

Cabinet Member Delegated Decision

Decision due: 17 November 2015

Supported Housing for Young People Aged 16-21

Wards: All

Report Authorised by: Helen Charlesworth-May, Strategic Director Children, Adults and Health

Portfolio: Councillor Matthew Bennett, Cabinet Member for Housing

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Report summary

This report seeks permission to extend under waiver the 6 contracts providing supported housing to young people aged between 16-21 for 6 months (from 1 October 2015 – 31 March 2016) whilst a detailed planning and remodelling process is undertaken. This extension period will culminate in the renegotiation of contracts for this provision, commencing on 1 April 2016. Because the existing extension expired on the 1 October 2015 this report confirms the request for an ‘Unauthorised Purchase’ which can only be approved by the Strategic Director and the report is presented to the Procurement Board for noting.

The supported housing provision that is the subject of this report is offered to young people who are categorised as vulnerable due to being homeless or at risk of becoming homeless. This accommodation is managed by block contracts with four supported housing providers. The total number of young people being housed by this provision is 268. The extensions detailed in this report are one part of a wider piece of work looking at integrating this provision with the separate housing and support offer commissioned by Children’s services to form a single pathway for all young people aged 16-21, with a single entry point and referral process.

Finance summary

This report requests permission to extend the following contracts at the values stated below.

Table 1

Adult’s contracts		
Organisation	Provision	Value of extension (6 months)

Centrepoint	Camberwell Foyer	£289,652.50
Look Ahead Housing & Care Ltd	Young Persons Supported Housing	£76,860.00
South London YMCA	Community Host Scheme 2	£68,358.00
South London YMCA	King George's House 2	£147,467.50
Ekaya Housing Association	Teenage Parents Supported Housing	£154,723.50
South London YMCA	5 Mother & Baby self contained apartments and 2 one bedroom flats designed for joint tenancies for young couples.	£28,777.00
	Total value of Adult's contracts	£765,838.50

These cost of these contracts will be met from existing budgets within Children, Adults and Health directorate.

Recommendations

1. That the Cabinet Member approves a waiver of 9.2 of the Contract Standing Orders to extend the 6 existing contracts for supported housing for young people for the period 1 October 2015 to 31 March 2016 at a total value of £765,838.50 (see breakdown in Table 1). This extension period will allow time for detailed planning work and renegotiation of contracts to take place.
2. That the unauthorised spend between 1 October and 9 November totalling £162,004.29 be approved.

1. Context

1.1 Lambeth Council currently holds 6 block contracts with 4 supported housing providers as set out below. This accommodation is provided to vulnerable young people that present as homeless to the council's Housing Options service and are deemed to be in priority need in accordance with the Housing Act (1996), but do not qualify for housing under social care criteria. A total of 268 young people are currently housed in this provision:

Organisation	Provision	Number of units
Centrepoint	Camberwell Foyer	80
Look Ahead Housing & Care Ltd	Young Persons Supported Housing	36
South London YMCA	Community Host Scheme	15
South London YMCA	King George's House	87
Ekaya Housing Association	Teenage Parents Supported Housing	43
South London YMCA	5 Mother & Baby self contained apartments and 2 one bedroom flats designed for joint tenancies for young couples.	7

Extending these contracts for 6 months will allow commissioners to undertake a detailed and considered design and renegotiation process, which will enable the greatest savings to be made on these contracts whilst ensuring we retain high quality services for vulnerable young people in the borough. This process is likely to culminate in the reissuing of a number of these contracts from 1 April 2016.

1.2 Significant reductions in the Council's budget have meant that there is a need to find savings within core services and has put greater pressure on ensuring value for money within contracts. There are opportunities for achieving significant financial savings and increasing value for money through remodelling and renegotiating contracts during this extension period, and through the wider integration programme, including through:

- Improved joint working between housing and social care teams, to ensure that there is greater focus on taking a preventative approach as well as a more robust assessment process, so that young people are only accommodated under the Council's statutory duty when absolutely necessary.
- Reduction of the use of more costly spot-purchased accommodation

- Exploring a number of delivery options, including potential integration of a mediation service, supporting young people to return home to their families where possible
- An integrated accommodation offer which allows for a smaller number of contracts to be shared across council departments
- Greater purchasing power from combined budgets, allowing us to achieve better value for money within contracts
- Improvement of move-on options for young people, preventing them from staying in supported accommodation for longer than required

1.3 The extensions detailed in this report are one part of a wider piece of work looking at integrating this provision with the separate housing and support offer commissioned by Children's services to form a single pathway for all young people aged 16-21, with a single entry point and referral process. This transformation will require a detailed planning, options appraisal and consultation process involving internal and external stakeholders, which is already underway. It is expected that this process will take up to 18 months and the intention is for an integrated offer to be in place from April 2017. After the contracts have been reissued in April 2016, further remodelling will take place to develop this offer. It is widely recognised that integrated models of housing and support for young people provide a more streamlined and effective service for residents, and these models are already in place in a number of other local authorities, including in Greenwich, Islington and Camden. This work is underway in many other London boroughs.

1.4 An integrated housing and support pathway for young people will contribute to the 'communities feel safer and stronger' and 'more jobs and sustainable growth' outcomes of the Community Plan, by ensuring that vulnerable children and adults get support and protection, young people have opportunities to achieve their ambitions, and vulnerable people can live independently and have control over their lives.

2. Proposal and Reasons

2.1 This report seeks permission to extend under waiver 6 contracts that offer supported housing to young people aged between 16-21, for 6 months. This will enable officers to carry out a detailed and careful remodelling process, culminating in the reissuing of these contracts from 1 April 2016. This process will involve an options appraisal and consultation with internal and external stakeholders. There are a number of options to be considered during the remodelling of this provision, and the proposed extension will allow time for all of these to be carefully explored. The current contracts for these services expired on the 1 October 2015, which does not allow enough time for these processes to take place. Delays in initial discussions regarding this activity has meant that the process has taken longer than expected to get underway.

2.2 Commissioners are satisfied with the performance of service providers to date, and are confident that they will be able to continue providing a high quality service to residents until March 2016 when this extension period will expire. The current contracts provide good value for money when compared to alternative housing provision for young people.

3. Finance

This report proposes to extend 6 contracts for support accommodation for young people held by Adults commissioning. The total value of these extensions will be £765,838.50 over 6 months. The budget for these extensions will come from cost centre D12004 – Supporting People within Children, Adults and Health division.

- 3.1 These contracts have an unachieved annual savings target of £200,000 for 2013/14 which has not been implemented due to a political decision around the pathway development. This will cause a budget pressure of £100,000 for the six month extension in meeting the full costs of these extensions. There will be a requirement in the extension to negotiate this out with providers.
- 3.2 This report allows the contracts to end with three months' notice and allows for future budget uncertainty whilst meeting the need to continue these services.
- 3.3 There will be no inflationary uplift over the length of the contract extension period and no additional funding, or capital, is required.

4. Legal and Democracy

- 4.1 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 under the Housing Act 1996. Housing and social services must work jointly in the discharge of their respective duties, and this may take the form of supported housing.
- 4.2 The Council's Contract Standing Orders require that procurements with a value in excess of £100,000 should be formally tendered. Where it is proposed to extend a contract without formal tender it should be treated as a waiver of the Contract Standing Orders.
- 4.3 Authority to approve waivers for contract awards, which together are valued at more than £500,000 of expenditure is delegated to the Cabinet Member, who should exercise his discretion following recommendation by the Procurement Board.
- 4.4 Waivers to the Council's Contract Standing Orders' purchasing rules are permitted in certain circumstances, including where extensions are sought where there is no provision in the current contract, where it is demonstrably in the Council's interests and to maintain the provision of statutory services.
- 4.5 The services procured through the proposed contract extension are Schedule 3 social and other specific services not subject to all of the requirements of the Public Contracts Regulations 2015. A threshold of €750,000 is applied to such services, below which the detailed prescriptions for procurements in those Regulations do not apply. It should be noted, however, that the value of a contract extension needs to be aggregated with the contract and any intervening extensions in determining whether the extension is above the threshold. In assessing the risk of a procurement challenge, consideration should be given to the general EU principles of transparency, fairness and non-discrimination and an assessment of whether there would be any cross-border interest.

The aggregated values of these contracts are as follows:

Adult's contracts		
Organisation	Provision	Aggregated value of contracts including 6-month extension (cost covers 5 years)
Centrepoint	Camberwell Foyer	£2,953,825
Look Ahead Housing & Care Ltd	Young Persons Supported Housing	£768,922
South London YMCA	Community Host Scheme 2	£623,579
South London YMCA	King George's House 2	£1,474,675
Ekaya Housing Association	Teenage Parents Supported Housing	£1,547,235
South London YMCA	5 Mother & Baby self contained apartments and 2 one bedroom flats designed for joint tenancies for young couples.	£287,757

4.6 The proposed insertion of provision to terminate the contracts on 3 months' notice will allow the Council to bring forward a full procurement process in the event that it is in a position to do so.

4.7 This proposed key decision was entered in the Forward Plan on 16 January 2015 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.

5.2 The design of the new integrated housing pathway will be subject to an extensive external consultation process, both formal and informal. This will take into the account the views of stakeholders and service users.

6. Risk management

6.1 The extension will enable the continued provision of services, therefore mitigating against the risk posed by decommissioning whilst the delivery options are appraised. Based on previous experience there is minor risk of challenge from other providers, as there were no concerns or complaints raised by other providers when the contracts lapsed for the first time last year.

7. Equalities Impact Assessment

7.1 Equalities Impact Assessments were previously completed as part of the tendering processes. The EIAs scored low. In summary this is because the placement process aims to place young people in the most appropriate setting for their specific needs taking into consideration any specific need relating to race, gender, disability, religion, sexual orientation etc. Therefore we anticipate that the existing service and future tender will result in the same equality of opportunity and ability to make more appropriate matches for individual young people. We do not anticipate that there will be any adverse impacts for the users of the services however the EIA will be considered in more detail at the Procurement Strategy stage.

8. Community safety

8.1 Each of these providers works closely with Police and Community Safety, particularly around issues of gangs and threats to residents. The providers have built up strong relationships with a range of organisations which aid to keep young people, and the wider community safe. Providers 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 service monitoring officers and commissioners who will work in partnership with appropriate agencies.

8.2 It is a contractual requirement that all current providers' staff must possess an enhanced DBS/CRB clearance, that all staff receive training on the protection of vulnerable adults and children. The providers for Children's services (16-18) will also continue to be required to undertake a Section 11 audit, which is a safeguarding self assessment tool which is incorporated into the monitoring process.

9. Organisational implications

9.1 Environmental

Not applicable.

9.2 Staffing and accommodation

No issues.

9.3 Procurement

Existing Providers have been asked to demonstrate a commitment to fully implementing the London Living Wage (LLW) and are currently working towards this. This will be monitored via the Contract Performance Review. The LLW will form part of the tendering criteria for the new service.

10. Timetable for implementation

10.1 The table below shows the stages, milestones and deadlines for implementing the contract. It should be noted that due to the availability of the procurement board and the requirement of a call in period it is likely that the report will be cleared subsequent to the required start date of the contract.

	Item Description	Date
1	Obtain sign-off from key officers	29 September 2015
2	Present report at procurement board	8 October 2015
3	Published online for pre-notification period	21 October 2015
3	Published online for call-in period	29 October 2015
4	Return signed report to procurement board administrator	6 November 2015
5	Anticipated contract start dates	16 November 2015

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

Audit trail					
Consultation					
Name/Position	Lambeth directorate/division or partner	Date Sent	Date Received	Comments in para:	
Cllr Matthew Bennett	Cabinet Member for Housing	16/10/15	21/10/15		
Maria Millwood	Children, Adults and Health	12/10/15	15/10/15		
Rachel Sharpe	Children, Adults and Health	29/9/15	02/10/15		
Mandy Green	Children, Adults and Health	29/9/15	02/10/15		
Paul Davis	Children, Adults and Health	29/9/15	29/9/15		
David Thomas	Legal	29/9/15	30/9/15	4	
Maria Burton, Democratic Services	Corporate Affairs, Corporate Resources	01/10/15	02/10/15	4	
Wayne Cooper	Accountant	29/9/15	01/10/15		
Wayne Chandai	Democratic Services	01/10/15	12/10/15		
Internal Officer Board	Date of meeting				
Procurement Board					
External					

Report history	
Original discussion with Cabinet Member	15 September 2015
Report no.	N/a
Part II Exempt from Disclosure/confidential	No

accompanying report?	
Key decision report	Yes
Date first appeared on forward plan	16 January 2015
Key decision reasons	Financial – expenditure or savings of over £500,000
Background information	<p>1. Original Officer Delegated Decision Report for Look Ahead supported housing contract:</p> <p>http://moderngov.lambeth.gov.uk/documents/s26979/Award%20of%20contract%20for%20Supported%20Housing%20for%20Young%20People%20across%20Lambeth.pdf</p> <p>2. 2014/15 extension to supported housing and Semi-Independent Living accommodation:</p> <p>http://moderngov.lambeth.gov.uk/documents/s72316/643%20-%20Single%20Report%20-%20Housing%20Pathway%2016%20KR%20Version4%20Legal%20and%20Finance%20...pdf</p>
Appendices	None

12 APPROVAL BY CABINET MEMBER OR OFFICER 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, Lead Commissioner, Children Adults and Health

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

Signature _____ Date _____

Post: Matthew Bennett, Cabinet Member for Housing

Any declarations of interest (or exemptions granted):

Issue	Interest declared
None	None