



Report author: Eleanor Clark

Tel: 0113 378 7844

## Report of Head of Commissioning, Adults and Health

### Report to Director of Resources and Housing

Date: 13<sup>th</sup> October 2020

**Subject: Request to approve a variation of the contract for Street Outreach Service awarded to Change, Grow, Live (CGL) for additional funding of £215,000 for 12 months through the modification of contracts during their term under Regulation 72 (1c) of the Public Contracts Regulations 2015, commencing 1st April 2021**

Are specific electoral wards affected?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, name(s) of ward(s):	
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, access to information procedure rule number:	
Appendix number:	

## Summary

### 1. Main issues

- Leeds City Council commissions a range of housing related support services for vulnerable people in Leeds. The primary aim of these services is to support people to achieve and maintain independent living. These contracts are managed by the commissioning team in Adults and Health on behalf of Resources and Housing, and include a street outreach service that engages with people who are rough sleeping and / or begging, delivered by Change Grow Live (CGL).
- A review of street outreach, to consider the best approach to support people who are rough sleeping and / or begging, was due to take place in 2020. However, this was not possible as all resources were diverted to responding to the Covid-19 pandemic.
- The contract with CGL is due to end on 31<sup>st</sup> March 2021 with no options to extend. This report seeks approval to modify the contract under Regulation 72 (1)(c) of the Public Contracts Regulations 2015 so that the end date is varied to 31st March 2022. This will ensure continuity of service and provision to a vulnerable client group whilst the review and any subsequent commissioning is carried out.

## **2. Best Council Plan implications** (see the [latest version of the Best Council Plan](#))

- This provision contributes to the housing priority of *Minimising homelessness through a greater focus on prevention*

## **3. Resource implications**

- There is provision within the Resources and Housing budget for this contract variation.

## **Recommendations**

- a) The Director of Resources and Housing is recommended to approve the modification of contracts during their term under Regulation 72 (1c) of the Public Contracts Regulations 2015 to vary the existing contract with Change, Grow, Live (CGL) for Street Outreach Service to commence on 1<sup>st</sup> April 2021 at a cost of £215,000 for the period of 12 months.

## **1. Purpose of this report**

- 1.1 The purpose of this report is to seek approval to vary an existing contract under Regulation 72 of the Public Contracts Regulations 2015 to vary the end date to 31<sup>st</sup> March 2022. This is to ensure continuity of service and provision to a vulnerable client group whilst a review of street based services and any subsequent commissioning is carried out.

## **2. Background information**

- 2.1 Housing Related Support is commissioned by the Council to help vulnerable people achieve and manage independent living through a range of services. These services are delivered in supported accommodation by support staff or by support being delivered by workers visiting people wherever they are living.
- 2.2 The Government has set ambitious targets to halve rough sleeping numbers from the 2017 baseline by 2022 and to end rough sleeping by 2027. For Leeds this means reducing rough sleeping numbers to 14 by 2022.
- 2.3 Since 2018, the Ministry of Housing Communities and Local Government (MHCLG) has made funding available to support initiatives focussed on rough sleeping. This funding is through the Flexible Homelessness Support Grant and the Rough Sleeping Initiative. Funds have been allocated through these initiatives to CGL to support and enhance the activities of the Street Outreach Service.
- 2.4 A multi-agency Street Support Team (led by Safer Leeds and including staff from CGL Street Outreach Team, Forward Leeds, Beacon, West Yorkshire Police, LASBAT, Leeds Housing Options, City Centre Liaison, Bevan Health Care and Adult Social Care) was established in September 2018 and is the cornerstone of the Leeds approach to tackling and reducing rough sleeping and begging.
- 2.5 The CGL Street Outreach Service is a key partner in supporting the multi-agency work to address rough sleeping through their knowledge and expertise in this field.
- 2.6 A review of the Leeds street outreach service is required to consider the best approach to support people who are rough sleeping and / or begging, particularly in light of what has been learned during the Covid-19 pandemic.

## **3. Main issues**

- 3.1 The CGL Street Outreach Service is currently commissioned to support people who are rough sleeping and/ or begging anywhere in Leeds. They do this by conducting an assertive outreach service.
- 3.2 The outreach workers engage with people and look to assist them into accommodation and support them to access services around their health and care needs. They join with other services on outreach to offer support including Forward Leeds, Bevan Healthcare, Beacon, Leeds Housing Options, Mental Health Homeless Team amongst others and they work closely with West Yorkshire Police, Anti-Social Behaviour Team and City Centre Liaison Officers as appropriate.
- 3.3 The team regularly attend St Anne's Resource Centre, including the breakfast club, St George's Crypt and a variety of other services to meet with, assess and support those who are rough sleeping.
- 3.4 Street Outreach has played a critical role in working with the wider street support partnership in response to the pandemic, including ensuring that everyone who was

street-based was aware of the “Everyone In” offer and continuing to support those on the streets, ensuring vital health support was provided to those that needed it. They have continued to provide a key link between those placed in emergency accommodation from the street and other support services to assist people to move on and to help those who have remained street based to access the services they need. They are key participants at the daily co-ordination meetings, bi-weekly emergency accommodation meetings and street support governance meetings.

- 3.5 The current contract is due to expire on 31<sup>st</sup> March 2021 with no options to extend.
- 3.6 A review of street outreach was due to take place in 2020, to consider changing needs and demands, central government policy initiatives around rough sleeping, the impact of the Homelessness Reduction Act and interdependences with other service provision including the Leeds Street Support Team.
- 3.7 However, the pandemic meant that the priority for the city was to safeguard those sleeping rough, to which resources were diverted. This meant that the review was put on hold because it was not possible or appropriate to carry out meaningful consultation and needs analysis.
- 3.8 Varying the contract in order to maintain service delivery for another year would ensure service continuity whilst the review is undertaken and subsequent outcomes implemented. This will ensure that vulnerable people who are rough sleeping and / or begging will continue to receive support.
- 3.9 Covid-19 has provided an added imperative to carrying out the review, since it is necessary to reflect on the city’s response, the needs of this client group and whether change in the provision is needed. This will inform any new commissioning.
- 3.10 A revised timeline for the review and re-commissioning ensures completion before the end of the proposed new end date for the contract.
- 3.11 The variation will involve modifying the current contract value for an additional £215,000 for a period of 12 months. The scope and nature of the service is not impacted by the variation to the contract. Furthermore, the variation will enable the current contract to continue under its existing terms and conditions whilst the service review and subsequent new procurement exercise, subject to the full EU Procurement regulations, is undertaken and finalised with a successful outcome.
- 3.12 The variation value will amend the total amount of the Street Outreach Service to £645,000 and equates to an additional increase of 50% based on the contract value of £430,000.
- 3.13 Should this proposed course of action not be approved, the contract will come to an end on 31<sup>st</sup> March 2021. As there has been no opportunity to procure a new service, there would no longer be any provision from April 2021 onwards, which will affect the council’s ability to reduce rough sleeping and begging.
- 3.14 The modification to the contract will be advertised through an OJEU modification notice for publication at EU level, in accordance with Regulation 51 to alert the market. The Council will wait a minimum of 30 days from publication of the modification notice before entering into the variation. This gives any other market participants the opportunity to raise any queries or concerns in relation to the variation and reduces the chances of a successful challenge to this decision once the 30 day period has ended.

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 This request does not involve a change to current service provision and therefore has not involved specific consultation on this proposal with service users.
- 4.1.2 The Executive Member for Communities has been consulted and is supportive.
- 4.1.3 The review will take into account:
  - Consultation undertaken as part of a Rough Sleeping Health Needs Assessment before lockdown commenced.
  - The findings of a survey of service users in emergency accommodation about their housing needs, which was carried out in July.
  - The views of existing providers, service users and wider stakeholders about any potential changes to the service model.

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

- 4.2.1 An equality, diversity, cohesion and integration (EDCI) screening has been completed in relation to this recommendation and is attached as a background document for information. The screening indicates that a full assessment does not need to be completed as the decision would not necessitate any changes which would impact negatively on service users, staff or stakeholders.
- 4.2.2 People who are rough sleeping and begging may be vulnerable and at risk of abuse. Continued support will reduce risk to all concerned.

### **4.3 Council policies and the Best Council Plan**

- 4.3.1 The provision supports the Council's ambition for Leeds to be a compassionate and caring city by helping to reduce rough sleeping and begging and the negative impacts of this across the City. It also supports the 'Vision for Leeds 2011-2030' and the delivery of wider outcomes relating to community safety, health and well-being, social inclusion and employment and training.
- 4.3.2 It also contributes to the Best Council Plan 2020-25 through the housing priority of *Minimising homelessness through a greater focus on prevention*.
- 4.3.3 The Street Outreach Service is key to the fulfilment of the Leeds Homelessness and Rough Sleeping Strategy 2019-22, its vision of *Leeds is a compassionate city where people and services work together to prevent and end homelessness* and the theme of *Minimise rough sleeping*. The strategy was approved by the city's multi-agency Homelessness Forum.
- 4.3.4 The contract will also make a contribution to the Leeds Health and Wellbeing Strategy (2016-2021) in terms of helping to ensure that '*people will live in healthy, safe and sustainable communities*'.
- 4.3.5 The objectives of the Leeds Drug and Alcohol Strategy (2019-2024) are supported by delivering health promotion and helping to increase the number of successful completions from drug and alcohol treatment programmes to support recovery.

## Climate Emergency

- 4.3.6 The service specification requires that the CGL undertakes to meet all legislation, guidance and good industry practice in environmental management and the objectives of the Council's sustainability policies. Officers from Adults and Health work with the provider through the established contract management process to ensure the service is proactively seeking to minimise its carbon footprint and thereby support the Council in achieving its ambition to be carbon neutral by 2030.

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

- 4.4.1 There is provision within the Resources and Housing budget for this expenditure.
- 4.4.2 This provision is considered value for money in that it supports vulnerable people off the streets and addresses underlying issues that contribute to rough sleeping and / or begging.
- 4.4.3 The quality and performance of the service is good with positive results, engagement and support being achieved for vulnerable people in line with the specification.
- 4.4.4 The review will evaluate the current services, approaches and model and ensure that any future model is the most effective at meeting the needs of this vulnerable client group. It will also focus on delivering value for money and ensuring efficiency within service delivery.
- 4.4.5 The service will continue to be contract managed by the Commissioning Team in Adults and Health Directorate on behalf of Resources and Housing. Robust contract management processes allow for the on-going monitoring of quality and performance.

## **4.5 Legal implications, access to information, and call-in**

- 4.5.1 This is a Significant Operational Decision and is not subject to call in as the maximum cost of the modification within this decision is less than £500k. There are no grounds for treating the contents of this report as confidential under the Council's Access to Information Rules.
- 4.5.2 The modification of contracts is governed under the Public Contracts Regulations 2015 at regulation 72 which permits certain types of modifications. The regulation considers the extent to which a contract may be modified before it should be considered so substantially changed as to necessitate a new procurement. Permissible grounds for modification include a need for additional services due to unforeseen circumstances (subject to 50% maximum increase in initial contract value). It also requires the consideration of the effect of cumulative variations. Therefore this needs to be considered in taking this decision.
- 4.5.3 The figures set out at paragraph 3.12 of this report show the value of the initial contract, and the proposed increase due to the request to vary the contract, and is within the realms of the regulation.
- 4.5.4 The variation is requested under the provision of Regulation 72 (1c) of the Public Contracts Regulations 2015, which states that modifications can be made where all of the following conditions are fulfilled:
- (i) the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;
  - (ii) the modification does not alter the overall nature of the contract;

- (iii) any increase in price does not exceed 50% of the value of the original contract or framework agreement.

4.5.5 These conditions are met because:

- (i) The review of street-based services was due to be complete by the end of the current contract period. However, this was not possible because resources were instead needed to respond to the Covid-19 pandemic and safeguard those who were sleeping rough.
- (ii) The change is only to the contract period, and does not affect the terms and conditions of the service.
- (iii) The value of the additional period is 50% of the original contract value.
- (iv) The additional 12 months will also ensure all interested parties will be able to submit a formal tender under the new procurement exercise on completion of the service review.

4.5.6 In relying on Regulation 72(1)(c), the Council will be required to send an OJEU modification notice to that effect for publication at EU level, in accordance with Regulation 51 to alert the market that such a modification to the contract has taken place (or is to take place). Further, publishing a modification notice will also start time running for any 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. The Council will wait a minimum of 30 days from publication of the modification notice before entering into the variation. This gives any other market participants the opportunity to raise any queries or concerns in relation to the variation and reduces the chances of a successful challenge to this decision once the 30 day period has ended.

4.5.7 There is no overriding legal obstacle preventing the variation of this contract under Regulation 72 of the Public Contracts Regulations 2015. The percentage uplift of 50% is within the range permitted under the Regulation. In making the final decision, the Director of Resources and Housing should be satisfied that the course of action chosen, as to varying the contract, is the best course of action for the Council and should be satisfied that in doing so it represents best value for the Council.

## **4.6 Risk management**

- 4.6.1 Appropriate governance arrangements will be put in place to identify and mitigate a range of risks associated with the review, including regular project team meetings and 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.
- 4.6.2 The decision would enable continuity of provision whilst the review is completed, after which services will be re-modelled, re-tendered and / or decommissioned to achieve best value. The contract will continue to be performance and quality managed by officers in the Adults and Health Commissioning Team during this period.
- 4.6.3 Should the service not continue to be delivered beyond the expiry of the current contract, this would potentially result in vulnerable people being without support and would jeopardise the effectiveness of the multi-agency Street Support Team.

## **5. Conclusions**

- 5.1 A review of street-based services and support is needed to determine future commissioning needs and approaches relating to support for people who are rough

sleeping and / or begging to ensure that the most appropriate services are being provided, helping to achieve the Council's ambition for Leeds to be a compassionate and caring city.

- 5.2 The Street Outreach Service contract will expire before the outcomes of the review can be implemented, because of the delays caused by the Covid-19 pandemic. It is not possible to undertake a review and the required consultation during a pandemic. In order to maintain service continuity while this takes place, the proposal is to vary the contract to change the end date from 31<sup>st</sup> March 2021 to 31<sup>st</sup> March 2022.

## **6. Recommendations**

- 6.1 The Director of Resources and Housing is recommended to approve the modification of contracts during their term under Regulation 72 (1c) of the Public Contracts Regulations 2015 to vary the existing contract with Change, Grow, Live (CGL) for Street Outreach Service to commence 1<sup>st</sup> April 2021 at a cost of £215,000 for the period of 12 months.

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

- 7.1 None.

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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.