

Finance and Resources Committee

10.00am, Tuesday, 2 February 2016

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

Item number	7.5
Report number	
Executive/routine	Executive
Wards	All

Executive summary

The purpose of this report is to provide an update on the review of the pilot of Advice and Support services and to seek authority to extend the pilot and contracts for a range of services.

This report highlights:

- The progress made with the pilot of Advice and Support services
- The need to extend contracts beyond the 18 month pilot to allow time for the further testing of service provision and consideration of the procurement options for new services
- The need to extend contracts for the continued purchase of housing support for individuals outwith the pilot
- The need to extend the contract for a supported accommodation service.

Links

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

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 the progress made with the review of the first year of the pilot of Advice and Support services.
- 1.2 Agrees to the extension of the Advice and Support pilot for a further nine months to 31 December 2016.
- 1.3 Agrees to the extension of six contracts for a maximum of a further nine months to 31 December 2016, with a break clause, to allow further testing of the approach, co-production of specifications and time for the procurement of new services.
- 1.4 Agrees to the extension of the contracts (spot purchase arrangements) with four providers for services to named individuals for a further nine months to 31 December 2016.
- 1.5 Agrees to the extension of the contract for Rowan Alba's Thorntree Street service for a further year to 31 March 2017.
- 1.6 Authorises the Contract Standing Orders to be waived, deemed to be in the Council's best interests to ensure continuity of support services.
- 1.7 Notes that a further report will be made to a subsequent meeting of the Finance and Resources Committee, which will report on the review of the pilot and future procurement options.

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 On 30 September 2014, the Finance and Resources Committee agreed to the award of six 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 city-wide advice service, one contract for a city-wide mediation

service and one contract for a city-wide home management/food preparation service. Further detail is provided in Appendix 1.

- 2.3 The main purpose of the reshaped services is to provide short-term interventions to resolve housing crises and to prevent people becoming homeless.
- 2.4 The pilot was co-produced with existing voluntary sector providers and contracts were awarded for an 18 month pilot, commencing 13 October 2014 until 31 March 2016, with an option to extend for a further six months, which would enable the contract to run until 12 October 2016. A review of the pilot was also to take place to inform the extension and future procurement options.
- 2.5 On 27 August 2015, the Finance and Resources Committee also agreed to the award of additional contracts for the purchase of housing support on a longer term individual basis to run parallel to the pilot, i.e. from 13 October 2014 to 31 March 2016. These contracts are with Penumbra, Link Living, Health in Mind and Blackwood.

Main report

- 3.1 A review has been undertaken of the first year of the pilot, which focused on consortia working, service access and provision, the achievement of outcomes and the payments system to be based on outcomes.
- 3.2 While the review has demonstrated the overall success of the approach to preventing homelessness, there are a number of areas that require further testing and analysis. A further extension of the pilot would enable this work to be progressed and provide a more robust basis for the procurement of new services.
- 3.3 A key element of the pilot was to change the basis of contracting from block purchasing to a payment by outcomes approach. The first 12 months of the pilot were considered transitional and, although payment by outcomes was subsequently introduced, the methodology has not been fully tested. Concerns have been expressed by the providers as to the impact this could have on the financial viability of partners within the three consortia should there be insufficient demand for the service.
- 3.4 The other major factor in the design of future services is the development of the Council's four localities. This will require a reshaping of contracts and ways of working for the current three consortia and negotiation with the providers will be necessary to achieve a fair and equitable distribution of service/work/delivery.
- 3.5 The advice service, provided by Edinburgh Housing Advice Partnership (EHAP), currently operates on a city-wide basis and consideration will also have to be given to future configuration in relation to the four localities.
- 3.6 It would be beneficial for the piloting of advice and support services to be reshaped further in line with the Council's Transformation project. There is scope

for greater integration of services between the Council's direct provision, the neighbourhood support consortia and the advice service to ensure a more responsive joined up service to meet the needs of people who are at risk of homelessness. This will also help achieve best value for the Council.

- 3.7 The review has identified a number of areas which require further development and revision, and the intention is to coproduce this with the providers over the remainder of the pilot. This includes further work to clarify what is provided as a low level preventative service, a review of the lifeskills matrix and further revisions to the contract for advice services as necessary. There may also be additional work needed to ensure referrals for services are maximised to meet demand.
- 3.8 The relatively short duration of the pilot has limited the ability to test service effectiveness properly and it would be useful to be able to test this through the achievement of outcomes over a longer period.
- 3.9 The contracts for the pilot currently in place are for the period 13 October 2014 to 31 March 2016, with an option to extend for six months to 12 October 2016. However, a further three months extension to 31 December 2016 is required to fully test the approach and complete the procurement of services.
- 3.10 It is recommended that the Contract Standing Orders be waived as these contract extensions are deemed to be in the Council's best interests to ensure continuity of support services.

Procurement Options

- 3.11 Further work is now required, in collaboration with the providers, to revise specifications that will inform the future commissioning of services, following the conclusion of the pilot. Consideration is being given to the most appropriate route to co-produce the procurement of services while achieving best value for the Council and the best outcomes for people at risk of homelessness.
- 3.12 The findings of the review and consideration of future procurement options, will be reported to the next meeting of the Finance and Resources Committee.

Additional contract (spot purchase) arrangements

- 3.13 Additional housing support has been provided under contract with four providers in parallel to the Advice and Support pilot. This was considered necessary to allow continuity of support for people, mainly with mental health problems, for whom the move to short-term homeless prevention services was not appropriate.
- 3.14 Of the 133 people receiving support in October 2014, 19 support packages have ended as people have moved on from the services. The majority of these individuals have been in receipt of support for several years, including many from the Supporting People programme, and it anticipated that the numbers of people continuing to receive this support will reduce over time.

- 3.15 These contracts were approved by Finance and Resources on 27 August 2015 to cover the period 13 October 2014 to 31 March 2016. It is proposed that these are extended for a further nine months to complete the procurement of services in line with that for the Advice and Support pilot.
- 3.16 It is recommended that the Contract Standing Orders be waived as these contract extensions are deemed to be in the Council's best interests to ensure continuity of support services.

Supported Accommodation

- 3.17 The development of the Crisis and Complex work stream has prioritised the reshaping of support and outreach services. One supported accommodation service is also in the scope of this workstream: Rowan Alba's Thorntree Street. This service provides both housing support and care to vulnerable older people with a history of street drinking and is jointly funded by Health and Social Care.
- 3.18 The clients all have secure tenancies with Bield Housing Association and the service makes a valuable contribution by accommodating this group of people who have a range of social and health problems, with a history of homelessness and failed tenancies. It is not considered a priority to reshape the provision, but procurement options for the service will be explored in partnership with Health and Social Care and in line with the developments under the 'Inclusive Edinburgh' project.
- 3.19 The contract for this service was established under the Supporting People programme and has been renewed on an annual basis. The total annual value for the Thorntree Street service in 2015/16 is £270,100, which is made up of £166,435 from Services for Communities and £103,665 from Health and Social Care.
- 3.20 It is recommended that the Contract Standing Orders be waived as this contract extension is deemed to be in the Council's best interests to ensure continuity of the support service.

Measures of success

- 4.1 That the first year of the pilot demonstrates the success of reshaping services to work on a more focused, short-term basis to prevent homelessness; and that the initial findings of the review suggests the approach is working and will provide a sound basis for the future procurement of services.
- 4.2 That the continuation of four contracts provides longer term housing support for a number of vulnerable people in individual (spot purchase) arrangements in parallel with the Advice and Support pilot.
- 4.3 That the extension of the contract for the Thorntree Street service will allow continuity of provision for a vulnerable group with a background of homelessness and rough sleeping.

Financial impact

- 5.1 The value of the Advice and Support extension for the period 1 April 2016 to 31 December 2016 is £1,982,006, with a detailed breakdown provided in Appendix 2. This brings the total value of the contracts to £6,174,993.
- 5.2 To achieve the third tranche of savings (reduction of £2.3m over three years agreed by Council in February 2014), reductions have been agreed with providers for the extension period of the pilot. The savings due from the six month extension, as originally planned, are programmed to be £243,000, but can only be achieved with the approval of the current contracts extensions.
- 5.3 Further savings may be possible in the event of under-performance against contract as measured on a payment by outcomes basis.
- 5.4 The value of the individual (spot purchase) support extension for nine months would be up to a maximum of £324,375. This brings the total value of the contract to £1,010,817.
- 5.5 The value of the housing support contract extension for the Thorntree Street service will be £166,435 for 2016/17.

Risk, policy, compliance and governance impact

- 6.1 The pilot of reshaped Advice and Support services is a key element in the implementation of the Homelessness Prevention Commissioning Plan, which was approved by the Policy and Strategy Committee on 6 September 2011.
- 6.2 The majority of current contracts are with consortia leads (as referred to at 2.2 and given in detail in Appendix 1) and as such the Council no longer has a direct contractual relationship with the other providers who are partners or 'sub-contractors' in the consortia. While there is some risk attached to this, the partnerships are managed effectively by the leads under consortium agreements and these appear to be operating well.
- 6.3 Should the contract extensions not be agreed, these homeless prevention services could not continue to operate, and there would be a risk of an increase in people making homeless presentations to the Council.
- 6.4 There is a risk of challenge to continued award of business that exceeds the Regulated Procurement thresholds (currently £172, 514). These services do have some flexibility under the Part B services criteria about how awards are made and the anticipated level of interest from other member states. The impact of legislation changes from April 2016 will support the development of procurement options in the next report to Finance and Resources Committee.
- 6.5 The risk of challenge by alternative providers is still considered low while the pilot is in operation. However, there will be a full analysis of risk in response to

the procurement route chosen, and this will be included in the report to Committee at the appropriate time.

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. This will be updated as the pilot progresses.
- 7.2 The re-commissioning of advice and housing support services for people who 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 the additional (spot purchase) contract arrangements have mental health issues and the loss of these services would negatively impact on their rights and their ability to live independently in the community. Where appropriate, further assessments of need may be undertaken to ensure people have the service that best meets their needs.

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 Throughout this process, there has been ongoing consultation with Commercial and Procurement Services.
- 9.3 The management of the pilot has been overseen through regular meetings between the lead partners and the Council.

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](#)
- [Contract Award for Homelessness Prevention - Advice and Support Services Pilot, Finance and Resources Committee 30 September 2014](#)
- [Homeless Prevention - Advice and Support Additional Contracts, Finance and Resources Committee 24 August 2015](#)
- [Review of the Implementation of the Homelessness Prevention Commissioning Plan and Extension of Contracts, Finance and Resources Committee 27 November 2014](#)

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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>

Single Outcome Agreement

C25. The Council has efficient and effective services that deliver on objectives

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

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

1. Advice and Support Pilot: Contracted Services
2. Contract values for the extension period 1 April to 31 December 2016

Appendix 1: Advice and Support Pilot: Contracted Services

CITY-WIDE ADVICE SERVICE

Edinburgh Housing Advice Partnership (EHAP)

Consortia lead: CHAI

Granton Information Centre
Move On
Changeworks
Foursquare

MEDIATION SERVICE

Cyrenians

CITY-WIDE HOME MANAGEMENT AND FOOD PREPARATION SERVICE

Cyrenians

NEIGHBOURHOOD HOUSING SUPPORT

West Integrated Services for Homelessness (WISH) –

South West and West Neighbourhood Offices

Consortia lead: Foursquare

Blackwood
CHAI
Home Scotland
LinkLiving
Penumbra

Homelessness Prevention Service – South and East Neighbourhood Offices

Consortia lead: Cyrenians

Crossreach
CHAI
Health in Mind
Penumbra

Gateway Visiting –

North and City Centre Leith Neighbourhood Offices

Consortia lead: Bethany

Blackwood
Cyrenians
Move On
Penumbra
Rock Trust
Salvation Army

Appendix 2. Contract values for the extension periods

Provider	Service	Contract Value (1/4/16 to 31/12/16)
CHAI	EHAP	£225,178
Cyrenians	Home Management & Food Prep	£43,278
Cyrenians	Mediation	£59,922
Bethany	Gateway	£553,638
Cyrenians	HPS	£547,987
Four Square	WISH	£552,000
	Total	£1,982,006

Provider	Service	Contract Value (1/4/16 to 31/12/16)
Blackwood Care	Spot purchase housing support	£34,719.10
Health in Mind	Spot purchase housing support	£112,499.80
Link Living	Spot purchase housing support	£35,973.40
Penumbra	Spot purchase housing support	£141,182.40
	Total	£324,375

Provider	Service	Contract Value (1/4/16 to 31/03/17)
Rowan Alba	Thorntree Street	£166,435