

OPEN

Economy and Growth Committee

14th January 2025

Recommissioning of Housing Related Support Contracts

Report of: Peter Skates – Director of Growth and Enterprise

Report Reference No:

Ward(s) Affected: All Wards

Purpose of Report

- 1 Housing Related Support Services include accommodation based and floating support services provided directly to people in their own homes. These services are provided for people at times of crisis and also for those who require further ongoing support. They provide a stable environment for people who have previously led chaotic lives and support them to ensure that they are ready to successfully manage a tenancy and eventually live independently.
- 2 Following a review of Housing Related Support Services undertaken by Homeless Link, in July 2023 the Economy and Growth Committee approved the recommissioning of the Council's Housing Related Support Services contracts with a view to implementation from 1st April 2024. In March 2024 a subsequent report was presented to the Economy and Growth Committee which outlined the outcome of the tendering process and sought further approval to retender a number of lots as they had not been awarded.
- 3 This report provides a further update on the outcome of the additional tendering exercise and seeks further approval to remodel one remaining lot which was not awarded to.
- 4 This contributes towards the Council's Corporate Plan 2021-2025 to be a Fair Council with the aim of reducing inequalities, promote fairness and opportunity for all and support our most vulnerable residents.

Executive Summary

- 5 Following approval by the Economy and Growth Committee to re-commission the Housing Related Support contracts, the tendering exercise commenced in September 2023.

- 6 Authority was delegated to the Director of Growth and Enterprise to award the contracts following the procurement process, however following evaluation of the tenders, not all were awarded, and further approval was sought in March 2024 to retender a number of lots.
- 7 A further tendering exercise commenced in September 2024 and contracts were awarded to South Rough Sleeping Prevention Service, but we did not receive any qualifying interest in the North Rough Sleeping Prevention Service.
- 8 The existing contract will end on 31st March 2024 and the existing Provider has indicated that they would be prepared to extend this on a short-term basis whilst we undertake a further tendering exercise.

RECOMMENDATIONS

The Economy and Growth committee is recommended to:

1. Approve the recommissioning of Rough Sleeping Prevention Service - North using an open procurement process for an initial term of 42 months (equating to 3.5 years), with the option to extend for up to a further 2 years.
2. Delegate authority to the Director of Growth and Enterprise to
 - a) modification of the existing contract in order to extend the term until 30 September 2025.
 - b) award the contract to the successful bidder following the procurement process

Background

- 9 In 2022, Cheshire East commissioned Homeless Link, who are a charity that work directly with the homeless, to undertake a full robust review of our existing commissioned services and services which are operating across the Council which are not commissioned by Cheshire East but offer support to those who are homeless and need support.
- 10 Following the outcome of the review, the consensus at the time was recommissioning would provide more targeted services to meet the current and future needs of the residents of Cheshire East.
- 11 Economy and Growth Committee approved the recommissioning of services for an initial 5-year contract with the option to extend by one year on two occasions making the maximum term of the contract 7 years.
- 12 In September 2023 an invitation to tender was submitted to the market. The closing date for tenders was 13th October 2023. A total of nine lots were put out to tender; however, tenders were not received for all lots. No tenders were

received for the Rapid Access for both North and South or the Floating Support Service North.

- 13 In March 2024 a further report was presented to the Economy and Growth Committee seeking approval to re tender the following lots.
 - (a) Lot 2 – Rough sleeping prevention service – North
 - (b) Lot 3 – Rough sleeping prevention service – South
- 14 Approval was given to retender and to also bring the Floating Support Service back in house. The retendering exercise commenced in September 2024. We received bids for the Lot 3, Rough Sleeping Prevention Service – South and this has now been awarded, however for Lot 2, Rough Sleeping Prevention Service – North the only bidder did not pass the selection criteria stage.
- 15 Further work has been undertaken to understand the reasons why there was little interest shown, even though market testing had been undertaken and there had been no indication that the market would not provide the services outlined.
- 16 Following the procurement exercise Providers who had shown an interest through the market testing provided feedback via the procurement portal that the scheme was not viable in the North of the Borough.
- 17 We are therefore seeking approval to go back to the market to retender the Rough Sleeping Prevention Service – North. This service is intended to provide 50 units of 24 hour staffed supported accommodation for people at risk of, or with a history of, rough sleeping. The delivery is to include high quality interventions to prevent evictions and to work with people creatively through, trauma, mental health and addiction to support the Council in eliminating Rough Sleeping in Cheshire East.
- 18 The proposed timetable for the review and procurement and contract award is as follows:

Action	Timeframe
Development of specifications	Completed
Request revised TUPE information	1 Feb 2025
Published on the Chest	15 Feb 2025
Tenders Close	15 April 2025
Evaluation and moderation	15 May 2025
Tender Award	15 June 2025
Mobilisation Period	1 July – 30 September 2025
Contract Commencement	1 October 2025

Consultation and Engagement

- 19 In order to develop the services, we have already consulted with vulnerable residents alongside engaging with specialist housing and support providers. We have spent time consulting with other Councils who commission similar services to ascertain how these operate and if they are effective. There is significant interest in working with the Council to deliver our objectives.
- 20 Through our homelessness link report residents and service users were already consulted, this does not need to be duplicated.
- 21 Providers interested in working with the Council have shared a detailed breakdown of the risks and costs of running the service and these have been accounted for in the revaluation of this tender.

Reasons for Recommendations

- 22 These services are required to support the Council's delivery of statutory housing services. For many people in crisis the provision of accommodation could not be sustained without the support services that are an integral part of the offer.
- 23 This is a crucial time for many households in the borough, who are facing the cost-of-living crisis and inflationary pressures, including high rental costs, household bills and food prices. This will unquestionably put pressure on some of the most vulnerable members of our borough, increasing the risk of debt, rent arrears and tenancy breakdown.
- 24 The Homelessness Reduction Act 2017 and the primary homeless legislation of under Part 7 of the Housing Act 1996, places duties on the local authority to prevent and relieve homelessness, and in ensuring homeless households have access to suitable accommodation for their needs.
- 25 Housing Related Support is not statutory requirement, however, is widely recognised as a crucial component in the prevention of further impacts and costs to public services and budgets, including Health, Police, Adults and Childrens Social Care, and homelessness temporary accommodation.
- 26 These services help to achieve the 3 key priorities outlined in the Council's Homelessness Strategy.
 - (i) Enable people who are homeless to secure appropriate accommodation.
 - (ii) Provide interventions to prevent / reduce rough sleeping.
 - (iii) Ensure adequate support is in place to help maintain and sustain accommodation.

Other Options Considered

27 The following options have also been considered:

Option	Impact	Risk
Do nothing	<p>By not preparing for the retendering of rough sleeping prevention contracts and services, we will have no housing options for rough sleepers or homeless households with complex needs.</p> <p>The current contract will end in March 2024</p>	<p>No services will be in place to continue to support vulnerable people who are homeless or at risk of homeless. Those in current accommodation services would be at risk of eviction (approx. 40 households).</p> <p>Homelessness and rough sleeping would dramatically increase alongside our ability to be able to discharge our statutory homelessness duty to in excess of 100 households per annum.</p>
Modify to extend the existing contract for 6 months to allow time for retendering and retender for the contract with a revised budget envelope.	If we modify to extend the existing contract, and the Providers agree, we will have sufficient services to continue to support rough sleepers and homeless people with complex needs.	People experiencing homelessness will have an adequate service whilst we commit time to redesigning the services we want and meet long term needs better. Pressure on statutory services, including temporary accommodation and hotel use for homeless people will be lifted.

Implications and Comments

Monitoring Officer/Legal

This service is required to support the Council’s overall delivery of statutory housing services outlined in the Housing Act 1996 Part VII as amended by the Homelessness Reduction Act 2017. Under the Homeless Reduction Act, all eligible people who are found to be homeless or threatened with homelessness are entitled to tailored support from the housing authority, regardless of priority need and intentionality. Support to prevent homelessness has to be available to everyone regardless of local connection. In addition to this the authority has to provide interim accommodation for all people found to be homeless and in priority need. Legal will support and work as required with the procurement team as regards the procurement.

Section 151 Officer/Finance

Please see confidential information contained with Appendix One.

Policy

- 28 Housing Related Support contracts contribute towards the prevention of homelessness and form part of the approved statutory Homelessness and Rough Sleeping strategy which was approved in 2021 by the Economy and Growth Committee.
- 29 The services provided under these contracts also contribute towards the ambition of the Corporate Plan as indicated below:

An open and enabling organisation	A council which empowers and cares about people	A thriving and sustainable place
Through our review of the services and market engagement we are contributing to: Listen, learn and respond to our residents, promoting opportunities for a two-way conversation Promote and develop the services of the council through regular communication and engagement with all residents	Through the provision of Housing Related Support contracts, we are contributing towards: Working with partners to address the issues of poor housing, poverty, employment and education opportunities across the urban and rural areas. Vulnerable and older people live safely and maintain independence within community settings.	Enable access to well designed, affordable and safe homes for all our residents.

Equality, Diversity and Inclusion

- 30 An Equality Impact Assessment has been completed.

Human Resources

- 31 It is presumed that staff within the current contracted provisions will be subject to TUPE.

A formal request for TUPE information was actioned in September 2024 and any revisions to that will be sought in February 2025, should this report, and proposed timescales be approved.

Risk Management

- 32 Lack of interest in the tender from the market due to a lack of interest, concerns of deliverability, and financial / inflationary pressures on housing providers / suppliers.
- (a) Further market engagement will be conducted with extensive support sought from the Homelessness and Rough Sleeping Strategy Steering Group.
 - (b) Ongoing consultation and engagement sessions will continue over the next 2 weeks to refine specifications with providers and stakeholders and contract lots. Therefore, it is hoped this will reduce this risk further as potential providers will be shaping future delivery.
 - (c) Ongoing contact with interested parties is in place, providers were able to share creative and costed proposals that indicated the intent to deliver a high-fidelity service to meet the complex needs of this client group.
 - (d) Providers bidding for other lots will be encouraged to enter into partnership bids to increase resilience and commitment to contract provision.
- 33 Change in regulation regarding supported housing.
- (a) There are ongoing developments within Central Government regarding supported housing - also referred to as 'exempt accommodation' for the purposes of housing benefit. This relates to the high costs of housing benefit subsidies and the regulatory framework to oversee providers' competence and compliance (typically those which are non-commissioned) across the country.
 - (b) Any changes would have to be subject to a transition period and the Council would work with providers to ameliorate against any impact to services.
- 34 Providers' poor performance and/or not delivering services
- (a) Contract Management teams are in place to continue effective, timely monitoring of contracts and to remedy concerns around performance.
 - (b) Clauses within contracts will enable the council to take a range of actions against a provider should they not deliver on the contract, such as withholding payments or terminating the contract entirely.

Rural Communities

- 35 This policy will support households to access housing support in all neighbourhoods of Cheshire East, including rural communities.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

- 36 The impacts on children can be particularly traumatic and long-lasting, severely affecting life chances through adverse effects on their development, education and health. This scheme will protect the health and wellbeing of children and young people living in social and private tenancies, and aims to reduce homelessness, including households with children, and improve access to and sustainment of affordable housing.

Housing Related Support services include accommodation and floating support provision for younger people, including care leavers.

Public Health

- 37 Housing is a key social determinant for a person's mental and physical health. Furthermore, people who experience homelessness are significantly more likely to suffer mental and physical health issues, The proposals within this report will ensure the Council continues to provide effective Housing Related Support services to residents in times of need, which will help to reduce the prevalence of homelessness and make better quality housing more accessible to residents. This will, in turn, deliver direct and indirect health and wellbeing benefits to Cheshire East residents.

Climate Change

- 38 Provision of services will be split down into geographical areas across the Council's footprint which will avoid unnecessary travel throughout the Borough.

Access to Information	
Contact Officers:	Nic Abbott – Housing Options Manager Karen Carsberg – Head of Housing
Appendices:	Appendix One – part 2 confidential information
Background Papers:	N/A

Appendix 1

OPEN

By virtue of paragraph(s) X of Part 1 Schedule 1 of the Local Government Act 1972.

Approvals trail: to be removed before Committee

Name	Title	Comments	Date
Contributors:			
Karen Carsberg	Head of Housing		
Approvers:			