

Finance and Resources Committee

10am, Thursday 26 November 2015

Review of the Implementation of the Homelessness Prevention Commissioning Plan and Extension of Contracts

Item number	7.14
Report number	
Executive/routine	Executive
Wards	All

Executive summary

The purpose of this report is to provide an update on progress towards implementing the Homelessness Prevention Commissioning Plan (the Plan) through collaborative working. The Plan is being implemented through the piloting of reshaped services in a number of workstreams but some service areas are not yet subject to this approach. This report requests authority to extend the contractual arrangements for these service areas.

The report highlights:

- The progress in developing services in collaboration with the voluntary sector and other stakeholders.
- Significant progress on four workstream pilots including the achievement of budget savings, through reshaping and renegotiating service delivery.
- The need to further extend contracts, on current terms and conditions, for a further year for 22 Contracts (41 services) to allow sufficient time to complete the implementation of the Plan.

Links

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

- The previous extension by waiver to one contract.

Review of the Implementation of the Homelessness Prevention Commissioning Plan and Extension of Contracts

Recommendations

It is recommended that Finance and Resources Committee:

- 1.1 Notes significant progress with delivery of the Plan.
- 1.2 Notes that the review of the Advice and Support Pilot will be reported to Finance and Resources Committee in January 2016.
- 1.3 Approves the extension of 22 contracts, with a maximum value of £5,134,767, until 31 March 2017.
- 1.4 Notes that savings of £806,627 have been achieved through the negotiation of these contracts. This forms part of a wider package of £2.3 million savings from the Commissioning Budget and is also subject to proposals for additional savings of £500,000.
- 1.5 Notes that the contract extension for 2014/15 to Gateway to Homes and Communities to provide basic furniture and furnishings was previously agreed as a waiver.
- 1.6 Notes that contract extensions will include an appropriate break clause to give notice in the event of changes negotiated with providers, procurement and savings requirements.

Background

- 2.1 The Homelessness Prevention Commissioning Plan (the Plan) was agreed by the Policy and Strategy Committee on 6 September 2011. The Plan sets out the need to prevent homelessness wherever possible, to ensure people spend as little time as possible without a home if they do become homeless and that resettlement is effective and supports people to live sustainable, independent lives.
- 2.2 On 27 November 2014, the Finance and Resources Committee approved the extension of Homelessness and other services' contracts until 31 March 2016. The Council is in the process of reshaping services in line with the Plan to ensure that services are delivered in the best and most efficient way.
- 2.3 In addition, there has been one tendering exercise over the past year for a service to facilitate access to the private rented sector.

- 2.4 Work is progressing to secure the significant savings required to meet the reduction of £2.3 million to the Commissioning budget, as agreed by the Council in February 2014.
- 2.5 There are four workstream pilots at different stages of development: Advice and Support, Young People, Crisis and Complex and Domestic Abuse. These are summarised below. All pilots have been co-produced in partnership with existing providers and other stakeholders. Through a collaborative process with the providers, the new contracts substantially contribute towards the required level of savings and are programmed into the pilots to be achieved by the end of 2016/17. These contracts are outwith the scope of this report.
- 2.6 In addition to these previously agreed savings, the Council is consulting on a proposal as part of its 2016-20 Budget Framework. If agreed, this proposal would result in an additional reduction to Commissioned Services – Housing Support (sheltered housing/temporary accommodation), of £500,000.
- 2.7 Fruitful discussions have been held collectively with providers and a series of meetings are underway with individual providers for detailed agreement on implementation. The Commissioning team is experienced in effective contract management and if the proposal is agreed by Council, these savings will be managed through break clauses.

Main report

- 3.1 Significant progress on the implementation of the Homelessness Prevention Commissioning Plan has been achieved through collaborative working between the Council and service providers.

Progress to date

- 3.2 The pilot of reshaped Advice and Support services commenced on 13 October 2014, with a total of six contracts in place for three neighbourhood visiting support consortia, a citywide advice service and two small citywide contracts for mediation and home management/food preparation. The outcome of a review of the pilot will be reported to Finance and Resources Committee in January 2016. The report will make recommendations for service design and future procurement. A saving of around £400,000 (13.5%) has been achieved from this workstream.
- 3.3 Reshaped Young Peoples' Services incorporating a foyer approach are also being piloted with new contracts in place from 17 August 2015. The Finance and Resources Committee on 13 May 2015 agreed the award of contracts with seven providers for 12 services, including supported accommodation, visiting support and group work. Annual savings of over £318,000 (20.9%) have been achieved.
- 3.4 The pilot of Homeless Crisis and Complex Needs services is underway following Finance and Resources Committee approval to award contracts on 4 June 2015. There are two providers involved in this work: the contract for one service with

the first provider commenced 17 August 2015, while the contract with the second provider (for two services) is expected to go live in November 2015. Annual savings of more than £245,000 (13.5%) are to be achieved.

- 3.5 The award of contracts for the Domestic Abuse workstream was agreed by Finance and Resources Committee on 27 August 2015 and these are expected to be in place by the end of November 2015. These are with three providers for a total of seven visiting support and accommodation services. Annual savings of over £196,000 (16.8%) are to be achieved.
- 3.6 A tender was completed for access to the Private Rented Sector. The contract for one service was approved for four year with a possible 24 month extension and is expected to be in place from late 2015. Annual savings of £15,500 (9%) to be achieved.
- 3.7 The two remaining workstreams, Temporary Accommodation and Older People, along with the miscellaneous resettlement service, are still to be developed though some progress has already been made in reshaping services.

Areas for Development

Temporary Accommodation

- 3.8 20 temporary accommodation services are commissioned from eight providers for an annual value of £3,381,818 in 2015/16.
- 3.9 In collaboration with providers, an enhanced housing management model has been implemented in many accommodation services resulting in savings of more than £643,000 to date. A further £232,000 of savings has been negotiated with two providers to begin in 2016/17.
- 3.10 Additional savings may also be required from these services in 2016/17 following the budget proposal detailed at paragraph 5.3. Detailed work is underway with providers for implementation.
- 3.11 A wider review of temporary accommodation is underway and is led by Assessment, Homelessness and Support (AHS).
- 3.12 Re-procurement of these services, as detailed in Appendix 1, is expected to happen by 31 March 2017 following the Assessment, Homelessness and Support review and co-production of service specifications with stakeholders.

Older Peoples Services

- 3.13 The majority of the commissioning spend on older peoples services is housing support within sheltered, very sheltered and amenity housing units. In total, 12 providers are commissioned to provide 55 amenity, sheltered and very sheltered schemes, one Care and Repair Service, one advice service, one supported accommodation and one visiting support service for an annual value of £1,405,311 in 2015/16.
- 3.14 The overarching strategy for older people's services, Live Well in Later Life, is led by Health and Social Care.

- 3.15 A number of providers have converted their sheltered provision to a retirement model of housing and this has resulted in savings to the Council. These models have retained staff present on site to assist tenants but they no longer provide housing support. A further two providers have discussed this with the Council's Commissioning Team and are currently consulting with tenants regarding similar developments. The planned changes are likely to come into effect in April 2016 and are expected to result in a saving, though this will be offset to a degree by the loss of income from charging for housing support.
- 3.16 Further savings may also be required from these services in 2016/17 following the budget proposal detailed at paragraph 5.3. Useful discussions have taken place with providers and individual meetings are being progressed to discuss efficiency proposals by providers.
- 3.17 Health and Social Care is currently considering the potential of specific contracts to provide care at home services to residents within sheltered housing complexes. Although these services are distinct from housing support there may be benefits in aligning them in some circumstances and such opportunities can be explored in a future review.
- 3.18 Proposals for the further reshaping of services will be reported as appropriate to the Finance and Resources Committee in due course. Reshaping, however, requires the extension of contracts for a further year on current terms and conditions and the providers and services concerned are detailed at Appendix 1.

Resettlement

- 3.19 The Gateway to Homes and Communities service provides people, who have been homeless, with basic furniture and furnishings when they first get a home. The Contract was awarded following a tender in 2009. The extension of this contract was agreed as a waiver of standing orders by the Finance and Resources Committee, in November 2014. A further extension is requested for 2016/17 to carry out an assessment of demand and develop revised service specifications and agree a procurement approach. The contract is currently worth £347,637, although around 60% is recovered from the Housing Revenue Account (HRA). This reflects the value of service provided to Council tenants

NHS Contribution

- 3.20 A contract is in place to pay the NHS to provide support to Council and commissioned services so the services can provide psychologically informed support. The contract is currently worth £30,674.84.
- 3.21 The extension will allow support to be provided during the review of The Access Point (TAP) and Edinburgh Access Practice (EAP).

Measures of success

- 4.1 The Plan will be measured by its success in reducing the number of people who become homeless, the length of time people stay in temporary accommodation and the number of people who become homeless for a second time.
- 4.2 The success of the extensions requested in this report will be measured by the resulting reshaping of services, within work streams. These are expected to achieve a focus of resources, with better outcomes for clients. Each work stream will have its own specific outcomes as measures for success, which will be defined through consultation and collaboration and reported separately to this Committee.

Financial impact

- 5.1 The award of 24 contracts for 2016/17 has a maximum value of £5,331,876.
- 5.2 Savings of £2.3 million over a three year period are required from the Commissioning Budget, as part of the Council's budget setting process, agreed in February 2014. The second tranche of savings, approximating to £751,000, has been achieved in 2015/16 and the balance of the savings will be built into contracts over the next year. The savings required in the third tranche, £1.15m, are on track to be achieved in the course of 2016/17.
- 5.3 On 24 September 2015, Finance and Resources Committee made further proposals as part of revenue and capital budget framework. The specific proposal is to reduce the housing support budget for sheltered and temporary accommodation by £500,000 from 1 April 2016. The proposal is part of the wider budget consultation. If approved, the proposal will impact on the contracts in this report. Break clauses will be included in contract extensions to allow for the implementation of savings, as required.

Risk, policy, compliance and governance impact

- 6.1 There is a risk of challenge from potential providers who may feel unfairly excluded from consideration. However, these contracts are considered 'Part B services' which means that the full application of the EU procurement rules does not apply. This limited application is in recognition that such services are considered by EU law to be of less interest to economic operators from other member states and as such, the risk of any successful legal challenge is lower. It should be noted however the changes in legislation from early 2016 will require these services to be advertised in Europe.
- 6.2 The Council's 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 this circumstance, a waiver is justified as being in the best interest of the Council to maintain support to existing vulnerable clients while services are reshaped. There is a risk, should the waiver be agreed, that best value is not demonstrated in line with CSO's that

require all services valued above £25,000 to be competitively tendered. The service area has supported best value through achieving savings through negotiation as detailed in the main report.

- 6.3 The need to identify savings from accommodation services may lead to some providers declining to renew contracts. This is however considered a low risk which could be mitigated by increasing the contracts of other providers to cover any service withdrawal, if necessary.
- 6.4 A Checkpoint Group, which involves providers, service users, trade unions and other stakeholders, is in place to oversee the consultation and communication of the Plan.

Equalities impact

- 7.1 An Equalities and Rights Impact Assessment (ERIA) was completed for the Plan. An ERIA has also been completed for all four active workstreams and will be undertaken for the outstanding work.
- 7.2 The extension of existing contracts will ensure that current levels of service remain in place, albeit with savings which may impact on the service provided. This will help to ensure good relations between the Council and providers of services to clients, many of whom have protected characteristics.
- 7.3 The Plan will advance equality of opportunity by providing services which help people to avoid the crisis of homelessness or to resettle after a crisis. This will have a positive impact on the Single Outcome Agreement objective of improving health and wellbeing.
- 7.4 All services will continue to be monitored to ensure there is no negative impact on, or discrimination against, clients within the equalities groups. The ERIA in respect of the savings proposals will be kept under review.

Sustainability impact

- 8.1 The proposals in this report will help achieve a sustainable Edinburgh by benefiting the third sector.

Consultation and engagement

- 9.1 The agreement of the Plan followed extensive consultation with providers and users on the principles within the Plan. A Checkpoint Group oversees communication and consultation.
- 9.2 The proposals for reshaping services were developed following extensive collaborative consultation with stakeholders, including service users. The Checkpoint Group has also reviewed the consultation and proposals. A similar process will be followed for the reshaping of other services.

Background reading/external references

[Homelessness Prevention Commissioning Plan, Policy and Strategy Committee, 6 September 2011](#)

John Bury

Acting Director of Services for Communities

Contact: Graeme Fairbrother, Acting Commissioning Manager

E-mail: graeme.fairbrother@edinburgh.gov.uk Tel: 0131 469 3503

Links

Coalition pledges	<p>P8 – Make sure the city’s people are well-housed, including encouraging developers to build residential communities, starting with brownfield sites.</p> <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>P30 – Continue to maintain a sound financial position including long-term financial planning.</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” model.</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</p>

that deliver on objectives

C26. The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives

Single Outcome Agreement

S02. Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health

S04. Edinburgh's communities are safer and have improved physical and social fabric

Appendices

Appendix 1: Work Streams and Commissioned Services

Appendix 1: Work streams and Commissioned Services

The proposed extensions (listed below) will have break clauses and figures quoted are the maximum amounts within the 12 month period. These amounts may be reduced depending on the application of savings for 2016/17 as discussed in the report. Services will be reshaped with reduced value and/or retendered prior to the completion of the 12 month period.

PROVIDER	SERVICE	Contract value 2015/16
TEMPORARY ACCOMMODATION		
Bethany Christian Trust	Bethany House	£349,440
Bethany Christian Trust	Bethany Christian Centre	£266,240
Crossreach	Cunningham House	£287,040
Crossreach	Anchor	£21,840
Dunedin Canmore	Harbour Hostel	£386,880
Dunedin Canmore	Harbour Flats	£24,960
Gowrie Care	Bruntsfield	£266,999
Gowrie Care	Oxgangs	£180,999
Gowrie Care	Dryden Street	£112,320
Gowrie Care	Gilmours Close	£112,320
Gowrie Care	Lauriston Place	£157,248
Gowrie Care	Mayfield	£134,784
Gowrie Care	South Fort Street	£123,552
Gowrie Care	St John's Hill	£235,872
Rowan Alba	West Pilton Park	£125,206
Salvation Army	Pleasance	£217,360
Salvation Army	East Adam Street	£24,960
SVHA	Whitefoord House	£106,600
Y People	Broomhouse Medway	£123,022
Y People	Crewe Road Gardens	£124,176
	Total	£3,381,818

PROVIDER	SERVICE	Contract value 2015/16
OLDER PEOPLES SERVICES		
Bield HA	Very Sheltered	£146,474
Cairn Housing	Sheltered	£16,174
Cairn Housing	Very Sheltered	£43,498
Care and Repair	Care and Repair	£268,709
Castlerock Edinvar	Sheltered	£48,286
Dunedin Canmore	Sheltered	£135,618
Dunedin Canmore	Sheltered	£47,975
Mansfield Care	Very Sheltered	£154,571
Methodist Homes	Sheltered	£10,218
Places for People	St Leonards	£119,247
Places for People	St Leonard's Outreach	£17,122
Port of Leith HA	Amenity	£6,213
Port of Leith HA	Sheltered	£51,100
Prestonfield NP	Advice Service	£40,910
Trust HA	Sheltered	£68,098
Viewpoint HA	Amenity	£29,352
Viewpoint HA	Sheltered	£80,674
Viewpoint HA	Very Sheltered	£121,073
	Total	£1,405,311

PROVIDER	SERVICE	Contract value 2015/16
RESETTLEMENT		
Bethany Christian Trust	Gateway Home & Com	£347,637
	Total	£347,637

PROVIDER	SERVICE	Contract value 2015/16
NHS		
NHS	Personality Project	£30,675
	Total	£30,675