

Cabinet Member delegated decision: 17 October 2017

Report title: Supported Housing for Young People Aged 16-21

Wards: All

Portfolio: Councillor Jane Edbrooke, Cabinet Member for Children and Schools

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

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Report summary

This report seeks permission to waive contract standing orders which require a competitive tender process for contracts over £100,000, in order to extend six contracts, which provide supported housing to young people aged between 16-21, from 1 April 2017 to 31 March 2018, with an option to extend for an additional two years from 1 April 2018 to 31 March 2020.

The existing contracts all expired on the 31 March 2017. Extending these contracts will allow Commissioners to continue work on remodelling the entire provision of supported housing for young people, across the Council. The extension period will be used to test new service models and uncover the true demand for services. The wider remodelling and integration of services is expected to bring significant savings and will result in changes to the way that this supported housing is delivered, and the amount of provision that is required. For example, when this work commenced in November 2015 there were 147 young people placed in supported accommodation spot-purchased by Children's Social Care, costing £5.6m per year. As of April 2017, there are 94 placements costing £3.9m per year (further details are in the accompanying part II report). Commissioners have worked with the existing providers over the last year to negotiate and achieve financial savings on some of these contracts. This work will continue during the extension period. Commissioners have worked with the provider to develop new specifications for the services which, amongst other requirements, include more robust requirements around achieving and reporting outcomes for young people that link to a number of Council and health strategies.

There have been delays in decision making linked to funding for one of the contracts within this package, plus delays in the consultation process, meaning that this decision will be made after the current contract expiry dates. There was no formal approval in place for the spend from 1 April 2017 to 17 October 2017 therefore the Cabinet Member is asked to note spend made during this period.

Finance summary

This report requests permission to extend six contracts providing supported housing for young people. The total value of the contract extensions is £1,394,209 per annum, the value which is further detailed under section 3.1 of the report.

The budget for these contracts will come from the Supporting People budget within Children, Adults and Health, cost centre D12004.

Recommendations

- (1) To note the spend from 1 April 2017 to 17 October for an amount of £786,598.
- (2) To waive section 9.2 of the Contract Standing Orders to extend a contract with Evolve Housing and Support to provide supported housing for young people at King George's House for the period from 17 October 2017 to 31 March 2018 at a cost of £354,935, with an option to extend for an additional two years from 1 April 2018 – 31 March 2020 (the contract value over three years would be £1,064,805).
- (3) To waive section 9.2 of the Contract Standing Orders to extend a contract with Evolve Housing and Support to provide the Teenage Parents Service for the period from 17 October 2017 to 31 March 2018 at a cost of £57,554, with an option to extend for an additional two years from 1 April 2018 – 31 March 2020 (the contract value over three years would be £172,662).
- (4) To waive section 9.2 of the Contract Standing Orders to extend a contract with Evolve Housing and Support to provide the Community Host Scheme for the period from 17 October 2017 to 31 March 2018 at a cost of £54,894 with an option to extend for an additional two years from 1 April 2018 – 31 March 2020 (the contract value over three years would be £164,682).
- (5) To waive section 9.2 of the Contract Standing Orders to extend a contract with Centrepoint to provide supported housing for young people at Camberwell Foyer for the period from 17 October 2017 to 31 March 2018 at a cost of £495,000 with an option to extend for an additional two years from 1 April 2018 – 31 March 2020 (the contract value over three years would be £1,485,000).
- (6) To waive section 9.2 of the Contract Standing Orders to extend a contract with Look Ahead Care and Support to provide supported housing for young for the period from 17 October 2017 to 31 March 2018 at a cost of £254,826, with an option to extend for an additional two years from 1 April 2018 – 31 March 2020 (the contract value over three years would be £764,478).
- (7) To waive section 9.2 of the Contract Standing Orders to extend a contract with Ekaya Housing to provide a Teenage Parents Service for the period from 17 October 2017 to 31 March 2018 at a cost of £177,305, with an option to extend for an additional two years from 1 April 2018 – 31 March 2020 (the contract value over three years would be £531,915).

Reasons for Exemption of Disclosure

The accompanying part II report is exempt from disclosure by virtue of the following paragraphs of Schedule 12A to the Local Government Act 1972:

Paragraph 3: Information relating to the financial or business affairs of a particular person (including the authority holding that information).

1. Context

1.1 The Council commissions two separate supported accommodation offers for young people aged 16+:

(1) Young People's Pathway. This accommodation is offered to young people who are homeless and are considered vulnerable or in priority need in accordance with the Housing Act. Referrals and placements are made by the Housing Options service at Olive Morris House. This accommodation is commissioned via block contracts with four providers. The total number of young people accommodated in these contracts is 247 at a cost of £1.4m per year.

(2) Semi-Independent Living. This accommodation is offered to looked after children and care leavers who are assessed as being entitled to accommodation under Section 20 of the Children Act. Referrals and placements are made by Children's Social Care. This accommodation is spot-purchased as required from a framework of 'preferred providers', though a proportion of placements are made with other providers that are not part of this arrangement. There are currently 94 young people living in this type of accommodation, at a cost of approximately £3.9m per year.

1.2 Since November 2015, work has been underway to remodel the provision of supported housing for young people across the Council. The remodelling and integration of services is expected to bring significant savings, and will result in changes to the way that this supported housing is delivered, and the amount of provision that is required. This remodelling has three key workstreams:

1. Establishing a single gateway and joint assessment process for all young people that are homeless or at risk of homelessness, co-ordinated by an integrated Housing and Children's Social Care team.
2. Better aligning the two types of commissioned supported accommodation provided to young people by Housing and Children's Social Care, to widen the options available to young people, improve the quality of existing provision, and reduce the use of the more costly spot-purchased accommodation provided by Children's Social Care by prioritising the use of the six block contracts that are the subject of this report.
3. Reducing the number of young people in supported housing that no longer require additional support, and improve the support offer for those ready to move into independent tenancies.

1.3 There are opportunities for achieving significant financial savings and increasing value for money through remodelling the young persons supported housing provision, including through:

- Taking more of a preventative approach to homelessness as well as a more robust assessment process, so that young people are only accommodated when absolutely necessary.

- Reduction of the use of more costly spot-purchased Children's Social Care accommodation and encouraging usage of the six block contracts that are the subject of this report.
 - Improvement of move-on options and support for young people, preventing them from staying in supported accommodation for longer than required.
- 1.4 Since November 2015 we have significantly reduced the use of semi-independent accommodation spot-purchased by Children's Social Care. The latest data from April 2017 shows that the number of placements of young people has decreased from 147 to 94, and the annual spend has decreased from £5.6m to £3.9m.
- 1.5 This new integrated housing and support pathway for young people will contribute to the outcomes within 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 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.
- 1.6 Commissioners have worked with providers to co-produce new specifications for these services which widen the scope of the support they provide. This includes 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.

2. Proposal and Reasons

- 2.1 This report seeks permission to extend, under waiver of section 9.2 of the Contract Standing Orders, six contracts to provide supported housing to young people aged between 16-21, from 1 April 2017 – 31 March 2018, with an option to extend for an additional two years from 1 April 2018 – 31 March 2020.
- 2.2 This extension will allow Commissioners to continue work on remodelling the entire provision of supported housing for young people across the Council, which may result in a change in the way supported housing in the borough is designed and delivered. We are using this extension period to pilot new service models based on current need (such as changing staffing levels in service), and uncover the true demand for accommodation through monitoring the new integrated young people's homelessness service. In the first two months of operation, the new young people's homelessness service has supported 35 homeless young people to return home to their families (35% of service users), thus preventing the need for them to enter supported housing.
- 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 the new contract period will expire. The most recent contract monitoring information demonstrated the positive outcomes achieved by providers when supporting young people, for example 77% of service users moved on from services in a planned and positive way. The current contracts provide good value for money when compared to alternative housing

provision for young people. Commissioners have worked with the existing providers over the last year to negotiate and achieve financial savings on these contracts. This work will continue during the extension period.

3. Finance

- 3.1 This report proposes to extend six contracts to provide supported accommodation for young people, at the values listed below. The total value of these contracts will be £1,394,514 per annum. The budget for these contracts will come from cost centre D12004 – Supporting People within Children, Adults and Health.

Service	Provider	Annual contract value	3-year contract value	Number of units
King George's House	Evolve Housing and Support	£354,935	£1,064,805	87
Teenage Parents Service	Evolve Housing and Support	£57,554	£172,662	7
Community Host Scheme	Evolve Housing and Support	£54,894	£164,682	15
Camberwell Foyer	Centrepoint	£495,000	£1,485,000	80
Young Persons Supported Housing	Look Ahead Care and Support	£254,826	£764,478	33
Teenage Parents Service	Ekaya Housing	£177,305	£531,915	25
	Total	£1,394,514	£2,789,028	247

- 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 periods 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 as defined 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 delegated authority to deal with the matters set out in this report is vested in the Cabinet Member.
- 4.3 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, and this may be authorised by the Director, upon the recommendation of 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 award 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.
- 4.6 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. In any event there are mandatory requirements for publication and advertising except where there is only one possible provider.
- 4.7 In this instance, and in the case of other proposed extensions with other providers for similar services, the Council's plans are subject to considerable budgetary uncertainty, and a need to maintain continuous 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.
- 4.8 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.
- 4.9 Under the Public Services (Social Value) Act 2012, the Council must consider how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area, and how, in conducting the process of procurement, it might act with a view to securing that improvement.
- 4.10 This proposed key decision was entered in the Forward Plan on 4 November 2016 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. Based on previous experience there is minor risk of challenge from other providers.

7. Equalities Impact Assessment

- 7.1 An Equalities Impact Assessment was completed in November 2015 as part of the wider remodelling of the Young Persons Pathway, of which this contract award is a part. The EIA scored low, and it is anticipated that there will be an overall positive impact for the users of the services. In summary this is because it is expected that the move towards an integrated accommodation and support pathway across Housing and Children's Social Care will improve the existing assessment processes and help ensure that all young people receive a more consistent, streamlined and higher-quality service. The assessment and placement process for this accommodation 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.

8. Community safety

- 8.1 The service provider works closely with the Police, Community Safety, and the Youth Offending Service, particularly around issues of gangs and threats to residents. The provider has built up strong relationships with a range of organisations which aim to keep young people, and the wider community, safe. The provider is 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.
- 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

Not applicable.

- 9.2 Staffing and accommodation

No issues.

- 9.3 Procurement

The provider pays the London Living Wage (LLW) to all staff employed via this contract.

9.4 Health

Not applicable.

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	21 st April 2017
2	Present report at Procurement Board	15 th August 2017
3	Publish report online	9 October 2017
5	Implement decision	25 October 2017
6	Contract extension start date	Xx xx 2017

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/division or partner	Date Sent	Date Received	Comments in para:
Cllr Jane Edbrooke	Cabinet Member for Children and Schools	04/08/17	06.10.17	
Helen Charlesworth-May	Strategic Director - Adults & Health	01/06/17	03/08/17	
Rachel Sharpe	Director Strategic Housing, Regeneration and Communities	15/5/17	25/5/17	
Mandy Green	Assistant Director - Homes and Communities	10/5/17	15/5/17	
Guy Swindle, Finance	Corporate Resources	10/4/17	2/5/17	
Michael O'Hora, Legal Services	Corporate Resources	10/4/17	11/4/17	
Maria Burton, Democratic Services	Corporate Resources	02/05/17	05/05/17	4.10
Internal Officer Board	Date of meeting			
Procurement Board	15 August 2017			

Report history	
Original discussion with Cabinet Member	November 2016
Part II Exempt from Disclosure/confidential accompanying report?	Yes
Key decision report	Yes
Date first appeared on forward plan	4 November 2016
Key decision reasons	(2) Expenditure, income or savings in excess of £500,000
Background information	<p>Previous officer delegated decision reports for young persons supported accommodation:</p> <p>http://moderngov.lambeth.gov.uk/ieDecisionDetails.aspx?ID=3767</p> <p>http://moderngov.lambeth.gov.uk/ieDecisionDetails.aspx?ID=3675</p> <p>http://moderngov.lambeth.gov.uk/ieDecisionDetails.aspx?ID=3677</p> <p>Forward plan entry for the integrated homelessness pathway for 16-21 year-olds:</p> <p>http://moderngov.lambeth.gov.uk/mglIssueHistoryHome.aspx?IId=43324&PlanId=687</p>
Appendices	None

APPROVAL BY CABINER 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, Lead Commissioner, Children Adults and Health

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

Signature _____ Date 17 October 2017

Post: Cllr Jane Edbrooke, Cabinet Member for Children and Schools

Any declarations of interest (or exemptions granted):

Issue	Interest declared
None	None