

Report to CABINET

Short-term supported housing provision (young people, women, generic/complex adults): commission

Portfolio Holder:

Councillor Chauhan, Cabinet Member for Health and Social Care

Officer Contact: Mark Warren, Managing Director Community Health and Social Care Service and DASS

Report Author: Lynda Megram, Planning and Commissioning Manager
Ext. 622 6440

28th September 2020

Reason for Decision

This report describes current arrangements for provision of short-term supported housing in the borough and seeks approval to recommission the provision.

The budget for the provision (£1.195m p.a.) is held within Community Services and Adult Social Care, however the service provision is cross-cutting, impacting the strategic intentions of several council directorates and of partner agencies: as such, Cabinet is requested to consider and approve the commissioning intentions outlined and the associated budget, and to delegate a subsequent future contract award to the Cabinet Member for Health and Social Care in consultation with Managing Director Health & Adult Social Care Community Services.

Recommendations

That Cabinet approve:

- the commissioning intentions outlined for re-tendering of the provision
- that the overall contract value remains £1.195m per annum with provision made for inflationary uplifts
- that a subsequent contract award, of 3 years plus an option to extend the contract by up to two further years, be delegated to the Cabinet Member for Health and Social Care in consultation with the Managing Director Community Health and Social Care Service

Short-term supported housing provision (young people, women, generic/complex adults): commission**1 Background**

- 1.1 This report describes current arrangements for provision of short-term supported housing funded by the council and seeks approval to re-tender the provision. The budget (£1.195m p.a.) is held within Community Services and Adult Social Care, however the service provision is cross-cutting, impacting the strategic intentions of several council directorates and of partner agencies: as such, Cabinet is asked to consider and approve the commissioning intentions outlined and the associated budget, and delegation of a subsequent future contract award to the Managing Director Community Health and Social Care Service in consultation with the Cabinet Member for Health and Social Care.
- 1.2 *Current service arrangements:* the council funds short-term supported housing for a range of people with support needs. This provision was last tendered in 2013, when two not-for-profit providers were commissioned to deliver three services - Generic, Young Peoples and Women's - which collectively provide 104 supported bedspaces across 10 buildings (schemes). Each of the three services has a scheme with 24-hour staff cover, plus satellite buildings with varying levels of staff support. The 10 buildings are owned by Registered Providers (Housing Associations) and many were purpose-built to provide supported housing, with additional features such as office and communal space. Residents claim Housing Benefit to cover their accommodation costs (rent and service charges): the council only pays for the cost of the staff support to the residents. The two commissioned support providers also undertake some housing management tasks on behalf of the landlord(s) - such as tenancy sign-ups and rent collection - under separate funding and contractual arrangements that don't involve the council, however these arrangements are inextricably linked to effective provision of the service.
- 1.3 The two commissioned service providers are Depaul UK – who provide the Young Peoples service, (for ages 16-23), and Jigsaw Support - who provide the Women & children's service, plus the Generic service (complex adults, mixed sex, aged 18+). The contract requires that providers operate common standards and processes determined by the council: these include standardized referral, assessment and move-on processes. Access to the services is via referral to the Central Access Point (CAP), commissioned at the same time as the service provision to provide an independent triage, so that people with significant support needs are prioritized for access, and to signpost referring agencies to appropriate lower level solutions. The CAP was previously commissioned from First Choice Homes Oldham (FCHO) and is now part of the councils Housing and Advice Service.
- 1.4 *Strategic relevance:* the service provides a period of stabilization - this may be required following a crisis, or as result of more intractable issues. The services offer accommodation with support from staff to enable people to increase their life chances by addressing issues affecting their ability to access and to sustain more independent accommodation. The services support some of the most complex households, facing issues such as mental ill health, substance misuse, and the impact of adverse childhood experiences or domestic abuse. The provision facilitates interventions by a range of partners including criminal justice and substance misuse services and underpins several council priorities: supporting care leavers to move on to independence, to support victims of domestic abuse, prevent homelessness, and improve the mental health and wellbeing of vulnerable residents.
- 1.5 *Strategic context:* in February 2018 Cabinet approved a waiver to the councils Contract Procedure Rules to extend the contract to June 2019, as it was deemed that:
-

-
- tendering the provision could subject the council to significant financial risks until Government confirmed its intentions for the supported housing sector. The viability of the sector was impacted by Government proposals, revisions, and two formal consultations between 2016-18: the proposals included radical changes to the way supported housing was funded - removing this provision from Housing Benefit eligibility. Most of these proposals for the sector were incrementally abandoned.
 - the contract extension also ensured stability of the provision and continuity of providers' engagement during a period of significant change resulting from the new Homelessness Reduction Act. This required many processes, (e.g. referral and access arrangements), that form part of the existing supported housing contract to be altered to meet the requirements of the new Duty to Refer, effective October 2018.

These changes were successfully implemented, and tender preparations proceeding, however in March 2019 First Choice Homes Oldham gave notice to the council on the Housing and Social Welfare Advice Service (housing options) contract. The consequences of this posed significant challenges: for service providers this involved further changes to processes, plus many months when access to FCHO properties for their residents effectively stalled, impairing their ability to move people on to independent living. Due to this unexpected situation the provision is now out of contract. However, the local situation has now eased, and the legislative context for supported housing more stable: work in advance of a tender process had recommenced earlier in 2020 but has been impacted by the need to respond to Covid -19. It is considered that the procurement exercise should now take place at the earliest appropriate/safe date to do so, with an indicative timetable for a new contract to commence in April 2021.

2 **Current Position**

- 2.1 *Demand:* the services can support 104 households at any one time: however, during any given period some households will cease to need this level of support and be re-housed – so in 2019/20 the services supported 219 households. Despite this, demand for supported housing exceeds supply: in 2019/20 there were 249 referrals for the Generic and Young People's services. Of these, 177 referrals were progressed to services for assessment, the rest were signposted to other solutions. As at 31/3/20 there were 61 people in the waiting pool (37 for Generic and 24 for the Young Peoples service). This is mainly due to reduced throughput, leaving some households 'stuck' in supported housing for longer than necessary: affordable housing options are increasingly limited due to insufficient supply nationally, and these households face additional barriers due to their tenancy history or support needs. The Women's service has a smaller waiting pool as most households require immediate access, but these households also face less barriers to rehousing and so throughput is swifter.
- 2.2 *New duties:* the Domestic Abuse Bill published in 2019 fell during the dissolution of Parliament but has been reintroduced and is expected to secure Royal Assent later in 2020 for implementation in 2021. This would place a new duty on local authorities to provide support to victims of domestic abuse and their children in 'safe accommodation': a deliberately broad definition in recognition of the diversity of housing in which victims and their children may live. The Bill prescribes a range of support that must be provided, which includes the types of support provided by the services in this report. It also proposes application of a national quality framework - including mandatory reporting to central government - to the provision of 'safe accommodation' services. These expectations will be taken account of during the commissioning exercise.
- 2.3 *Commissioning intentions:* the 'Housing First' model of support was considered as an alternative to all/part of the traditional building-based offer of support: this is based on the view that people should be offered a permanent home first - and that other things - such as support for mental health, or substance misuse issues, are provided once the person is

housed and at the pace the person chooses. Oldham commissioners were very early adopters of this model of support (for Domestic Abuse survivors with complex support needs), and therefore were part of the design group for the Greater Manchester (GM) service. However, this offer is not a crises response, is expensive and is best targeted at people for whom other options have not been successful: it is therefore considered that building-based supported provision must remain the priority for the immediate future and can complement the GM Housing First offer. Over the life of the proposed contract, however, a more dynamic response will be required from support providers and landlords, including addressing the suitability of some buildings, (via investment, re-purposing etc.), or to demonstrate that introducing a stronger Resettlement offer or Housing First element could consistently achieve the same throughput and outcomes to replace some of the building-based provision. Consultation with a range of key partners/stakeholders and with service users have informed a shared view of future priorities for the provision and desired changes to the service specification. Trend data (such as key demographic features, primary support needs of residents) has been collected from 2013 via service monitoring and from the CAP: this has also informed proposed changes within the funding envelope/buildings available, detailed in Appendix 1. The broad outline of provision - a Central Access Point, services operating to common standards and processes - is a model that some GM Local Authorities are only recently introducing and remains relevant. Feedback suggested that a greater emphasis on trauma-informed support and on psychologically informed environments is needed, plus resettlement support to be provided following move on from services to help ensure a successful transition to independence.

- 2.4 *Budget:* The current budget for these services is £1.195m p.a. Significant savings from this provision have already been realised - a reduction of 40% since 2010 which included negotiated reductions and some closure of provision. Savings include a cashable reduction of 18% since the service was redesigned and new contracts awarded in 2013. Additionally, no inflation has been awarded to incumbent providers since 2013: this represents a further 18.07% reduction based on Governments average inflation figure for the past 6 years. Providers report that the lack of inflationary uplift has resulted in services that are increasingly stretched and that incidents are becoming more prevalent with the risk that very complex applicants may need to be refused to maintain safe provision. This has informed the recommendation that further reductions to these services are not sought, and that inflationary uplifts are an essential component of any future commission.

3 Options/Alternatives

- 3.1 *Option a)* Allow service provision to continue as it is. This is not the recommended option, as:
- The provision is out of contract and there are greater legal risks with this option.
 - The local landscape and the legislative context for supported housing is now more stable and it is considered that a procurement exercise could now take place, subject to the need to respond to Covid -19, at the earliest appropriate/safe date to do so.
 - There are desired changes to the service specification that cannot reasonably be undertaken unless part of a new procurement exercise
 - Continued uncertainty places strains on service providers, such as the impact on staff retention, and on landlords, who are less likely to invest in the stock where future use is uncertain.
- 3.2 *Option b)* Not to commission replacement provision. This is not the recommended option, as:
- The provision of supported housing makes a significant contribution to the councils duty of prevention and relief of homelessness for households with additional support needs, who struggle in unsupported Temporary Accommodation (TA) provision and cannot access general needs accommodation until their support needs are addressed. The

provision reduced from 146 units to 104 in 2016/17 to meet savings targets from these contracts: to cease provision further/altogether would severely compromise the council's ability to meet its duties. It would also create risks where a household may not be owed a duty to accommodate, but where they have complex support needs: there is likely to be negative impacts for these households - and potentially on the wider community - if their housing and support needs are not met.

- The provision is less costly to the council than TA, or provision in the private landlord sector claiming high rents/Intensive Housing Management: the commissioned provision meets exempt accommodation regulations and the council can therefore claim full HB subsidy. It is also generally of a better standard and quality.
- The provision underpins several council priorities which would be impacted if the service ceases, making it more difficult for instance, to support care leavers to move on to independence, to support victims of domestic abuse - which is likely to become a new statutory duty - to prevent homelessness, and to improve the mental health of vulnerable residents. It is likely that many households would experience further crises and require higher cost, more intensive services.

3.3 *Option c)* To retender the provision, and that Cabinet approve:

- the commissioning intentions outlined for re-tendering of the provision
- that the overall contract value remains £1.195m per annum with provision made for inflationary uplifts
- that a subsequent future contract award, of 3 years plus options to extend by up to two further years, be delegated to the Managing Director Community Health and Social Care Service in consultation with the Cabinet Member for Health and Social Care

This is the recommended option, as:

- This addresses the legal risks of the provision continuing to be delivered out of contract.
- There are desired changes to the service specifications that could be undertaken as part of a new procurement exercise: consultation with a range of key partners / stakeholders and with service users have informed a shared view of future priorities.
- This would alleviate the impacts of continued uncertainty on service provision.

4 **Preferred Option**

4.1 Option c), that Cabinet approve:

- the commissioning intentions outlined for re-tendering of the provision
- that the overall contract value remains £1.195m per annum with provision made for inflationary uplifts
- that a subsequent future contract award, of 3 years plus an option to extend the contract by up to two further years, be delegated to the Cabinet Member for Health and Social Care in consultation with the Managing Director Community Health and Social Care Service.

5 **Consultation**

5.1 Consultation with service users, and with a range of key partners/stakeholders informed the options and recommended future service design in this report. Consultation methods included holding stakeholder events; specific ones were held for each service with representation from a range of referring agencies and public sector organizations, plus an aggregated version was taken to the Homelessness Forum – which includes representatives from many voluntary sector organization – for comment. Service users within each service were consulted about their views of service delivery to help define a shared view of priorities to help design an improved service.

6 **Financial Implications**

- 6.1 The service is seeking approval to re-tender the supported housing provision within CHASC. The table below shows the current contracts in place and financial value of each.

Contract	Provider	Budget 2020/21 £000's
Women's Service Pathway	Jigsaw Support	297
Generic Pathway	Jigsaw Support	576
Young People Pathway	Depaul UK	322
Total		1,195

- 6.3 Full budgetary provision for the current contract value will be rolled forward into 2021/22 and future years over the period of the medium-term financial strategy to support continued funding of the preferred option.

- 6.4 There is no identified resource to cover the cost of an inflationary increase, therefore funding would need to be found from within existing resources. Based on ONS data and assuming the contract will be linked to Consumer Prices Index (CPI), for which the 12-month inflation rate was 0.5% in May 2020 down from 0.8% in April. If inflation recovers to pre-COVID rates of 1.8% for Q1 2021/22, then the financial envelope of the contract would increase by £24k.

(Sophie Eade, Accountant)

7 Legal Services Comments

- 7.1 The Council has a best value duty under section 3 Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. Government guidance has stated that before deciding how to fulfil their Best Value Duty, Authorities are under a duty to consult representatives of a wide range of local persons including council tax payers, service users, stakeholders, voluntary and community organisations and small businesses. This should apply to all stages of the commissioning cycle including decommissioning.

- 7.2 The Council should follow its own Contract Procedure Rules to select the most economically advantageous tenders to deliver these critical services. However, the proposed timescale for the procurement exercise is very tight in view of the time needed to mobilize the contract. Therefore, officers should ensure that the tender documents are ready for publication as soon as possible. (Elizabeth Cunningham Doyle)

8. Co-operative Agenda

- 8.1 The provision supports the Council's cooperative agenda by promoting the engagement of residents and service providers in Thriving Communities, Co-operative Services and an Inclusive Economy. Service delivery supports households to address issues such as mental ill health, substance misuse, and chaotic lifestyles, helping them to increase their resilience and resettle into independent accommodation.

9 Human Resources Comments

- 9.1 N/A

10 Risk Assessments

- 10.1 Referenced in Appendix 1

-
- 11 **IT Implications**
- 11.1 N/A
- 12 **Property Implications**
- 12.1 N/A
- 13 **Procurement Implications**
- 13.1 As outlined in the report the Council is looking to recommission the Supported Housing services. It is paramount that a procurement exercise is carried out to re-procure the service in compliance to PCR2015 and the Council's contract Procedure rules. It is recommended that the commissioners to:
- a) set up a working group (project board) involving commercial team to develop the commissioning and procurement strategy.
 - b) prepare specifications and clear KPI's for the service ensuring they are measured throughout the contracting period.
 - c) ensure appropriate consultation is undertaken at pre-procurement stage with the provider market, service users accordance to Section 3 of local government Act 1999 and if required with other public sector organisations.
 - d) seek advice regards to TUPE implications and ensure appropriate discussions are carried out with the incumbent provider ensuring continuity of service delivery for the service users and staff.
 - e) Commercial information needs to be justified such as rates we will pay i.e. per hourly, day rate or per individual; not just the financial envelope.
 - f) the commercial team view is that timescale for the procurement exercise are very tight considering Contract Mobilisation, and above elements.
(Mohammad Sharif – 10.07.2020)
- 14 **Environmental and Health & Safety Implications**
- 14.1 N/A
- 15 **Equality, community cohesion and crime implications**
- 15.1 The council requires services to work together and deliver to shared service standards, ensuring that all applicants are offered a consistent service. The service provision is accessible to all sections of the community who need the support, but particularly supports women (often escaping domestic abuse) young people (including care leavers) and people with lifestyles that lead to poor physical and mental health, social exclusion and lower incomes. Services also support people involved in the criminal justice system to address issues that have a negative impact on the wider community.
- 16 **Equality Impact Assessment Completed?**
- 16.1 Yes, attached.
- 17 **Key Decision**
- 17.1 Yes
- 18 **Key Decision Reference**
- 18.1 HSC-05-20.
-

19 **Background Papers**

19.1 N/A

20 **Appendices**

20.1 Appendix 1, Commissioning intentions: service delivery, (to be considered at Item 10)
Appendix 2, EIA (to be considered at Item 10)