

 Brent	Officer Key Decision
	Report to the Strategic Director of Community Wellbeing
AUTHORITY TO AWARD CONTRACT FOR SINGLE HOMELESS PREVENTION SERVICES	

Wards Affected:	All
Key or Non-Key Decision:	Key Decision
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	N/A
Background Papers¹:	N/A
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Laurence Coaker Head of Housing Needs Laurence.Coaker@brent.gov.uk 020 8937 2788

1.0 Purpose of the Report

- 1.1 This report seeks approval for contract award in respect of a Single Homeless Prevention Service (SHPS), as required by Contract Standing Order 88.

2.0 Recommendation(s)

That the Strategic Director of Community Wellbeing:

- 2.1 Approve the Council entering into a call off contract with Pan London SHPS for a Single Homeless Prevention Service for a period of 4 years from November 2020 to October 2024 at an average outcome cost of £737 per client.
- 2.2 Approve the Council entering into a Head contract with Islington Council and Bridges Fund Management (“Bridges”).

- 2.3 Note that the Council has secured 35% funding for the service from the Life Chances Fund, up to an estimated value of £900K, for the contract term, to subsidise payments for homeless prevention and relief, and accommodation sustainment outcomes for single people.

3.0 Detail

Background

- 3.1 The Single Homeless Prevention Service (SHPS) is essentially an outcomes based, payments by results service to relieve and prevent homelessness for single people and couples without children, with low to medium support needs as well as working in the longer term to sustain them in accommodation. To maximize long term housing sustainment, the service also aims to improve clients' wider personal circumstances, ranging from mental health, employment, family relationships and access to support services, including alcohol or substance abuse.
- 3.2 In 2017, following a competitive tender process, a contract to deliver the SHPS service was awarded to a consortium of Crisis and Thames Reach, two highly experienced voluntary sector organisations with a strong track record in working on single homelessness. The consortium was financially backed by Bridges Fund Management ("Bridges"), one of the UK's leading social investment funds with a significant track record in setting up and delivering outcomes contracts.
- 3.3 The Council entered into a contract with Brent Homelessness Support LLP to deliver the Single Homeless Prevention Service (SHPS). The value of the contract was £1.8M, which was funded by £900K from the Ministry of Housing, Communities and Local Government (MHCLG) through a Homelessness Trailblazer Grant which was secured by the Council in 2017, and £900K match funding agreed by Cabinet.
- 3.4 In anticipation of the current trailblazer grant funding coming to an end in September 2020, Brent was part of the Life Chances Fund (LCF) bid, to extend the SHPS model across London. The bid was successful in securing 35% funding for the service, which means that 35% of all outcome costs will be paid by the LCF and the remaining 65% will be paid by the Council.
- 3.5 It is therefore proposed to continue the SHPS model in Brent by entering into a contract with Bridges (Pan London SHPS), to deliver the Single Homeless Prevention Service which is now partially funded by the Life Chances Fund.

Bridges and the Life Chances Fund (LCF)

- 3.6 Building on the success of the Single Homeless Person Service in Brent, Bridges approached all London boroughs to understand their appetite for

developing a replicable service with a view to supporting their submission to the LCF. The LCF is an £80m fund made available through the Department of Culture, Media and Sport up to March 2025 to provide support and financial incentives for commissioners who are interested in commissioning services on an outcome payment basis to help those people in society who face the most significant barriers to leading happy and productive lives. These contracts must be locally commissioned and aim to tackle complex social problems.

- 3.7 13 boroughs (including Brent) supported the application and Bridges were awarded £4.7m of central government top-up funding from the Life Chances Fund to roll the service out across London to support approximately 5000 vulnerable Londoners over the next 3 years.
- 3.8 Islington Council were the named lead commissioner as part of this process and they successfully commissioned Bridges (Pan London SHPS) on behalf of the 12 other local authorities (including Brent). By entering into an access agreement with Islington Council and Pan London SHPS, the Council can access the service and enter into a contract (Deed of Assurance) with Crisis UK for the delivery of the service.

Single Homeless Prevention Service

- 3.9 The Council completed an Outcome Based Review (OBR) on single homelessness, which identified a gap in provision for single people who do not meet the Priority Need (vulnerability) threshold in homelessness legislation, (the Housing Act 1996, Part 7). Although the majority of these single people were homeless or threatened with homelessness, they did not qualify for significant help to meet their housing needs, beyond very general advice and assistance. This often meant that the individuals were not able to resolve their housing needs and any underlying vulnerabilities they suffered from would deteriorate.
- 3.10 Following the introduction of the Homelessness Reduction Act 2017, the Council has a statutory duty to take “reasonable steps” to prevent or relieve homelessness for anyone at risk of homelessness within 56 days, regardless of their support needs.
- 3.11 Historically, the Council had primarily dealt with statutory homeless households, i.e. those households who met the Priority Need threshold in homelessness legislation, either because they were families with dependent children or pregnant women. Alternatively, they were a single vulnerable person with high support needs. The council did not have experience in working with single homeless people with low to medium vulnerabilities, who did not meet the Priority Need threshold.
- 3.12 The single homeless people who approach the Council, but do not meet the Priority Need threshold tend to have a range of low to medium vulnerabilities, ranging from issues with mental health, drug and alcohol abuse or being

exoffenders. Dealing with single homeless households therefore requires a different, more tailored response than homeless families, the majority of whom have no vulnerabilities beyond the fact that are in housing need.

- 3.13 It was therefore agreed that the Council should engage more with the voluntary sector, who do have the experience and expertise in dealing with single homeless people, to assist the Council to meet the new duties under the Homelessness Reduction Act 2017 and also to meet the gap in services, identified by the OBR, to provide more significant support to single homeless people, who do not meet the vulnerability threshold under homelessness legislation.
- 3.14 The Council submitted a successful bid to the Government’s Homelessness Prevention Trailblazers fund, which secured £900K of funding, which the Cabinet agreed to match fund in January 2017.
- 3.15 The Trailblazer funding was awarded to the Council to commission local voluntary sector agencies to work in partnership with the Council to prevent and relieve homelessness for single homeless people, and couples without children. The bid was for an outcomes based, payments by results service. This approach was taken to allow the voluntary sector organisations to build their capacity to deliver the service and ensure value for money for the Council by only paying for successful outcomes.

The outcomes and payments are detailed in Table 1 below:

Table 1: SHPS Outcome Payments

Outcome	Payment Amount
Completion of Personal Housing Plan (PHP)	£300
*Prevention of Homelessness	£750
*Relief of Homelessness	£1250
8 month sustainment	£750

*either the prevention or relief outcomes is made, not both

- 3.16 However, this payment for outcomes approach presents a financial risk to voluntary sector organisations, as if they do not achieve enough successful outcomes, they may not receive sufficient payments to cover their service delivery costs. The Trailblazer bid therefore included the provision for the voluntary sector to work with a social investor, to transfer the financial risk.
- 3.17 Organisations were invited to bid to deliver the service and following an evaluation process, a contract to deliver the service was awarded to a consortium of Crisis and Thames Reach, who are both highly experienced voluntary sector organisations with a strong track record in working on single homelessness. The consortium is financially backed by Bridges Fund Management, one of the UK’s leading social investment funds.

- 3.18 The Council's Single Homeless Team complete an initial assessment of an applicant's circumstances, to determine their eligibility and homelessness status. If the applicant has low to medium vulnerability needs, the applicant is referred to the SHPS service to prevent or relieve their homelessness.
- 3.19 SHPS will arrange an initial meeting with an applicant to develop and agree their Personal Housing Plan. They will then continue to engage and support the applicant to achieve a positive outcome, either by preventing, or relieving their homelessness. They will then ensure that the accommodation secured is sustained, for 8 months with no identified risk of homelessness.
- 3.20 As well as referrals made directly by the Council, referrals are also made from the Job Centre Plus (JCP) offices in Wembley and Harlesden. SHPS are not responsible for dealing with rough sleepers in Brent as the Council has services in place for people who are sleeping rough.

SHPS Performance

- 3.21 Since the inception of the SHPS service in September 2017, the Council has referred 2112 applicants at an average cost of £852 per client. A summary of outcomes achieved is detailed in Table 2 below. It should be noted that the price for Relief outcomes was reviewed and changed in July 2019 to reflect the much higher percentage of Relief cases than the original 50/50 assumption:

Table 2: SHPS performance from Sept 17 to Oct 20

	Sept 17-Oct 20	Total Cost	Forecast by Oct 21
Total Referrals	2112		
Total Personalised Housing Plans (PHP) completed	1622	£486,600	1710
Housing Secured (Prevention)	113	£84,750	129
Housing Secured (Relief)	760	£654,750	738
Sustained for more than 8 months	448	£336K	726
		Total= £1.56m	£1,924,850*

*Capped at £1.8m

The 490 applicants who did not complete a PHP, either failed to attend their interview, or refused to engage with the service.

- 3.22 The SHPS team are able to access the Discretionary Housing Payments (DHP) budget, to help secure accommodation in the Private Rented Sector under the Relief Duty, which is mainly studio flats in and around Brent.

3.23 The current Trailblazer funded contract is capped at £1.8M. Based on current performance, the service is forecast to achieve £125K over the capped amount by October 2021. As SHPS do not require any additional outcome payments, this service would, in effect, be delivered for free.

3.24 **Estimated Contract Value**

The estimated contract value is £2,572,998.

For Brent Council, the maximum outcome payments will be £1,672,449 across the 3 years of referrals, based on 756 referrals per year at an average subsidised cost of approximately £737 per client.

If the maximum number of referrals are made, this will result in a saving of £900K across 3 years due to the LCF subsidy.

Benefits of the Service

3.25 A payment for outcomes approach ensures value for money for the Council by only paying for successful outcomes. It also ensures that the SHPS Team actively seek referrals to achieve more outcomes.

3.26 This contract will enhance the support and assistance available to singles and couples without children and will deliver an overall cost saving when compared to the resources required to deliver the service in-house.

3.27 There are clear financial benefits as the Council will be able to access the LCF subsidy for each outcome. If the maximum number of referrals are made, this will result in a saving of £900K across 3 years.

3.28 The service allows the Council to meet the gap in services, identified by the OBR, to provide more significant support to single homeless people, who do not meet the vulnerability threshold under homelessness legislation.

Approval for Contract

3.29 As lead commissioner, Islington considered several procurement options – including a competitive tender process as well as a direct award without competition accompanied by the publication of a voluntary transparency notice (formerly known as a VEAT notice). A voluntary transparency notice is a means of the Council expressing its intention to enter into the contract with a justification of the decision to award the contract without prior publication of a contract notice. If any challenge is received within the regulatory timescales, then a competitive procedure is undertaken.

- 3.30 A number of considerations were taken into account by Islington in determining the most appropriate route, including:
- Bridges had already gone through a market engagement procurement process undertaken by Brent to manage their pilot.
 - Bridges was best placed to deliver SHPS as an existing ‘Social Prime Contractor’; with a track record in delivering similar dedicated homelessness prevention services on a payment by results basis - having launched 31 outcomes contracts to date (two thirds of the total in the UK).
 - Bridges had already secured in-principle LCF grant (£4.7m), along with Bridges’ own social investment backed funds (£3.94m) for the provision of SHPS.
 - An appraisal of the market suggested that there is no other provider able to offer the scale of funds/product that boroughs could buy in to.
- 3.31 For the reasons outlined above, their preferred option was to issue a voluntary transparency notice, which covered the other 12 local authorities, including Brent Council. In doing this, Islington Council followed a transparent process. As a result, the other local authorities, including Brent Council, are eligible to use this contract by entering into separate Access Agreements contained within the contract terms.

4.0 Financial Implications

- 4.1 The estimated gross value of this contract is £2,572,998.
- 4.2 The financial support provided by the Life Chances Fund reduces the net cost to the Council to a maximum of £1,672,449.
- 4.3 The net cost of this contract will be funded from within the Housing Needs budget. The prevention of homelessness and obtaining of suitable accommodation leads to a reduction in demand for in-house homelessness services which in turn leads to a financial benefit to the Council from the alleviation of homelessness.
- 4.4 The Consortium has proven to be a reliable partner to date in delivering measurable prevention outcomes.

5.0 Legal Implications

- 5.1 The Council has a duty under the Homelessness Reduction Act 2017, to provide homelessness services to all those affected (not just those who have priority need), by taking reasonable steps to prevent or relieve homelessness for anyone at risk of homelessness within 56 days.
- 5.2 The services falls within Schedule 3 of the Public Contracts Regulations 2015

(the Regulations) and based on the value over its lifetime (which is in excess of the threshold for Schedule 3), the procurement and award of the contract are therefore governed by the Regulations. The Regulations allows contracting authorities the flexibility to determine appropriate procurement procedure for the award, taking into account the relevant service, needs of service users, continuity and quality of service subject to the overarching principles of advertisement, transparency, fairness and equal treatment.

5.3 The procurement process undertaken in respect of the contract which was commissioned on behalf of other 12 local authorities, including Brent Council are as set out in paragraph 3 above. The award is subject to the Council's own Standing Orders in respect of Medium Value Contracts and Financial Regulations.

5.4 As indicated in paragraph 5.3, the award of the contract is subject to the Council's own Standing Orders in respect of Medium Value Contracts. Chief Officers have delegated to them power to award Medium Value Contracts in accordance with paragraph 9.5, of Part 3 of the Constitution.

6.0 Equality Implications

6.1 The proposals in this report have been subject to screening and officers believe that there are no equality implications.

7.0 Consultation with Ward Members and Stakeholders

7.1 Consultation with Cllr Eleanor Southwood - Cabinet Member for Housing and Welfare reform has taken place.

8.0 Human Resources/Property Implications (if appropriate)

8.1 N/A

9.0 Public Services (Social Value) Act 2012

9.1 The Council is under a duty pursuant to the Public Services (Social Value) Act 2012 ("the Social Value Act") to consider how services being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the Council might act with a view to securing that improvement; and whether the Council should undertake consultation. Officers have had regard to considerations contained in the Social Value Act in relation to the procurement.

Report sign off:

PHIL PORTER
Strategic Director of Community
Wellbeing

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Precedent 1(i)
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