

Cabinet Member delegated decision: 29 May 2019

Report title: The Vulnerable Adults' Pathway

Wards: All

Portfolio: Councillor Paul Gadsby, Cabinet Member for Housing

Report Authorised by: Fiona Connolly, Strategic Director for Adults and Health

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Report summary

This report seeks permission to waive Council Order 9.2 in order to extend ten contracts providing supported housing to single vulnerable adults from 1 April 2019 – 31 March 2020. The existing contracts all expired on 31 March 2019.

Finance summary

This report requests to extend ten contracts providing supported housing for single vulnerable people. The total value of the contract extensions for the year is £4,292,033 which is further detailed under section 3.1 of the report.

The budget for these contracts is met within Adults and Health.

Recommendations

1. To note the spend from 1 April 2019 to 29 May 2019 at a cost of £715,338.83.
2. To waive clause 9.2 of the Council's Contract Standing Orders to extend ten contracts for the provision of supported housing for single vulnerable adults for the period of 1 year from 29 May 2019 to 31 March 2020 at value of £3,576,694.17 and a total value of £4,292,033. Please see breakdown of contract values below:

St Mungos, Chrysalis Project £434,537

St Mungos, Wix's Lane £195,633

St Mungos, Lambeth Assessment Centre £638,218

Thames Reach, Graham House £780,762

Thames Reach, The Waterloo Project and Camberwell New Road £413,369

Thames Reach, Lambeth High Street £336,358

Thames Reach, Robertson Street £543,384

Look Ahead, North Patch £395,983

St Mungos, South Patch £353,789

NACRO, Latch House £200,000

1. Context

- 1.1 Lambeth Council currently holds ten block contracts to provide supported housing to vulnerable adults with support needs within the Vulnerable Adults' Pathway. The ten block contracts incorporate 11 services and 444 bed spaces at a total value of £4,292,033. These contracts were originally let through a framework tender.
- 1.2 Commissioners have been exploring the options open to the borough for seeking longer term funding arrangements for the existing services but these discussions are still ongoing hence the request for another short term extension.
- 1.3 There are a number of issues which will need to be taken into consideration when considering the options to either competitively tender the contracts or to directly award.
- 1.4 The Vulnerable Adults Pathway has had almost 50% of its budget taken in savings since 2012. The Voluntary Sector Providers who currently hold these contracts have been instrumental in delivering these savings which have been a mixture of service closures, remodelling and efficiencies through staffing cuts. This has been done in a partnership approach with providers with the principal aim of minimising the loss of bed spaces at a time when homelessness is increasing. The corresponding period has seen the numbers of people recorded as rough sleeping across the country more than double.
- 1.5 Breakdown of the current ten contracts across the Vulnerable Adults' Pathway that require an extension:

	Provider	Client Group	Units	Contract price
Specialist Hostels				
Chrysalis Project	St Mungos	Vulnerable & Exploited Women	25	£434,537
Wix Lane	St Mungos	Hostel step down	18	£195,633
Lambeth Assessment Centre	St Mungos	Assessment centre	28	£638,218
Graham House	Thames Reach	Drug & Alcohol	50	£780,762
The Waterloo Project and Camberwell New Road	Thames Reach	Complex Needs	24	£413,369
Lambeth High Street	Thames Reach	Mental Health	24	£336,358
Robertson St	Thames Reach	Alcohol & Physical Health	42	£543,384
Latch House	NACRO	Male Offenders	15	£200,000
		Total	226	
Dispersed Supported Housing				
	Provider	Client Group	Units	
North Patch	Look Ahead	Mixed Needs – Step Down	111	£395,983
South Patch	St Mungos	Mixed Needs – Step Down	107	£353,789
		Total	218	
		Pathway Total	444	£4,292,033

- 1.6 Extending the ten contracts for a year will allow commissioners time to consider and plan future funding arrangements. This was not possible during the current financial year due to uncertainty about the budgets.
- 1.7 The contract value of Latch House has been reduced from £290,000 to £200,000 as agreed by Cabinet in 2016 as part of required savings targets. The reduction in budget was effective from 1st April 2018. This reduction in budget has resulted in a loss of nine bed spaces for this service, however the bed spaces have been transferred to the Look Ahead north patch contract. The Latch House service will be competitively tendered in 2019 in order to have a new service in place by 1st April 2020.
- 1.8 Commissioners worked with providers in 2014 to co-produce new specifications for these services which widened the scope of the support they provide. This included additional requirements to achieve and report outcomes on employment, training and education, health and wellbeing and financial resilience, all of which link to other council and health strategies.
- 1.9 The services in the Vulnerable Adults' Pathway contribute and relate to the Future Lambeth: Our Borough Plan 2016-2021, namely to 'prevent homelessness, placing people in suitable, affordable, permanent homes as quickly as possible', and 'provide integrated care which actively promotes recovery and independence, and which protects the vulnerable'. It is widely recognised that integrated models of housing and support for vulnerable people provide a more streamlined and effective service ensuring residents are supported to move forwards in their lives.

2. Proposal and Reasons

- 2.1 This report seeks to extend, under waiver of 9.2 of the Contract Standing Orders, ten contracts to provide supported housing to single vulnerable adults for a period of 1 year from April 2019 – March 2020.
- 2.2 The providers who make up the majority of the pathway bring a wealth of experience and additional value to the services and in many cases are involved in partnership work across other areas of the council, as evidenced below. This waiver is being requested so that commissioners can consider the options available for future funding agreements. A report will be produced and presented to Procurement Board outlining these options and agreeing a timescale in which they can be delivered.

Thames Reach

- Four large hostels and a supported housing project in Lambeth housing 140 residents with complex needs. Thames Reach have run their hostels for over 20 years and there are a number of complex leases issues that would inhibit competitive tendering
- Key stakeholder in Mental Health services in the borough as one of the members of the Living Well Network Alliance alongside Lambeth Council, Lambeth CCG and SLAM. Currently on a contract for seven to ten years
- Member of the Psychology in Hostels project alongside Lambeth Council and SLAM delivering direct psychology input to hostel residents and staff.
- Board member and delivery partner in the Big Lottery funded Fulfilling Lives Scheme jointly delivered between Lambeth, Southwark, Lewisham and SLAM. The scheme aimed at developing services for people with complex and multiple needs is about to enter year 5 of an 8 year agreement which has brought in £10 million pounds of funding.
- The Employment Academy offering employment, training and education services to formerly homeless people across Lambeth and Southwark
- Delivery partner in the Ministry of Housing, Communities and Local Government Rough Sleeping Initiative funding. Operating a night shelter, resettlement workers and ETE workers.

- Four hostels and a supported housing project in Lambeth housing 178 residents with complex needs. St Mungo's own three of the hostels and have run them for over 20 years. It is unlikely that any tendering process would be competitive for this reason.
- Key partner of Lambeth Housing in the delivery of affordable housing for move on for clients in temporary accommodation via their private sector scheme, Real Lettings. Lambeth has currently invested £30 million pounds in the ongoing scheme.
- Delivery of the Workwise programme for Lambeth Housing. St Mungo's have embedded workers in the Lambeth Housing Assistance Team offering employment, training, benefits advice and support to Lambeth tenants affected by welfare reform.
- St Mungo's run a number of internal schemes open to residents of St Mungo's services such as the Recovery College offering holistic support to get clients into employment, The Wellbeing Centre offering health services to clients, Bricks and Mortar offering training in construction and Putting Down Roots offering training in gardening services.
- Delivery partner in the Ministry of Housing, Communities and Local Government Rough Sleeping Initiative funding. Delivering navigator roles for prisons and hospitals, welfare benefits advice for rough sleepers and a Street Population Co-ordinator.

2.3 Commissioners are satisfied with the performance of the service providers to date, and are confident that providers will be able to continue providing a high quality service to residents until March 2020 when this contract period will expire. The most recent contract monitoring information demonstrated the positive outcomes achieved by providers when supporting vulnerable homeless clients. The current contracts provide good value for money when compared to alternative housing provision for vulnerable adults with support needs and due to the short timescales involved it would not be possible to achieve any savings by tendering the services.

3 Finance

3.1 This report proposes to extend ten contracts to provide supported accommodation for single vulnerable adults with support needs at the values listed below. The total value of these contracts will be £4,292,033 per annum.

3.2 The budget for these contracts will come from within Adults and Health.

Service	Provider	Annual contract value
Chrysalis Project	St Mungos	£434,537
Wix Lane	St Mungos	£195,633
Lambeth Assessment Centre	St Mungos	£638,218
Graham House	Thames Reach	£780,762
The Waterloo Project and Camberwell New Road	Thames Reach	£413,369
Lambeth High Street	Thames Reach	£336,358
Robertson St	Thames Reach	£543,384

Latch House	NACRO	£200,000
Dispersed Supported Housing	Provider	Annual contract value
South Patch	St Mungos	£353,789
North Patch	Look Ahead	£395,983
Total		£4,292,033

3.3 The contracts will make provision for three months' notice of early termination to allow for future budget uncertainty whilst meeting the need to continue these services.

3.4 There will be no inflationary uplift over the length of the extended contract periods and no additional funding, or capital, is required. There are no further cashable savings from within these contracts, however it should be noted that savings of 46% equating to approximately £3.8 million pounds have been achieved from this budget since 2012 with the final tranche of £239,000 being delivered this financial year.

3.5 The services were benchmarked against the Four Borough Supported Housing Framework when first awarded and were found to be comparable. There has been no inflationary uplift to any of the contracts since that time.

4 Legal and Democracy

4.1 The delegated authority to deal with the matters set out in this report is vested in the Cabinet Member for Housing.

4.2 Local authorities have duties and powers in respect of provision of accommodation and support for homeless persons or persons at risk of homelessness who are in priority need as defined under the Housing Act 1996. In addition the Care Act 2014 provides that where it appears to a local authority that an adult may have needs for care and support, the authority must assess whether the adult has such needs, and what if any those needs are. The Council has duties and powers under sections 18 and 19 of the Care Act 2014 to meet adults' needs for care and support which meet certain criteria. Under s8 of the Act the Council may meet such needs in various ways including through the provision of accommodation in a care home or in "premises of some other type". Supported housing is the provision of any scheme where housing, support and (in some cases) care services are provided with the purpose of enabling the person receiving the support to live as independently as possible in the community. Housing and social services must work jointly in the discharge of their respective duties, and this may take the form of supported housing.

4.3 Where it is proposed to extend a contract without formal tender it should be treated as a waiver of the Contract Standing Orders, and this may be authorised by the Cabinet Member.

4.4 The services which form the substance of the contract are listed in Schedule 3 of the Public Contracts Regulations meaning the Chapter 3 light touch regime applies and the full rigour of the statutory procurement rules only apply if the value of the contracts exceeds £615,278. The value of contract extensions is aggregated with the original contract value in determining the position. The Regulations allow contracting authorities to negotiate contract extensions in certain circumstances but in this case they do not appear to apply. The Council's plans remain subject to considerable budgetary uncertainty, but the Council has to maintain statutory service provision with a very limited pool of providers in a position to do so, most of which

are already engaged in service provision for Lambeth. Lambeth should take steps to conclude its procurement plans so that it can re-procure the service in accordance with Chapter 3 of the Regulations.

4.5 This proposed key decision was entered in the Forward Plan on 27th December 2018 and the necessary 28 clear days' notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5 Consultation and co-production

5.1 The relevant Cabinet Members have been consulted and their views represented as necessary within this report.

6 Risk management

6.1 The contract awards will enable the continued provision of services, therefore mitigating against the risk posed by decommissioning whilst the delivery options are appraised. It is a contractual requirement for all services to ensure they have the required insurance and up-to-date DBS checks for employees. Due diligence has been completed on all services. Based on previous experience there is minor risk of challenge from other providers.

7 Equalities Impact Assessment

7.1 The services in this report are subject to a rolling programme of Equalities Impact Assessments designed to assess the overall impact of service closures and redesign across Housing, Adult Social Care & Health. Future service changes will be addressed via this programme during the next financial year.

8 Community safety

8.1 The service providers work closely with the Police and Community Safety to address any issues relating to their residents or localities. The providers have built up strong relationships with a range of organisations which aim to keep vulnerable adults and the wider community safe. They are also contractually obliged to carry out locality checks to ensure any impact on the local community is quickly identified and appropriately responded to. Any complaints regarding negative impact on local communities are escalated via the contract monitoring officers and commissioners who work in partnership with appropriate agencies to resolve the issues.

8.2 It is a contractual requirement that the current provider's staff must possess an enhanced DBS clearance and that all staff receive training on the protection of vulnerable adults and children.

9 Organisational implications

9.1 Environmental
N/A

9.2 Staffing and accommodation
N/A

9.3 Procurement

The providers pay the London Living Wage (LLW) to all staff employed via this contract. All providers named in this report are aware of the new General Data Protection Regulations around managing clients' data and are compliant

9.4 Health

All of the services being extended are working to improve the health of the residents.

10 Timetable for implementation

10.1 The table below shows the stages, milestones and deadlines for implementing the new contract.

	Item description	Date
1	Obtain sign-off from key officers	20/02/2019
2	Obtain sign-off from Cabinet Members in Housing and Adult Social care	03/05/2019
3	Present report at Procurement Board	26/03/2019
4	Publish report online for call-in period	20/05/2019
5	Implement decision	29/05/2019
6	Extension start date	01/04/2019

Contract Management

10.2 The service provider will send monthly contract performance and financial data to staff in the Supported Housing commissioning team for the duration of the contract, and will also meet with them on a quarterly basis. A dedicated commissioning manager from this team will oversee the contract.

Audit trail				
Consultation				
Name/Position	Lambeth directorate/department or partner	Date Sent	Date Received	Comments in para:
Cllr Paul Gadsby	Cabinet Member for Housing	21.02.19	06.03.19	
Cllr Ed Davie	Cabinet Member for Adult Social Care	03.05.19	03.05.19	
Sandra Roebuck	Director Sustainable Growth & Opportunity	29.04.19	01.05.19	
Fiona Connolly	Strategic Director, Adults & Health	21.02.19	06.03.19	
Mandy Green	Assistant Director Homes and Communities	23.01.19	25.01.19	2
David Thomas	Legal Services	31.01.19	05.02.19	4
Maria Burton	Democratic Services	31.01.19	05.02.19	
Peter Hesketh	Finance	31.01.19	20.02.19	
Internal Officer Board	Date of meeting	Date Cleared by PB		
Procurement Board	26.03.19			
External				

Report history	
Original discussion with Cabinet Member	14/12/18
Part II Exempt from Disclosure/confidential accompanying report?	No
Key decision report	Yes
Date first appeared on forward plan	27/12/18
Key decision reasons	2. Expenditure, income or savings in excess of £500,000
Background information	Previous decision report for supported housing for vulnerable adults: http://modern.gov.lambeth.gov.uk/documents/s95784/CMDDR%20Vulnerable%20Adults%20Pathway.pdf
Appendices	None

APPROVAL BY CABINET MEMBER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board and taken account of their advice and comments in completing the report for approval:

Signature _____ Date _____

Post: Paul Davis, Head of Commissioning – Supported Housing, Neighbourhoods and Growth

I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:

Signature _____ Date _____

Post: Cllr Paul Gadsby, Cabinet Member for Housing

Any declarations of interest (or exemptions granted):

N/A