Care. It will consider the future demand for supported accommodation for people with mental health problems.
- 3.9 Five services commissioned to support Young People are on active contracts and review work is underway in partnership with officers within Children's Services. This review work will take place in 2017 along with any remodelling and implementing the review recommendations, including potential re-procurement, with new services starting from 1st July 2018.
- 3.10 It is important that these services continue under contracts so that support is provided to vulnerable young people whilst the review work is completed. Allowing the contracts to terminate in March 2017 or not taking up any available contract extensions would jeopardise established support pathways for young people leaving care and the associated care management plans overseen by Children's Services.
- 3.11 The FLAGSHIP service has one contract extension available and it is proposed to apply this to extend the contract up to 30th June 2018 allowing this service to continue under contract whilst this review work is completed
- 3.12 Therefore it is proposed to extend the following contracts listed at table 1B of Appendix 1 to allow this work to be completed and any remodelling or re-procurement decisions to be then taken.

- **Foundry Mill – Catholic Care**
- **The Maltings – Community Links**

Application of the available 12 month contract extension to continue the service up to 2<sup>nd</sup> October 2018.

- **Rose Villa – Community Links**

Application of the available 12 month contract extension to continue the service up to 31<sup>st</sup> July 2018.

- **FLAGSHIP – GIPSIL**

Application of the available 12 month contract extension to continue the service up to 30<sup>th</sup> June 2018.

- 3.13 The other four services for young people included in this review are the Seacole service provided by Leeds Housing Concern, along with the Archway Resource Centre, Care Leavers Service and Young Persons' Floating Support Service all delivered by GIPSIL.
- 3.14 The contracts for these services are listed in Table 1C of Appendix 1 and all expire at 31<sup>st</sup> March 2017. They will be reviewed and subject to procurement as part of the Young People's strategic review during the first half of 2017 which is being undertaken jointly by officers within Strategy & Commissioning and Children's Services.
- 3.15 The majority of housing related support services have been reviewed and subject to procurement and a decision was made to review young people's services separately in a phased approach, to match available resources and avoid disruption to clients. New services will start from 1<sup>st</sup> July 2018. There is a need to ensure stability for vulnerable clients by putting in place interim contracts for this period.
- 3.16 It is proposed to enter into the following new contracts to run concurrently with the FLAGSHIP contract to 30<sup>th</sup> June 2018. The following contracts will run from 1<sup>st</sup> April 2017 to 30<sup>th</sup> June 2018.

- **Seacole – Leeds Housing Concern**

- **Archway Resource Centre – GIPSIL**

- **Care Leavers Service – GIPSIL**

- **Young Persons Floating Support Service – GIPSIL**

- 3.17 A number of housing related support services which provide in-reach / outreach support and emergency response to homeless people and rough sleepers have not yet been subject to strategic review, remodelling and re-procurement decisions. Contracts for these services all expire at 31<sup>st</sup> March 2017.
- 3.18 These services are the Street Outreach service delivered by CGL, the Temporary Furnished Accommodation service, the BASIS service delivered by New Futures, and the RAISE resource centre service provided by St Anne's Community Services.

- 3.19 The introduction of the new single Visiting Support service from 1<sup>st</sup> April 2017 and the new single Intensive and Dispersed accommodation based service from 1<sup>st</sup> July 2017 are expected to impact on how these related services are delivered and may affect demand and move-on options for people receiving support.
- 3.20 The launch of a new I.T. Gateway system from 1<sup>st</sup> April 2017 provides a single access point for housing related support in the city will also have implications on how people access these related services, the links with other commissioned services and potentially may influence demand and numbers accessing them. Whilst the whole model of housing related support delivery is changing across the city during 2017 we require continuity in services that support the most vulnerable to ensure there is no risk of disruption.
- 3.21 It is proposed to put in place interim contracts with the majority of providers listed in the second half of Table 1C of Appendix 1 for 2(+1) years duration commencing 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2019 with an option to extend for a further 12 month period for each of these services.
- 3.22 An interim contract for the Street Outreach Service will be put in place up to a maximum of £589,148 to provide continuity and a similar co-current period of review and remodelling to take place.
- 3.23 During these interim contracts a period of monitoring and management to assess any impact and then take decisions about remodelling and re-procurement, or de-commissioning in the second year of the interim contract. The optional 12 month extension periods will provide the option of continuity should additional time be required to complete and procurement exercises.
- 3.24 These services will operate in partnership with the new single Visiting Support service from 1<sup>st</sup> April 2017, and the new single Intensive and Dispersed Accommodation based service from 1<sup>st</sup> July 2017. They provide specialist emergency housing related support to vulnerable people and individually are the only services of this type providing support in the city of this nature. All the following services will be reviewed during the interim contract periods and decisions then made about procurement or decommissioning.
- 3.25 It is essential that these grouped services are reviewed in light of the new delivery model and assessments of strategic fit and value for money made before any decisions are made around procurement or decommissioning. Support providers are aware of this approach and timescales involved.
- 3.26 Each service is described in more detail below.
- 3.27 The Street Outreach service works to provide direct assistance to people who are rough sleeping and are some of the most vulnerable groups with complex needs. It works in close partnership with Leeds City Council Housing Options service to help co-ordinate support and joint management of rough sleepers. It is the only service of this nature providing direct on-street interventions to rough sleepers and the vulnerable housed in the city. The new single Intensive and

Dispersed accommodation service from 1<sup>st</sup> July 2017 in particular may impact on the future operation of this service.

- 3.28 R.D. Willis provides a supply of furnished temporary accommodation to the Council in a cross-Directorate contract with a minimum guarantee of 21 properties. Leeds Housing Options utilise this contract to provide emergency accommodation for people who are homeless and seeking assistance under legislative requirements in priority need. The service is funded through housing benefit income and is also used by Children's Services and Adult Social care for emergency placements. It also helps support the No Second Night Out agenda enabling the Council to meet its statutory requirements.
- 3.29 It is proposed to continue this arrangement for Temporary Accommodation by way of new contract period from 1<sup>st</sup> April 2017 of up to 24 months made up of individual 6 monthly periods to provide flexible delivery and review and during the contract period in accordance previous governance arrangements in order to respond in a timely manner to changes in demand.
- 3.30 BASIS provides through their New Futures service outreach support to women engaged in sex working and delivers interventions to help people manage their accommodation, reduce harm and risk and engage with substance misuse services. The service helps deliver key strategic outcomes for the city concerning community safety, tackling domestic violence and harm reduction.
- 3.31 This service will be subject to a joint strategic review by Strategy & Commissioning and Safer Leeds during 2017 The delivery arrangements and future role of the service need to be confirmed in the context of the new single access Gateway being introduced in 2017 and for this reason a 12 month interim contract is being requested to provide further continuity whilst this takes place.
- 3.32 The RAISE service is well established within the city centre in providing a drop in service for vulnerable people who are rough sleeping or unsuitably housed. The premises have operated as a multi-agency hub, previously hosting agencies involved in health, harm reduction and drug treatment.
- 3.33 It is delivered from premises owned by St Anne's and it would prove impossible to find any similar alternative premises in the city centre at current cost levels if subject to procurement at the current time. This is a key service for homeless people and any decision to re-procure or change the provision presently would risk disrupting access to support for the most vulnerable groups.
- 3.34 The delivery arrangements and future role of the RAISE service needs to be confirmed in the context of the new single services and pathways being introduced in 2017. St Anne's are currently in discussion with the Council about the future viability of delivering this service and agreement of any remodelling proposals during 2017/18. Therefore an interim contract of three 12 month periods is being sought to provide flexibility whilst these options are identified.



- 3.35 All these services are strategically important to the city by working with some of the most vulnerable people who have multiple support needs and are at risk whilst being street homeless, rough sleeping and vulnerably housed.
- 3.36 A decision to subject these services to re-procurement at this stage whilst the two new single housing related support services are being introduced along with the new I.T. Gateway would risk major disruption to services providing emergency support to vulnerable people. Interim contracts will allow a strategic decision to be made on the future configuration of these inter-related services and their re-procurement following a 12 month monitoring period.
- 3.37 Monitoring and assessment of demand will take place during the first twelve months of these interim contracts and decisions around remodelling, re-procurement or decommissioning made in the second year. Where available the optional 12 month extension period provides continuity whilst review outcomes are implemented should it be required.

12 month interim contract from 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018:

- **New Futures - BASIS**

Interim contract of up to three 12 month periods commencing 1<sup>st</sup> April 2017:

- **RAISE – St Anne’s Community Services**

Interim contract comprising up to four individual six month periods from 1<sup>st</sup> April 2017.

- **Temporary Accommodation Service – RD Willis**

Interim contract from 1<sup>st</sup> April 2017 with option to extend further to 26<sup>th</sup> December 2019 to a maximum of £589,148

- **Street Outreach Service – CGL**

### **Contracting Arrangements – Group 3**

- 3.38 The strategic review of housing related support services identified commissioned services which provide specialist accommodation based support for very vulnerable and complex clients which are not possible to be met within the wider model. Due to the specific needs of the client group and risk management issues it was recommended they should be retained with new contracts for current providers and not be subject to re-procurement.
- 3.39 Detailed strategic review work and consultation with stakeholders and service users has been carried out in 2015, including two Outcome Based Accountability events, as well as detailed cost analysis. This work has concluded that the services represent best value to the Council in their current form and achieve

excellent outcomes for individuals with complex needs. Furthermore the services are all delivered from purpose built accommodation which offers a safe and secure environment in which to promote recovery.

- 3.40 Re-procurement would create challenges in identifying suitable alternative premises for these services in particular regarding timescales and the level of consultation needed to ensure alternative premises would be suitable for the client needs
- 3.41 The competitive procurement of the accommodation based services in 2016 with remodelling to the single Intensive and Dispersed Accommodation based service showed limited response from the market with only one single bid being received from a consortium of current providers, suggesting that there is low interest presently from providers in the market to deliver accommodation based services.
- 3.42 Furthermore the Government proposals for the reform of future funding of Supported Accommodation linked to capping rents to Local Housing Allowance rates is currently subject to consultation with draft proposals due to be published later in 2017.
- 3.43 This has brought uncertainty to the market with local Housing Associations in Leeds withdrawing from delivery of supported accommodation. This has reduced the commitment of developers and support providers to expand or commit to supported accommodation in the immediate period until the full details of any changes are known.
- 3.44 Further detail about each service and evidence supporting this decision is given below.
- 3.45 Kirkstall Lodge, provided by Home Group, delivers support for up to nine people who have an offending background and specialises in supporting people who have spent a long period in prison. It is delivered from premises owned by Home Group which have been sensitively integrated into the local community and is a real asset for ensuring successful support outcomes for this client group.
- 3.46 This service provides a unique support offer which would be difficult to reproduce in similar premises considering the risk and vulnerability issues managed at the service. It is recommended to put in place an interim contract period of up to three years to allow on-going monitoring and review in relation to service demand and the new delivery model.

3 year contract from 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2020

- **Kirkstall Lodge – Home Group**

- 3.47 In addition, to the above waiver of Contract Procedure Rules, it is proposed that use of the negotiated procedure without prior publication of a notice under Regulation 32 (2) (b) (ii) of the Public Contracts Regulations 2015 be agreed for the award of the three contracts with the providers listed in table 1D of Appendix 1 (and referred to below) for 5 years with option to extend for up to 36 months, commencing from 1st April 2017

- 3.48 Carr Beck Hostel provided by Leeds Housing Concern, is a specialist service which supports up to six women in supported accommodation who have alcohol dependency problems. This service is delivered in good quality purpose built accommodation owned by Connect Housing offering self-contained flats for each of the six clients and on-site accommodation for overnight support staff. Work has been carried out to integrate the service into the local community and it has provided successful support in its current location for a long period.
- 3.49 This service is the only one of its kind in Leeds offering this type of support and the immediate local region. A decision to de-commission and subject to re-procurement would cause substantial disruption to people in the service and it would bring the added risk the property would be withdrawn and be unavailable for future use as supported housing provision.
- 3.50 Regent Terrace is provided by St George's Crypt and delivers a similar support service to Carr Beck for up to ten men with long standing alcohol dependency problems who are actively drinking. In addition to this support St George's Crypt has obtained funding to refurbish Regent Terrace, the accommodation will provide self-contained flats and a new focus on recovery. Retaining this provision will enable stability and value for money with clients benefiting from these new premises.
- 3.51 The Overnight Service and The Hub are currently two separate services commissioned with St George's Crypt which provide short term support to homeless single people. The service is delivered from purpose built premises in the city centre. No alternative premises are available for any alternative services which could be procured on a like for like basis. The premises, which are owned by the provider, and offers added value through a range of informal support interventions and other services such as free hot meals on a daily basis.
- 3.52 St George's Crypt work in partnership with the Council in helping to deliver the No Second Night Out agenda and the central location of the service assists close working with Leeds Housing Options and with the Street Outreach Service. It is an integral part of the delivery of the emergency accommodation service delivered by the Council and they are the only provider in the city to offer this service. A single funding increase of £40k over the lifetime of the new contract has been agreed to contribute towards sustaining this on-going work with Leeds Housing Options service.
- 3.53 Meetings have been held with these three service providers to agree revised service specifications which reflect the strategic review recommendations, and new working arrangements which will come into force from 2017 by the I.T. Gateway system. Financial analysis forms have been re-submitted and assessed to ensure services represent value for money to the Council in line with available budgets, and to ensure services are sustainable based on realistic projected costs. The strategic review recommended 2 years ago retaining some specialist services and this approval now seeks to formalise this recommendation.

Recommendation of new 5 year contracts, with the providers listed in Table 1D of Appendix 1 with option to extend for up to 36 months, commencing from 1<sup>st</sup> April

2017 which is in alignment with contracting arrangements for the new wider model:

- **Carr Beck – Leeds Housing Concern**
- **Overnight Service and HUB - St George's Crypt**
- **Regent Terrace – St George's Crypt**

#### **4 Corporate considerations**

##### **4.1 Consultation and engagement**

- 4.1.1 Recommendations in this report reflect the outcomes of the strategic review that have been approved by the Housing Related Support Project Team and Board.
- 4.1.2 A report was submitted to the Council Executive Board in October 2015 to seek approval of the review findings and key principles and features of the new model. This approval was given and delegated authority to the Director of Environment and Housing to make future decisions around procurement and contracting in relation to the on-going review work.
- 4.1.3 The Executive Member for Communities has been consulted.
- 4.1.4 The strategic review work has involved inclusive consultation with clients, stakeholders and support providers to seek opinion on remodelling of housing related support services and included the delivery of two Outcome Based Accountability workshops. Information gathered from these consultation events informed the development of the new service specifications and Gateway model for accessing services.

##### **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 Equality, Diversity and Community Cohesion screening template has been completed in relation to this decision. The screening tool indicates that as this time a full assessment is not required as the recommendations of the report relates to service continuity and will not impact negatively on service users, staff or stakeholders.

##### **4.3 Council policies and best council plan**

- 4.3.1 The Leeds Homelessness Strategy (2016-18) vision is to create opportunities and choice to enable people to stay in their own homes or to find alternative quality housing options as to minimise homelessness in the city. These services will work closely with the Leeds Housing Options Service and focus on the key priorities within the strategy; to minimise the need for temporary accommodation and deliver a modernised programme of housing related support.

4.3.2 Services support the delivery of key outcomes and priorities within the Best Council Plan (BCP) 2015-20, specifically the 2016/17 outcomes for everyone in Leeds to:

- Be safe and feel safe
- Enjoy happy, healthy and active lives
- Live with the dignity and stay independent for as long as possible
- Do well at all levels of learning and have the skills they need for life
- Earn enough to support themselves and their families
- Live in decent, affordable homes within clean and well cared for places

4.3.4 These services also contribute directly to the ambition for Leeds to be a compassionate and caring city, and the Vision for Leeds 2011-2030 by contributing to the wider outcomes relating to community safety, health and wellbeing, tackling poverty, debt and social exclusion, and promoting access to training and employment for vulnerable or marginalised groups.

4.3.5 The services subject to this report also contribute directly towards the Leeds Health and Wellbeing Strategy 2016-2021 in helping vulnerable people to live full, active and independent lives and to be involved in decisions made about them.

#### **4.4 Resources and value for money**

4.4.1 There is existing financial provision within the Housing Related Support budget to fund recommendations within this report. The majority of contract extensions and interim contracts are to be awarded based on the existing funding levels. A small number of services have received a modest increase in funding, no greater than 8%, justified to cover projected future service costs.

4.4.2 There is a funding contribution from Children's Services towards the GIPSIL Care Leaver's Service and to the GIPSIL FLAGSHIP service of £80,000 and £500,000 per annum respectively. The contract award amounts include this funding and approval has been given by Children's Services to continue this funding contribution during the interim and extension periods recommended for these contracts.

4.4.3 Agreement of new contracts for specialist housing related support services has been subject to a full financial cost analysis of the future projected service costs to ensure they meet current budget provision.

#### **4.5 Legal Implications, access to information and call In**

4.5.1 This is a key decision as the maximum combined cost of services within the report is more than £250k per annum. A notice was published on the List of Forthcoming Key Decisions on 7<sup>th</sup> October 2016. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.

4.5.2 With regard to the waiver of Contract Procedure Rules 8.1, 8.2, 9.1 and 9.2, awarding contracts directly to the providers in this way could leave the Council

open to a potential challenge from other providers to whom this contract could be of interest. These contracts fall within social and other specific services under the Public Contracts Regulations 2015 (Regulations). The value of the majority of these contracts fall below the threshold set down by the Regulations for social and other specific services (currently £589,148.00).

- 4.5.3 However, it should be noted that case law suggests that the Council should always consider whether contracts of these values could be of interest to contractors on other EU member states and, if they could, the opportunities should be subject to a degree of European wide advertising. It is up to the Council to decide what degree of advertising is appropriate.
- 4.5.4 The Director of Environment and Housing has to consider the nature of the services being delivered, the requirement to physically deliver the services in Leeds and relatively low value of the contracts being offered, and is satisfied that it would not be of interest to providers in other EU member states.
- 4.5.5 With regard to those contracts that are above the threshold set out at paragraph 4.5.2 above, and for which we are seeking to rely upon Regulation 32 of the Public Contracts Regulations 2015 (use of the negotiated procedure without publication of a notice), it is considered that there is the potential risk of challenge that organisations interested in providing these services have not been provided with an opportunity to tender for this work.
- 4.5.6 In addition, there is also a risk of challenge that interested organisations may argue that there are no real technical reasons justifying the use of Regulation 32, and that the Council are simply seeking to circumvent the application of the rules. However, due to the reasons set out in paragraphs 3.25 to 3.35 above these risks are perceived to be low.
- 4.5.7 In addition, these risks 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 the chances of a claim for ineffectiveness being brought are significantly reduced, and would only be successful if the Council had used the negotiated procedure without publication of a notice incorrectly. 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.
- 4.5.8 There is a risk of an ombudsman investigation arising from a complaint that the Council has not followed reasonable procedures, resulting in a loss of opportunity. Obviously, the complainant would have to establish maladministration. It is not considered that such an investigation would necessarily result in a finding of maladministration however such investigations are by their nature more subjective than legal proceedings.
- 4.5.9 Although there is no overriding legal obstacle preventing the waiver of CPRs 8.1, 8.2, 9.1 and 9.2, or use of the negotiated procedure without publication of a notice, the above comments should be noted. In making their final decision, the

Director of Housing and Environment should be satisfied that the course of action chosen represents Best Value for the Council.

- 4.5.10 These comments should be noted by the Director of Environment and Housing and in making the final decision should be satisfied that doing so represents best value for the Council

#### **4.6 Risk management**

- 4.6.1 Risk associated with the main strategic review of services, their remodelling and re-commissioning has been managed through a Risk Register process and reporting to the Review Project Team Meetings. The management of risk and identifying and reviewing on-going risks is a continuous process which will be carried out through current and proposed review projects.
- 4.6.2 The awarding of short term contracts from 1<sup>st</sup> April 2017 enables continuity of support for vulnerable people in services which will be replaced by a newly procured Intensive and Dispersed Accommodation services. It will minimise risk of vulnerable people being without support and allow services to continue and be subject to ongoing contract management procedures.
- 4.6.3 Applying the available remaining contract extension periods to services which support young people and those with mental health problems will also ensure continuity of service and continued contract management whilst review work is completed.
- 4.6.4 The decision to recommend award of interim contracts for services to homeless people has been taken in consideration to the available resources and time required to assess the impact of the new services coming into effect during 2017 and to make informed decisions around remodelling, re-procurement or decommissioning. It is essential to maintain these key services during a period of transition for the housing related support programme.
- 4.6.5 The decision to directly award new contracts to contractors for the provision of specialist housing related support services has been risk assessed in respect of value for money to the Council, suitability of current accommodation and risk of disruption of support to clients who have complex needs and present risk to themselves or others.
- 4.6.6 The decision has been taken in the context of the majority of the housing related support programme being subject to strategic review and competitive procurement during 2016, with majority of remaining services under ongoing review and pending re-procurement over the coming 2 years.
- 4.6.7 Establishing long term contracts for these services will ensure continuity and long term stability of provision for some of the most vulnerable people in the city delivered through existing resource which demonstrate value for money to the Council.

## **5 Conclusions**

- 5.1 This report seeks approval for short term interim contracts, extension of existing contracts and longer term contracts for housing related support services in connection with completed procurements and on-going review work of these services.
- 5.2 Findings from the strategic review of the majority of housing related support services have been subject to wide consultation and the recommendations approved by Executive Board report in December 2015.
- 5.3 Review work remains to be completed for some services and this will be completed in 2017 with any remodelling, re-procurement or decommissioning being carried out in 2018. For this reason interim contracts are required to ensure continuity of these services during the interim period.
- 5.4 A small number of Specialist housing related support services identified in the main strategic review will receive new longer term contracts having satisfied assessments of value for money, performance, quality and strategic fit.
- 5.5 It has been confirmed that there is provision within the housing related support budget to fund these services over the contract duration and approval has been obtained for further funding contribution from Children's Services towards the Young Persons support services provided by GIPSIL and FLAGSHIP as set out in Appendix 1.

## **6 Recommendations**

The Director of Environment and Housing is recommended to:

- 6.1 Waive Contracts Procedure Rule 8.1 and 8.2 using the authority set out in CPR 1.3, to enter into short term interim contracts for services to maintain continuity between 1<sup>st</sup> April 2017 to 30<sup>th</sup> June 2017. The value of each individual contract is less than £100K and the maximum value of all contracts will not exceed £435,682 in total (see table 1A at Appendix 1); and
- 6.2 Request to approve the extensions of existing contracts under Contracts Procedure Rules (CPR) 21.1 to take up the available 12 month contract extensions for the Mental Health accommodation based services and Young People's services that are subject to an on-going strategic review. The Maximum value of the extensions not to exceed £1,647,075 (see table 1B at Appendix 1); and
- 6.3 Waive Contracts Procedure Rule 9.1 and 9.2 using the authority set out in CPR 1.3, to enter into new interim short term contracts between 1<sup>st</sup> April 2017 to 30<sup>th</sup> June 2018 for housing related support services for Young People, also subject to ongoing review. Maximum value of contracts not exceeding £1,281,373.06 (see table 1C at Appendix 1); and
- 6.4 Waive Contracts Procedure Rule 8.1, 8.2, 9.1 and 9.2 using the authority set out in CPR 1.3, to enter into a new 12 month contract with BASIS between 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018 for the New Futures housing related support service.



Maximum value of contract not exceeding £16,717 (see table 1C at Appendix 1); and

- 6.5 Waive Contracts Procedure Rule 9.1 and 9.2 using the authority set out in CPR 1.3, to enter into a new contract commencing 1<sup>st</sup> April 2017 for up to three 12 month periods with St Anne's Community Services for the RAISE service providing housing related support services for homeless people. Maximum value of contract not exceeding £513,000 (see table 1C at Appendix 1); and
- 6.6 Waive Contracts Procedure Rule 9.1 and 9.2 using the authority set out in CPR 1.3, to enter into a contract based on a period of up to 24 months under the proviso that the Council will retain the right to enter into short term contracts comprising up to four separate six month periods with R.D. Willis from 1<sup>st</sup> April 2017 for the Temporary Accommodation Service (see table 1C at Appendix 1); and
- 6.7 Waive Contracts Procedure Rule 9.1 and 9.2 using the authority set out in CPR 1.3, to enter into a new contract with C.G.L. for the Street Outreach Service commencing 1<sup>st</sup> April 2017 for a period of 12 months with the option to extend further up to 26<sup>th</sup> December 2019. Maximum value of the contract period not to exceed £589,148 (see table 1C at Appendix 1); and
- 6.8 Waive Contracts Procedure Rule 9.1 and 9.2 using the authority set out in CPR 1.3, to enter into a new longer term contract with Home Group for the Kirkstall Lodge service between 1<sup>st</sup> April 2017 and 31<sup>st</sup> March 2020 to the sum not exceeding £171,002.16 (see the second row at table 1D at Appendix 1); and
- 6.9 Approve the award of 3 contracts for the delivery of Specialist Housing Related Support services for a period of up to 5 years (with the option to extend by another 3 years) using the Negotiated Procedure without prior publication of a notice under Regulation 32 (2) (b) (ii) where the services can only be provided by a single provider due to competition being absent for technical reasons (see rows 3, 4 and 5 at table 1D at Appendix 1).

## **7. Background documents<sup>1</sup>**

7.1 Appendix 1 – summary of decisions and contract details.

7.2 Copy of Equality, Diversity, Cohesion and Integration Screening Tool.

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<sup>1</sup> 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.