


<p style="text-align: center;"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p style="text-align: center;"><b>CABINET</b></p> <p style="text-align: center;"><b>11 JANUARY 2016</b></p>	
<p><b>APPROVAL TO MODIFY THREE HOMELESS SUPPORTED ACCOMMODATION CONTRACTS</b></p>	
<p><b>Report of the Cabinet Member for Health &amp; Adult Social Care: Councillor Vivienne Lukey and the Cabinet Member for Social Inclusion: Councillor Sue Fennimore</b></p>	
<p><b>Open Report</b></p> <p>A separate report on the exempt part of the Cabinet agenda provides exempt financial information.</p>	
<p><b>Classification - For Decision</b> <b>Key Decision: YES</b></p>	
<p><b>Wards Affected:</b> North End, Munster, Shepherds Bush Green, Avonmore &amp; Brook Green, Addison</p>	
<p><b>Accountable Executive Director:</b> Liz Bruce, Executive Director for Adult Social Care &amp; Health</p>	
<p><b>Report Author:</b> Julia Copeland Senior Commissioner</p>	<p><b>Contact Details:</b> Tel: 020 8753 1203 E-mail: Julia.Copeland@lbhf.gov.uk</p>

## 1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to seek approval for a modification of three supported housing contracts for vulnerable homeless people in order to extend the current contract arrangements from 1 April 2016 to 30 June 2016, while officers conclude the procurement of new contracts. Further, in the event of a delay to the implementation of the new contracts, approval is also sought to extend existing services on a rolling monthly basis to no later than 31 March 2017 as set out below to ensure an efficient transition and maintain service continuity to vulnerable residents.
- 1.2 The Council has approved the future commissioning strategy for the three contracts listed in Table 1. The procurement of new contracts has commenced but it will not be possible to complete before the current contracts

expire on 31 March 2016; an extension of the existing arrangements is necessary to provide service continuity.

**Table 1**

<b>Contract no.</b>	<b>Contract Name</b>	<b>Provider</b>	<b>Properties</b>	<b>Total Bed spaces</b>	<b>Customer Group/Service Type</b>
1	Single Homeless Core & Cluster	as set out in the exempt report	1a Shepherds Bush Rd  10-12 Edith Grove  Confidential address in W12	45	39 bed spaces in 2 buildings for single homeless people and 6 bed spaces for gay men in a cluster service
2	Offender Core & Cluster	as set out in the exempt report	321 Lillie Rd  65-67 Talgarth Rd	25	13 bed spaces in a core service and 12 cluster bed spaces for people at risk of offending
3	Substance Misuse	as set out in the exempt report	59 Wood Lane	9	9 bed spaces for people with a history of substance misuse
<b>TOTAL</b>				<b>79</b>	

1.3 The recommendation to extend the three separate contract arrangements by the providers named in the exempt report, as set out in Tables 2 and 3 in the exempt report, and therefore a Cabinet decision is required.

## 2. **RECOMMENDATIONS**

2.1 That approval be given to modify the contracts by the providers named in the exempt report, in order to extend the current contract arrangements for a period of three months. The contracts are to be on the existing terms and will run from 1 April 2016 to 30 June 2016 at a total cost as set out in Table 2 in the exempt report. Further, that in the event the award and implementation of the new contracts is delayed beyond 30<sup>th</sup> June 2016, the arrangements for the existing contracts to continue on a rolling monthly basis until contract award and implementation until no later than 31 March 2017, at a potential additional monthly cost as set out in Table 3 in the exempt report.

## 3. **REASONS FOR DECISION**

3.1 The contracts in Table 1, as set out in the exempt report, are expiring on 31 March 2016 and there is no further provision to extend the contracts. It is in the Council's overall interest to modify the three contracts as set out in Tables 2 and 3 in the exempt report, in order to maintain service continuity to vulnerable residents while officers conclude the procurement of new contracts.

- 3.2 The commissioning and procurement strategy for future services was approved in August 2015; the timetable for the procurement and implementation of the new contracts is set out in paragraph 4.3 below and it is estimated that the earliest date the new contracts will start is 1 July 2016. Therefore it is necessary to extend the contracts, as set out in the exempt report, for the period 1 April 2016 to 30 June 2016 as set out in Table 2 in the exempt report.
- 3.3 This procurement may involve existing (non-council) staff transferring to a new service provider and this can cause delays; due to the complexity of the procurement processes it can be necessary at short notice to extend contracts to maintain service continuity while we conclude the procurement activity. Therefore it is also recommended Cabinet approves the potential additional monthly spend, as set out in the exempt report, in the event it is necessary to extend existing contract arrangements on a rolling month basis during the period 1 July 2016 to 31 March 2017. If there are no delays to the procurement timetable below it will not be necessary to extend the contracts after 30 June 2016.

#### 4. INFORMATION & BACKGROUND

- 4.1 The contracts outlined in Table 2, as set out in the exempt report, provide strategically important services to a range of homeless people with support needs and are due to expire on 31 March 2016. Options for the future commissioning strategy were presented to Members in early 2015; in order to ensure the best use of local supported housing resources, Members requested additional information and analysis including potential alternative uses of two buildings to improve services for local people in line with the Administration's priorities.
- 4.2 In August 2015 the commissioning and procurement strategy for future contracts was approved and officers will utilise the West London Housing Support Framework 2012-16 (the Framework) to call-off two five plus two year contracts; contracts will be for a total of 58 single homeless people across five buildings with high and medium support needs. The market will be restricted so one provider cannot be awarded both of the new contracts.
- 4.3 The procurement timetable for the two new contracts is set out below.

<b>Activity</b>	<b>Deadline Date</b>
Re-let strategy agreed	August 2015
Market Engagement Event	October 2015
Issue Invitation to Tender	Nov. 2015
Tender submission deadline	Dec.2015
Evaluate tenders	Jan. 2016
CoCo Report	Feb. 2016
CAB and Cabinet Member Decision Reports	March 2016
Notify Tenderers	March/April 2016
Implementation of new contracts	April- June 2016
Start of new contracts	July 2016

- 4.4 Although the new contracts will be over £100,000 and would normally require Cabinet approval, Cabinet delegated the authority to award new contracts called off the Framework to the Cabinet Member for Health and Adult Social Care, in consultation with the Executive Director of Adult Social Care and the Executive Director of Finance and Corporate Governance (Cabinet Decision 05.03.12). The new contracts will be awarded by the relevant Cabinet Member and the Leader of the Council.

## **5. PROPOSAL AND ISSUES**

- 5.1 The procurement of new contracts has commenced but will not be concluded until at least 30 June 2016 and new services are anticipated to be in place by 1 July 2016. It is therefore necessary to extend the existing arrangements to ensure continuity of service while the procurement process is completed.

## **6 OPTIONS AND ANALYSIS OF OPTIONS**

### **Do Nothing**

- 6.1 There is not an option to do nothing as the three existing contracts expire on 31 March 2016 and there will be a risk to vulnerable residents if the services end before alternative arrangements are in place. Therefore this option is not recommended.

### **Extend the existing Contract Arrangements**

- 6.2 The three contracts are providing valuable accommodation and support services and there will be a risk to vulnerable people if the services end before new arrangements are in place by 1 July 2016 and therefore it will be necessary to modify the existing contracts in order to extend the contract terms from 1 April 2016 to 30 June 2016 as set out in Table 2 in the exempt report.

## **7. CONSULTATION**

- 7.1 No consultation has been carried in connection with the recommendations in this report.
- 7.2 Both incumbent providers have confirmed their willingness to continue to provide services on the current terms.

## **8 EQUALITY IMPLICATIONS**

- 8.1 There are no adverse equality implications associated with the recommendations in the report. Extending the current arrangements will enable the Council to maintain service continuity to vulnerable residents.

## **9 LEGAL IMPLICATIONS**

- 9.1 As set out in the exempt report on the exempt Cabinet agenda.

## **10. FINANCIAL & RESOURCES IMPLICATIONS**

10.1 As set out in the exempt report on the exempt Cabinet agenda.

## 11. IMPLICATIONS FOR BUSINESS

11.1 Both providers as set out in the exempt report have a strong track record of delivering good quality housing and support services to vulnerable residents in Hammersmith & Fulham, therefore the recommendations in the report will ensure that both provider organisations continue to deliver services in Hammersmith & Fulham until at least 30 June 2016.

11.2 Both providers are on the West London Housing Support Framework 2012-16 and will have the opportunity to tender for any new services.

## 12. RISK MANAGEMENT

12.1 It is in the Council's interest to extend the service with the current providers to ensure service continuity, risk number 6 of the Shared Services Risk Register. Market testing of the service, risk number 4, achieving best value and high quality services for the local taxpayer, is planned as a new procurement exercise has been concluded. Risk Management remains the responsibility of the Adult Social Care Department. Risks are reviewed periodically by the Senior Leadership and in accordance with the Council's Risk Management approach.

12.2 Risk management implications verified by Michael Sloniowski Shared Services Risk Manager, telephone 020 8753 2587.

## 13. PROCUREMENT IMPLICATIONS

13.1 As set out in the exempt report on the exempt Cabinet agenda.

### Local Government Act 1972 (as amended) – Background papers used in the preparation of this report

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	5/3/12 – Cabinet Report -Award of the West London Housing Related Support Framework 2012-16 (published)	Jenny Platt	ASC

**Contact officer(s):** Julia Copeland Senior Commissioner Adult Social Care Commissioning Team [Julia.Copeland@lbhf.gov.uk](mailto:Julia.Copeland@lbhf.gov.uk)  
020 8753 1203