

Cabinet

09 July 2019

Name of Cabinet Member:

Cabinet Member for Housing and Communities – Councillor T Khan

Director Approving Submission of the report:

Deputy Chief Executive (People)

Ward(s) affected:

All

Title:

The re-commissioning of Housing related support services.

Is this a key decision?

Yes

To agree the proposed structure and format for the re-commissioning of the housing related support services for the city which has the potential to affect all wards within the city as well as expenditure in excess of £1 million pounds.

Executive Summary:

This report follows extensive engagement with key stakeholders and makes recommendations as to the requirements for the commissioned housing related support services, effective from April 2020 to March 2025.

The Council's Housing and Homelessness Strategy (2019-24) sets out Coventry's ambitious agenda and how through the four pillars of prevention, support for people, improved accommodation and greater housing supply, the council aims to tackle homelessness and continue to create a city fit for today and future generations.

In specific relation to *prevention* and *support for homeless households*, this paper recommends, adopting the positive pathways approach to the delivery of services for people in housing need in Coventry. The key aim is to ensure that the newly commissioned services are not only focussed on the delivery of services to households who are in crisis, but that prevention work is fundamental in the delivery of these services.

The existing service arrangements are currently managed across several separate contracts with St Basils and Midland Heart currently providing services for 18-24-year-old single people (excluding rough sleepers and ex-offenders) and all other homeless related services (including ex-offenders and rough sleepers) delivered by The Salvation Army. The current contract arrangements with The Salvation Army were due to end on 31st March 2019. A contract extension has been negotiated with the Salvation Army until March 31st, 2020 and we are currently in talks with St Basils to look at extending their current arrangements until the new provision is in place. In total the current annual value of the contracts is £2.3M.

All new housing related support contracts will be in place by 1st April 2020.

Recommendations:

The Cabinet is requested to:

- 1) Approve to commission Housing Related Support Services as set out in Option 4 in section 2.4
- 2) Approve the proposed contract make-up for the housing related support services as set out in 2.4.2 to 2.4.5
- 3) Delegate authority to the Director Housing and Transformation to commence the Housing Related Support Services tender process with the new contracts being put in place by April 1st, 2020
- 4) Following the completion of the procurement process, delegated authority be given to the Director of Housing and Transformation and the Director of Finance and Corporate Services following consultation with the Cabinet Member for Housing and Communities to undertake the necessary due diligence, finalise the terms and condition and award a contract for a period of up to 5 years to the preferred suppliers together with the option to extend for a further 2 years subject to satisfactory performance and budget availability.
- 5) Delegate authority to the Director Housing and Transformation following consultation with the Director of Finance and Corporate Services and the Cabinet Member for Housing and Communities to make variations to the terms of the contracts over the life of the contract term.

List of Appendices included:

Appendix 1 – Positive Pathway diagram

Background papers:

None

Other useful documents

Coventry city council's Homelessness review

Please contact the report author via the contact details provided at the end of this report.

Coventry city councils Housing and Homelessness strategy

https://www.coventry.gov.uk/downloads/file/30137/housing_and_homelessness_strategy_2019

Has it been, or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title: The re-commissioning of housing related support services

1. Context (or background)

- 1.1 According to the Ministry of Housing, Communities and Local Government (MHCLG), there has been an increase in homelessness across all counts at a national level:
 - rough sleeping nationally has increased 169% between 2009/10 and 2016/17;
 - local authority homelessness cases (annual) has increased 30% in the same period;
 - statutory homelessness acceptances have increased 48% in the same period.
- 1.2 The Government has recently introduced one of the most significant pieces of legislation relating to Homelessness namely The Homelessness Reduction Act 2017, which was enacted from 3 April, 2018. This legislation changes the focus of Local Authority responses to homelessness, from an assessment of whether statutory duties are owed, to a collaborative approach to homelessness prevention and relief.
- 1.3 According to the Coventry Joint Strategic Needs Assessment (JSNA) 2018, since 2013, Coventry is the fastest-growing city in terms of population growth outside of London and the South East, with a 2.18% year on year increase in population. Combined with continuing job growth, there is an on-going and increasing demand for housing. The Local housing plan has identified a need for an additional 42,400 homes by 2031, including a need for 12,000 additional affordable homes.
- 1.4 There has been a significant growth in the proportion of homes in Coventry that are privately rented, from around 11% at the time of the 2001 census, to 20% at the time of the 2011 census, and an estimated 25% by 2017. There has been a corresponding fall in owner-occupation, with the proportion of social housing staying relatively stable at 17%.
- 1.5 Coventry City Council no longer owns any 'council housing' after the stock was transferred to Whitefriars Housing Group in 2000. However, the Council still has strategic housing responsibilities and duties under homelessness legislation.
- 1.6 The Council's Housing Service provides housing advice, administers the 'Coventry Homefinder' choice-based lettings register and system (which advertises and prioritises available social housing in the city), and the Homelessness Prevention service. This team meets the new duties arising from the Homelessness Reduction Act 2017.
- 1.7 In addition to the statutory services provided by the Housing team, the Council also commissions accommodation and support services for homeless and ex-offenders in the city, covering some statutory duties but also services for those not owed the main housing duty by the Local Authority.
- 1.8 In 2017, Coventry was awarded funding and support to become a Making Every Adult Matter (MEAM) area. Very often, people with multiple complex needs (two or more of: homelessness; mental ill health; drug or alcohol misuse; and offending behaviour) are seen many times by different services, but this contact is often ineffective. MEAM aims to introduce systems change to meet the support needs of people with multiple complex needs in a more effective way
- 1.9 Existing service arrangements for the delivery of housing related support services are currently managed across several separate contracts with St Basil's and Midland Heart currently providing services for 18-24-year-old singles (excluding rough sleepers and ex-offenders) and all other homeless related services (including rough sleepers and ex-

offenders) delivered by the Salvation Army. The current contract arrangements with the TSA end on the 31st March 2019 however an extension has been negotiated until April 1, 2020. The contract with Midland Heart will be ending as of 30th June 2019. Our commissioned service with St Basils will end on the 31st of October 2019 however we are currently agreeing an extension with St Basils to ensure continuity of provision until the new contracts are in place.

1.10 Current Arrangements are as follows:

- Rough Sleepers (single homeless 16+) - including the delivery of night time rough sleeper walks, provision of emergency camp beds, floating support, operation of the statutory Severe Weather Emergency Protocol (SWEP) and undertaking the annual rough sleeper counts required for central government;
- Direct Access Provision (single homeless 25+ and childless couples 25+) including the provision of direct access hostel provision and associated support services;
- Floating Support services (single homeless 25+, homeless families 18+, childless couples 25+, ex-offenders 18+);
- Temporary Accommodation for homeless families aged 18+ from the 15th night of being homeless. The Council previously made provisions for all families for the first 14 nights before transferring accommodation services to The Salvation Army; as part of the change note that came into effect 1st April 2019 the Salvation army became responsible for 120 families and their accommodation, With the council now taking responsibility for any families above the agreed 120. This arrangement was put in place as part of the extension negotiations.
- Support for families as per the change note (1st April 2019) stipulates that all families will be assessed regarding their support needs and the Salvation army will be responsible for supporting up-to 200 families, with a spot purchase arrangement in place for any additional families needing support.
- Ex-offender specialist accommodation and support services (ex-offenders 18+ on probation); and
- Specialist complex needs accommodation and support services (single homeless 25+ and ex-offenders 18+).

1.11 The second set of current contracts (comprising two different contractual arrangements) cover services for singles and couples aged 18-24. These two contracts have previously been managed separately to reflect the internal management of services between children's and adult's services and the difference in service needs to those affected. This was changed structurally in September 2017 and the Council's Housing & Homelessness Snow has full oversight on homeless matters for all households aged 18 and above.

1.12 The existing contracts for those aged 18-24 is a smaller contract both in terms of financial value and quantum of service users. It is currently delivered by 2 service providers. Midland Heart who provide supported accommodation and St Basils who provide family mediation services and floating support.

1.13 The only specialist complex needs provision in the city has until now been provided by Midland Heart on a sub contract arrangement with TSA – as of 1st April 2019 Midland Heart have withdrawn from providing this provision including the 12 units of accommodation that they provided. A temporary arrangement has been put in place with 10 units of accommodation at Charnel lighthouse being allocated for those with multiple complex needs.

2. Options considered and recommended proposal

2.1 Option 1 – Do nothing

This option was discounted as the Council have statutory responsibilities to support households who are at risk of becoming, or already are homeless.

2.2 Option 2 – Long-term extension of existing contractual arrangements

As stated above, the existing circumstances around the delivery of homelessness services in Coventry has required putting in place a short-term extension, this having been deemed necessary in order to bring together further research and partner engagement to fully inform a newly commissioned service. This short-term extension has also allowed us enough time to fully gauge the impact of the new HRA and review the resource requirements necessary for the Council to successfully support homelessness services in Coventry.

In addition, the existing service arrangements continue to experience a substantial uplift in service demand whilst the cost of delivering the service under current contractual arrangements are not considered sustainable. As such, anything longer than the currently agreed 12 months would also risk negatively impacting on the long-term cost-effective delivery of temporary and emergency accommodation.

2.3 Option 3 – Bringing 'in house' of all homeless and housing related support services.

This would mean the Council directly providing many services which are currently delivered by commissioned service providers. This option would see the Council deliver all services including support.

This option is not recommended because the complex and specialist nature of providing good quality floating and accommodation-based support services especially for rough sleepers and ex-offenders and the availability of a range of direct access and supported accommodation requires expertise that partner organisations are better placed to provide.

2.4 Option 4 (recommended option) – To redesign and re procure all current housing and homelessness commissioned provision moving away from support only being available when a family or individual is in crisis.

The decision to pursue this option reflects the complex and specialist nature of providing good quality floating and accommodation-based support services and the availability of a range of direct access and supported accommodation which is already operated across the city by partner organisations.

As such, these partners are already well positioned to deliver these services far more efficiently and effectively than the City Council would be able to do so, without substantial upfront investment which would exceed the available budget.

The Councils Housing and Homelessness Strategy (2019) uses the positive pathways approach to the delivery of services for households in housing need in Coventry. This approach is outlined at appendix 1 and is the framework that has been used in the development of the commissioning intentions for the proposed Housing Related support contracts.

There is therefore a need to review how services are provided going forward, especially for families and those with complex needs and the principles and requirements of the new service: In summary these will include:

- A Separation of Temporary Accommodation (TA) from support – currently you only receive support if you are in TA.
- Integrate the management of TA into our Housing Options Service.

- Support will be allocated based on need not on tenure type.
- We will embed the principles of the positive pathway model in all housing and homelessness functions and operational practise.
- We will effectively engage with key partners, stakeholders and service users in the city.
- Services are VFM and are delivered with-in our cash envelope.
- We will work to eliminate rough sleeping in Coventry.
- We will work to eliminate the use of B and B.

2.4.1 The key aim is to ensure that the newly commissioned services are not only focussed on the delivery of services to households who are in crisis, but that prevention work is fundamental in the delivery of these services.

The recommended option proposes that there will be four separate contracts commissioned (which are set out below) to deliver housing related support and that within these there are some specific elements that address the different stages within the positive pathway model. These contracts have been identified to meet the needs of the following groups: Adults with Complex Needs, Older Single People (25yrs +), Young People (18-24) and Families.

It should be noted that this commissioning does not include Domestic Abuse accommodation services or certain supported housing for young people as these have been commissioned separately.

Contracts 1 and 3 are made up of distinct service units but will be commissioned as single contracts; however, it is not envisaged that a single provider will necessarily deliver all of the elements within the contracts. We will welcome consortium bids, as well as bids where one contactor is the lead provider of the contract, with sub-contractor arrangements in place to deliver the different elements. Regardless of contracting arrangements, it will be a requirement for all parties / organisations who are part of the contract delivery to meet regularly with the commissioning team as part of quality assurance processes for the suite of contracts.

2.4.2 Contract 1: Complex needs including ex- offender provision.

Unit 1– Assertive outreach and direct access provision. This includes provision for rough sleepers, Severe Weather Emergency Provision (SWEP), Assertive Street Outreach, the annual rough sleeper count, as well as the provision of direct access beds for people with complex needs and for individuals owed a statutory housing duty by the council.

Unit 2 - Supported gender specific accommodation - There is a recognition that there is a significant need for gender specific accommodation options for females in the city as well as accommodation for males. Lot 2 is for supported accommodation with flexible support that can be reduced as part of someone's journey and transition to an independent tenancy.

Unit 3 – Specialist ex offender provision - Lot 3 is for supported accommodation for ex-offenders with flexible support that can be reduced as part of someone's journey and transition to an independent tenancy.

2.4.3 Contract 2 - Family floating support.

There will be 2 elements to the support, the first element focuses on early prevention and working with families at risk of losing their tenancies. A partnership approach to delivery will be required and there will be a focus on working with other statutory and voluntary sector services (including the family HUBs).

The second element of the contract focusses on floating support for families in TA with an emphasis on supporting families to move- on including developing the skills to maintain a tenancy long term.

2.4.4 Contract 3 - Young people's provision

Unit 1- Direct access and supported accommodation: Lot 1 is concerned with the provision for direct access beds for those YP with complex needs, those who are roofless and are in housing need. The lot also covers the provision of supported accommodation with flexible support that can be reduced as part of a young person's journey and transition to an independent tenancy.

Unit 2- Floating support for young people to develop skills and maintain tenancies. There will be 2 elements to the support, the first element focuses on early prevention and working with young people at risk of losing their tenancies. A partnership approach to delivery will be required and there will be a focus on working with other statutory and voluntary sector services. The second element of the contract focusses on floating support for Young people in TA and or transitioning from supported accommodation with an emphasis on supporting individuals to access and sustain an independent tenancy long term.

2.4.5 Contract 4: Housing related floating support – Older singles and complex needs.

This provision similarly to family provision is concerned with early prevention and supporting move on / tenancy sustainment, with the recognition that for some on-going support to maintain a tenancy may be needed. There will be 3 elements to the support, the first element focuses on early prevention and working with older singles or those with complex needs who are at risk of losing their tenancies. A partnership approach to delivery will be required and there will be a focus on working with other statutory and voluntary sector services.

The second element of the contract focusses on floating support for individuals in TA with an emphasis on supporting them to move- on including developing the skills to maintain a tenancy long term.

The 3rd element is the ability to be able to provide on-going light touch support where a need/ risk has been identified.

2.4.6 Universal Prevention: though we have committed to commissioning along all the stages of the positive pathway we are at this time not looking to commissioning specific services at part the universal prevention or more specifically information advice and guidance. At a future date if universal prevention in terms of homelessness is needed we will look to tender this provision separately or provide services in-house.

The nature of this type of approach means there may be multiple service provider(s) with which the Council will work that will promote constructive, effective and efficient partnership working and service delivery.

3. Results of consultation undertaken

3.1 The initial overarching principles of each contract specification have been informed by targeted engagement with service users, existing contract holders and other relevant stakeholders and groups. Such engagement has included:

- Meetings and discussions with existing service providers to understand both benefits and issues with the existing service provisions;
- Registered Providers;
- The Front-Line Network and homelessness forum
- Multiple Complex Needs Board and Operations Group;
- CCG in relation to health care services for homeless households and the emerging re-tendering for relevant services;

- Existing service users – drawing on feedback through existing service providers but also the Making Every Adult Matter (MEAM) ‘Experts by Experience’ groups; West Midlands Police Services; and
- Maximisation of cross directorate expertise within the city council to ensure it is fully reflective and complementary to a range of existing corporate strategies and procurement exercises. Prime examples include the commissioned Drug and Alcohol Support Services and related strategy and the emerging Domestic Abuse and Sexual Violence recently commissioned services.

4. Timetable for implementing this decision

June 2019	Cabinet decision
August 2019	Publish OJEU and Invitation to Tender
September 2019	Tender returns
September 2019 – October 2019	Clarification, scoring and final decision
October 2019 – April 2020	Mobilisation
April 2020	New Contract start

5. Comments from Director of Finance and Corporate Services

5.1 Financial implications

The MTFs included additional budget to enable a strategy to bring housing and homelessness into a more financially sustainable position. There is a total budget for Housing and Homelessness of £9.3M in 19/20, and £8.3M on an ongoing basis. There is also additional grant resource (prevention new burden, flexible homelessness) available of £1.3M in 19/20 (this excludes grants for specific projects e.g. Rough Sleeper). There is no information in relation to further grant allocations past 19/20.

The key components of the Housing and Homelessness Service funded from this budget are:

- the staffing team to discharge Prevention and HRA duty,
- top up costs for emergency accommodation (that cannot be met through Housing Benefit Subsidy grant), and
- the costs of providing *support* either through prevention, or for homeless households to ensure move on and sustainment of a permanent housing option.

The budget allocated for the recommissioning of the contract is an annual £2.3M (excluding any inflationary increase), and this will be met from the overall budget allocation for Housing & Homelessness.

☞ Sufficient flexibility will be built into the contract structure and procurement process to deal with fluctuations and changes in levels of need over the contract term.

5.2 Legal implications

The Council will conduct the procurement using the most appropriate procedure under the Public Contract Regulations 2015 for the purposes of procuring the services described in this report. Tender documents will need to be published in accordance with the Council’s Rules for Contract and via the Official Journal of the European Union (OJEU).

As described in the main body of this report, the Tender has been divided into a number of individual lots. Tenderers will be invited to bid for one, some or all Lots. The highest scoring tenderer for the most economically advantageous option for the respective Lot will be recommended for award of that contract.

Contracts of the value set out in this report are regarded as key decisions under the Council's Constitution and as such require a decision needs to be taken by the Council's Cabinet. Additionally, as the value of the new contracts are expected to be over the EU threshold, the Contract must be advertised via the Official Journal of the European Union (OJEU) in accordance with the Public Contract Regulations (PCR) 2015.

Whilst there will be no Council staff affected by the Transfer of Undertaking (Protection of Employment) Regulations 2006 (TUPE) as amended, it is yet unclear whether there will be TUPE implications for staff employed by the current providers. The Council should be made aware of any TUPE implications which will become clearer through the tender process.

6. Other implications

6.1 How will this contribute to the Council Plan (www.coventry.gov.uk/councilplan/)?

Council Plan objectives
<p>Make communities safer together with the police, to reduce crime and anti-social behaviour, by:</p> <ul style="list-style-type: none">• working with victims, offenders and neighbourhoods
<p>Improving the health and wellbeing of residents, by:</p> <ul style="list-style-type: none">• helping them lead healthier lifestyles• helping people to maintain their independence and supporting them when they need help
<p>Protecting our most vulnerable people, by:</p> <ul style="list-style-type: none">• keeping children and adults safe from harm• providing early intervention for families who need it• enabling people to exercise choice and control in their daily lives• improving services for people experiencing domestic abuse• preventing homelessness and helping people who do become homeless• reducing health inequalities by helping support people facing multiple and complex needs
<p>Supporting the regeneration of Coventry's economy, by:</p> <ul style="list-style-type: none">• adding social value
<p>Empowering citizens and encouraging active communities, to:</p> <ul style="list-style-type: none">• uncover and use their own assets to achieve their ambitions• share and improve local services• design and implement solutions that meet local priorities
<p>Make savings so that we can support frontline services, by:</p> <ul style="list-style-type: none">• leveraging additional funding through grants and bids

6.2 How is risk being managed?

The main risk is that we fail to meet the required timescales thus resulting in failure to award the new contract in time for 1st April 2020 start date.

To mitigate the risk, we have ensured that the re-commissioning process is seen as a priority. A project group has been set up to oversee the commissioning process, a timeline developed and we report into the Strategic Housing Board. We have also built into the process a 5-month mobilisation window to allow for slippages.

6.3 What is the impact on the organisation?

The commissioning manager will be required to manage the re-commissioning and procurement process and the mobilisation and subsequent delivery of the contract once awarded. Sufficient resources are currently in place to do this effectively.

6.4 Equalities / EIA

Owing to the nature of the services provided, service users from certain demographics are more likely to come into contact with the service.

In 2017/18 there were 557 households accepted as statutorily homeless. The majority (69%) of statutory homeless households had a dependent child or children and 50% were female lone parents. 63% of statutory homeless households were White, 17% were Black and 7% were Asian. 26% were under 25, 72% were aged between 25 and 64, and only 2% were aged 65 or over

A full ECA has been completed and there is no new or disproportional impact on any group or people with protected characteristics compared with the previous impact.

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

There will be a potential positive impact on community and voluntary partner organisations in the city by providing the re-commissioning of services allowing them opportunity to bid and be directly involved in the delivery of homelessness services in the city.

The impact on the current providers could be negative in terms of loss of revenue, however they are able to tender for the new contracts.

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www.coventry.gov.uk/councilmeetings

Appendix 1 – Positive Pathway Diagram

Positive pathway

