

Housing, Finance & Corporate Services Policy and Scrutiny Committee

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Title:	Re-Commissioning the Housing Options Service
Report of:	Rebecca Ireland, Senior Housing Needs Manager
Cabinet Member Portfolio	Housing, Regeneration, Business and Economic Development
Wards Involved:	All
Policy Context:	City for Choice and Aspiration
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1. Executive Summary

The Council first contracted out the delivery of its Housing Options Service in 2001. The service was retendered in 2007 and the contract is due to expire at the end of September 2017. Residential Management Group, part of the Places for People Group have been the provider of these services since 2001. The service incorporates the delivery of the Council's statutory housing advice, assessment and allocations services in the Borough including the prevention and management of homelessness and temporary accommodation.

The service operates within a challenging and demanding environment given the intense pressure of the local housing market, welfare reform, a changing homeless legislative environment and sustained and increasing demand for services. There is also an intense focus and regular challenge to housing assessment decisions that requires an exceptional understanding of housing law, integrity of service provision and ability to defend decisions and protect the reputation of the Council.

With the expiry of the existing contract, and the introduction of a new Rough Sleeper Strategy in 2017, the Council has an opportunity to review frontline service delivery and reshape where appropriate to place greater emphasis on:

- High quality frontline advice that actively deals with the broader range of issues that contributes to and threatens homelessness;
- Early intervention and homeless prevention;
- Greater mobile working, connectivity with other core frontline services and improved digital advice and delivery solutions to better integrate advice services offered by the Council and ensure early intervention and support where possible;
- Distinction between the 'people' services and the 'property' services' to attract specialist advice and property providers that will bring forward innovations and best practice from these sectors to deliver improved outcomes for the Council;
- Shaping a service that is better tailored to deal with single homeless people and homeless families, recognising the different complexities and requirements of each group and incorporating the learning and best practice that is available to us via the mature, third sector provision for rough sleepers and single homelessness;
- Strengthens our procurement of property capabilities to increase supply of affordable accommodation; and
- Continues to manage the quality, utilisation and income collection arrangements for our temporary accommodation stock.

Our proposal is to procure the service in four lots as follows:

Lot 1: Frontline advice, homeless prevention and support services;

Lot 2: Single person homeless services;

Lot 3: Housing assessment, allocations and nominations; and

Lot 4: Procurement and management of temporary accommodation.

The procurement of the service in 'lots' will enable us to:

- Promote competition for the contract(s) by enabling specialist and smaller providers to tender for a particular 'lot' or partner with others to provide a single solution across all 'lots';
- Secure better value for money through the re-specification of services and the competitive process;
- Explore and implement innovative and best practice solutions for service delivery, including improved digital solutions; and
- Secure additional capacity and expertise from experienced partners in terms of sourcing and procuring additional, affordable accommodation to meet borough needs and deliver longer term sustainable housing options for clients.

The purpose of this report is to inform and gain support from Housing, Finance & Corporate Services Policy and Scrutiny Committee of our overall strategy for and reshaping of the service and our intended procurement.

The Committee has recently received reports on the Supply and Allocation of Social Housing 2016/17 in March 2016 and a confirmation of the MTP target in relation to the re-procurement of this service in February 2016. There have also been regular MTP reports presented to Finance Committee.

2. Key Matters for the Committee's Consideration

Policy and Scrutiny Committee are asked to note the contents of the report and confirm the following:

1. The creation of a more agile frontline advice service that enables greater mobile working, outreach advice, collaboration and integration with other related services such as Children and Adult services, promotion of and access to employment services, in addition to promoting self-serve and digital advice solutions.
2. Support for the procurement of the service in four 'lots' that will encourage competition by appealing to experienced providers that are currently delivering specialist services within this and related sectors and encourage providers to consider the formation of partnerships and consortium arrangements to deliver the requirements of the Council.
3. Support the movement towards a partnering approach with providers that will enable the transformation of these services over time and ensure a more flexible service that can respond adequately to the changing demands and legislative framework in addition to the impacts that other broader Council initiatives such as the Integrated Customer Service, One Front Door and Digital Transformation initiatives will have on these services.
4. Support for the re-shaping of the service that forms a clearer distinction between the 'people' and 'property' aspects of the service and places greater emphasis on frontline advice, homeless prevention and self-serve solutions.

3. Background

Westminster City Council ("WCC") have a contract with Residential Management Group, part of the Places for People Group ("RMG") to deliver the Council's statutory housing advice, assessment and allocations services in the Borough and, importantly, the advice, prevention and management of homelessness and temporary accommodation. The services were first contracted out in 2001 and then again in 2007.

Our existing contract is due to expire in October 2017 and a new contract needs to be in place by 1 October 2017 to ensure the continuity of these statutory services. This paper sets out our intended re-shaping of the services and approach to the procurement of these services to ensure that we receive innovative, competitive and value for money proposals from the market to enable the continuity of statutory housing service provision within the borough, the commencement of a programme of

modernisation and transformation of services and the delivery of the agreed MTP savings.

3.1 Service characteristics and activity

The activity of the Housing Options Service in 2015/16 can be summarised as follows:

- 70,141 phone calls seeking detailed advice on housing options and housing application follow-up;
- 18,147 visits to the HOS reception at Orchardson Street;
- 1,363 housing applications received, reviewed and assessed;
- Homeless acceptances sustained at c.550 per year;
- Management of 2,500 households in temporary accommodation with the temporary accommodation requirement forecast to remain between 2,300 to 2,700;
- Active management of 2,252 rent accounts in temporary accommodation and the collection of rental income of £40m per annum; and
- Property inspections and active management of temporary accommodation providers to ensure the continued suitability and quality of temporary accommodation.

The current service is delivered from Orchardson Street with a central call centre and reception facility where people are able to access housing advice and assistance.

The very nature of the service means that it needs to be suitable for and capable of dealing with both families and individuals and appropriately tailored to those that are particularly vulnerable or complex including, but not limited to those at risk from domestic violence or suffering mental health issues or drug and alcohol misuse.

The assessment process is complex and requires rigorous verification of client's individual circumstances to enable an accurate and defensible assessment. Decisions are often challenged and the service needs to be equipped to undertake detailed case reviews, defend assessment decisions and protect the reputation of the Council. Frontline advisers and officers require an exceptional understanding of housing law.

There is a mature and well-equipped voluntary and charitable sector offering a wide range of complimentary support and advice, often in a more flexible and tailored environment to specific groups and individuals, where greater collaboration and joint working would achieve better and more efficient and sustainable outcomes.

With the expiry of the existing contract, the Council has an opportunity to review and reshape frontline service delivery and place greater importance and concentration on prevention. The procurement is designed to deliver a greater focus on early intervention and homelessness prevention activities such as mediation with landlords

and employers, reconnection services, employment advice and support, welfare advice and entitlement together with a genuine focus on the affordable housing options and availability of accommodation will also ensure that individuals and families are able to better assess their realistic long term sustainable housing options.

We are also taking the opportunity to make a distinction between the 'people' and 'property' services in our reshaping of the service. There is a well-developed, mature market of potential property providers that have developed solutions for the property inspection, management, lettings and rent collection requirements of the service. Typically, these providers are also well connected within the property market and can strengthen our ability to source and procure additional properties to meet our local housing needs.

The Council's drive towards creating a digital city for all also creates a unique opportunity to improve the digitalisation of the service, offering greater opportunity for self-serve, improved mobility and outreach of the workforce including greater collaboration and integration with other key services.

In addition, the Council's Integrated Customer Service (ICS) initiative also enables the potential shift of frontline advice services, call handling and call management to a specialist provider to drive service efficiencies and further shift the access to the Housing Options Service away from a more traditional reception facility to a more streamlined and digitally informed environment, allowing the core Housing Options Service to concentrate on effective, responsive and high quality 'triage', proactive homelessness prevention, tailored support and effective service pathways for the client group and the effective discharge of duty. Importantly, the new services and contract will continue to meet the Council's statutory housing duties.

3.2 Current contract and financial parameters

We currently have a single contract with RMG at an annual cost of £4.3m that is shared between the HRA (£1.1m) and general fund (£3.2m). In addition, the Council has a limited number of additional costs associated with the contract such as the provision of IT, telephony, out of hours and legal costs. These would set to continue under the new contractual arrangements.

The MTP savings target linked to homelessness for 2017/18 are £500k, making a revised contract total of £3.8m per annum. The re-shaping and specification of the services will need to achieve the MTP savings target. We anticipate that the savings will be achieved through increased efficiency, the competitive procurement process and early and positive prevention of homelessness and discharge of duty.

3.4 Re-shaping of the service and proposed service 'lots'

Our intention with the re-shaping of the service is to provide greater emphasis on high quality frontline 'triage' and advice services, that will enable early intervention, mediation and support to individuals and families to sustain their existing tenancy, identify their options for long term sustainable housing and to avoid homelessness altogether if at all possible. We envisage a frontline advice and support service that is able to deliver advice and assistance in a more flexible and mobile manner, and

from within the community rather than a reception facility within a single office. To enable this model of delivery, the IT infrastructure and digital working will need to be enabled.

More outreach advice services will better facilitate integration and sharing of information between different services e.g. adults and children services and the better utilisation of other community facilities that are frequented by those individuals and families in need of support.

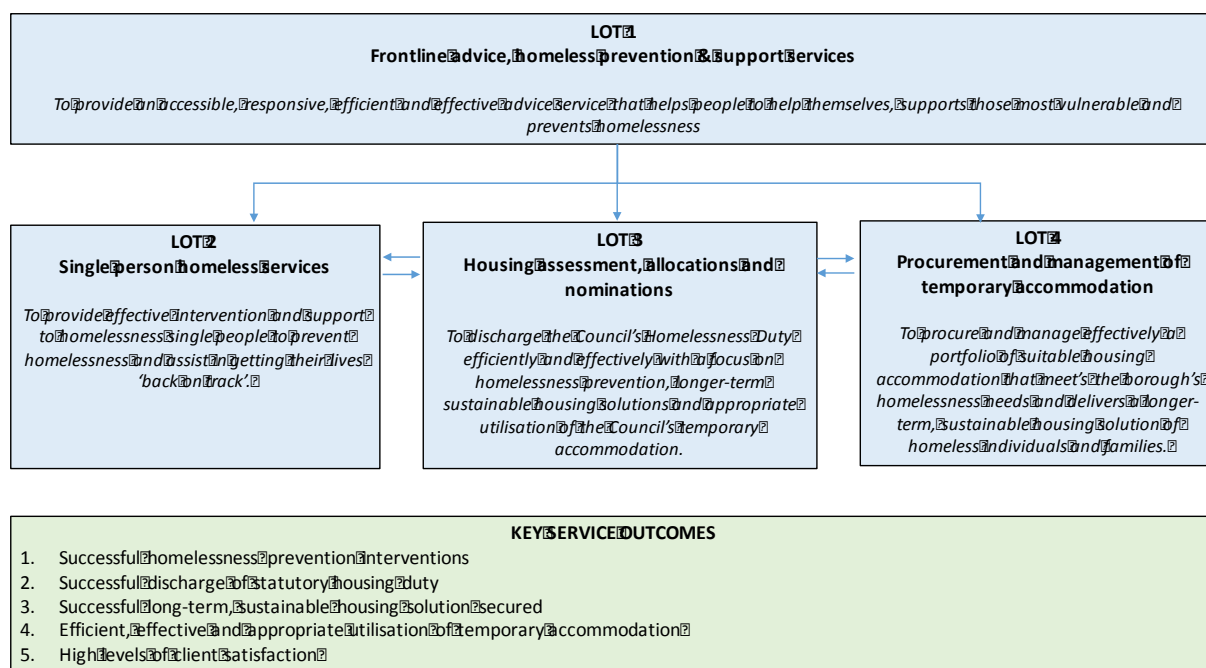
There is a well-developed and mature sector of service provision for rough sleepers and single homeless people with complex needs in Westminster, best illustrated by the facilities and service provision by our third sector providers. Recognising the strength of these providers, current services offered and identifying a separate pathway for single homeless people that come via the Housing Options Service will play well to the existing providers within the market and an opportunity to utilise existing facilities and services particularly tailored to address single homelessness in Westminster.

Our third area of service will deliver the Council's statutory housing and homelessness services including assessment, allocations and nominations to ensure the continuity of the Council's statutory housing functions. This element of the service will undertake the detailed assessment process and determine eligibility and priority for housing. As identified above, decisions are often challenged, so the service will be equipped to undertake detailed case reviews, defend assessment decisions and protect the reputation of the Council. An exceptional understanding of housing law will be a pre-requisite to this element of service provision.

The final element of the service provision relates to property related services, including the management of the Council's 2,500 stock of temporary accommodation and rent accounts and, importantly, will include an obligation for the sourcing and procurement of additional, affordable accommodation to meet borough need.

The four 'lots' proposed for the Housing Options Service are illustrated in Figure 1 below.

Figure 1: Proposed Lots and Areas of HOS Delivery



In addition to driving the transformation of services to respond to challenges and move to a prevention-focussed service, the re-shaping of the HOS contract and services will enable us to:

- Promote competition for the contract(s) by enabling specialist and smaller providers to tender for a particular 'lot' or partner with others to provide a single solution across all 'lots';
- Secure better value for money through the re-specification of services and the competitive process;
- Explore and implement innovative solutions and best practice for service delivery, including improved digital solutions; and
- Secure additional capacity and expertise from experienced partners in terms of sourcing and procuring additional, affordable accommodation to meet borough needs and deliver longer term sustainable housing options for clients.

We have been careful to test our strategy with the market through some informal market testing during early October following the publication of a Prior Information Notice on 19th September 2016. There was a good level of interest from potential providers, with 15 organisations attending the sessions and confirming their interest in all or some of the lots. There was also a high level of support for our overall strategy and direction of travel for the service and a willingness to explore partnership working to best manage the interfaces between different providers and service lots.

There are undoubtedly some risks associated with dividing the service that will need to be effectively mitigated through the procurement process and contractual and governance arrangements that are put in place. The key ones are as follows:

- The interfaces between lots and providers need to be adequately addressed and managed through the contractual and governance obligations of the contract if there are to be different contractors for each lot.
- The Council will be required to manage four contracts rather than one necessitating effective and efficient governance, including system-generated reports, self-monitoring and appropriate Council access to verify information, undertake quality assessments and audits.
- The service will be transformed over time rather than by day 1, the services will also need to be flexible to the changing legislative landscape for homeless services and potential volatility in activities and cases e.g. Homelessness Reduction Bill. Our intention, therefore, is to adopt a partnering contract that enables the Council and providers to transform services over the term of the contract, appropriately respond to challenges within the sector and agree joint initiatives and innovations that will deliver the best outcomes for clients within the affordability parameters of the Council.

Our preference will be to have a lead contractor that partners with specialist providers to deliver high quality services across all lots and enables a single contract with the lead provider.

Further development will be required prior to launching the procurement of the HOS opportunity.

3.5 Procurement timetable and mobilisation

The timetable for the procurement of the re-shaped HOS contract is detailed in Figure 2 below.

Figure 2: Procurement Timetable

Stage	Milestone
PIN publication	20-Sep-16
Soft market testing	Oct-16
Launch procurement	Jan-16
Tender return	May-17
Award	Jul-17
Mobilisation period	Jul-17 to Sep-17
Contract commencement	Oct-17

It is critical that we have the new contract(s) in place by 1st October 2017 to ensure the continuity of these important frontline and statutory services. Given our existing contract with RMG, there is the need for a sufficient period of transfer between the

current and the new contractual arrangements and provider(s). A minimum period of 3 months for a realistic mobilisation for a contract of this nature. This necessitates an award in July 2017.

3.6 Next steps

The next steps for the team to implement this service re-shaping and procurement strategy are as follows:

- Gate 1 approval; and
- Finalise the procurement documentation prior to launch.

If you have any queries about this Report or wish to inspect any of the Background Papers please contact Rebecca Ireland x0000
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APPENDICES:

None

BACKGROUND PAPERS

None