

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Executive Director for People in consultation with the Deputy Leader

Date: 01/05/2025

Subject: Direct Award of Floating Support Services to Hestia Housing Support

Report of: Katharine Willmette, Director of Adult Social Care

Report author: Lydia Sabatini, Programme Lead

Responsible Director Katharine Willmette, Director of Adult Social Care

SUMMARY

This report requests approval to direct award a contract for adult homelessness prevention floating support services to Hestia Housing Support for one year nine months while a recommission is undertaken.

RECOMMENDATIONS

1. The Executive Director for Peoples Services in consultation with the Deputy Leader approves the direct award of a contract to Hestia Housing and Support for the provision of housing floating support services for nine months plus one year from 01.01.2025 to 30.09.2026 - for the value of £1,223,723.
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Wards Affected: (All)

Our Values	Summary of how this report aligns to the H&F Corporate Plan and the H&F Values
Building shared prosperity	Hestia Housing Support and Inclusion (floating support service) supports residents to stay connected to their local community through drop-in groups bringing residents together and referring to local support services as necessary. They also support residents to maximise their income, access education and employment opportunities and offering volunteering roles within their organisation.
Creating a compassionate and inclusive council	Floating support workers engage with vulnerable residents , including those who have or are experiencing homelessness or at risk of homelessness, mental health support

	needs, learning disabilities and older people. They often give a voice to those who may otherwise have been left behind or not know how / where to get the help and support they need.
Doing things with local residents, not to them	The service works closely with residents using their service through their drop-in services and workshops with residents. They encourage resident feedback and adapt their group discussions and workshops accordingly.
Being ruthlessly financially efficient	The variation of this contract extension in 2021 reduced the maximum price of the contract whilst continuing to offer support to those who most need it in the community.
Taking pride in H&F	The service supports residents who are experiencing anti-social behaviour and domestic violence, working with them and the council to keep residents safe.
Rising to the challenge of the climate and ecological emergency	Support workers are using greener methods, such as public transport, cycling or walking to meet residents in the community to reduce the environmental impact of their outreach work. Covid-19 has increased the use of technology to meet the needs of residents without the need to travel – this will continue where appropriate.

Financial Impact

1. The recommendation in paragraph 1 above to award a 21 month direct contract to Hestia Housing and Support for the provision of housing floating support services from 1st January 2025 to 30th September 2026 with a total contract value of £1,223,723 over the proposed contract term.

2. This will give rise to the following part year effects:

£174,818 in 2024/25

£699,270 in 2025/26

£349,635 in 2026/27

3. This commitment can be funded from the 2024-25 ASC third sector commissioned services general fund budget. Year 2 and 3 will be subject to the respective 2025/26 and 2026/27 budget approval sign-off process.

Finance Comments prepared by: Cheryl Anglin-Thompson, Principal Accountant, 9th December 2024

Verified by: Prakash Daryanani, Head of Finance (Social Care)

Legal Implications

4. This report recommends that the SLT Member approves a direct award of a contract for floating support services to Hestia Housing Support. The direct award is necessary to regularise the existing relationship with Hestia following the lapse of a contract in 2022 and to give the Council the time to carry out a reprocurement over the next 18 months.
5. The contract is a light touch contract. It has a value which is above the threshold for light touch services under the Public Contracts Regulations 2015 ('PCR'). The PCR requires that contracts of this value are subject to competition unless one of the grounds in the PCR can be relied on – no tenders in response to a procurement, only one supplier, extreme urgency etc. None of the grounds apply to the proposed contract. There is a risk that the award of the contract could be subject to a legal challenge based on a breach of the PCR and, if challenged, a high risk that the Council would be subject to a declaration of ineffectiveness (cancelling the contract), financial penalties and an award of damages in favour of the aggrieved economic operator that has suffered loss or damage as a consequence of the breach.
6. There is a request for a waiver of the Council's Contract Standing Orders (CSO 19.1 competition requirements) which must be approved before the decision to approve the direct award can be made.
7. The decision is a Key Decision and must be submitted to Committee Services for publication on the Council's website. The award decision cannot be implemented without the expiry of the call-in period for that decision as shown on the website.
8. The appropriate decision maker is the SLT Member in consultation with the Cabinet Member.
9. Details of all contracts that have a value of £5,000 or greater must be published by the SLT Member in the Corporate Contracts Register on the e-tendering system in accordance with the Transparency Regulations 2015 and the Local Government Transparency Code 2015 published by the Department for Communities & Local Government.

Angela Hogan, Chief Solicitor (Contracts and Procurement) 4th December 2024

DETAILED ANALYSIS

Background

10. Floating support is a critical wrap around homelessness prevention service presently supporting 149 people with a flexible, person-centred short-term programme of support that helps residents to build the skills to problem solve and develop their own networks of support and social interaction.

11. The Council has a statutory duty under the Homeless Reduction Act 2017 and the Housing Act 1996 to prevent homelessness and provide assistance to people threatened with or actually homeless. Although not a statutory service this provision enables the Council to meet its statutory duties by preventing homelessness through supporting residents to maintain their tenancies.
12. The service is currently delivered by Hestia who began delivering the contract in 2015 on a 5 + 1 +1 years contractual basis. The contract lapsed on 31stth August 2022 but the service has continued with ongoing contract monitoring in place.
13. In 2021 the contract was re-negotiated to bring the annual value down to £668,954 from £916,571.
14. We are undertaking a whole system review to understand the current offer and gaps in services to support our most vulnerable residents. This review will make recommendations for future commissioning arrangements and the role of floating support in meeting needs at the earliest possible opportunity within communities in line with our Independent Living Strategy.
15. This paper is intended to ensure compliance with procurement regulations in the meantime.
16. It is therefore proposed that the service is extended for nine months +1 year to bring timelines in line with the procurement of the Mental Health Supported Housing service and allow commissioners to recommission the service and undertake coproduction.

Proposals and Analysis of Options

Option 1 – do nothing and allow expired contract to continue

17. This is not a recommended option as the contract has already lapsed which is a noncompliant position and it is a high value contract.

Option 2 – decommission

18. This is not a recommended option as a sudden halt to the service would cause disruption for a vulnerable cohort and likely increase the strain on homelessness services.

Option 3- direct award while service is being re-designed - recommendation

19. This is the only compliant route to regularise the contract arrangements. Commissioners will continue to work with Hestia to oversee the provision while service redesign take place. The Mental Health Housing contract has been extended for two years (to end of September 2026) and there is an opportunity to explore how the floating support service can work more closely

with supported housing services to improve outcomes for residents in need of this provision.

Reasons for Decision

- 20. The current contract has lapsed with no option to extend. There is a need to regularise the current arrangements to ensure compliance.
- 21. The provider is meeting the expectations of the contract and have been collaborative in working with commissioners on their outcomes reporting to improve the way in which they report the outcomes of their services.

Equality Implications

- 22. The recommendations in this report aim to ensure continuity of service. Officers anticipate there will be no negative impact on protected groups under the Equality Act 2010 because there are no changes taking place to the service. The following procurement strategy for the future day opps services will include a full equality impact assessment.

Risk Management Implications

- 23. There is a programme risk that the service delivered by the supplier is not of a satisfactory quality or breaches regulation leading to a change in supplier (in the former case) or fines (in the latter case) leading to resulting financial and negative reputational outcomes. There is a consequent reputational risk of dissatisfaction amongst effected residents due to a low-quality service. It is therefore advised that LBH&F officers audit the services provided making recommendations as necessary, and that any negative findings are reassessed within six months.

Jules Binney, Risk and Assurance Manager, 26th November 2024

Climate and Ecological Emergency Implications

- 24. By keeping these services in-borough transport emissions are being reduced as residents don't have to travel further to access the service. Hestia support workers use low-carbon or active transport.

Hinesh Mehta, Assistant Director Climate Change

PROCUREMENT IMPLICATIONS

- 25. Contract Standing orders require all High Value Contracts to be competitively tendered. The service has identified circumstances where this requirement has not been possible. Therefore, a waiver request has been submitted separately from this report.

26. Contract standing orders also require that any contract in excess of £5,000 be recorded on the Council's Contract Register in order to comply with our Transparency Duties and in addition we are required under Public Contract Regulations to publish Contract Award Notice with the details of all contracts in excess of £30,000 (£25,000 ex VAT) on the governments Contract Finder website.
27. Officers, on completion of the necessary contract documentation must create a project using the using the Council's capitalEsourcing eProcurement portal and then create a contract entry (and upload a copy of the contract) they must also create and publish the Contracts Finder notice via CapE. A named contract manager must be allocated to the contract.

Joe Sardone Category Lead – People. Procurement and Commercial 4th December 2024

Consultation

28. Consultation with Hestia has taken place regarding the proposals in the report. They have been provided with the draft specification and contract.