

London Borough of Hammersmith & Fulham

Report to: Tony Clements, Interim Strategic Director for the Economy

Date: 6 July 2020

Subject: MHCLG Rough Sleeping and Domestic Abuse Grants

Report of: Julia Copeland, Strategic Commissioner

Responsible Director: Jo Rowlands, Strategic Director The Economy

Summary

We are seeking approval for the direct award of five one-year contracts to St Mungo's at a total value of £815,857. Contracts range from £31,844 to £494,154 per year.

Background

We have been successful in securing a number of grants from the Ministry for Housing & Local Government (MHCLG) as set out in Table 1. Cabinet approved the receipt and use of the grants on 2 March 2020.

The funding will enable some existing services for rough sleepers and survivors of domestic abuse to continue and be strengthened and to deliver additional new services to vulnerable people. There is no additional cost to the General Fund from the recommendation in the report as additional expenditure will be fully funded by the grant funding.

Table 1

| MHCLG Grant | Amount |
|------------------------------------|-----------------|
| Cold Weather /Derogation Fund | £71,940 |
| Cold Weather Fund/Winter Pressures | £29,196 |
| Rough Sleeping Initiative | £626,013 |
| Domestic Abuse Fund | £99,937 |
| TOTAL | £827,086 |

Recommendations

Authority to directly award the following contracts. A waiver of the CSO 13.1 was approved on 11 February 2020 on ground 22.3.6 that there are circumstances which are genuinely exceptional.

Table 2

| Service | Provider | Contract Period | Value of direct award | Funding sources |
|--|-----------------|------------------------|------------------------------|---|
| Rough Sleeper Assessment Hub – up to 18 additional emergency beds for rough sleepers | St Mungo's | 1.4.20-31.3.21 | £494,154 | £408,154 – 2020-21 MHCLG RSI Grant |
| | | | | £86,000 - 2019-20 Controlling Migration Fund |
| Rough Sleeping Navigators – to provide intensive support to people at risk of rough sleeping | St Mungo's | 1.4.20 – 31.3.21 | £158,843 | £116,843 - 2020-21 RSI Grant |
| | | | | £42,000 Rapid Rehousing Pathway 2019-20 Grant |
| Housing First – intensive support for 12 residents with multiple and complex needs | St Mungo's | 1.4.20-31.3.21 | £91,016 | £91,016 - 2020-21 RSI Grant |
| Hospital Discharge Service and personal budgets and rent deposits | St Mungo's | 1.1.20-31.3.20 | £31,844 | £15,000 – Cold Weather/Derogation Fund |
| | | | | £16,884 – Cold Weather/Winter Pressures Fund |
| Starlight – Gay Men's Safe House | St Mungo's | 1.4.20-31.3.21 | £40,000 | £40,000 - Domestic Abuse Fund 2020-21 |
| TOTAL | | | £815,857 | |

Wards Affected: All

H&F Priorities

Please state how the outcome will contribute to our priorities

| Our Priorities | Summary of how this report aligns to the H&F Priorities |
|---|--|
| Creating a compassionate council | As a compassionate H&F is committed to ending rough sleeping and the harm it causes to individuals and communities. New services will contribute to better outcomes for homeless people. The proposals will strengthen services for survivors of domestic abuse. |
| Doing things with local residents, not to | The proposed services were developed |

| | |
|--|---|
| them | using the views of over 100 homeless people. |
| Being ruthlessly financially efficient | The grants will enable the Council to deliver new services and meet strategic priorities from external funding sources. |

Financial Impact

The value of the contracts to be awarded to St. Mungo's is £815,857. Of this, £784,013 relates to contract spend in 2020/21 with the remaining £31,844 spend being incurred during this financial year, 2019/20.

The Council has successfully secured a number of grants from MHCLG with a value of £827,086 (set out in Table 1) and Cabinet approved in March this year that corresponding expenditure budgets be established in line with the grants' terms and conditions.

Finance officers have reviewed the terms and conditions and reporting requirements and are satisfied that as there are no clawback clauses and the intention is to deliver services (outlined in Table 2) in line with MHCLG's expectations, there is no significant risk of having to repay grant monies. It has also been confirmed that MHCLG have agreed for the two grants from 2019/20 (£86,000 for the Controlling Migration Fund 2019/20 and £42,000 for the Rapid Rehousing Pathway 2019-20 Grant) to be carried forward for use in 2020/21.

A credit check has been carried out for St. Mungo's as at 5th March 2020 and the credit rating of 95% suggests a very low level of risk to the Council and the suggested contract limit of £23.5m and turnover of £94.5m is sufficient for the value of the proposed contract.

The costs of administering the contracts will be funded from existing approved revenue budgets within The Economy. There is no additional call on the General Fund as a result of this proposal as these spending plans are fully funded by the grants in Table 1.

A one-off saving to the General Fund of £59,937 is expected to be delivered as a result of this initiative. This favourable variance will be reported during 2020/21 through the Council's revenue monitoring regime.

This report sets out expenditure commitments for £815,857 to be funded from the £827,086 of the MHCLG grants. This leaves grant funding remaining of £79,252. It is expected that these monies will contribute towards the costs of existing contracts for temporary accommodation placements and rent deposits / cost avoidance payments, in line with the grants' terms and conditions.

Legal Implications

This report recommends that the Council enters into five direct award contracts with St Mungo's for various rough sleeping and domestic abuse services. The total value across these contracts is £815,857. The value of each contract is below the current

EU threshold for social and other services under the Public Contracts Regulations 2015 ('PCR'), which is currently £663,540 (the 'EU threshold'). Therefore, the PCR do not apply in full.

Although the PCR do not apply in full, the Council must comply with the general principles of transparency, equal treatment, non-discrimination and proportionality. Regulation 112 PCR requires the Council to publish a contract award notice stating the name of the Contractor, the date the contract was entered into, the value and whether the Contractor is a SME.

It is recommended that the Council seeks legal advice on the terms of the contract.

Contact Officer(s):

Name: Julia Copeland
Position: Strategic Commissioner
Telephone: 020 8753 1203
Email: Julia.Copeland@lbhf.gov.uk

Name: Danny Rochford
Position: Head of Finance
Telephone: 020 8753 4023
Email: danny.rochford@lbhf.gov.uk
Verified by: Emily Hill, Assistant Director, Finance

Name: Hannah Ismail
Position: Solicitor Sharpe Pritchard
Telephone: 020 7405 4600
Email: hismail@sharpepritchard.co.uk

Background Papers Used in Preparing This Report

None

DETAILED ANALYSIS

PROPOSALS AND ANALYSIS OF OPTIONS

1 As a compassionate council, H&F is determined to end rough sleeping and the harm it causes to individuals and communities, In addition, H&F has a strong track record in responding effectively to the needs of survivors of domestic abuse.

Rough Sleeping

2 In 2019-20, the MHCLG issued several funding prospectuses inviting local authorities to bid for grants for Rough Sleeping Initiatives (RSI). In 2018, H&F was excluded from bidding for RSI monies due to too few rough sleepers. In 2019-20, the fund was opened up and H&F received £252,000. We have successfully bid for grants to continue services funded in 2019-20 and for

additional new services in 2020-21 to meet identified gaps in local services to meet our policy objective to end rough sleeping. The RSI funding cannot be used to replace existing General Fund expenditure.

- 3 The proposed services are aligned with the recommendations in the independent Rough Sleeping Commission's report 2018 and informed by the views of over 100 homeless people.
- 4 Due to the very tight timescales to implement new services and to benefit from the full grant allocations, there is insufficient time to undertake competitive procurements. St Mungo's is a key partner in delivering services to homeless people; they have a strong track record of delivering high quality services in H&F; they are the incumbent provider in several cases, and they have an agreement with Notting Hill Genesis to supply the property for the 24-hour assessment hub at Wood Lane.
- 5 Partnership bids were encouraged by the MHCLG and it is proposed that LB Ealing can access 6 of the 22 beds in the 24-hour assessment hub at Wood Lane. Ealing will be responsible for the longer-term support and housing for the six people they place at the assessment hub. We will monitor the impact on local services of this arrangement. The hub will replace the crash pad at Market Lane and provide a much improved, more comprehensive service for rough sleepers. This will be a key component in our future strategy to end rough sleeping.

Domestic Abuse

- 6 In October 2019, the MHCLG announced a £15m Domestic Abuse fund for accommodation services. We were successful in securing funding towards the cost of our existing refuge provision for women and children experiencing domestic abuse and for the only Gay Men's Safe House service in London. The grant will enable a one-off (at this stage) saving to the General Fund of £59,937 in 2020-21. The saving will be achieved through income of £59,937 towards a contract for refuge services managed by Adult Social Care.

REASONS FOR DECISION

- 7 The direct award of the five contracts in Table 2 is required because of the very short timeframe between the notification of the grant and the required mobilization dates. If the services do not start on 1 April 2020 the MHCLG will not permit H&F to use the grant funding for other purposes and we would lose a proportion of the grants.

EQUALITY IMPLICATIONS

- 8 It is not anticipated there will be any adverse impact on protected groups resulting from the recommendations in this report. The recommendations will strengthen services for women and gay men experiencing domestic abuse which is anticipated to have a positive impact on these groups.
- 9 Implications verified by Fawad Bhatti, Policy & Strategy Officer, tel. 07500 103617.

RISK MANAGEMENT IMPLICATIONS

- 10 The proposals set out in this report will contribute towards the Council's target to reduce rough sleeping to zero, along with providing support to other groups of vulnerable individuals. The recommendation to award these contracts to utilise grant funding secured is in line with the Council's priorities to create a compassionate Council and being ruthlessly financially efficient.
- 11 Mitigations will be put in place to ensure that sensitive personal data is managed effectively and shared in a compliant manner. Failure to quickly utilise the funding awarded could result in the Council having to return the grant and reputational damage in respect of not tackling the difficult issues which this report seeks to address.

Implications completed by: David Hughes, Director of Audit, Fraud, Risk and Insurance, tel: 02073612389

COMMERCIAL AND PROCUREMENT IMPLICATIONS

- 12 This report seeks approval to directly award five contracts to St Mungo's for various services, for a total value of £815,857. This will make St Mungo's a significant contractor for the Council. As a result, it is imperative that appropriate checks should be completed to give assurance as to their capacity to deliver all these contracts. There is also a requirement for a business continuity plan to ensure service continuity in the event of supplier/contract failure.
- 13 The Council's Contracts Standing Orders (CSOs) normally require competition to be run for the service described in this report. However, approval for a prior waiver of the requirement to conduct a competitive exercise was obtained on 21 February 2020 in order to directly award five contracts. The waiver of the CSO's was on the grounds 22.3.6. there are other circumstances which are genuinely exceptional.
- 14 For high value revenue contracts between the threshold (currently £189,330) to £0.5m the CSOs state that the contract award is by the relevant Chief Executive/SLT Member in Consultation with the relevant Cabinet Member. For low to medium value contracts (below £189,330) the SLT approves the contract award.
- 15 A contract entry for each contract award should be created on CapitalEsourcing and a copy of the award report should be uploaded, in order to comply with transparency requirements. (CSO,15.6).
- 16 Implications completed by Ilaria Agueci, Procurement Consultant tel. 0777 667 2878

DIGITAL SERVICES IMPLICATIONS

- 17 No IT implications are considered to arise from this report. Should this change, for example, by requiring new systems to be procured or existing systems to be modified, Digital Services should be consulted.

- 18 IM implications: St Mungo's will be expected to have a Data Protection Policy in place and their staff will be expected to have received Data Protection training. In addition, a Privacy Impact Assessment(s) should be carried out, and (Cloud) Supplier Security Questionnaire(s) should be completed as needed, to ensure that all the potential data protection and information security risks around the delivery of these services are properly assessed with mitigating actions agreed and implemented.
- 19 Any contracts with St Mungo's will need to include H&F's data protection and processing schedule.

Implications verified/completed by: Tina Akpogheneta, Interim Head of Strategy and Strategic Relationship Manager, IT Services, tel 020 8753 5748.

CONSULTATION

- 20 St Mungo's has been consulted on the recommendations in the report and have confirmed their agreement. Over 100 homeless people's views were sought in the developing the Rough Sleeping Commission's recommendations and the recommendations in this report are aligned with the Commission's.

List of Appendices:

None