

**PROVISION OF SERVICES FOR HOMELESSNESS AND
PEOPLE IN VULNERABLE CIRCUMSTANCES**

Cabinet Date	31 January 2018
Adult Social Care Delivery Adult Social Care Commissioning	Cllr Kathy Williams Cllr Roger Wilson
Key Decision	Yes
Background Documents	<p>Settled, Secure and Safe Lives in Gloucestershire Policy Cabinet Report 20th April 2016</p> <p>Investing in Support for Homeless Vulnerable People - Interim Arrangements Cabinet Report 1st February 2017</p> <p>Investing in Support for People in Vulnerable Circumstances – Interim Arrangements Cabinet Report 27th September 2017</p> <p>Funding Supported Housing: Policy Statement and Consultation. October 2017 DCLG and DWP</p> <p>Due Regard Statement</p>
Location for inspection of Background Documents	<p>http://glostext.gloucestershire.gov.uk/uuCoverPage.aspx?bcr=1</p> <p>Hard copies can be obtained from: Kathryn Rees: Lead Commissioner Supporting People Tel: 01452 328485 Email: kathryn.rees@gloucestershire.gov.uk</p>
Main Consultees	<p>Districts Councils</p> <p>Gloucestershire Clinical Commissioning Group</p> <p>Social Care Commissioners and Delivery</p> <p>Community Rehabilitation Company</p> <p>Service Users</p> <p>Providers</p>

Planned Dates	Service User, Provider Market and Stakeholder engagement January – May 2018
Divisional Councillor	All
Officers	<p>Sarah Scott: Director of Public Health Tel: 01452 328491 Email: sarah.scott@gloucestershire.gov.uk</p> <p>Kathryn Rees: Lead Commissioner Supporting People Tel: 01452 328485 Email: kathryn.rees@gloucestershire.gov.uk</p>
Purpose of Report	To seek Cabinet approval for the direct award of 18 month contracts to each of the current providers listed in Appendix 1 to this report for the provision of accommodation and community based support services. Each contract will be for an initial term of 6 months with options to extend for two further periods of up to 6 months each.
Recommendations	That Cabinet authorises the Director of Public Health to direct award 18 month contracts to each of the current providers of accommodation and community based support services listed in Appendix 1 to this report. Each contract will commence on the 1st October 2018 and be for an initial term of 6 months and contain two options to extend for up to a further 6 months in each case.
Reasons for recommendations	<p>There are fifteen (15) accommodation based and three (3) community based support contracts listed in Appendix 1 to this report and each is scheduled to expire on the 30th September 2018.</p> <p>Accommodation based services have been successfully managing a transition process to shift investment from specific accommodation based services to a more flexible, needs led community based model. The ability of accommodation based support services to respond to increased demand is dependent on having access to appropriate accommodation and support in the community.</p> <p>Cabinet agreed in September 2017 to align the expiry of the contractual arrangements for accommodation and community based support services so that the Council could continue to work with partners as a ‘whole system’ across the provision of support for people in vulnerable circumstances. Further stakeholder consultation has subsequently been undertaken to consider the future shape of services and how they can align with broader commissioning intentions and objectives across the wider system, in order to meet the needs of people in vulnerable circumstances.</p>

	<p>In parallel there have been a number of changes in the broader context of provision of support for people in vulnerable circumstances; including new legislation in both Children’s Social Care and Homelessness, with associated guidance from Central Government still being developed.</p> <p>The most significant change and impact is Central Government’s consultation on the future funding of supported housing. The original intention of publishing a supported housing white paper in Spring 2017 was delayed. It was not until 31st October 2017 that Central Government issued its response to the consultation with the publication of a Policy Statement. This Policy Statement outlines significant changes to the funding of supported housing, with two further consultations launched to run until 23rd January 2018. These consultations will be used to further inform the detailed expectations and requirements of the new arrangements, with implementation now deferred by 12 months to commence 1st April 2020.</p> <p>This level of uncertainty and lack of detailed guidance means the Council is not yet in a position to conduct a fully compliant tendering process in respect of accommodation and community based support services at this time.</p> <p>The proposed direct awards will enable the Council to continue to work with partners and providers to understand and assess the impact of new legislation; emerging guidance and the future funding of the housing costs of supported housing, currently under consultation. This assessment will inform the development of an EU compliant procurement model which considers the ‘whole system’ and provides comprehensive support to people in vulnerable circumstances. The model will address fluctuating patterns of demand across accommodation and community based support and achieve effective pathways to independent living across the system.</p>
<p>Resource Implications</p>	<p>The aggregate estimated total value of the proposed 18 month direct award contracts listed in Appendix 1 is £11.2M. Detailed negotiations with the current providers will be undertaken to confirm the level of spend and ensure it remains within budget. No Council staff are currently employed in this area.</p>

1. Background

Provision of support to adults in vulnerable circumstances has previously been commissioned under the auspices of Public Health targeted services and the Supporting People Strategy 2011 – 2015. This work has been overseen by the Supporting People Partnership Board, made up of District Councils, Health, Probation and the Council.

The Partnership Board worked to an agreed direction of travel which sought to achieve a shift towards developing more flexible, generic services to better meet changing patterns of need.

The learning and experience gained through the implementation of the Supporting People Strategy 2011 – 2015, informed the development of the Settled, Secure and Safe Lives in Gloucestershire Policy agreed by Cabinet in April 2016. This policy sets out the Council's approach to working with people, communities and partners to ensure provision of support to people in vulnerable circumstances and commits the Council to:

- a joined up and complementary approach to respond to need, providing information and support for people to do more for themselves and their families;
- investing in community capacity to provide support where people live;
- reconnecting adults with their community;
- using intensive support to promote recovery and long term stability; and making a lasting difference and targeting specialist help on those with complex needs.

A series of decisions have been taken to remodel the services commissioned by the Council which provide assistance to people in vulnerable circumstances in order that they may live independently and connected to their communities for longer term positive outcomes. This has enabled an incremental approach to developing support services, benefiting from learning as changes are made.

In September 2017 Cabinet agreed a number of direct awards to align the expiry dates of the accommodation and community based support services in order to afford it an opportunity to design and implement arrangements to address the continued challenge faced regarding the fluctuating pattern of demand for accommodation based support. The ability of accommodation based support services to respond to increased demand is dependent on having access to appropriate accommodation and support available in the community.

An extensive range of engagement has been undertaken, with service users, commissioners of social care, social workers and partners, to understand the value of accommodation and community based support services and provide insight into the current 'system wide' experiences of people in vulnerable circumstances.

2. Current provision

2.1 Community Based Support:

Community Based Support Services (CBS) support people in any form of accommodation and across a continuum of need from early intervention and prevention through to intensive support for people in crisis/ high level and complex need. Where appropriate, CBS will signpost individuals to other more specialist housing related support, including accommodation based providers; and support resettlement into the community.

The Council has expanded the range of services on offer through a generic Community Based Support Service to include short-term 1-2-1 support, group work and drop in. The service also supports community capacity building through supporting the development of peer support; volunteering; and other community led activities.

This short term, community based model has been able to reach out across the county and significantly increase the numbers of people supported.

During the lifetime of the current contracts we have also seen a significant rise in levels of referrals from social care and health professionals as understanding and confidence in the service has increased.

2.2. Accommodation Based Support

The Accommodation Based Services (ABS) for Homelessness, Mental Health and Ex-offenders have been engaged in a transitional process to shift to a targeted approach to assist individuals with complex, multiple and high level needs and to challenge behaviours in a supportive empowering environment. People with no, or low levels of need, are supported by securing appropriate housing with community based housing related support provided on a short term basis, until the service user can fully sustain independent living.

The accommodation based support provisions operate within a broader partnership homelessness pathway designed to move people quickly off the streets and into the most appropriate services, housing options and communities. The pathway includes community based support services, to support individuals to access accommodation based support and/or resettle into independent accommodation. The pathway also includes other services commissioned by, and in partnership with, partner agencies; for example the jointly commissioned assertive homeless outreach service, which has been vital in identifying rough sleepers and seeking to get them into the appropriate provision of the pathway.

3. Wider Context

In September 2016, the Government announced details of its proposed direction of travel for how supported housing will be funded in the future. A supported housing white paper was due to be published in spring 2017, but this was subsequently delayed.

On 31st October 2017 the Government published further details of its proposed new model, which it has been consulting on up until the 23rd January 2018. The implementation of the new funding model has been delayed from original intended date of April 2019 and will now come in from April 2020.

The proposed new arrangements include a fundamental change to the funding of short term supported housing and further consultations and engagement will be undertaken by the Government to inform the detailed requirements and implementation of the new arrangements prior to the 1st April 2020 'go live' date.

The Council has also been working with partners and commissioners across social care, housing and health regarding both current issues and projections of the potential impact of new legislation and emerging guidance, including the new Children and Social Work Act 2017 and the Homelessness Reduction Act 2017.

Given the delay in the consultation regarding the future funding of supported housing, the level of uncertainty and lack of detailed guidance for both the new funding arrangements and new legislation, the Council is not yet in a position to conduct a fully compliant tendering process in respect of accommodation and community based support services at this time.

The proposed direct awards will allow commissioners more time to work with providers and partners to fully understand these changes to inform the new model and service specification(s).

4. Developing Future Arrangements

Partners are keen to explore the co-production of a system to further align broader commissioning arrangements, pathways and both current and future investment for support to people in vulnerable circumstances.

Partners are all agreed that we need longer to scope and develop an approach to meet needs across the system in the medium to longer term. The Council needs to continue to work together and with providers to understand and respond to the impact of the future arrangements of funding for supported housing; new legislation and its emerging guidance. This period will also enable further engagement with service users and wider stakeholders. Accordingly, until the Government has completed its consultation and clarified its approach it is recommended that the Council enter into new short term contracts with its existing providers to maintain the current services whilst the Government completes its consultation and to allow the Council sufficient time to develop an appropriate response for the provision of future services.

4.1 Proposal

It is proposed that Cabinet authorises the Director of Public Health to Direct award 18 month contracts to each of the current providers of accommodation and community based support services listed in Appendix 1 to this report. Each contract will commence on the 1st October 2018 and be for an initial term of 6 months and contain two options to extend for up to a further 6 months in each case.

The making of such Direct Awards will allow the Council to undertake further engagement with service users and partners to co-produce the principles and scope for the development of an EU compliant procurement model to commission comprehensive support to people in vulnerable circumstances. This model will also incorporate features to enable the implementation of the changes to the funding of supported housing, still under consultation.

Under the Public Contract Regulations 2015 (PCR 2015) the Council is required to conduct a compliant competitive tender process for contracts that exceed the relevant procurement threshold. However, the Council can direct award a contract if it can apply the relevant criteria within Regulation 32 of PCR 2015. The provision to be utilised in this instance would be Regulation 32 (2)(b)(ii) PCR 2015. The justification for using this provision is that the Council considers that competition for these contracts would be absent for “technical” reasons, namely, that the proposed short term interim contracts would be of little or no interest to other suppliers who would have to acquire buildings in order to deliver the service. Moreover, a transfer of this service to new providers would be likely to trigger the application of the TUPE regulations to the transfer of staff between existing providers and any replacements providers. A new provider is unlikely to be willing to bear TUPE related

liabilities for the proposed contracts given their short term nature. At a market engagement event held in November 2017, providers reported that they required more time to consider and respond to the Policy Statement and consultations regarding the future funding of supported housing and also expressed their desire to work collaboratively in the design and delivery of future service models in order to meet need.

As such officers are of the view that there is no reasonable alternative to direct awarding these 18 month contracts to ensure both the ongoing provision of services and sufficient time to conduct a compliant tender process for the provision of future services once the results of the consultation and guidance from central government have become clear. The Council has not narrowed the parameters of the procurement and will be procuring the same range of services through the direct award contracts as it currently receives under the term contracts set to expire 30th September 2018, as listed in Appendix 1.

In addition to the application of PCR 2015, the Council is required to comply with its own Contract Standing Orders (CSO) when making a direct award. For the reasons set out in the report officers advise that the provisions of CSO 9.6(a) have been met. Providers have indicated that they are willing to continue to provide services but this will be determined by formal negotiation.

Operation of the new contracts during the period of the direct awards is likely to be more cost effective for the following reasons:

- The providers' experience and familiarity with the business will continue to drive efficiencies and improvements over the contract term
- There are no costs of mobilisation or set up, which would have been worked into their original costings.

The proposals contained herein will require the Council to publish VEAT notices (Voluntary Transparency Notices) under Regulation 99 of PCR 2015 in respect of the proposed direct interim contract awards for the purpose of informing the market of the Council's proposals and its justification.

Dialogue with the market will continue as we further develop our scoping of future arrangements and preparations for the implementation of the requirements for the new funding of supported housing requirements still under consultation.

Options

The following options have been considered:

1. To allow the contracts to end in September 2018.

This option would reduce support to people in vulnerable circumstances with an adverse impact on other health, housing and social care services.

2. To undertake a new competitive tender process for the supply of these services.

This option would prevent us from taking into account the impact of new legislation; its emerging guidance and the outcome of further consultation regarding the requirements for the implementation of future funding of short term supported housing. This in turn will prevent us from designing a system which enables us to make better use of all provision in meeting fluctuating levels of demand and creating effective pathways to independent living across the system of supporting people in vulnerable circumstances.

3. To direct award 18 month contracts to each of the current providers of accommodation and community based support services. Each contract to commence on the 1st October 2018 and be for an initial term of 6 months and contain two options to extend for up to a further 6 months in each case.

4.2. Officer Advice:

Officer advice is that Cabinet approve option 3.

This will enable the Council to ensure the continued provision of services to vulnerable people while the Council undertakes further engagement with partners, providers and service users to:

- design and implement arrangements to address the continued challenge faced regarding the fluctuating pattern of demand for accommodation based support;
- consider how we can maximise the alignment and joint commissioning of services to support pathways to independent living for people in vulnerable circumstances; and
- take into account requirements for the implementation of the future funding regime for supported housing.

The ability of accommodation based support services to respond to increased demand is dependent on having access to appropriate accommodation and support available in the community.

It is appropriate to continue to work with partners as a 'whole system' across the provision of support for people in vulnerable circumstances. The contract arrangements as detailed in Appendix 1 will allow commissioners to undertake further work with providers, partners and service users to design and implement effective pathways; deploying resources where they are needed in response to fluctuating demand. It will allow time to take into account the requirements and impact of the new arrangements of funding of supported housing, details of which are still subject to consultation; and the impact of demand arising from the Children and Social Work Act 2017 and the Homelessness Reduction Act 2017.

Future commissioning arrangements will be implemented with due regard to the Council's constitution, all statutory and legal obligations of the Council and all relevant statutory guidance.

5. Risk Assessment

Central Government continues to consult on the future funding of supported housing. Detailed requirements and criteria are still to be confirmed following further consultation and engagement. The Council will need to understand any impact for the design of future commissioning arrangements. Any delays to the confirmation of implementation or significant impact to the market may affect our progress. The direct award of the proposed 18 month contracts will enable the Council to continue the provision of support for people in vulnerable circumstances until commissioning and funding arrangements are confirmed. The Council will continue to monitor the situation and will use current engagement mechanisms and market testing activities to assess risk(s).

There is also a risk of challenge by competitors of the Council's existing providers to the proposed direct contract awards. This is judged to be low due to the reasons detailed in paragraph 4.1 of this report. Moreover, the Council proposes to mitigate such risk by publishing VEAT notices (Voluntary Transparency Notices) under Regulation 99 of PCR 2015 in respect of the proposed direct award contracts under which the Council shall provide details to the market of the Council's justification for making the proposed awards. Dialogue with the market will also be undertaken as part of our scoping of future arrangements.

Risk will continue to be regularly reviewed as part of the project management process, and any significant changes will be reported to Lead Cabinet Member(s).

6. Equalities considerations

A Due Regard Statement has been prepared and is attached to this report as Appendix 2. Consideration of the likely equalities impact of the recommended option indicates that there is no disproportionate effect upon those within the protected characteristic groups. The proposed direct awards have been assessed as having a positive effect on supporting people who are in need of housing related support in Gloucestershire.

7. Performance Management/Follow-up

Current contract management arrangements will remain in place under the new arrangements.

Report Title	Provision of Services for Homelessness and People in Vulnerable Circumstances
Relevant County Council policy	Settled, Secure and Safe Lives Policy:
Resource Implications	The aggregate estimated total value of the proposed 18 month direct award contracts listed in Appendix 1 is £11.2M. Detailed negotiations with the current providers will be undertaken to confirm the level of spend and ensure it remains within budget. No Council staff are currently employed in this area.
Sustainability checklist:	
Partnerships	These proposals have been subject to consultation with strategic partners. Partners will continue to be involved in the monitoring of such arrangements and future commissioning intentions.
Decision Making and Involvement	Stakeholders have been consulted on the proposed contract arrangements
Economy and Employment	No significant impact
Caring for people	The proposals will maintain service delivery and continuity to ensure service users will be positively supported as services are targeted, to better meet need and enable the Council to test how these arrangements can complement broader commissioning plans to enhance community participation and reduce the need for formal social care and health interventions.
Social Value	Support for the development and use of volunteering in the services and community are examples of social value delivered through these arrangements.
Built Environment	No impact
Natural Environment' including Ecology (Biodiversity)	No impact
Education and Information	The services are required to support people to achieve positive economic outcomes, including providing information and support access education and/or training if appropriate.

Tackling Climate Change	<p>Carbon Emissions Implications? Neutral</p> <p>Vulnerable to climate change? No</p>
Due Regard Statement	<p>Has a Due Regard Statement been completed?</p> <p>Yes. A copy of the Due Regard Statement is attached as Appendix 2.</p> <p>A copy of the full Due Regard Statement can also be accessed on GLOSTEXT via http://glostext.gloucestershire.gov.uk/uuCoverPage.aspx?bcr=1</p> <p>Alternatively a hard copy is available for inspection from Jo Moore, Democratic Services Unit, e-mail: jo.moore@gloucestershire.gov.uk.</p>
Human rights Implications	None
Consultation Arrangements	Strategic partners have been consulted.