

Report seeking approval of additional funding for the Beacon Contract (DN199026) (via lead partner Turning Lives Around)

Date: 29 August 2023

Report of: Head of Commissioning (Housing Related Support and Public Health)

Report to: Director of Communities, Housing and Environment

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief Summary

This report sets out a proposal for additional funding to be allocated to Turning Lives Around, with regard to the Beacon Contract (Contract Number DN199026 – Intensive and Dispersed Accommodation Service) in order to allow it to continue to deliver the service in the context of high demand, including the need for domestic abuse support, and to cover rising costs. The funding will cover the period 01/04/2023 – 31/05/2025.

The proposals in this report directly contribute to the Best Council Plan's overarching vision of tackling poverty and reducing inequalities. It also addresses the Best Council Plan's priority of keeping people safe from harm, protecting the most vulnerable, minimising homelessness and reducing health inequalities.

Recommendations

- a) Retrospectively approve an allocation of £248,000 from the Department of Levelling Up, Housing and Communities (DLUHC) via the Homelessness Prevention Grant to Turning Lives Around with regard to the Beacon Contract (DN199026 – Intensive and Dispersed Accommodation Service for the period 1/4/23 to 31/3/25.
- b) Retrospectively approve an allocation of up to £80,000 from the DLUHC Domestic Abuse New Burdens funding, to enhance the offer around Domestic Abuse support to Turning Lives Around with regard to the Beacon Contract (DN199026 – Intensive and Dispersed Accommodation Service for the period 1/4/23 to 31/3/25.
- c) Approve the modification of the contract value under Regulation 72 (1)(b)(i) of the Public Contracts Regulations 2015 totalling £328,000 for 2 years. These figures are in addition to the value of the contract price of £1,119,580.07 per annum. The maximum total value of the variation will be no greater than £328,000, an increase of 3.6%, when taking into consideration the overall contract value over its eight years of £8,956,640.56.

What is this report about?

1. The funding will cover revenue expenditure for a variety of interventions within the Beacon Contract which will continue to play a key role in sustaining the accommodation and housing related support offer for vulnerable people in the city and ultimately assist the city to deliver its ambitions to reduce the numbers of people who are rough sleeping and to deliver positive outcomes.
2. The service detailed below will use the additional funding to meet current demand and rising costs.

What impact will this proposal have?

3. The Government published its national rough sleeping strategy in August 2018. The national strategy includes targets to halve rough sleeping numbers (from the 2017 baseline) by 2022 and to end rough sleeping by 2027.
4. Through the Street Support Silver Partnership, Leeds produces an annual Rough Sleeping Action Plan that outlines the strategies we have in place to contribute to preventing single homelessness and ending rough sleeping. This document is signed off by Gold governance and used by DLUHC to track Leeds progress against the agreed objectives.
5. The Beacon service plays a key role in providing essential support to some of the most vulnerable men and women, who have complex multiple needs of homelessness, mental health problems, drug and alcohol dependency, physical health problems, offending, domestic abuse and safeguarding vulnerabilities.
6. Beacon delivers essential services for the most vulnerable people with complex support needs who require emergency and supported accommodation. They deliver high quality support working closely with partner organisations including Leeds Housing Options and other commissioned providers.
7. This additional funding will enable the continuation of the Beacon Contract in playing a key role in sustaining the accommodation offer for vulnerable people in the city, ensuring that their clients who are victim-survivors of domestic abuse receive appropriate support and will overall reduce the number of people rough sleeping in Leeds. This funding will only be used for this purpose.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

8. This funding will ensure that the Beacon Contract will continue to engage with people who are homeless and rough sleeping and effectively work together and enhance the current provision. Their work directly contributes towards the strategic aims of reducing the risks of rough sleeping, reducing health inequalities, and finding suitable accommodation and support for vulnerable people.

What consultation and engagement has taken place?

Wards affected: All

Have ward members been consulted? Yes No

9. Senior officers from Leeds Housing Options, Adults and Health Commissioning and Safer Leeds have been consulted and are supportive of the proposals.

10. The Executive Member for Housing has been consulted and is supportive of the proposals.

What are the resource implications?

11. The total value of the funding allocation is £328,000 and this is being met by grant including Homeless Prevention grant and Domestic Abuse New Burdens.
12. The activities listed in this report will be fully met by the additional funding received from DLUHC to enable the Beacon Contract to continue to meet current demand and rising costs and will not create additional pressure on Council budgets.
13. There are no longer-term resource implications – the provider is aware of the short-term nature of the funding (2 years).

What are the key risks and how are they being managed?

14. The current Beacon Contract is delivered with specialist knowledge in their field. They have received funding for similar purposes for several years. Additional funding is required to avoid the risk that current provision will have to be scaled back and need and demand will not be met.
15. It is proposed that the funding listed in this report is allocated to the Beacon contract due to the need to meet current demand and cover rising costs within the service and also to meet need for support related to Domestic Abuse. Should the organisation fail to deliver this support then there is a risk that Leeds City Council could have to repay the funding to DLUHC. This will be mitigated by payment in instalments and through robust contract and financial monitoring by Adults and Health Commissioning Team.

What are the legal implications?

16. The funding does not exceed £500k, and for this reason it has been determined that approval is via a Significant Operational Decision and is therefore not subject to Call In. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
17. The variation is being requested in accordance with the provisions of Regulation 72(1)(b)(i) of the Public Contracts Regulations 2015 (PCR).
18. The modification of public contracts during their term is governed by Regulation 72 PCR 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.
19. The figures set out at paragraph 11 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 PCR.
20. The provisions of Regulation 72(1)(b)(i) PCR provide an exception “where all of the following conditions are fulfilled:
 - (b) for additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement, where a change of contractor:
 - (i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement; ...

provided that any increase in price does not exceed 50% of the value of the original contract.

21 In making this variation, the above conditions of Regulation 72(1)(b)(i) PCR are deemed to be satisfied for the following reasons:

- The incumbent provider possesses specialist knowledge and expertise in their field. The additional funding allocated will allow the incumbent provider to continue to deliver the service in the context of high demand, including the need for domestic abuse support, and to help cover their rising costs of delivery.
- the price represents 3.6% of the original contract value.

22 When contracts are varied on reliance on Regulation 72(1)(b) PCR, it is a requirement to submit a modification notice to Find a Tender (FTS) to alert the market that a modification to the contract has taken place (or is to take place). Once the notice is published on FTS it will start time running for bringing a claim for a breach of the PCR, 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 service will ensure a modification notice to that effect will be published.

23 However, if Regulation 72(1)(b) PCR is used incorrectly, and it is subsequently determined that the conditions to permit Regulation 72(1)(b) PCR are not met, the council will be open to legal challenge that it has breached the procurement rules by modifying the contract. Further, an aggrieved contractor could potentially argue that it has missed out on a competitive opportunity and thereby seek damages for that loss of opportunity. These risks are considered low for the reasons stated in this report, at paragraph 30 above.

24 There is no overriding legal obstacle preventing the variation of this contract under Regulation 72 PCR. The percentage uplift is within the range permitted under Regulation. In making the final decision, the Director of Public Health 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.

Options, timescales and measuring success

What other options were considered?

25. The option of not providing additional funds was considered but this would have led to a reduction in accommodation provision at a time when there is high demand. Budget efficiencies are being delivered by the Beacon providers but there is still a funding gap which needs to be met with additional funds. Consultation took place prior to this funding allocation being agreed with colleagues from Leeds Housing Options and Adults and Health to agree the additional funding required to continue to provide support and accommodation for vulnerable people for the next two years within the Beacon Service, taking into consideration factors around current demand and rising costs.

How will success be measured?

26. Leeds City Council is committed to ending rough sleeping and it is a key strategic priority for the city. This vision is underpinned by three key approaches: Prevention; Intervention; Recovery with the desired collective outcome being: People 'move in' to appropriate and suitable accommodation; People 'move-on' by accessing the right support at the right time, to aide their personal recovery and as a result fewer people return / end up on the street and more feel socially connected to their neighbourhood. To achieve this, a rough sleeping action plan is in place that has a suite of indicators to measure success, including:

- Reduce the number of people 'at risk' of rough sleeping.
- Reduce evictions and restrictions from emergency and supported accommodation.
- Support people with tenancies back to accommodation if found rough sleeping.

- Increase tenancy sustainment beyond 6 months for people with a history of rough sleeping.
- Ensure all who need it have a safe place to stay. Develop and extend choice of accommodation options.
- Develop new and improved options for emergency accommodation (self-contained with 24/7 support)

27. There is a governance structure in place to oversee the actions and successes of the multi-agency partnership working together to deliver the action plan. The governance structure is overseen by senior strategic leaders of Leeds City Council.

What is the timetable and who will be responsible for implementation?

28. These measures will be introduced and backdated from 1 April 2023, once approval is in place from the Director of Communities, Housing and Environment.

Appendices

29. Equality Diversity Cohesion Integration Impact Screening

Background papers

30. None.