



**Executive  
15 March 2010**

**Report from the Director of  
Housing and Community Care**

Wards affected:  
Stonebridge

**Authority to exempt from tendering a contract to provide a  
supported housing service at Livingstone House  
105 Melville Road NW10 8UB**

Forward Plan Ref: H&CC-09/10-36

**Summary**

1.1 This report asks the Executive to agree that a proposed contract for supported housing services at Livingstone House 105 Melville Road NW10 8UB be exempted from the tendering requirements ordinarily required by the Council's Contract Standing Orders, for good operational and financial reasons as set out in the report.

**2.0 Recommendations**

This report asks the Executive to:

- 2.1 Agree that a contract for a housing support service for single homeless people at Livingstone House 105 Melville Road NW10 be exempt from the tendering requirements ordinarily required by Contract Standing Orders for good operational and financial reasons as set out in section 3 of the report.
- 2.2 Agree that a 3 year contract for housing support services for hostel residents at Livingstone House 105 Melville Road NW10 be awarded to the existing provider English Churches Housing Group from 1<sup>st</sup> June 2010, with the option of a further two year extension, on the basis that the Council receives 100% referral and nomination rights to the service and accommodation units at the hostel.

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Meeting  
Date

Version no.  
Date

## Detail

- 3.1 The Supporting People (SP) Programme is a national programme to commission the provision of housing related support services for vulnerable people to help gain, increase or maintain their independence. Supporting People funds the provision of “floating support services” (support to service users in their own home) and “accommodation based services” (support tied to accommodation). Services assist people in maintaining their accommodation, such as help in ensuring bills are paid, assistance with shopping, reading letters, budgeting, making sure benefits are maintained.
- 3.2 The SP Programme commenced in April 2003. The Programme in Brent was valued at £13.7 million in 2004/5 and has reduced to £12.8 million for 2007/8
- 3.3 The hostel for single homeless people at Livingstone House is a 92 unit hostel owned and managed by English Churches Housing Group (ECHG), a Registered Social Landlord. ECHG thus both own the facility and provide the housing support services from it.
- 3.4 In December 2006 the Executive agreed to issue ECHG with a one year Supporting People steady state contract for housing support services with an option to extend the contract for a further two years. The contract was extended for a further year using the delegated powers of the Director of Housing and Community Care until 30<sup>th</sup> November 2010.
- 3.5 The Supporting People team has in October 2009 carried out a strategic review of single homeless provision. This review has concluded that the hostel at Livingstone House could be a key resource for the Council in tackling single homelessness, reducing rough sleeping and providing accommodation and support for single homeless people in the borough. It will be one of the few services that can provide 24 hour on site staff support and one of only two large hostel services in Brent. It is very much in Brent’s interests if this hostel can be secured for service users in Brent.
- 3.6 The hostel provides accommodation for 84 individuals (including 4 disabled accessible units), and 8 units to young females aged 16/17 years. Additional facilities include meeting rooms and training facilities for service users to develop independent living skills and resources to support individuals to improve their employment prospects. These additional facilities are also open to the local community.
- 3.7 ECHG have been the provider of these types of services at Livingstone House since the beginning of the Supporting People programme and as such have been subject to the Quality Assessment Framework (QAF) as defined by the CLG Supporting People grant conditions.
- 3.8 Livingstone House has undertaken the QAF annually and has consistently scored the maximum rating of ‘A’ across all objectives- the only RSL to have done so. This demonstrates that the service provided is not only strategically relevant for Council but also of the highest quality.

- 3.9 For some time the Council and ECHG have been in discussion, subject to Executive approval, about the ability of the Council to place service users at the hostel, and also to fund housing support services at the hostel. The building and the support service to be provided have been configured with the Council's strategic needs in mind. ECHG have always been clear that they wanted to run all the services at the building themselves, rather than allow third party providers to come in and run some of the services. As it is their building, they are entitled to make this decision.
- 3.10 As a result of the discussions, the Supporting People team has negotiated (subject to Executive approval) 100% referral rights for the Council at the Livingstone House hostel, through negotiations with ECHG, in return for Council funding for housing support services for residents. Referral rights mean that the Council nominates residents for the hostel who are assessed as needing a supported housing service, so by virtue of being referred for the service a service user is also being nominated to take up accommodation at the hostel. The 84 units of accommodation plus the further 8 young female units of supported housing as represented by the hostel is a key housing resource for the Council and there is a need to ensure that the Council retains strong influence over the service and the individuals placed there. Not least because in the absence of referral rights for Brent, ECHG will accommodate vulnerable individuals at Livingstone House referred by all authorities. Such service users would not have a Brent connection but would acquire one by virtue of residence at Livingstone House, and the Council would then acquire a duty to provide social care support if needed. In addition the absence of nomination rights for Brent would deprive vulnerable local residents of access to this innovative service and the improved facilities it will offer.
- 3.11 As owners of the building ECHG are not obliged to provide referral rights to the Council. There are strong operational reasons for wishing to fund ECHG to provide housing support services, because of the 100% referral and nomination rights that Brent will secure in return as a result of the negotiations referred to in paragraph 3.10 above.
- 3.12 As the owner/operator of the Livingstone House hostel ECHG are unique in being able to offer this hostel at this location. Accordingly there is no realistic market to be tested by seeking alternative suppliers who can provide accommodation-based housing support services within a building offering 84 units (including 4 which are fully disabled accessible) plus 8 young female units of supported accommodation on one site, with 24 hour on site staff support and facilities referred to in paragraph 3.6 above.
- 3.12 A three year contract with the option of extending this for a further two years is recommended as this is consistent with the customary standard length of contracts for this type of service. This will enable the service to operate for two full years after the initial lead in period of a year, which is again customary for these types of services. It will also enable the service to demonstrate its continued value to the Council and outcomes achieved by the service users.

## **4.0 Financial Implications**

- 4.1 The Council funded the original 92 (84 plus 8 young people) units of housing support service through a contract with ECHG for £972k per annum. The contract proposed for the continuation of the 92 unit service is for £795k year one and £775k year two and onwards. This represents a saving to the Council of £177k for year one and £218k for each year thereafter. Over a 3 year contract this represents a saving to the Council of £613k.
- 4.2 Current weekly unit costs are £203.23 which will reduce to £166.15 in year one, further reducing year two and onwards to £157.52. This represents good value for money for the authority.
- 4.3 In addition the Council will save on the procurement costs of tendering for the service. These are estimated to be in the region of £15,000 - £20,000.
- 4.4 The Executive agreed in November 2009 that exemption from tendering be given to the Supporting People service Pound Lane, which is a similar hostel in Brent for single homeless people.
- 4.5 There are no other financial implications arising from the recommendations contained in this report, although it should be noted that the accommodation charges made by ECHG to the service users will be met by Council-administered housing benefit.

## **5.0 Legal Implications**

- 5.1 The report recommends that the Supporting People Service provided at Livingstone House should be exempt from the normal requirements of tendering set out in Contract Standing Orders.
- 5.2 The Executive may grant an exemption from tendering requirements under Contract Standing Order 84. The Executive therefore needs to consider whether the grounds identified in section 3 of this report constitute good operational and financial reasons for not tendering.
- 5.3 In considering the recommendations in this report Members also need to be satisfied that the proposed course of action will deliver best value for the Council. The significant savings that will be achieved when compared with the contract price paid by the Council for the previous service represents good value for money, as identified in paragraph 4.1 above.
- 5.4 These services are Part B services under the Public Contracts Regulations 2006 (the EU Regulations) and are thus exempt from the full tendering requirements of the EU Regulations. However award of a Part B contract is subject to over-riding obligations of fairness and transparency and there is certainly EU case law to suggest that even part B contracts should be subject to some form of advertised process. However this is subject to an analysis of the nature of the service and whether there is likely to be cross-Europe interest. This is unlikely with most social services contracts, and so the risk of a challenge is considered low. In any event, the EU Regulations contain a

general exemption to advertising which is considered to be likely to apply in the circumstances described in this Report. Regulation 14 (ii) provides that a local authority may undertake a negotiated procedure (which is really what has taken place here as per paragraph 3.10 above) without the publication of a contract notice where “for reasons connected with the protection of exclusive rights, the public contract may be awarded only to a particular economic operator.” In this case, the “exclusive rights” are the referral and nomination rights connected with Livingstone House which only ECHG can grant.

- 5.5 The Council will need to enter into both a referral and nomination agreement with ECHG as well as a contract for ECHG to provide housing support services. The latter will be based on the Council’s standard supporting people contract.

## **6.0 Diversity Implications**

- 6.1 The new contract will require providers of housing support services to deliver services which are culturally sensitive by providing cultural awareness training for all staff, matching specific language requirements where possible and recruiting a local workforce which reflects the communities of Brent.
- 6.2 In providing a range of training, employment, leisure and social activities the service will be open to all members of the surrounding community. Partnering arrangements with local community groups and specialist providers will be encouraged as part of the contract terms for the service.

## **7.0 Staffing/Accommodation Implications (if appropriate)**

- 7.1 There are no staffing implications or accommodation implications for the Council.

### **Background Papers**

Executive report 9th October 2006 Title: Supporting People Contracts  
Executive report 16<sup>th</sup> November 2009: Authority to exempt from tendering a Contract to provide a supported housing service at 115 Pound Lane NW 10  
Executive report 18<sup>th</sup> January 2010: Authority to Tender Contracts for Supporting People Funded Services for Single Homeless People

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