

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Joanne Woodward, Director of Planning and Property
Sarah Bright, Director of Commissioning and Transformation
Bram Kainth, Executive Director of Place
Jacqui McShannon, Executive Director of People's Services

Date: 30 July 2025

Subject: Rental agreement and contract variation for semi-independent living (SIL) services for children looked after, care experienced and young people at risk of homelessness

Report author: Sophie Veitch – Senior Commissioning and Transformation Lead

SUMMARY

This report seeks approval for a minor variation of the rents for the four Council owned properties due to be leased as semi-independent living (SIL) accommodation for care experienced young people, 16 years old and over, and young people at risk (YPAR) of becoming homeless in the London Borough of Hammersmith and Fulham following an open tender process for this service.

To finalise the lease agreements and new support contract for these properties, this report is seeking an extension of the current arrangements for up to a further three months. This includes extending the current support contract and existing Housing Management Agreement (HMA) for three Council owned properties.

In addition, this report seeks approval to vary the new contract to reduce it by nine bedspaces due to the expiry of lease at one of the sites currently used for SIL provision.

RECOMMENDATIONS

The Director of Planning and Property approves:

1. To note Appendices 2-6 are not for publication on the basis that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).
2. The rent for four Council-owned properties due to be used as SIL for young people, the details of which are set out in Exempt Appendix 2.

The Director of Commissioning and Transformation approves:

3. The variation of the current contract with Centrepont Soho, for the provision of semi-independent living (SIL) services for young people for up to a further three months under the current contract terms, at a total cost of approximately £389,410.

The Executive Director of Place approves:

4. The extension of the existing Housing Management Agreement (HMA) for three other Council owned properties, up to a total revenue cost of £45,369.

The Executive Director of People approves:

5. A variation to the contract award for the provision of SIL services (approved in December 2024) to reduce the number of bedspaces by nine, bringing the total bedspaces to 124.

Wards Affected: ALL

<i>Our Values</i>	<i>Summary of how this report aligns to the H&F Values</i>
Building shared prosperity	Supporting young people to develop the skills and resilience to be independent in adulthood.
Creating a compassionate council	Having sufficient provision in borough enables young people to live locally while they prepare to move on, rather than being placed out of borough and further away from their support networks and local services.
Doing things with local residents, not to them	Our care experienced young people have told us that they want to live locally, close to friends and family and connected to local services.
Being ruthlessly financially efficient	Commissioning a block SIL contract offers better value for money than spot purchased placements.
Taking pride in H&F	Creating high quality local SIL provision for young people from H&F and supporting them to become healthy, thriving adults.
Rising to the challenge of the climate and ecological emergency	Having sufficient local provision will reduce usage of spot-purchased out-of-borough placements. This in turn will lead to lower CO2 emissions by reducing the need for staff and young people to travel across London.

Background Papers Used in Preparing This Report: None

DETAILED ANALYSIS

Context

1. Following a competitive open tender exercise, a decision to award a contract was published on 23rd December for the provision of SIL services for care leavers and young people at risk of homelessness for an initial term of 3 years

(with the option to extend up to a total of 7 years), commencing 1st May 2025. This includes the leases for four Council owned properties.

2. As per the current contract, the supplier is required to provide 133-135 bedspaces across 15 buildings in the borough under the new contract. Four of these buildings are owned by the Council and the remainder are leased by the Council, owned by Registered Providers (RP) or owned by the supplier.
3. Officers have been progressing mobilisation, however some matters were not resolved in advance of the new contract start date of the 1 May 2025, and are continuing to be worked through.
4. To ensure continuity of provision, a decision was approved on 20th June 2025 to extend the current arrangements for a further three months until 31st July 2025, via a variation of the existing HMA for three of the properties and a variation of the current SIL contract to Centrepont Soho (the incumbent supplier).
5. Most matters have been resolved during this initial extension period, and it is therefore recommended that the minor variation to the rental amounts are agreed for the four Council-owned properties. In addition, it is recommended that the current contract is further varied to enable an extension of up to three months to allow the finalised lease agreements and new support contract to be signed off.
6. During the mobilisation period, it has also become clear that one of the properties proposed to be used for SIL services under the new contract is no longer viable and the lease will not be renewed upon its expiry. It is therefore recommended that the new contract is reduced by nine bedspaces to reflect the handing back of this site.
7. The current contract, HMA and “Tenancy at Will” will be terminable before the end of the 3-month period by the Council giving 2 weeks’ notice if the outstanding matters with the new arrangements are resolved prior to this.

Proposals and Analysis of Options

8. Option 1 – Approve the proposals outlined in this paper (recommended)

Agreeing the rents and extending the current arrangements will ensure we are able to proceed with mobilising the new contract whilst ensuring continuity of provision. In addition, reducing the number of bedspaces under the new contract is necessary given that the building is due to be handed back.

9. Option 2 – Do not approve the proposals outlined in this paper (not recommended)

Not approving the proposals is not recommended as this would result in there either being a non-regularised arrangement with the current provider, or a gap

in provision which would be extremely disruptive for young people and costly for the local authority.

Reasons for Decision

10. The purpose of SIL services is to provide young people with a supportive home within their local community whilst they build a range of life skills to enable them to make a successful transition to living independently when they feel ready to do so.
11. Both Children's Services and Housing have statutory duties to provide sufficient accommodation to meet the needs of care experienced young people and young people at risk of homelessness. Commissioning a SIL block contract ensures that we have access to high-quality in-borough SIL accommodation for this cohort, with improved access to local services, family and community networks, and at lower cost than out-of-borough spot-purchased alternatives.
12. Given the strategic importance of the SIL contract, it is not possible to have a gap in service provision once the current contract ends, and any gap would be extremely disruptive to the young people currently living in local SIL services. As such, an extension of the current arrangements for a short, time limited period is therefore recommended to ensure continuity of provision whilst the issues with the long-term contract are resolved. Minor variations to the proposed rents and number of bedspaces under the new contract are also recommended to ensure the ongoing viability of the contract.

Equality Implications

13. The recommendations outlined will have positive equality implications for care experienced young people and young people at risk (YPAR) of homelessness (up to the age of 25). Care experienced young people and YPAR face significant barriers that impact them throughout their lives and outcomes for this cohort are often worse than to their peers who do not become cared for. Recognising and making allowances for this by investing in supportive, local SIL services will positively impact on this cohort young people and support them to become thriving adults. An Equalities Impact Assessment (EIA) has been completed and is attached in Appendix 1.

Risk Management Implications

14. There are no significant risks associated to this initiative. The report recommends amendments to rental agreements and the new contract for SIL services, to ensure continuity of service to vulnerable local residents, in line with the objective of being a compassionate council.

David Hughes, Director of Audit, Fraud, Risk and Insurance, 28 July 2025

Climate and ecological emergency implications

15. This decision does not involve changing infrastructure to hard standings or buildings. However, the Council will continue to work with the provider and respective landlords to ensure that measures are taken to mitigate negative impacts for the climate emergency, such as installing adaptations to buildings and improving energy efficiency. The provider will be expected to support staff and residents to understand the impact of the climate emergency and how they can take action.

Meghan Kingsley-Walsh, Heat Decarbonisation Lead, 23/07/2025

Local economy and social value implications

16. The incumbent supplier has been delivering their added value commitments under the current contract however, given the timescales for varying the current contract, there was not sufficient time to negotiate an additional added value commitment from the supplier for the extension period. The usual social value requirements for a contract of this value will therefore not be applied.

Implications verified by Harry Buck, Social Value Officer (procurement), 22nd July 2025

Property Implications

17. The Council is the freeholder of the three assets dedicated for providing supported housing for young people who are at risk of becoming homeless in the borough. These assets are currently managed by a Housing Association by way of a Housing Management Agreement (HMA).

The Council has been in negotiations with the incumbent Service provider for a period of time in agreeing Heads of terms for the four properties for an initial 3 years +2+ 2 (maximum 7 years) with a standardised lease and rental levels, but this will not be possible in the timescales available before the end date of the current service contract on 31st of July 2025.

To avoid enabling the incumbent provider operating beyond 31st July 2025 without any formal lease agreements or HMAs, it was considered appropriate to vary the current HMA and extend it for a further 3 months. This will serve as a temporarily stop gap to afford both parties the opportunities to conclude the final stages of the Heads of terms and protect the Council's interest in ensuring the properties continuing use as a supported housing for local young people.

Implications verified by Ade Sule, Valuer, 22 July 2025

Digital Services and Information Management Implications

18. IT Implications: While this extension is required to maintain service continuity it is important that Digital Services is kept informed to ensure that any new IT requirements are met, and that all necessary safeguards, permissions, and budgets are in place.
19. IM Implications: A Data Privacy Impact Assessment (DPIA) will need to be completed for the new contract to ensure all potential data protection risks arising are properly assessed with mitigating actions agreed and implemented. The provider will be expected to have a Data Protection policy in place and all staff will be expected to have received Data Protection training.
20. The new contract will need to include H&F's data protection and processing schedule which is compliant with Data Protection law.

Implications verified by Umit Jani, SRM for People, 22nd July 2025

LIST OF APPENDICES

Appendix 1 – SIL Contract Award Equalities Impact Assessment
Exempt Appendix 2 – Proposed rents
Exempt Appendix 3 – Financial implications
Exempt Appendix 4 – Legal implications
Exempt Appendix 5 – Procurement implications
Exempt Appendix 6 – Property addresses