



City of Westminster

Cabinet Member

Meeting or Decision Maker: Cabinet Member for Housing

Date: 29 September 2022

Classification: General Release

Title: Housing Solutions Service Contract Extension

Wards Affected: All

Policy Context: The contract extension ensures statutory compliance in the delivery of services and allows for a redesign of how services will be delivered from October 2024.

Key Decision: Yes

Financial Summary: The Housing General Fund Housing Solutions Service contract budget for 2017/24 is £29,652,000. Of which, £8,294,707 relates to the period 1st October 2022 until 30th September 2024.

Report of: Debbie Jackson

1. Executive Summary

- 1.1 The Housing Solutions Service incorporates the delivery of the Council's statutory housing advice, assessment and allocations services in Westminster including the prevention and management of homelessness and temporary accommodation.
- 1.2 The service continues to deliver within a difficult and demanding environment, intense challenges of the local housing market, impact of cost-of-living pressures on residents, a robust homeless legislative environment and a sustained and increasing demand for services.
- 1.3 Places for People and their delivery subsidiary Residential Management Group (RMG), who deliver the service in partnership with the Passage & Shelter are the current providers of the contracted service.
- 1.4 They have achieved satisfactory to exceptional performance levels, measured across their performance framework and have remained compliant with all other contract requirements across the initial contract period.
- 1.5 This report is seeking endorsement to invoke the permissible 2-year extension for the statutory Housing Solutions Service with Places for People Group from 1st October 2022 to 30th September 2024 as the 2-year extension was part of the original award which was approved 6th July 2017.
- 1.6 The extension ensures statutory compliance in the delivery of services and allows for a redesign of how services will be delivered from October 2024.
- 1.7 Recommissioning of a new service model is envisaged to take 9-12 months, with an implementation of service transfer over the remaining 6 months.

2. Recommendations

- 2.1 That the Cabinet Member agrees the permissible 2-year extension as Places for People Group have been delivering the service within a challenging demand environment to their key performance indicators alongside a continuous service development approach, within budget over the last 5 years.

3. Reasons for Decision

- 3.1 The service was competitively tendered across 4 service lots in 2017 for a 5 year plus 2-year term. The four lots were successfully awarded to one provider Places for People who are delivering the service in partnership with the Passage & Shelter.
- 3.2 The 2-year extension will be used to redesign this front-line service, consult with users by experience and utilising good practice and innovation from

across the sector to ensure the future shape of the service is in line with the recommendations of the Westminster Housing Commission and the Fairer Westminster strategic vision - a *Fairer Environment, Fairer Housing, Fairer Economy, Fairer Council, Fairer Communities*. Which will be delivered work directly with our residents, communities and businesses we can build a more inclusive city that celebrates its diverse communities, and where residents, workers and visitors from all backgrounds will feel welcome and safe.

4. Background, including Policy Context

4.1 The Council first contracted out the delivery of its frontline homelessness, allocations and housing register functions in 2001. It has been subject to two contract extension periods the last of which was in September 2017.

4.2 An open procurement procedure was undertaken with the services divided into four lots:

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.

4.3 The creation of Lots was due to the broad range of services captured by the contract and to ensure the contract was accessible to a wide range of providers in the market including Small to Medium Enterprises and Voluntary and Charity Sector organisations.

4.4 The Places for People Group bid as a consortium with the following partners, RMG, Shelter, Passage and they were successfully awarded contracts in all four lots. The bids received from the Places for People Group brought together the experience of the incumbent provider RMG, and the specialist knowledge of respected third sector providers, Shelter and the Passage.

4.5 All consortium members have significant portfolios of contracts, and those with charitable status can fundraise and attract different funding streams and therefore there is no commercial dependency on this contract.

4.6 Places for People and their subsidiary RMG Ltd hold the contract with Westminster, and the delivery for Lots 1 and 2 are held by them as sub contracted arrangements to Shelter and the Passage.

4.7 key features of the contract delivery from October 2017 were:

- Focused 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 designed 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 established, third sector provision for rough sleepers and single homelessness.
- Strengthening 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.

4.8 Delivery and performance is monitored through Key Performance Indicators (KPI’s) for each Lot and across the service. These are set on a yearly basis, and 10% of the Contract Price is subject to the performance and achievement of the KPI’s at end of financial year. (See appendix B)

4.9 The Consortium has received the full contract award in all 5 years, except for 2018/19 where 5% of overall performance related payment was not awarded for underperformance around homelessness prevention and accommodation outcomes.

KPI Performance	Exceeded target	Met or within acceptable margin	Below Target
17/18	25%	75%	0%
18/19	31.25%	25.00%	43.75%
19/20	70%	30%	0%
20/21	75%	25%	0%
21/22	22.22%	77.78%	0%

4.10 In addition to KPI’s there is a Quality Assurance Framework which includes over 40 activities throughout the year focussing on partnership delivery a rolling programme of Continuous Improvement & development which includes Customer feedback and Involvement, Formal Accreditation, Quality of service checks, Audits on Compliance, Security, Health and Safety and Workforce Development across all four lots.

4.11 there is also a strong social value commitment to the contract, the consortium has delivered their required elements year on year, but for 2021/22 they successfully delivered, 20 social value commitments, these ranging from areas of employment, the environment, education, digital and community themes. A total of £15,160 was pledged alongside these activities and over 54

hours of volunteering was performed by staff across various activities including rough sleeper street counts, One Westminster initiatives and supporting the HELP project with PRS clinics.

4.12 The two-year extension will be used to redesign the service, consult with service users and partners, and ensure the future shape of the service is fit for future demand and need.

4.13 Housing Services in the Housing Needs business area has a rolling programme of activity linked to the Westminster commission and our published strategies which will focus on shaping how we deliver service in the future:

- Community led Prevention – working alongside our communities’ team, to Identify and build up community contacts and organisations and explore opportunities to empower community leads in identifying and referring those who need assistance, upskill, and improve knowledge around early indicators and understanding local authority duties
- Visibility Through Campaigns – Comms and Media led campaign to use a range of channels of communication, via external channels, and working with our digital team to increase the visibility and understanding of our frontline service, service offer and early intervention opportunities, for the public, service users and partners
- Identification of early indicators through practice:
 - Review of the learning from Westminster Trailblazer and implement early indicator pilots
 - Working with the new deal for private renters’ reforms, pilot early intervention with PRS landlords or agencies & Environmental Health to offer support and intervention for tenancy sustainment and retention of tenancies in the market
- Explore Joint approaches with RP and HA partners and our communities’ team around income maximisation, employment, and stabilisation of tenancies for social tenants to enhance our local communities
- Introduce a Partnership Board and homelessness charter working closely with our communities’ team to target key stakeholders, focussed on tackling homelessness and shared responsibility for preventing loss of homes and a focus on early indicators (targeted to external partners Prisons, Police, Probation, Health, third sector organisations and advocacy providers in Westminster)
- Working in partnership with Strategy & Intelligence and digital teams to explore data driven approaches to early indicators of homelessness – review of available data sources across all people-based services, (Public Health, Benefits, Adult Social Care, Children & Families, Public Protection & Licensing, Economy & Employment) and develop a collective approach to identification and targeting intervention
- Allocations scheme review and benefits for homelessness and temporary accommodation, focus on causes of homelessness and links to social housing, overcrowding, family breakdown, under occupiers, exploring all settled accommodation options, and enhancement of the customer offer working with our digital team

- Review of frontline service delivery, through the Housing Solutions Service retender & Strategic Commissioning review, opportunity for benchmarking and shared learning from sector
- Lobbying positions on welfare benefits, cost of living and consultation on grant funding from DLUHC and continue to seek opportunities to bid for external funding.

4.14 The review of statutory frontline service delivery (Housing Solutions Service contract retender) and a strategic review of our commissioning single adult accommodation and support services will be undertaken concurrently to maximise opportunities for innovation, efficiency and value for money, the timetable for service redesign and re-tender is expected to follow.

- 6 months redesign
- 9-12 months tender process to award

5. Financial Implications

5.1 This contract covers the provision of statutory service delivery obligations of WCC in the area of general fund housing. There is budget provision within the General Fund Housing budgets to cover the costs of this contract

5.2 The Contract Price is paid monthly in arrears and is indexed annually (at contract anniversary) in accordance with the GDP Deflator Table as calculated by the Office of National Statistics and published by HMT. VAT is also payable on the Contract Price.

5.3 The original contract included a reducing value for Lot 4: Procurement and management of temporary accommodation. The contract value was a reducing sum over the 7 years of the contract, due to expected reduction in demand (anticipated at the time of tendering).

5.4 The general fund budget for this area has reduced over time, equating to a budget saving of c£130k over the contract term.

5.5 No future Medium Term Financial Planning impacts are linked to this contract extension.

6. Legal Implications

6.1 The contract is a contract for 'Services' under the Public Contract Regulations 2015 and is above the threshold set out in Regulation 5.

6.2 The original procurement was competitively tendered on a 5-year basis plus a 2-year optional extension. As the 2-year extension was included as part of the original procurement exercise, there are no implications under the Public Contract Regulations that apply.

- 6.3 The terms and conditions under the existing contract will continue to apply to the two-year extension period.
- 6.4 The Commercial Gateway Review Board – Gate 3 approved the contract extension for the delivery of Housing Solutions service to Places for People Group to proceed to the Executive Director of Growth, Planning and Housing recommendation to the Cabinet Member for Housing Services on 9th September 2022.

7. Carbon Impact

- 7.1 There are no carbon impact implications arising from this report. However, a full carbon impact assessment will be undertaken as part of the redesign of the new service delivery model for October 2024.

8. Equalities Impact

- 8.1 An Equalities Impact Assessment (EIA) has been completed on the proposed extension of the contract. Users of the statutory service are made up of different groups in housing need - homeless households seeking advice through to statutory duties, tenant seeking transfers and those registered on our housing register (includes tenants of other social landlords and those in the private rented sector).
- 8.2 The EIA found that when looking at demand for housing assistance, certain groups with protected characteristics were overrepresented compared to their population share: Black, Asian, and Middle Eastern households; women, the 25–44 and the 45–65 age groups; households with children; and lone parents.
- 8.3 Whilst protected characteristics are still evident, they vary when looking at demand by each of the broad groups needing assistance (homeless households, transfer and housing register applicants). For example, these over representations are even more pronounced amongst homeless households.
- 8.4 The EIA concluded that overall, the service is balanced across all the different groups in need of housing in its service delivery.
- 8.5 A full EIA will be undertaken as part of the redesign of the new service delivery model for October 2024.

9. Consultation

- 9.1 there is no requirement for consultation required as part of this report, as the two-year extension period was part of the original award and contract term, therefore this report is only seeking decision for compliant extension.

10. Staffing Implications

- 10.1 There are no direct staffing implications in relation to the contract extension. However, there is likely to be future staffing implications as part of the redesign of the new service delivery model for October 2024.

11. Communications Implications

- 11.1 Internal and external communications over the extended period will be managed to ensure transparency and consistency of delivery for the extended contractual arrangements and to mitigate impact of the redesign of the service delivery model for October 2024.

If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:

Gillian Matthews – Homeless Performance & Contracts Manager –
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APPENDICES

Appendix A – Other Implications

Appendix B – Key Performance Indicators 2022/23.

BACKGROUND PAPERS

- Cabinet Member Housing Options Service – July 2017

NB: For individual Cabinet Member reports only

For completion by the **Cabinet Member for Housing**

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed:



Date: 29/09/2022

NAME: **Councillor Liza Begum, Cabinet Member for Housing**

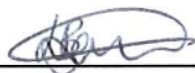
State nature of interest if any:

(N.B: If you have an interest, you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled

Housing Solutions Service Contract Extension and reject any alternative options which are referred to but not recommended.

Signed:



Cabinet Member for Housing

29/09/2022

Date:

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, City Treasurer and, if there are resources implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed

from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.