

	Officer Key Decision
	Report to the Director, Housing Needs & Support Service
Authority to Vary and Extend a contract for the Provision of the Single Homeless Prevention Service	

Wards Affected:	All
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	N/A
Background Papers¹:	N/A
Contact Officer(s): (Name, Title, Contact Details)	Saleema Nuraney, Service Manager – Private Sector Initiatives & Projects and Social Housing 020 8937 2076 Saleema.nuraney@brent.gov.uk

1.0 Purpose of the Report

- 1.1 This report requests authority to vary and extend a contract in respect of the Single Homeless Prevention Service with Pan London Single Homelessness Prevention Service Limited as required by Contract Standing Order 112. The report summarises the reasons for the request to vary and extend and sets out the nature of the variation and the duration of the extension.

2.0 Recommendation(s)

That the Director, Housing Needs & Support Service, in consultation with the Cabinet Member for Housing, Homelessness and Renters:

- 2.1 Approves the variation of the contract for the provision of Single Homeless Prevention Service with Pan London Single Homelessness Prevention Service Limited to permit a further referral period from 1 November 2026 to 31 October 2027.
- 2.2 Approves the variation of the contract for the provision of the Single Homelessness Prevention Service with Pan London Single Homelessness Prevention Service Limited to extend the contract term to accommodate the assessment and verification of outcomes arising from referrals made during the extended referral period detailed in (1) above.
- 2.3 Approves the extension of the contract detailed in (2) above for a period of 12 months from 1 November 2027 to 31 October 2028.

3.0 Background

3.1 Contribution to Borough Plan Priorities & Strategic Context

- 3.1.1 The proposal in this report will contribute to 3 of the Strategic Priorities of the borough plan through social value, namely:

Strategic Priority 1 (Prosperity and Stability in Brent) by providing accommodation support for vulnerable households, to achieve Desired Outcome 2 of Safe, Secure and Decent Housing

Strategic Priority 5 (A Healthier Brent) as it will reduce the impact to health inequalities for people living in nightly let accommodation, i.e achieving desired outcome 1 (Tackling Health Inequalities)

Strategic Priority 3 (Thriving Communities) as it involves working with vulnerable client to build independence by using an approach that builds independence and reduces repeat homelessness

3.2 Detail

- 3.2.1 Under 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. This includes single people and couples without children.

Detail

- 3.2.2 The Council entered into a contract with Pan London Single Homelessness Prevention Service Limited (the “Contractor”), for the Single Homeless Prevention Service (SHPS) for a period of four (4)

years (the “Contract”). The Contract commenced on 1 November 2023 with an estimated value of £2.1m, the current estimated value of the contract is £2.99m. The Contract is an outcome based service to deliver the SHPS, 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. The Contract is required to deliver the following 3 payment related outcomes for referred clients:

- Completion of Personal Housing Plan
- Prevention or Relief of homelessness (either by ensuring the referred client is able to remain in their current accommodation or through securing alternative accommodation)
- 8 month tenancy sustainment

3.2.3 Although the current Contract term is 4 years (from 1 November 2023 to 31 October 2027), the Council can no longer refer clients from 1 November 2026. This is to allow the Contractor to fulfil the final outcome around tenancy sustainment for clients that have previously been referred. As a result no further referrals can be made into the service from 1 November 2026. The Contract was originally structured such that referrals would be accepted during the initial service delivery period, with a subsequent period allowed for assessment and verification of outcomes prior to contract expiry.

3.2.4 To ensure a continuity in service provision as well as ensuring the Council's ability to refer clients to the service, Officers consider that the contract should be varied pending a full procurement exercise to award a new contract in respect of this service. As a result, Officers have entered into discussions with the Contractor to vary the Contract as follows:

- Variation to to permit a further referral period from 1 November 2026 to 31 October 2027; and
- Variation to permit an extension to the Contract term for a period of one (1) year, thereby allowing the outcome assessments to be carried out during the final year.

3.2.5 The SHPS is 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 maximise long term housing sustainment, the service improves clients' wider personal circumstances, ranging from mental health, employment, family

relationships and access to support services, including alcohol or substance abuse. This Contract enhances the support and assistance available to singles and couples without children.

- 3.2.6 Homelessness demand remains extraordinarily high with Brent seeing one of the highest demand rates in the country, with an average of 170 homeless approaches per week over the past 12 months. The service allows the Council to fulfil its statutory duties for a key group of single people who have significant support needs, but a level of vulnerability insufficient to be placed into emergency temporary accommodation.
- 3.2.7 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. 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.
- 3.2.8 The extension will enable the service to support 70 referrals per month, equivalent to 840 referrals over 12 months. In addition, 15 referrals per month will receive specialist employment support creating an integrated pathway from stable housing into sustained employment. The Contract was originally structured so that referrals would be accepted during the first three years, with a subsequent period allowed for assessment and verification of outcomes prior to the expiry of the Contract. Officers are seeking to vary this element in the Contract to permit a further year of referrals to ensure continuity of service.
- 3.2.9 To ensure a continuity in service provision as well as ensuring the Council's ability to refer clients to the service, Officers consider that the Contract should be varied as set out at paragraph 3.2.4, pending a full procurement exercise to award a new contract in respect of this service.
- 3.2.10 In addition to the variations recommended, Officers recommend an extension to the Contract term, thereby extending the Contract for a further period of one (1) year from 1 November 2027 to 31 October 2028. This extension will enable the Council to accommodate the assessment and verification of outcomes arising from referrals made during the extended referral period between 1 November 2026 to 31 October 2027.
- 3.2.11 Under section 3(b) of the table at paragraph 9.5 of Part 3 of the Constitution, Directors may only vary and extend contracts and agreements provided that:
- (a) the extension would not be in breach of Procurement Legislation.

- (b) the extension does not substantially alter the terms and conditions of the contract.
- (c) there is sufficient existing budgetary provision.
- (d) if the extension goes beyond the period of extension provided for in the contract (if any) or is otherwise not in accordance with the extension provisions in the contract:
 - (i) in the case of any contract, agreement, deed or other transaction with a life of not more than one year (including any possible extension provided for in the contract) the extension shall not exceed a period of six months; or
 - (ii) in the case of any contract, agreement, deed or other transaction with a life of more than one year (including any possible extension provided for in the contract) the extension shall not exceed a period of one year.
- (e) provided that in the case of any variation (other than an extension):
 - (i) the total value of the variation is less than £1m; and
 - (ii) if the total value of the variation (and any previous variations agreed under this provision) is more than £50k it is not more than 50% of the original contract value (calculated over the life of the contract including any extensions or possible extensions and adjusted in accordance with any price review mechanism provided for in the contract).
- (f) the relevant cabinet member shall be consulted prior to a decision within (d) (i) or (ii) and (e) (i) and (ii) above and may request that the decision instead be referred to them.

3.2.12 Subject to consultation with the relevant Cabinet Member and the Cabinet Member not requesting the decision is referred to them, it is considered that the Director, Housing Needs & Support Service, has delegated authority pursuant to paragraph 9.5 and 9.7 of Part 3 of the Constitution to agree the extension and variation as addressing the matters raised in paragraph 3.2.11 above:

- (a) The proposed extension and variations are not considered to be in breach of Procurement Legislation, being permitted pursuant to, inter alia, Regulation 72(1)(e) of the Public Contracts Regulations 2015. There are also other grounds under the Regulation 72 that could be relied upon to justify the extension and variations.

- (b) The extension and variations do not substantially alter the terms and conditions of the Contract. The variation is being implemented to allow the extension of the contract for a further one (1) year and to enable the referral period to continue under the Contract for an additional year.
- (c) There is sufficient budgetary provision, please refer to section 5 of this report.
- (d) The proposed extension is not in accordance with the extension provisions in the Contract. The Contract has a life of more than one (1) year and the proposed extension does not exceed one (1) year and therefore falls within d(ii).
- (e) The proposed variation is valued at a total of £748,750, which is less than £1 million and less than 50% of the original Contract value, and falls within e(i) and (ii).
- (f) The relevant Cabinet Member shall be consulted prior to the decision as the decision falls within d(ii), e(i) and e(ii).

4.0 Financial Considerations

- 4.1 The contract was originally awarded with an estimated value of £2.1m. The value of the proposed variation and extension is £748,750.
- 4.2 The cost of this variation and extension of the Contract will be paid for by the Residents and Housing Services directorate.
- 4.3 The service is currently forecasting a significant overspend for the 26/27 financial year. There is a risk that budgetary pressures will continue into future years. The costs of this extension will need to be considered as part of future budget setting and medium-term financial planning processes.
- 4.4 This is an outcome based contract. The provider is paid on achievement of agreed outcomes relating to the prevention and relief of homelessness for single people and couples without children, together with the provision of support services to help sustain individuals in accommodation.
- 4.5 The cost of the extension is capped at £748,750, the Council will not be charged for outcomes exceeding this amount.

5.0 Legal Considerations

- 5.1 Officers recommend the variations and extension of the Contract as set out in paragraphs 2.1, 2.2 and 2.3.

- 5.2 The Contract was procured prior to 24 February 2025, as such, the Contract is governed under the Public Contracts Regulations 2015 (“PCR 2015”). The value of the Contract is such that it is subject to full application of the PCR 2015.
- 5.3 A contract may only be modified (to include an extension) without a new procurement procedure where this is done in accordance with Regulation 72 of the PCR 2015. Regulation 72 sets out various circumstances in which it is possible to vary and extend a contract. Regulation 72 (1)(e) of the PCR 2015 states that contract and framework agreements may be modified without a new procurement procedure where the modifications, irrespective of their value, are not substantial within the meaning of paragraph (8). Regulation 72(8) provides that a modification of a contract or a framework agreement during its term shall be considered substantial for the purposes of paragraph (1)(e) where one or more of the following conditions is met:—
- (a) the modification renders the contract or the framework agreement materially different in character from the one initially concluded;
 - (b) the modification introduces conditions which, had they been part of the initial procurement procedure, would have—
 - (i) allowed for the admission of other candidates than those initially selected,
 - (ii) allowed for the acceptance of a tender other than that originally accepted, or
 - (iii) attracted additional participants in the procurement procedure;
 - (c) the modification changes the economic balance of the contract or the framework agreement in favour of the contractor in a manner which was not provided for in the initial contract or framework agreement;
 - (d) the modification extends the scope of the contract or framework agreement considerably;
 - (e) a new contractor replaces the one to which the contracting authority had initially awarded the contract in cases other than those provided for in paragraph (1)(d).
- 5.4 Given the circumstances surrounding the proposed extension and variations as set out in Section 3, it is considered that the modifications are not considered substantial for the purposes of Regulation 72(1)(e), as they do not alter the overall nature of the Contract, the services to be

delivered, the outcome-based payment mechanism or the contractor. Rather, they are limited to extending the referral period and extending the Contract term to facilitate the assessment and verification of outcomes arising from referrals made during that extended referral period. Accordingly, it is considered that the Council is able to rely on Regulation 72 (1)(e) of the PCR 2015 in varying and extending the Contract as recommended. It should be noted that potentially there are also other grounds under Regulation 72 that could be relied upon to justify the variation.

- 5.5 The Director is authorised pursuant to Paragraphs 9.5 and 9.7 of Part 3 of the Constitution to extend and vary contracts subject to the conditions set out in paragraph 3.2.11 above. As set out in paragraph 3.2.12 above, and subject to the relevant cabinet member not requesting the decision to vary be referred to them, none of these conditions preclude the Director from agreeing the recommended extension and variations.
- 5.6 In accordance with Contract Standing Order 112, the Director, Housing Needs & Support Service, should only agree to extend the Contract if the extension will achieve best value and is reasonable in all the circumstances. The Director is referred to Section 3 for further information.

6.0 Equity, Diversity & Inclusion (EDI) Considerations

- 6.1 Pursuant to s149 Equality Act 2010 (the “Public Sector Equality Duty”), the Council must, in the exercise of its functions, have due regard to the need to:
- (a) eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it,
- 6.2 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 6.3 Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or

minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.

6.4 There is no prescribed manner in which the council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary.

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

7.0 Consultation with Ward Members and Stakeholders

7.1 The Cabinet member for Housing, Homeslessness and Renters has been consulted on the proposals in this report.

8.0 Climate Change and Environmental Considerations

8.1 There are no climate change or environmental impacts arising from the proposed variations and extension.

9.0 Human Resources/Property Implications (if appropriate)

9.1 There are no implications for Council staff arising from the proposed variation and extension of the Contract.

10.0 Communication Considerations

10.1 N/A

Report sign off:

Laurence Coaker
Director Housing Needs