


<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">6 MARCH 2017</p>	
<p style="text-align: center;">APPROVAL TO EXTEND AND MODIFY ROUGH SLEEPER/SINGLE HOMELESS SUPPORTED ACCOMMODATION CONTRACTS</p>	
<p>Report of the Cabinet Member for Health & Adult Social Care and the Cabinet Member for Social Inclusion</p>	
<p>Open Report</p> <p>A separate report on the exempt part of the agenda provides exempt information in connection with this report.</p>	
<p>Classification - For Decision Key Decision: YES</p>	
<p>Wards Affected: North End, Munster, Shepherds Bush Green, Avonmore & Brook Green, Addison, Ravenscourt Park, Askew.</p>	
<p>Accountable Executive Director: Liz Bruce, Executive Director for Adult Social Care</p>	
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1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to seek approval to utilise the available 12 - month extension options in two supported housing contracts for homeless people; approval is also sought to modify the same two supported housing contracts to further extend the contract terms to 31 March 2019.
- 1.2 Approval is also sought to modify a further five supported housing contracts for homeless people to extend the contract terms in the case of one contract to 31 March 2018, and in the other four contracts to 31 March 2019 as set out in paragraph 2.2.
- 1.3 This report also seeks approval to waive the competition requirements contained in the Council's Contract Standing Orders (Under CSO3) to seek competitive bids, and approval for the direct award / modification of the contracts set out in paragraph 2.2 for the reasons contained within this report.

- 1.4 The seven contracts listed in Appendix One provide 151 bedspaces across ten separate supported housing buildings for homeless men and women aged 18 years plus with a range of needs including substance & alcohol misuse; physical and mental health needs; entrenched histories of rough sleeping; offending behaviour. Support is provided to help residents address the issues preventing them from living more independently and to reduce the risks to themselves and the community.
- 1.5 The contracts are expiring at different dates in 2017 and the purpose of the contract extensions and modifications is to enable service continuity while the Council completes a review of existing services including the wider picture of homelessness in the borough, in order to develop and implement a procurement strategy to ensure new supported housing services are in place by 31 March 2019. A service review group has been established to undertake the review and to develop the future procurement strategy for Cabinet approval in February 2018.
- 1.6 In the case of the Hestia Housing & Support contract (contract 4 in Appendix One), it is proposed to modify the contract terms to extend to 31 March 2018 only. A procurement will commence in 2017-18 to ensure new services are in place by April 2018.
- 1.7 Service development plans have been agreed for the extension periods and savings negotiated where possible, resulting in a pro rata annual saving of £37,225 from 1 December 2016 and a full year effect from 1 April 2018.

2. RECOMMENDATIONS

- 2.1 That the extension provisions available in the London Cyrenians and Look Ahead Housing & Care contracts are utilised to extend the contracts for a 12-month period on existing terms and conditions as set out in Table 1 below for the reasons contained within this report.

Table 1 – Utilise Available Extension Provisions

Contract & Provider name	Contract start & end date & extension provisions	Current contract end date following extensions	Proposed Extension Period
Look Ahead – 160 Coningham Rd	8.4.13 -7.4.16 plus 2 X 12 months	7.4.17	8.4.17-7.4.18
London Cyrenians – 118 Shepherds Bush Rd	1.4.13 – 31.3.16 plus 2 X 12 months	31.3.17	1.4.17 -31.3.18

- 2.2 That Cabinet approves the modification of seven supported housing contracts to extend the contract terms as set out in Table 2 below for the reasons contained within this report.

Table 2 – Contract Modifications to Extend the Contract Term

Contract & Provider name	Contract start & end date & extension provisions	Current contract end date following extensions	Proposed Extension Period
Hestia Housing & Support Lillie Rd & 65-67 Talgarth Rd	12/7/10 – 11/7/13 plus 2 x 12 months	31.3.17	1.4.17 to 31.3.18
Look Ahead – 160 Coningham Rd	8.4.13 -7.4.16 plus 2 x 12 months	7.4.18 ¹	8.4.18-31.3.19
London Cyrenians – 118 Shepherds Bush Rd	1.4.13 – 31.3.16 plus 2 x 12 months	31.3.18 ²	1.4.18 -31.3.19
St Mungo's The Old Theatre	5/1/09 – 4/1/12 plus 2 x 12 months	30.9.17	1.10.17 to 31.3.19
St Mungo's Hope Gardens	1/12/07 – 30/9/14	30.9.17	1.10.17 to 31.3.19
St Mungo's Edith Rd & Safe House	1/7/10-30/6/13 plus 2 x12 months	31.3.17	1.4.17 to 31.3.19
St Mungo's Wood Lane	1/7/10-30/6/13 plus 2 x 12 months	31.3.17	1.4.17 to 31.3.19

- 2.3 That Cabinet approves a waiver of the Council's Contract Standing Orders (CSO) under CSO 3.1 in order to directly award / modify the contracts described above to the incumbent service providers. Approval of a waiver will allow continuity of services to vulnerable adults and their carers whilst services are reviewed and a new Procurement Strategy is developed.
- 2.4 That the Council publishes a Prior Information Notice in the Official Journal of the EU informing the market that a re-tendering exercise will commence around March 2018.

3. REASONS FOR DECISION

- 3.1 The Council is currently reviewing how to meet the needs of homeless people to achieve the goal of zero rough sleeping in Hammersmith & Fulham. Utilising the available extension options and modifying the contract terms to extend the existing arrangements, will enable officers time to consider the impact of several new council initiatives to address homelessness as part of a strategic review to determine the future commissioning and procurement strategy for supported housing services.
- 3.2 Most contracts are delivering good outcomes and several are recognised nationally as delivering best practice in several key areas, including working

¹ Dependent upon Cabinet approval to utilise the final available 12-month extension option set out in 2.1

² Dependent upon Cabinet approval to utilise the final available 12-month extension option set out in 2.1

with people with multiple and complex needs; the implementation of asset based approaches to service delivery and co-design of service models with homeless people. Benchmarking indicates current contract prices are competitive with similar services in neighbouring boroughs.

4. INFORMATION & BACKGROUND

- 4.1 Nationally homelessness and its most visible representation, rough sleeping has been increasing in recent years. Hammersmith & Fulham has achieved comparably low rates of rough sleeping in recent years, however, data shows in 2015-16 there was a 50% rise in the total rough sleepers compared to the previous year; 74% of rough sleepers had drugs/alcohol as their primary support need. Rough sleeping in 2016/17 has shown an increase each quarter and projections estimate an increase of 54 rough sleepers this year compared to 2015-16.
- 4.2 Preventing homelessness is a key priority for the Council. A Rough Sleepers Commission is being established in January 2017 to review current arrangements and to make recommendations about future provision by July/August 2017.
- 4.3 A new model for the street outreach service to work with rough sleepers is being developed and will be procured in 2018/19. In 2016, the Council developed an innovative and ambitious pilot to assess whether the Housing First service model can deliver service improvements for homeless people with complex needs and better value for money for the Council including whether in future we may need fewer hostel places for people with complex needs, if the Housing First model is successful. The Pilot commenced in May 2016 and is due to be reviewed in June/July 2017.
- 4.4 Considering the increasing numbers of rough sleepers, there is a risk the Council will not achieve the optimum service model and value for money if officers proceed with the re-procurement of existing contracts before evaluating the strategic initiatives detailed above.

5. PROPOSAL AND ISSUES

- 5.1 It is proposed to utilise the final extension options in two contracts as set out in Table 1 and to modify these two and an additional five contracts to extend the contract terms as set out in Table 2. Extending the existing arrangements to 2019 for most the contracts in Appendix One will enable officers to complete the strategic review; take into consideration the findings of the Rough Sleeping Commission and the Housing First Pilot; determine the future requirements; develop the procurement strategy and ensure new services are in place by April 2019.

Increasing Levels of Need

- 5.2 In recent years, the level of needs in the supported housing services included in Appendix One has increased as set out below:

Period	Physical Health	Mental Health	Substance Use
2013-14	65%	55%	83%
2015-16	82%	68%	92%

5.3 Due to the increasing vulnerability and mental and physical support needs of homeless residents in the borough, Hammersmith & Fulham Clinical Commissioning Group (HF CCG) is funding a peripatetic nurse pilot to provide nurse-led clinics in three hostels. The aim of the pilot is to address the health inequalities experienced by homeless patients; improve clinical outcomes for residents in supported housing and reduce the number of hospital admissions and London Ambulance Service call-outs. A recent review of the pilot has confirmed the high levels of need and good outcomes.

5.4 In developing the future commissioning strategy for supported housing services, officers will to consider the health of homeless residents and to work in partnership with HF CCG to deliver stronger, sustainable services.

Service Quality and Outcomes

5.5 Most existing contracts are delivering good quality services and outcomes. As needs have increased since the contracts commenced, some of the key performance targets have become more challenging to achieve each year. The rate of planned moves in 2015-16 for example, dropped in all services: people are requiring more support to be able to live more independently; evictions have increased as a last resort to ensure the safety for the resident, other residents or staff and neighbours. However, measures put in place at the end of 2015-16, are having a positive effect and planned move-on in most services has increased during the first 6 months of 2016-17 compared to the same period in 2015-16.

Service Development

5.6 As set out on the exempt part of the agenda.

Value for Money

5.7 As set out in the exempt part of the agenda.

5.8 The recommendation to extend the majority of the contracts in Appendix One to 31 March 2019 is to ensure the strategic review and procurement of new services is achieved as set in the timetable below:

Proposed Review & Procurement Timetable

Activity	Deadline Date
Rough Sleeping Commission established	January 2017
Cabinet approval to extend contracts	March 2017
Rough Sleeping Commission Recommendations	August 2017
Evaluate Housing First Pilot	September 2017
Market & Customer Engagement	September 2017
Develop Procurement Strategy	November 2017
Cabinet Approval Procurement Strategy	Jan/Feb 2018
Launch Tender	June 2018

Submission Deadline	July 2018
Evaluation	September 2018
Governance & Award Contracts	November 2018
Implementation of new contracts	December- March 2019
Start of new contracts	April 2019

Timetable for the Procurement of the Hestia Contract

Activity	Deadline Date
Cabinet Approval to Extend Contract	March 2017
Cabinet Approval Procurement Strategy	May 2017
Launch Tender	July 2017
Submission Deadline	September 2017
Evaluation	October 2017
Governance & Contract Award	December 2017
Implementation of new contracts	January – March 2018
Start of new contract	April 2018

6 OPTIONS AND ANALYSIS OF OPTIONS

Do nothing

- 6.1 There is not an option to do nothing as existing contracts expire on various dates in 2017 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.

Re-procure without completing the review

- 6.2 Officers have a good knowledge and understanding of the strengths and gaps in current services and therefore there is an option to commence the development of the procurement strategy immediately. However, this approach would mean the findings of the Rough Sleeping Commission and the evaluation of the Housing First Pilot expected in July 2017, would not be available and without these findings there is risk of not commissioning the optimum service model. For this reason, this option is not recommended.

Extend the existing contract arrangements

- 6.3 Extending the contract arrangements as set out in Tables 1 and 2 will enable service continuity while officers undertake a strategic review of the Council's future requirements for supported housing and implement a procurement strategy to ensure new services deliver improved outcomes, better value for money and contribute to the Council's strategic priority to achieve zero rough sleeping in Hammersmith & Fulham. For these reasons, this option is recommended.

7. CONSULTATION

- 7.1 No formal consultation has been carried about the recommendations in this report. Consultation with key stakeholders will be conducted to determine the future commissioning and procurement strategy. All incumbent providers have confirmed their willingness to continue to provide services as set out in Tables 1 and 2 above.

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 part of the agenda.

10. FINANCIAL & RESOURCES IMPLICATIONS

- 10.1 As set out in the exempt part of the agenda.

11. IMPLICATIONS FOR BUSINESS

- 11.1 All existing providers 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 a continuation of services.
- 11.2 There will be opportunities for existing and other provider organisations to tender for future services and market engagement is built into the procurement timetable to ensure market views are incorporated.

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.

13. COMMERCIAL AND PROCUREMENT IMPLICATIONS

- 13.1 As set out in the exempt part of the agenda.

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

None

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Appendix 1

N o.	Contract	Current Contract Date	End	Total spaces	Bed	Customer Group/Service Type
1	St Mungo's	31.3.17		30		Single homeless men with support needs and a history of homelessness. Men experiencing violence.
2	St Mungo's The Old Theatre	30.9.17		12		Male and female rough sleepers with multiple and complex needs.
3	St Mungo's	30.9.17		27		Male and female rough sleepers with multiple and complex needs.
4	Hestia Housing & Support	31.3.17		25		13 bed spaces in a core service and 12 cluster bed spaces for people with a history of homelessness.
5	St Mungo's Broadway	31.3.17		9		9 bed spaces for people with a history of substance misuse & homelessness.
6	Look Ahead Housing & Care	7.4.17	with option to extend for 12 months	31		Short-term assessment centre for homeless men and women with a range of support needs.
7	London Cyrenians	31.3.17	with option to extend for 12 months	17		10 bed spaces for male and female rough sleepers with multiple and complex needs 7 move-on flats for people with a history of homelessness
Total		151				