

Economy and Growth Committee

11 July 2023

Recommissioning of Housing Related Support Contracts

Report of: Peter Skates – Acting Executive Director – Place

Report Reference No: EG/03/23-24

Ward(s) Affected: All Wards

Purpose of Report

- 1 The aim of this report is to seek approval to recommission the Council's Housing Related Support Services contracts which were previously reviewed and commissioned in 2019.
- 2 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.
- 3 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

- 4 The current Housing Related Support contracts run from 1st April 2020 until 31st March 2024. Although there is an opportunity to extend these contracts for a further year, there have been changes within the environment in which we are operating which have instigated a need for review.

- 5 In 2022, we 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 also 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.
- 6 Following the outcome of the review, the consensus is that recommissioning at this point will provide more targeted services to meet the current and future needs of the residents of Cheshire East.
- 7 The new commissioned services would have 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.
- 8 The Housing Related Support Contracts are funded within Housing's base budget which is £713,000 per annum. We are looking to enhance this by the utilisation of our Homelessness Prevention funding, allocated to Councils by the Department of Levelling up, Housing and Communities for the financial year 2024/25.

RECOMMENDATIONS

The Economy and Growth Committee is recommended to:

1. Approve the recommissioning of the services as outlined within this report from 1st April 2024 using an open procurement process for an initial term of 5 years, with the option to extend for up to a further 2 years at a total contract value of £5,831,000
2. Delegates authority to the Director of Growth and Enterprise to award the contracts following the procurement process in line with financial delegations.

Background

- 9 The country is currently experiencing a challenging financial climate, with the cost-of-living crisis, high energy costs, and uncertainty over inflation rates and the risk of recession. These financial pressures can impact lower income households more profoundly, with housing related costs 'more of a factor' to lower income households (ONS, 2021). Helping to support people at risk of homelessness in sustaining their accommodation is therefore of critical importance to the council's ambitions to tackle homelessness.

- 10 Housing Related Support services in Cheshire East provide a good provision of support and accommodation, enabling people who have experienced homelessness to rebuild their lives and move on successfully into their own tenancies.
- 11 In 2021/22, a total of 1,269 households were referred for Housing Related Support services in Cheshire East. During the same period, 485 service users were successfully helped to 'move on' from our supported accommodation, with many moving into private and social housing tenancies.
- 12 The current services commenced in April 2020 and provide the following:
 - (a) Floating Support North
 - (b) Floating Support South
 - (c) Supported accommodation North - complex needs, over 25
 - (d) Supported accommodation South - complex needs, over 25
 - (e) Supported accommodation North - Fast Track, Women's and families
 - (f) Supported accommodation South - Fast Track, Women's and families
 - (g) Emergency accommodation North
 - (h) Emergency accommodation South
- 13 In November 2022, the Economy and Growth Committee approved that the Floating Tenancy Support North contract be brought in house on a temporary basis until the recommissioning of all services was undertaken.
- 14 Homeless Link were commissioned in December 2022 to undertake a review of our existing contracted services and consult with other organisations who provide similar services to support the homeless. This has supported the ongoing review of contracts and help to shape the proposal for the new specifications.
- 15 In April 2023, a first draft report was provided which outlined a number of recommendations, these are outlined below and have influenced the basis on which the recommissioning of services will be structured. A final report is due in May 2023 from Homeless Link following a period of refinement to provide the finalised analysis, review and recommendation.

16 The findings and recommendations include:

- (a) **Developing more suitable provision for those experiencing 'complex needs' Homelessness:**
 - (i) Over two thirds of service users who go into emergency or Complex Needs accommodation have a history of mental health and drug / alcohol misuse, which is indicative of a need for intensive and tailored support for many service users.
 - (ii) *"... people with Complex Needs should be accommodated in smaller buildings or self-contained dispersed accommodation, with wraparound intensive support (24/7) that focuses on a therapeutic approach"* Homeless Link.
- (b) **Elements of the current commissioned offer are assessed as not meeting need:**
 - (i) including a lack of accommodation and support tailored towards women (often with multiple support needs and who have experienced multiple trauma / abuse); those with lower assessed needs (for instance those without a history of mental health and addiction issues); and for couples who are street homeless and wish to be housed together.
 - (ii) The occurrence of homeless people with physical health needs requiring temporary accommodation is increasing, and the availability of suitable supported accommodation, such as level access and wheelchair accessible, is not abundant across services.
- (c) **'Appropriateness' of accommodation offers and providing more options for key client groups:**
 - (i) Some service-user feedback indicated that individuals may not always feel safe in the existing accommodation offers. This can result in refusals of offers to people, or early abandonment of their accommodation.
 - (ii) People who are going through recovery for addiction or have no history of substance misuse may currently be expected to be housed with those who are abusing alcohol or drugs. Provisions such as 'dry' housing or specific recovery housing pathway model could be beneficial.

(d) **Evictions from supported housing / unplanned move on:**

- (i) The rates of evictions, or ‘unplanned exits,’ from our commissioned beds are high in comparison to other areas and a leading factor in people experiencing ‘repeat’ homeless
- (ii) Arrears of service charges and poor behaviour is cited as main reasons for eviction. These factors will need careful consideration as to how providers can best manage risk and engage with residents regarding service charges, managing finances and behaviour.

(e) **Market engagement and tendering process**

- (i) Tenders should encourage the adoption of partnership approaches, which in turn can offer an ‘economy of scale’ and bring together specialisms across different providers.
- (ii) An early market event is being held 16th May 23 with registered providers and support providers to further engage in the design of specifications for future services.

17 The proposed timetable for the procurement and contract award is as follows:

Action	Timeframe
Development of specifications	May – August 2023
Request TUPE information	September 2023
SMT/CLT approval	14 th June 2023
Committee consideration and approval	11 th July 2023
Published on the Chest	01 Sept 2023
Tenders Close	02 Oct 2023
Interviews, evaluation and moderation	October – November 2023
Tender Award	November 2023
Mobilisation Period	01 Jan 2024 – 31 Mar 2024
Contract Commencement	01 April 2024

Consultation and Engagement

- 18 As part of the commission with Homeless Link, they were required to undertake consultation meeting with a number of organisation and individuals who work with people experiencing homelessness in order to provide recommendations for the future commissioning of Housing Related Support contracts.
- 19 The consultation included commissioned and non-commissioned providers of support, housing staff, key stakeholders and a number of people with lived experience of accessing housing related support in Cheshire East.
- 20 We are continuing to consult with housing and support providers, including a pre-market event on 16 May 2023, to further help shape specifications and contracts

Reasons for Recommendations

- 21 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.
- 22 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.
- 23 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.
- 24 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, Adults and Childrens Social Care, and homelessness temporary accommodation.
- 25 These services help to achieve the 4 key priorities outlined in the Council's Homelessness Strategy.
 - (i) Enabling people to remain in their own home
 - (ii) Enable people who are homeless to secure appropriate accommodation
 - (iii) Provide interventions to prevent / reduce rough sleeping

- (iv) Ensure adequate support is in place to help maintain and sustain accommodation

Other Options Considered

26 The following options have also been considered:

Option	Impact	Risk
Do nothing	<p>By not preparing for the retendering of HRS contracts and services, we will have no housing related support services in place.</p> <p>The current contracts will end in March 2025</p>	<p>No services will be in place to continue to support vulnerable people and families who are homeless or at risk of homeless.</p> <p>Those in current accommodation services would be at risk of eviction (approx. 131 households) and recipients of Floating Support South (approx. 45 households) would have no support.</p> <p>Statutory homeless households owed a temporary accommodation duty, as well as those forced to sleep rough, would drastically increase.</p>
Delay the retendering of contracts and exercise the +1-year option.	should we choose to extend for the final year option, and providers agree, we will delay the ability to deliver improvements to the contracts	People experiencing homelessness will not have HRS services brought forward which meet their needs, and we will see increased pressure on statutory services, including temporary accommodation and hotel use for homeless people.

Implications and Comments

Monitoring Officer/Legal

27 These services are required to support the Council's 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 any procurement of these services which is required to take place.

Section 151 Officer/Finance

- 28 The Housing Related Support budget forms part of the Strategic Housing approved revenue budget and there is an annual budget of £713,000
- 29 Costs have increased and the type of provision required for this complex client group requires additional support costs. We are therefore proposing to use a proportion of our Homelessness Prevention Grant funding which is allocated on an annual basis to Council's for the provision of homeless prevention activity. We will commit the funding and carry it forward to cover the contract period.
- 30 The funding available for the procurement is therefore as follows:

Funding source	Budget allocation (per annum)	Total required for the 7-year contract
Housing revenue base budget	£713,000	£4,991,000
Homelessness Prevention Grant	£120,000 committed	£840,000
Contract value	£833,000	£5,831,000

Policy

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

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

33 An Equality Impact Assessment is currently being completed.

Human Resources

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

A formal request for TUPE information will be actioned in September 2023, should this report and proposed timescales be approved.

Risk Management

35 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) Soft market engagement has been undertaken, including a recent provider event on 16/05/23, and interest has been shown in the tenders.

(b) Ongoing consultation and engagement sessions will continue over the next 12 weeks to develop 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.

- 36 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.

37 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

- 38 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)

- 39 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

- 40 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

- 41 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 Officer:	David Fenton David.Fenton@cheshireeast.gov.uk
Appendices:	N/A
Background Papers:	N/A