

Finance and Resources Committee

10.00am, Thursday, 27 August 2015

Homeless Prevention - Advice and Support: Additional Contracts

Item number	7.20
Report number	
Executive/routine	Executive
Wards	All

Executive summary

The purpose of this report is to approve award of contracts for the provision of housing support for the period 13 October 2014 to 31 March 2016, to a value of £686,442. This will require the Contract Standing Orders to be waived. This is deemed to be in the Council's best interests to ensure continuity of support. These contracts are exempt from full EU tendering requirements as being "Health and Social Services".

This report highlights the:

- Need to have contracts in place to govern support arrangements with providers for individual service users; and
- Risk to service users should services be withdrawn.

Links

Coalition pledges	P11. P13. P14. P32. P36.
Council outcomes	C09. C10. C11. C13. C14. C16. C23. C25. C26
Single Outcome Agreement	S02. S04

Homeless Prevention – Advice and Support: Additional Contracts

Recommendations

It is recommended that Finance and Resources Committee:

- 1.1 Approves the award of contracts to four providers (Blackwood Care, Health in Mind, Link Living and Penumbra) for the period 13 October 2014 to 31 March 2016 to provide housing support to identified individuals, to a total value of £686,442.
- 1.2 Authorises the Contract Standing Orders to be waived, deemed to be in the Council's best interests to ensure continuity of care.
- 1.3 Notes that, in relation to EU tendering, these contracts are categorised as "Health and Social Services" and are exempt from full EU tendering requirements.

Background

- 2.1 The Homelessness Prevention Commissioning Plan, approved by the Policy and Strategy Committee on 6 September 2011, sets out the need to prevent homelessness wherever possible and the key outcomes that will prevent homelessness in Edinburgh. The Homelessness Prevention Commissioning Plan is part of the Council's wider City Housing Strategy 2012-2017.
- 2.2 Finance and Resources Committee, on 30 September 2014, agreed to the award of contracts to a range of providers for the pilot of reshaped Advice and Support services. There are three contracts for housing support (provided on a consortia basis which encompasses 13 partner organisations), one contract for a citywide advice service, one contract for a citywide mediation service and one contract for a citywide home management/food preparation service.
- 2.3 The main purpose of the reshaped services is to provide short-term interventions to prevent people becoming homeless. Contract payments will be dependent on the achievement of relevant outcomes.
- 2.4 The pilot was co-produced with existing voluntary sector providers and commenced 13 October 2014. It will run for 18 months with an option to extend for a further six months. The reshaped services work on a short-term basis to resolve housing crises and prevent people from becoming homeless.
- 2.5 The Commissioning Plan states that housing support should be focussed on short term interventions to prevent people becoming homeless. This change in

the nature of housing support is key to the reshaping of services being piloted under the Advice and Support workstream. In the course of negotiations to develop the pilot, it was apparent that a significant number of people would not benefit from the service model to be piloted, and should continue to receive housing support on a longer term basis. These are predominantly people with mental health problems who generally need a low level of visiting support to help them to continue to live independently.

- 2.6 Agreement was reached with the four providers that these individuals would not be included in the pilot and their support would be purchased on a spot contract basis. At the start of the pilot this arrangement applied to 133 people (though this has now reduced to 126). These support packages would normally have been managed as spot contracts for named individuals but the volume was such that it was more practical to group these in block arrangements with the four providers.
- 2.7 Since the report to Finance and Resources in September 2014, it has been established that there were no formalised contracts in place for the clients who were not included in the pilot. After an assessment of risk, these services have continued to be delivered in order to minimise disruption; however, approval of a waiver would ensure full compliance with Contract Standing Orders until the new contract is in place.

Main report

- 3.1 The spot purchase arrangements have continued on an hourly rate basis while the services in the pilot have moved on to a 'payment by outcomes' system. The hourly rates range from £14.98 to £17.56 and the support packages range between 1.5 to 11.5 hours per week.
- 3.2 The total annual value of the services being spot purchased is £469,672. The value of the waiver is £686,442 to cover the period 13 October 2014 to 31 March 2016. This is the maximum amount which would be payable and it is anticipated that this will reduce over time as individual support requirements come to an end.
- 3.3 The Contract Standing Orders (CSOs) state that, for services in excess of £25,000, a public advertisement followed by an invitation to tender should be carried out before the award of contract. Under Paragraph 9, the CSOs can be waived if justified as a legislative exemption or in the Council's best interests. It is considered that in these circumstances a waiver is justified in the Council's best interests and that these contracts are currently exempt from full EU tendering requirements as they are categorised as "Health and Social Services".
- 3.4 Following a review of the Advice and Support pilot, and in consultation with Commercial and Procurement Services, recommendations will be made to this Committee regarding future procurement of services, including the option of a

competitive tender. This will incorporate the services to individuals covered by the spot purchase arrangements.

- 3.5 The waiver will allow these contracts to run in parallel with the Advice and Support pilot. The intention is to agree framework-type contracts with the four providers which would specify the hours and rates for named individuals detailed within a schedule until 31 March 2016.

Measures of success

- 4.1 The measure of success will be the agreement of formal contracts which will allow housing support services to continue for a number of vulnerable people.

Financial impact

- 5.1 The total value of the waiver is £686,442 to cover the period 13 October 2014 to 31 March 2016. This is likely to reduce as individual support arrangements come to an end. Any reduction in volume will result in savings, but the rate at which this will happen is not predictable and is not expected to be extensive.
- 5.2 Further savings may be possible through the procurement of services which will be informed by the review of the Advice and Support services pilot. This exercise will include these spot purchase arrangements within its scope.

Risk, policy, compliance and governance impact

- 6.1 Should the waiver not be agreed there is a high risk that these vulnerable people could lose their service in an unplanned manner. This consequently increases the risk of people losing their accommodation and becoming homeless.
- 6.2 There is a risk, should the waiver not be agreed, that best value is not being demonstrated in line with CSO's that require all services valued above £25,000 to be competitively tendered. However quality and price are part of continuous improvement discussions and reporting with the incumbent providers.
- 6.3 The contract values for the proposed contracts are above the minimum threshold set for public contracts that are regulated by the European Procurement Regulations, as such there is a risk of challenge to the direct award of these contracts should there be any potential cross-border interest. However, "Health and Social Services" are currently exempt from the full application of EU tendering requirements, but will be incorporated into these requirements through new legislation during 2016.
- 6.4 The Regulations require as a minimum a notification when a contract is awarded for social welfare contracts. There is an opportunity to confirm contract award to meet the Council's obligations, thus reducing potential risk of future challenge.
- 6.5 The risk of challenge by an alternative provider is very low given the nature of the service provided and the short length of the contract.

- 6.6 After an assessment of risk, these services have continued to be delivered in order to minimise disruption; however, approval of a waiver would ensure full compliance with Contract Standing Orders until the new contract is in place.

Equalities impact

- 7.1 An Equalities and Rights Impact Assessment was completed for the Homelessness Prevention Commissioning Plan and a further assessment was carried out in respect of the proposals for Advice and Support services.
- 7.2 The re-commissioning of advice and housing support services for people that are homeless or threatened with homelessness will have a positive impact in that they will receive help to find and retain a home, overcome poverty and access specialist health services. This will support the Council's duty to eliminate harassment of people who are homeless, especially people with a disability, addictions or from a minority ethnic background.
- 7.3 The majority of people receiving housing support under these arrangements have mental health problems and the loss of these services would negatively impact on their rights and their ability to live independently in the community.

Sustainability impact

- 8.1 There is no sustainability impact relating to these proposals.

Consultation and engagement

- 9.1 In 2013, the proposals for Advice and Support workstream were developed through collaborative consultation with current providers, potential providers, service users and stakeholders to develop the model. This was set out in a report to the Health, Social Care and Housing Committee on 12 November 2013.
- 9.2 The exclusion of these service users from the pilot of reshaped Advice and Support services was agreed with providers and clients during the summer of 2014. This was done in the interests of individuals who were assessed and requiring ongoing support and who would have difficulty living independently in the community without the service.
- 9.3 Throughout this process there has been ongoing consultation with Commercial and Procurement Services.

Background reading/external references

- [Homelessness Prevention Commissioning Plan, Policy and Strategy Committee, 6 September 2011](#)
- [Homelessness Prevention Commissioning Plan Update and Proposals for Advice and Support – referral from the Health, Social Care and Housing Committee, Finance and Resources, 28 November 2013](#)

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Links

Coalition pledges	<p>P11. Encourage the development of co-operative housing arrangements</p> <p>P13. Enforce tenancy agreements (council and private landlord) with a view to ensuring tenants and landlords fulfil their good conduct responsibilities</p> <p>P14. Strengthen Council housing allocation policy to give recognition to good tenants and to encourage responsible tenant behaviour and responsibilities</p> <p>P32. Develop and strengthen local community links with the police</p> <p>P36. Develop improved partnership working across the Capital and with the voluntary sector to build on the “Total Craigroyston” mode</p>
Council outcomes	<p>C09. Edinburgh residents are able to access job opportunities</p> <p>C10. Improved health and reduced inequalities</p> <p>C11. Preventative and personalised support in place</p> <p>C13. People are supported to live at home</p> <p>C14. Communities have the capacity to help support people</p> <p>C16. Well-housed – People live in a good quality home that is affordable and meets their needs in a well managed</p> <p>C23. Well engaged and well informed – Communities and individuals are empowered and supported to improve local outcomes and foster a sense of community</p> <p>C25. The Council has efficient and effective services that deliver on objectives</p> <p>C26. The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives</p>
Single Outcome Agreement	<p>S02. Edinburgh’s citizens experience improved health and wellbeing, with reduced inequalities in health</p> <p>S04. Edinburgh’s communities are safer and have improved physical and social fabric</p>
Appendices	<p>1. Breakdown of providers and support arrangements</p>

Appendix 1. Breakdown of providers and support arrangements

Provider	No. Spots	Value 2014/15*	Value 2015/16	Combined value 13 Oct 14 to 31 Mar 16
Blackwood Care	16	£26,015	£56,366	£82,381
Health in Mind	56	£72,533	£157,155	£229,688
Link Living	9	£23,399	£50,698	£74,097
Penumbra	45	£94,824	£205,452	£300,276
Total	126	£216,771	£469,672	£686,442

* Values are part-year commencing 13 October 2014