

Date of meeting	Insert date of CCB meeting
By	Rebecca Clews, Lead Coordinator, Rough Sleeping, Housing
Title	Extension of Street Outreach and Resettlement Service (Croydon Reach)
Project Sponsor	Yvonne Murray, Director of Housing - Resident Engagement & Allocations
Executive Director	Susmita Sen, Corporate Director of Housing
Lead Member	Statutory Deputy Mayor and Cabinet Member for Homes
Key Decision	0122H

1.Recommendations

CCB

The CCB is requested to approve the recommendation to Executive Mayor as set out below:

Executive Mayor

1.1 The Executive Mayor is recommended, pursuant to Regulation 28.4 (C) of the Tenders and Contracts Regulations, to:

1.2 Approve the award of a Street Outreach and Resettlement Service contract to Thames Reach until 31st December 2022. This will result in overall spend with the Provider, taking into account prior continuous service delivery which commenced 1st January 2018, of £1,296,420.

2 Overview of the service

2.1 The contract in question, the Street Outreach Tenancy Sustainment and Resettlement service is for people who are street homeless in Croydon. The service includes: street outreach, short term sustainment and support to access housing options. Together, the service identifies individuals who are street homeless and enables them to move off the streets, and prevents their return to the streets.

2.2 The service is provided by Thames Reach, a London based charity with a stated mission to help homeless and vulnerable men and women to find decent homes, build supportive relationships and lead fulfilling lives.

2.3 The Council has a statutory duty to support a wide range of Croydon residents who are either homeless or at risk of homelessness as legislated within Part 7 Housing Act 1996 (as amended by the Homelessness Reduction Act 2017). The street outreach and resettlement service supports discharge of this statutory duty, supporting delivery of Personal Housing Plans, providing sustainment and resettlement support aimed at preventing a return to the streets.

2.4 The outreach service also performs an important safeguarding function. Many rough sleepers have complex needs, have experience of exclusion from services and have a history of trauma; trust in services is low. The outreach team works with individuals from the streets, gaining their trust and linking them with appropriate services, including drug and alcohol support, and mental health assessments too.

2.5 In providing a pro-active response to new rough sleeping, and supporting a rapid move from the streets, the service prevents need from escalating, and the need for interventions from statutory services.

2.6 The outreach service is a key component of the Council's cold weather response, identifying rough sleepers in need of shelter in freezing weather and supporting them to access it.

2.7 The service has been a key element of the Council's response to the Covid-19 pandemic, assessing, referring rough sleepers into "Everyone In", accommodation, providing ongoing support and resettlement, supporting the vaccine rollout, carrying out welfare checks and identifying rough sleepers with Covid-19 symptoms.

2.8 Thames Reach are performing satisfactorily, indeed Croydon has one of the highest rates of "flow" (new rough sleepers) of outer London boroughs, and has the highest number of rough sleepers who are recorded as spending only one night out, that is, they are supported to move on rapidly.

2.9 Procurement and extensions

2.9.1 The service was initially procured through a mini competition from the Integrated Framework Agreement (IFA) in 2018 for a term of 5 years (3+2) at an aggregated value of £1,296,420. Appropriate governance processes cannot be evidenced for either for the initial award and first year extension. An application to extend this contract should have been made prior to 1st January 2021, under the Integrated Framework Agreement (IFA), but that opportunity was missed and the IFA has now lapsed, meaning we are unable to extend using the terms and conditions of that particular agreement and in any event the original contract cannot be located.

2.9.2 In the circumstances a new contract will need to be drafted, however this can be based on the IFA terms which formed the basis of the mini competition carried out in 2018. The rationale for continuing the service until 31st December 2022 is to:-

- > Maintain service stability over winter 21/22; rough sleepers are at greatest risk of death during the winter months, more so during the current pandemic.
- > Fulfil the statutory requirement. There is a statutory requirement to ensure Croydon residents have access to the services that are provided. Extending the current contract will enable the council to continue to contract with Thames Reach to fulfil the statutory obligation.
- > Enable the Council to deliver the conditions of the £1.7m additional Rough Sleeping Initiative (RSI) funding and secure further funding from April 2022.

2.9.3 A contract was awarded in 2018. The requested direct award will therefore be considered a modification for the purposes of the Public Contracts Regulations 2015 (PCR.) Regulation 72 sets out permitted extensions which can be implemented without a new competition being required. The proposed award is a permitted modification pursuant to Regulation 72(1)(a) PCR 2015, the criteria for which are: contracts and framework agreements may be modified without a new procurement procedure in accordance with this Part in any of the following cases:—

(a) where the modifications, irrespective of their monetary value, have been provided for in the initial procurement documents in clear, precise and unequivocal review clauses, which may include price revision clauses or options, provided that such clauses—

- (i) state the scope and nature of possible modifications or options as well as the conditions under which they may be used, and
- (ii) do not provide for modifications or options that would alter the overall nature of the contract or the framework agreement;

2.10 This regulation is relied on because the contract was signed by both parties, however, Croydon at this time are unable to produce a copy of the signed contract. It should however be noted that both parties entered into this agreement on the basis that the contract was let on an initial three year term, followed by an optional extension of up to two additional years.

2.11 Section 114 Essential Spend

- The requirement is considered to meet the essential spend criteria is:
 - (i) Expenditure required to deliver the council's statutory services at a minimum level: Chronic homelessness is associated with a tri-morbidity of poor physical health, mental health disorders and substance abuse. People who are homeless have also been shown to have a higher prevalence of chronic diseases when

compared to the housed population. A recent cross-sectional study at a homeless hostel elsewhere in London showed that all had multiple morbidities and despite an average of 55.7 years, demonstrated frailty-scores comparable to 89-year-olds in the general population. Other geriatric conditions were prevalent also including falls (61%), visual impairment (61%), low grip strength (61%), mobility impairment (52%), and cognitive impairment (45%). All these factors make it more likely that an individual will require statutory services. The longer an individual is on the street, the greater the chance that they will become a chronic rough sleeper, and require statutory services. One of the key aims of the outreach team (which is evidenced in outcomes) is to work with rough sleepers to support them to leave the streets quickly, and, in relation to chronic rough sleepers, to work with other agencies to de-escalate need and to find a route from the streets for that individual.

- (ii) Urgent expenditure to safeguard vulnerable residents: chronic rough sleepers are amongst some of the borough's most vulnerable residents and eighty per-cent of rough sleepers have a local connection. Owing to their many complex needs chronic rough sleepers will not seek out services and, in fact, have often been excluded. Quite simply, Croydon would face more deaths on the streets if this service were not to exist.

Budget provision for the service, cost centre C13720, Housing Accommodation and Support budget is £259,284 pa, annual cost of the service is currently £253,000.

Details	Internal		Period of funding	External		Period of funding
	Capital	Revenue		Capital	Revenue	
Cost of original contract incl first year extension		£777,852	1/1/18 – 31/12/20			
Cost of second year extension		£518,568	1/1/21 – 31/12/22			
Aggregated value		£1,296,420				

3. Supporting information

3.1 Monitoring against KPI's was suspended from 2020-21 as the service was focussed on the rough sleeping response to the pandemic. The service responded flexibly to needs, and worked in partnership with the Council and other agencies.

3.2 Performance:

3.2.1 Croydon has one of the highest rates of "flow" (new rough sleepers) of outer London boroughs, and has the highest number of rough sleepers who are recorded as spending only one night out (i.e. are supported to move on rapidly).

3.2.2 The service is performing satisfactorily, both in delivery of on street casework and in sustaining and moving rough sleepers on from emergency accommodation.

3.3 Extension value and term:

3.3.1 The maximum annual value of the contract is £259,284, making the value of the initial term plus 1st year extension of the contract (1/1/18 – 31/12/20) £777,852. The total value of the second agreed extension period, from 1/1/2021 to 31/12/2022 is £518,568, an aggregated contract value of £1,296,420.

3.3.2 The value of the period since the end of the initial term to 28 February 2022 is £302,498, and the value of the remaining period, 1 March to 31 December 2022, £216,070.

3.4 Risks:

3.4 The table below sets out the options considered, and risks associated. On balance the preferred option is to maintain the services to the end of the extended term (31st December 2022). This does carry risk of challenge, however the remaining options carry a greater risk of, either a rushed and inadequate procurement at a time where the service is providing a critical contribution to improving public health during the pandemic or of losing the service which would have serious implications for some of the Council’s most vulnerable residents and leave the Council unable to discharge certain of its statutory duties and cause reputational damage.

Options

Several options have been considered for this services as detailed below: -

Option summary	Pros	Risks
Award contract until 31 st December 2022 <u>PREFERRED OPTION</u>	<ul style="list-style-type: none"> • Service already in place, and no need to change current contractual arrangements. • Allows for measured re-procurement. • Allows for RSI5 (2022 onwards) funding award to take place and procurement to take account of this. • Holds the cost at the current level. No inflationary increase was built into the original contract, therefore a re-procurement would likely increase the cost, and the cost of the procurement exercise needs also to be factored in. • Permitted modification pursuant to Regulation 72(1) (c) PCR 2015, as the modifications were set out in the initial procurement documents. 	<ul style="list-style-type: none"> • Challenge, as evidence of original governance trail missing. The risk of this is considered to be minimal as and the pool of providers who would enter into a further procurement is relatively small, and the period to the end of the contract term relatively short.
Rapid re-procurement from DPS3, lot 2	<ul style="list-style-type: none"> • Option would ensure that the service was fully PCR compliant and less likely to be challenged. 	<p>Whilst a framework procurement would enable the Council to procure rapidly, this would have several negative impacts:</p> <ul style="list-style-type: none"> - Potential disruption to the service’s ability to respond to winter pressures, where there is risk to life. TUPE implications - Insufficient time to re-design service prior to procurement to reflect changed nature of rough sleeping and surrounding services - Misalignment with 3 year Rough Sleeping Grant award, due May 2022 and lost opportunities.
Do nothing, decommission the service	Immediate reduction in council costs	<p>Failure to discharge the Council’s duty to relieve homelessness (Housing Act 1996, as amended by Homelessness Reduction Act 2017)</p> <p>Safeguarding risk to rough sleepers during the winter months. Significant</p>

risk of death or injury amongst vulnerable rough sleepers.
 Increase in rough sleeping and pressure on statutory services within the Council.
 Loss of confidence from central government (DLUCH) and risk to future grant funding.

3.5 Future commissioning plans

The service will be re-procured from 1st January 2023. Service is currently being reviewed and proposals developed for a future service that reflects the changing needs of rough sleeping in the borough. Funding proposals for the Rough Sleeping Initiative Grant funds are currently being developed; and full commissioning proposals will be developed once the outcome of the funding bid is known (May 2022)

4. Conclusion and reasons for recommendations

- 4.1 The street outreach, resettlement and tenancy sustainment service supports people who are street homeless in Croydon. It supports the discharge of statutory homelessness duties, and supports the Council to meet its safeguarding duties.
- 4.2 The contract was awarded on 1/1/2018 on a contract term of 3 years plus 2, and an aggregated value of £1,296,420 via mini-competition from the IFA.
- 4.3 The extension period has passed, and approval is sought to extend to the end of the contract term, 31/12/2022.
- 4.4 The service providers, who are performing satisfactorily, are willing to continue delivering the service to the end of the extended term.
- 4.5 Rapid re-procurement is not practicable and therefore it is recommended that the extension is approved.

Outcome and approvals

CCB outcome	Date agreed	
Insert outcome of CCB discussion	Service Director – David Padfield	17 March 2022
	Cabinet Member for Finance	Insert date reviewed report
	Finance	Insert date reviewed report
	Legal - Sonia Likhari	25.3.2022
	Lead Member (for values over £500k, +25% contract value or +£1m)	Insert date Lead Member agreed
	CCB	Insert CCB Ref No & date agreed

Comments of the Council Solicitor

Legal considerations are as set out within this report.

Approved by Sonia Likhari on behalf of the Interim Director of Legal Services

Chief Finance Officer comments on the financial implications

Approved by [] on behalf of the Chief Finance Officer