



City of Westminster

# Cabinet Member

**Meeting or Decision Maker:** Cabinet Member for Housing

**Date:** 11<sup>th</sup> June 2024

**Classification:** Part Exempt

The accompanying report is part exempt from disclosure by virtue of the following Paragraphs of schedule 12A to the Local Government Act 1972:

That Part B of this report be confidential pursuant to paragraphs 3 and 5 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the financial or business affairs of tenderers for the contract which is the subject of this report, and Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings. In all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**Title:** Supported Accommodation  
Contracts

**Wards Affected:** Multiple

**Policy Context:** The direct awards recommended in this report are required to ensure service continuity of specialist supported housing and hostel accommodation for vulnerable service users.

**Key Decision:** Yes

**Financial Summary:**

The contractual values refer to 12 contracts to separate providers with the aggregated value of £33,804,186.08.

**Report of:**

Sarah Warman

## **1. Executive Summary**

- 1.1 The Council delivers supported accommodation for a range of vulnerable adults, with the aim of empowering homeless and vulnerable individuals to rebuild their lives and achieve greater independence. Supported accommodation provision enables the delivery of the Council's statutory services in Westminster, including the prevention and management of homelessness for residents who have additional support needs and providing a cost-effective alternative to residential care placements for the vulnerable.
- 1.2 The current providers of supported accommodation contracts are all long-standing providers of services which form part of Westminster's accommodation pathways which specialise in services for those who; experience mental health needs; are young people with supported accommodation needs; are vulnerable women with support needs including those fleeing domestic violence; are former rough sleepers with support needs and/or rough sleepers requiring street outreach and off street provision as well as floating support.
- 1.3 A Cabinet Member decision is being sought to approve the directly awarded contracts set out in section 2 of this report.

## **2. Recommendation**

2.1 That the Cabinet Member for Housing approves direct awards for the following:

- Award of a contract for the provision of accommodation at Queen Mary & Chapter Street for women with complex mental health needs, to The Riverside Group Limited (company number IP030938) from 1<sup>st</sup> January 2022 to 31<sup>st</sup> December 2024 for the contract value of £2,036,565.08.
- Award of a contract for the provision of hostel accommodation at Edward Alsop Court for men with complex needs requiring 24/7 support to Look Ahead Care and Support Limited (company number IP21004R) from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2026 for the contract value of £3,416,304.
- Award of a contract for the provision of hostel accommodation at King George's hostel for men with complex needs requiring 24/7 support, to Single Homeless Project (The) (company registration number 01741926) from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2026 for the contract value of £2,198,172.
- Award of a contract for the provision of the move on and resettlement service, to St Mungo Community Housing Association (Company number: 8225808 Charity number – 1149085) from 1<sup>st</sup> October 2021 to 31<sup>st</sup> March 2026 for the contract value of £3,237,156.
- Award of a contract for the provision of women's safe space service, to St Mungo Community Housing Association (Company number: 8225808

Charity number – 1149085) from 1<sup>st</sup> October 2021 to 31<sup>st</sup> March 2025 for the contract value of £2,292,175.

- Award of a contract for the provision of assessment and reconnection services at Harrow Road, to St Mungo Community Housing Association (Company number: 8225808 Charity number – 1149085) from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2026 for the contract value of £4,277,437.
- Award of a contract for the provision of an assessment centre at Passage House, to Passage 2000 (Company number 03885593, Charity number – 1079764) from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2026 for the contract value of £4,630,089.
- Award of a contract for Housing First provision, to St Mungo Community Housing Association (Company number: 8225808 Charity number – 1149085) from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2026 for the contract value of £2,404,554.
- Award of a contract for accommodation at Dean Court and London Hotel, from AA Accommodation Services Limited (trading variously as Primus Properties, Dean Court Hotel and The London Hotel) (company number 11688672) from 1<sup>st</sup> September 2022 (the service at London Hotel to commence on 1<sup>st</sup> September 2023) to 31<sup>st</sup> March 2025 for the contract value of £2,439,391 (inclusive of VAT as VAT is applicable to these services).
- Award of a contract for accommodation at St Giles Hotel, from St Giles Hotel Ltd (company number 02954321) from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2025 for the contract value of £4,562,056 (inclusive of VAT as VAT is applicable to these services).
- Award of a contract for security and concierge services from Critico Security (LDN) Ltd (company registration number 11842015) from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2025 for the contract value of £1,667,194.
- Award of a contract for complex needs to Church Army (company registration number 00037169) from 1 April 2018 to 31<sup>st</sup> March 2025 for the contract value of £1,810,000.

## **2 Reasons for decision**

- 2.1 The recommendations are to directly award contracts until March 2025, with a number of accommodation-based services operating to March 2026, with the option to terminate on six months' notice (3 months' notice for Harrow Road) ending no earlier than 31 March 2025. These contract awards are to ensure all services currently delivered under implied terms, are regularised with a signed contract in place. This is to ensure transparency and contractual agreement on the delivery of the service specification, payment terms and terms and conditions of service.

- 2.2 The recommended contract duration aligns to the current 3-year Rough Sleeping Initiative (RSI) grant funded settlement from the Department of Levelling Up, Housing and Communities (DLUHC) and crucially allows time for the development of a Commissioning Plan. This plan will be co-designed with the voluntary and community sector and users by experience, informed by the Westminster Housing Commission's recommendations and linked to the Homelessness and Rough Sleeping Strategy and will set the future commissioning intentions, models of delivery and opportunities for partnership working. The commissioning plan will inform a programme of retendering during 2024, with new service provision commencing from April 2025 onwards.
- 2.3 Accommodation based services having contracts in place until 31 March 26 with a break clause at 31 March 25, will allow for a rolling programme of retendering. It allows for accommodation based services to have a co-terminus end date to enable recommissioning and also recognises the need to have longer mobilisation periods for accommodation-based services. An asset review will be undertaken to look at the different types of accommodation based supported accommodation in the borough and how this can be recommissioned going forward. It is not feasible to in-source these services for the period remaining before the Council goes out to tender.
- 3.5 Continuity of service provision during this period of commissioning design, engagement and then retendering is vital for this vulnerable cohort of service users, without which they may experience homelessness and increased vulnerability.

### **3 Background, including Policy Context**

- 3.1 During the unprecedented challenges during covid, with programmes such as *Everyone In* and the subsequent government announcement of a 3-year Rough Sleeping Initiative (RSI) settlement from May 2022 – March 2025, a number of contracts funded both by general funding and the allocation of RSI funding have been operating on implied contractual terms. Work has been ongoing from June 2023 to regularise this contractual position and ensure contracts cover both retrospective and future spend. In doing so, due diligence has been carried out on each contract to ensure the service specification is relevant and meets need, that inflation has been considered where relevant and that responsible procurement commitments are made and evidenced.
- 3.2 This report recommends directly awarded contracts by way of utilising Regulation 32 under the Public Contract Regulations 2015.
- 3.3 The service has confirmed that direct awards are required as for many of the services there is only one provider that can offer the services due to the unique offer from the service provider. In addition, for many of the services the service

provider owns the accommodation that is an integral part of the services meaning that they have an exclusive right. There are examples of services being awarded to organisations who do not own the properties they are delivered in, however the completion of the Homelessness and Rough Sleeping Strategy and the Commissioning Plan which will drive the re-procurement strategy will ensure these services can be effectively and competitively retendered at the end of the direct award period. The provision is considered to be urgent as without the services being provided it is likely that vulnerable individuals would be without the supported accommodation needed and this would have a large impact on the wellbeing of vulnerable residents.

4.4 A summary of the service provision for each of the recommended contracts are included below:

Contract	Provider	Service provision
Queen Mary & Chapter Street	Riverside	Provides accommodation-based support for up to 59 women with mental health needs, a history of rough sleeping and/or complex needs across 2 sites.  This will be recommissioned this Autumn inline with the women's pathway.
Edward Alsop Court	Look Ahead & Support	Hostel provision for up to 79 homeless men with a range of support needs who require 24/7 on-site support to stabilise and engage with treatment before moving on.
King George's Hostel	SHP	Hostel provision of 68 single rooms with shared kitchen and bathroom facilities for male residents with complex needs requiring 24/7 on site support in a psychological informed environment.
Move on & Resettlement	St Mungo's	Consists of 85 beds in semi-independent accommodation spread across the borough and includes shared accommodation and self-contained flats and studios for men, women and couples.
Women's Safe Space	St Mungo's	Consists of 40 bed spaces made up of 32 respite rooms, 5 NRPF beds and 3 emergency beds alongside intensive support for women experiencing or at risk of rough sleeping and at risk or currently experiencing violence.
Harrow Road Assessment Centre	St Mungo's	A 44-bed assessment and reconnection service for those found sleeping rough in Westminster. Service supports both newer rough sleepers and those with more complex/entrenched issues.

Passage House Assessment Centre	The Passage	A 37-bed assessment centre which provides support to those rough sleepers who are newer to the City of Westminster
Housing First	St Mungo's	A programme to support the most multiply-disadvantaged clients in Westminster who have not sustained or moved on from traditional supported housing to begin their recovery from homelessness.
Dean Court and London Hotel	AA Accommodation	The accommodation bases for the Assessment & Triage Team (Dean Court 17 rooms with ensuite bathroom) and for St Mungo's Street Outreach Service and Connections at St Martins Outreach Team (Street Engagement Team (London Hotel with 17 rooms with ensuite bathroom) for clients who are found to be rough sleeping, who are ready to work towards finding a tenancy or suitable move on plan.  This service is funded by RSI.
St Giles Hotel	St Giles London	Provides between 24 and 48 rooms with ensembles primarily for those clients nearing work readiness and need to be in employment to access Housing Benefits and move into sustainable accommodation.  This service is funded by RSI
Security Services	Critico	Provision of security and concierge services including 24/7 cover across surge and winter accommodation programmes across the borough.  This service is funded by RSI
Complex Needs	Church Army	Provides 25 bed spaces for women experiencing multiple disadvantages alongside 24/7 intensive support both in-house and through effective partnership working.

## 4 Financial Implications

- 4.1 The expenditure outlined in this report relates to supported accommodation for a range of vulnerable adults, with the aim of empowering homeless and vulnerable individuals to rebuild their lives and achieve greater independence. Supported accommodation provision enables the delivery of the Council's statutory services in Westminster, including the prevention and management of homelessness for residents who have additional support needs.
- 4.2 All of the contracts included in the paper are fully budgeted within the Rough Sleeping and Supported People budget allocations. The table below outlines

the annual budget profile for each of the contracts from 2023/24 onwards (along with the prior year spend that is included within these contract awards).

Contract Title	Provider	21-22 (£m)	22-23 (£m)	23-24 (£m)	24-25 (£m)	25-26 (£m)	Total (£m)	Council Funding	Grant Funding
Queen Mary & Chapter Street	Riverside	0.160	0.639	0.639	0.479		<b>1.917</b>	100%	
Edward Alsop Court	Look Ahead Housing & Care Ltd			0.740	0.747	0.747	<b>2.234</b>	73%	27%
King George's Hostel	Single Homeless Project			0.733	0.733	0.733	<b>2.198</b>	81%	19%
The Move-On and Resettlement Service (MOARS)	St Mungos		0.078	0.774	0.776	0.776	<b>2.404</b>	87%	13%
Women's Safe Space	St Mungo's	0.227	0.581	0.731	0.753		<b>2.292</b>	35%	65%
Harrow Road Assessment Centre	St Mungo's				0.767	0.767	<b>1.533</b>	77%	23%
Passage House Assessment Centre	The Passage				0.773	0.773	<b>1.546</b>	65%	35%
Housing First	St Mungos		0.512	0.621	0.636	0.636	<b>2.405</b>		100%
Dean Court Hotel & London Hotel	AA Accommodation Services Ltd		0.304	0.854	0.874		<b>2.033</b>		100%
St Giles	St Giles		0.677	1.817	1.308		<b>3.802</b>	7%	93%
Critico security services	Critico		0.431	0.592	0.644		<b>1.667</b>	5%	95%
Complex Needs*	Church Army	0.280	0.280	0.280	0.280		<b>1.810</b>	100%	

\*The recommendation to award a contract to Church Army for the complex need service refers to delivery of service dating back to 1st April 2018.

4.3 It is important to note that a large proportion of the spend covered by these contracts is funded from external grants. The majority comes from the Rough Sleeping Initiative (RSI) with a contribution from the GLA also available to help fund the Women's Safe Space provision. Grant allocations for RSI have been agreed up to 2024/25 but there is no settlement for 2025/26 at this time. The future delivery of these services is dependent on the availability of this grant funding and, whilst the budget assumes that RSI levels will not change, in the event that future settlements are lower the level of service provision would need



to be reviewed. All of the contracts include break clauses that protect against the potential for grant funding to be withdrawn.

- 4.4 Whilst the contract values are fully budgeted, no inflationary uplifts have been reflected in the budget allocations. Inflationary uplifts have not been built into the contracts (and are therefore not automatic). Instead negotiation will be undertaken with suppliers to ensure that services can continue to be provided (with evidence of rising costs forming part of that negotiation). In the first instance, efficiencies and service re-design will be sought as the means of ensuring that the contracts continue to be managed within the budget envelope.
- 4.5 There are no savings delivered attributed to this procurement exercise.

## **5 Legal Implications**

- 5.1 The Council has duties to provide accommodation, and information and advice services for individuals who are homeless or at risk of homelessness under the Housing Act 1996 (including for victims of domestic abuse); the Mental Health Act 1983 places a duty on the Council to provide after-care when individuals with mental health issues leave hospital; and the National Health Service Act 2006, requires each local authority to take such steps as it considers appropriate for improving the health of the people in its area. In addition, by way of section 111 of the Local Government Act 1972 the Council is empowered to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.
- 5.2 The proposed contracts are recommended for direct award. The contract for security and concierge services with Critico is above the threshold for services contracts of £214,904 and the remaining contracts are above the relevant threshold of £663,540 for light touch regime contracts and therefore must fall within one of the grounds under Regulation 32 of the Public Contracts Regulation 2015 ("PCR"). Regulation 32 permits an above threshold contract to be awarded without public advert in three limited circumstances.
- 5.3 Regulation 32(2)(b)(ii) of the PCR enables the award of a public contract by a negotiated procedure without prior publication where the services can only be supplied by a particular economic operator where competition is absent for technical reasons.
- 5.4 Regulation 32(2)(b)(iii) of the PCR enables the award of a public contract by a negotiated procedure without prior publication where the services can only be supplied by a particular economic operator on the grounds of exclusive rights.
- 5.5 The grounds in Regulation 32(2)(b)(ii) and Regulation 32(2)(b)(iii) can be relied on only in the case where no reasonable alternative or substitute exists and the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement.
- 5.6 Regulation 32(2)(c) of the PCR enables the award of public contracts by a negotiated procedure without prior publication "insofar" as it is "strictly

necessary” for reasons of “extreme urgency” and the time limits (even on an expedited basis) for full procedures cannot be complied with.

- 5.7 Regulation 32(4) provides that under the above ground, the circumstances invoked to justify extreme urgency must not in any event be attributable to the contracting authority.
- 5.8 Section 4.3 of the report sets out the rationale as to why the Council may rely on these grounds
- 5.9 The recommendations all relate to direct awards. Further detail is provided in the Part B report.
- 5.10 The Council’s Procurement Code applies to all of the direct awards recommended in this report.
- 5.11 The Procurement Code requires contracts to be entered into in advance of delivery (paragraph 4.3.4).
- 5.12 The value of the direct awards necessitates them being executed as deeds in accordance with the Procurement Code. Legal Services will assist with completion of the direct award contracts.
- 5.13 The Rough Sleeping Initiative funding from the Department for Levelling Up, Housing and Communities is ringfenced for the services as set out in the grant award letters. Under the terms of the award the Council is obligated to spend the funding on certain services. If it does not do so the funding can be stopped and monies clawed back at the discretion of DLUHC.
- 5.14 Under the terms and conditions of the Council’s standard services contract, the contractors are required to demonstrate how they will comply with the GDPR requirements including undertaking any risk assessments and their associated mitigations.

## **6 Carbon Impact**

- There are no carbon impact implications arising from this report. However, a full carbon impact assessment will be undertaken as part of the Commissioning Plan and retendering programme.

## **7 Equalities Impact**

- Equalities Impact Assessments (EIA) were completed during the original tendering of these services and as part of the RSI funding bid. As the recommendation is for continuity of service, no equalities impact is considered to have changed from the original assessment. A new EIA will be undertaken as part of the commissioning plan and retendering programme.

## 8 Consultation

- Commissioners will consult with service users and providers as an integral part of the commissioning plan to ensure future tendering opportunities are person-centred to best meet need, are innovative and forward looking while ensuring value for money across the supported accommodation pathways.
- There are no direct staffing implications in relation to the period of these contractual extensions.
- Internal and external communications over the extended period will be managed to ensure transparency and consistency of delivery and to mitigate impact of the retendering of services during 2024.

**If you have any queries about this Report please contact:**

Sarah Risby- Head of Commercial for Housing Need  
srisby@westmisnter.gov.uk

## 9 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:

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

### 10 State nature of interest if any:

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

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

Regularisation of Supported Housing Contracts and reject any alternative options which are referred to but not recommended.

Cabinet Member for Housing –

Signed.

Date: \_\_\_\_\_

- 12 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

- 13 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 lapsed.