

**Report to CABINET**

## **Oldham Housing and Social Welfare Advice Services Contract Extension**

**Portfolio Holder:** Cllr Hannah Roberts, Cabinet Member for Housing

**Officer Contact:** Helen Lockwood, Executive Director, People and Place

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### **Reason for Decision**

This report sets out two options for the future procurement arrangements for the services currently provided by First Choice Homes Oldham Ltd. These services include social welfare advice and a range of statutory and non-statutory housing advice and support services for people in Oldham.

### **Recommendations**

1. Approve the extension of the Housing Advice Contract for a period of 12 months as set out in Option One, to enable the strategic direction outlined in this report to be delivered.

**Oldham Housing and Welfare Social Advice Services Contract Extension****1 Background**

- 1.1 The Oldham Housing and Social Welfare Advice Services (OHSWAS) was procured in December 2015 and is delivered by the lead partner First Choice Homes Oldham Ltd (FCHO). The current contract approved by Cabinet in August 2015 was for a period of up to 7 years. After an initial 3 year period, a yearly extension may be granted provided that the term of the contract does not exceed a total of 7 years.
- 1.2 The contract includes the delivery of a number of different services, including:
- Statutory homelessness and housing advice, including the provision of temporary accommodation and support
  - Tenancy Relations service
  - Central Access Point for supported accommodation
  - Management of the council's housing register, delivery of housing options advice and operation of the our Choice Based Lettings Scheme, and
  - Legal and Advice services including General Help and Specialist Help including debt, Welfare Benefits, Housing, Employment, Immigration and Asylum advice and representation at court or tribunals for complex areas of law.
- 1.3 These services were incorporated into one contract in order to mitigate the impact of aspects relating to welfare reform. Scoping of these services, at the time, identified an overlap in provision from a housing, benefits and money advice standpoint, with customers being referred across services when their needs should be met at first point of contact. The council believed that an integrated service would therefore improve the customer journey by reducing duplication, and making better use of specialist and technical advice, and improving accessibility of services to residents throughout the borough.

**2 Current Position**

- 2.1 Demand for all the services under this contract face significant challenges. The Homelessness Reduction Act (HRA) has placed new duties on local authorities to provide additional advisory services, assessment of housing and support needs and increase the steps local authorities take with regards to preventing and relieving homelessness. It has changed the statutory definition of "threatened with homelessness" from 28 days to 56 days, effectively doubling the length of time officers are expected to support customers. This new duty ensures customers can get help at an earlier stage of the homelessness and housing advice process.
- 2.2 With the introduction of the new legislation the pressure on temporary accommodation (TA) has been increasing. The number of TA units have increased over the past year to help with this; however, the service is increasingly relying on bed and breakfast and other nightly private provider placements to meet statutory accommodation duties. Exacerbating the issue is that the rest of Greater Manchester are also experiencing increasing homelessness, and therefore are effectively competing for the same TA provision. This is leading to several instances where households are placed further away from the borough, and in some instances outside of Greater Manchester.
- 2.3 Since the commencement of the contract, the annual number of social housing lets have been steadily declining. At the same time the number of households on the Council's Housing Register has been increasing. Evidence from the Tenancy Relations service, which provides information and advice to private rented tenants on a variety of subjects including eviction or being asked to leave their home; repairs; harassment from your
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landlord, etc., indicate that tenants are struggling to sustain their private rented tenancies and are turning to social housing, placing further demands on a service that's already struggling.

- 2.4 There has also been a similar increase in demand for access to supported accommodation and Legal and Advice Services, particularly in relation to complex cases, where households are presenting with a number of serious connected issues around housing, debt and welfare benefits.
- 2.5 All of the services provided under the current contract have been subject to regular monitoring and performance review and despite the current challenges and pressures, the contractor has performed relatively well and has delivered the desired outcomes for the people of Oldham over the period of the contract.
- 2.6 In addition, the council is currently developing a new Housing Strategy and reviewing its Residential Development Prospectus. Alongside this, there are a number of important pieces of work that are currently underway at GM level, including the development of a GM Housing Strategy, Spatial Framework, Homeless Strategy, explore the future options of Supported Accommodation, GM Social Lettings Agency and access to social housing in the GM districts. The outcome of these work-streams and the emerging strategies will need to be reflected in the forthcoming options appraisal. It is anticipated that these strategies and in particular our new Housing Strategy will underpin the delivery of new redesigned service.
- 2.7 An extension to the contract would therefore enable the council to undertake a full review, accurately reflecting the impact of the homeless legislation, housing related supply and demand issues, challenges and pressures across other council services, and carry out a detailed options appraisal, allowing the council to fully explore and evaluate a number of different delivery models which best meets our strategic objectives and priorities.

### **3 Options/Alternatives**

- 3.1 Option 1
  - 3.2 Extend the Housing Advice Contract for 12 months at the same terms and conditions as last year. This will allow time for the council to undertake a full review of the service and develop a detailed options appraisal for future delivery of services. If we are unable to complete this piece of work within 12 months, the council has the option to extend the contract on a year by year basis (for a maximum of 4 years). The contract has been designed in this way so that the council has the flexibility to extend the contract only for the time period which is necessary in which to carry out such a review. Once the review has been undertaken and the options appraisal has been completed, the Council will have the option to terminate the contract prior to the expiry of the full 7 year commitment.
  - 3.3 Option 2
  - 3.4 Do not extend the contract and bring the services in-house. To exercise this option the council would need to serve a 6 month termination notice on the contract. Within this timeframe the council would need to source alternative provision to ensure its statutory obligations are fulfilled with regards to homelessness and housing advice services. To transfer services of this scale and complexity would create a lot of disruption and the quality of the services provided would be significantly affected.
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#### 4 **Preferred Option**

- 4.1 The preferred option is option 1 as this would ensure no disruption to the current services while at the same allow the council to review and explore all available options for future delivery.

#### 5 **Consultation**

- 5.1 Consultation has taken place with the contractor and a wide range of internal stakeholders about all of the services provided FCHO.

#### 6 **Financial Implications**

- 6.1 These are outlined in the report in the restricted part of this agenda

#### 7 **Legal Services Comments**

- 7.1 There is provision in Rule 17.1 (a) of the Council's Contract Procedure Rules to modify a contract where there are clauses in the original tendered contract which list the scope and nature of the possible modifications and the conditions under which they may be used and do not provide for modifications which would alter the overall nature of the contract. The existing contract with First Choice Homes Oldham Ltd has such provisions, as outlined in the body of the report, and therefore it is within the scope of the Rules to grant an extension as per the recommendations in the report. (Elizabeth Cunningham Doyle)

#### 8. **Co-operative Agenda**

- 8.1 The contract with FCHO Ltd supports the Council's Co-operative agenda.

#### 9 **Human Resources Comments**

- 9.1 In relation to the preferred option it is not anticipated that there will be any human resource implications.
- 9.2 With the second option, subject to sourcing alternative service provision, there could be human resource issues which will be progressed in accordance with existing policies and procedures. (Stewart Hindley)

#### 10 **Risk Assessments**

- 10.1 Extending the contract by a year has no risks as the original contract has this flexibility (Mark Stenson).

#### 11 **IT Implications**

- 11.1 Not applicable

#### 12 **Property Implications**

- 12.1 None

#### 13 **Procurement Implications**

- 13.1 The original procurement was undertaken in line with the Council's Contract Procedure Rules & EU Regulations with a built in provision to extend on a year on year basis for a maximum of 4 years.
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- 13.2 The initial contract expiry date is 31st December 2018 however the first extension period will take the expiry to the 31st December 2019. In this extension period a service review will be undertaken in which a decision will be made as to the future of the service taking into account local, regional and national strategies. Commercial Services will need to be included in these discussions to ensure the most appropriate procurement route is identified producing a contract which offers both high quality service delivery and value for money.
- 13.3 Commercial Services support the recommendations set out in this report. (Emily Molden)
- 14 **Environmental and Health & Safety Implications**
- 14.1 Not applicable
- 15 **Equality, community cohesion and crime implications**
- 15.1 Not applicable
- 16 **Equality Impact Assessment Completed?**
- 16.1 No
- 17 **Key Decision**
- 17.1 Yes
- 18 **Key Decision Reference**
- 18.1 HFG-04-18
- 19 **Background Papers**
- 19.1 None
- 20 **Appendices**
- 20.1 None
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