

Notice of Non-key Executive Decision

Subject Heading:	Shared Housing Subleasing – Authority to commence procurement process
Cabinet Member:	Councillor Joshua Chapman
SLT Lead:	Patrick Odling-Smee, Housing Director
Report Author and contact details:	Katri Wilson Katri.wilson@havering.gov.uk Telephone 01708 434581
Policy context:	Communities Theme: The needs of our most vulnerable residents are identified and met. We are proposing to designate some of our shared housing units to people with complex needs and propose to delegate housing management and support provision to a specialist provide via a sublease to help support this vulnerable cohort of residents.
Financial summary:	A potential £30,000 one off payment in the first phase of the programme. The remainder of the contract value (£3.9m) relates to funds claimed directly by the support provider from housing benefit.
Relevant OSC:	Towns and Communities
Is this decision exempt from being called-in?	Yes It is a non-key decision by a senior officer.

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The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input checked="" type="checkbox"/>
Places making Havering	<input type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

Approval is requested to commence a procurement process seeking a supplier to provide intensive support to highly vulnerable clients with complex needs via the subleasing of some shared housing units which the Council currently leases to a specialist housing provider to deliver intensive housing management.

For the reasons stated in this report a member of SLT is recommended to agree the Council commencing a procurement exercise to see a specialist intensive housing management provider.

AUTHORITY UNDER WHICH DECISION IS MADE

3.3 Powers of Members of the Senior Leadership Team

Members of the Senior Leadership Team (SLT) have delegated authority to act as follows within the assigned service service/portfolio of responsibilities, subject to the general provisions and limitations set out in section 3.1.

Contract powers

(a) To approve commencement of a tendering process for all contracts above a total contract value £500,000.

STATEMENT OF THE REASONS FOR THE DECISION

1. The Council currently leases 23 shared housing units from private landlords, where single people presenting as homeless are placed. Increasingly, people are presenting with complex needs around drug, alcohol abuse and mental health issues, and require on-site staff supervision and support to live in the community. Placing these individuals in our standard shared housing units has been problematic, with placements failing and frequent Anti-Social Behaviour disturbances being caused by residents and their visitors. We have considered a number of different options for delivering this service.
2. We have piloted one of our shared housing units in Harold Hill for the purpose of seeing if a sustainable model for housing people with complex needs could be delivered. This involved providing a service which included 24-hour staffing to enable supervision and support to be delivered. Furthermore the pilot also aimed to ensure that neighbours living nearby are not adversely affected by this group of residents. The complex needs residents present are challenging to manage and staff have engaged with other services such as Probation, Police,

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Drug & alcohol services and Adult Social Care to support and supervise the individuals living in the scheme.

3. The current costs of providing the pilot service covering 6 units are high resulting in the Council directly providing housing management service with an external support provider offering support to residents. The total amount spent on the support service at this shared housing unit equates to £2450 per week, or £127,400 per year. As a unitary local authority, we are only able to recover rental costs per unit at the standard local housing allowance rate.
4. By subleasing the shared housing units management to either a Registered Social Landlord or charity with specific expertise in this area, an enhanced rate of housing benefit is payable which more accurately reflects the full cost of providing a comprehensive housing management and tenancy support service. Under current housing benefit rules, unitary authorities such as LB Havering are not eligible to claim enhanced rates of housing benefit payable for providing intensive housing management and tenancy sustainment services. However, through subleasing to a non-unitary authority or a specialist supported housing provider, the following service costs can be recovered via housing benefit:-
 - Concierge
 - Housekeeping/Cleaning
 - Intensive housing management
 - CCTV
 - Furniture
5. This procurement request therefore aims to engage with specialist supported housing providers to sublease about 30-35 rooms to accommodate this client group as and when they present themselves as homeless via direct nominations and where the council has a legal duty to assist specific individuals. We anticipate that in order to facilitate these residents we will need to identify up to 6 shared housing properties to house them.
6. The contract fee over the 10 years period has been estimated at £3,930,000. Of this, the Council will fund £30,000 directly from to pay the successful supplier to mobilise their operation. This seed funding will enable the service to commence. The remaining £3.9m of cost comes directly from housing benefit claims submitted by the supplier on behalf of the clients they are housing and supporting. Although these monies are coming from a housing benefit award the contract fee includes the totality of the monies a provider can raise from the opportunity as the Council is enabling the provider to take control of assets associated with the activity.
7. In order to meet Council objectives to ensure that there is a service that effectively meets the needs of these complex needs residents, the Council will invite prospective bidders to demonstrate how they will be able to deliver the service on the basis of the fixed sums available, namely the £30k start up payment coupled with whatever claims they make and are subsequently awarded for rent and intensive housing management from the Housing benefit

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service. It is noted that the rent would be collected by the provider and reimbursed to the Council who will in turn pay the shared housing landlords.

8. The Council will also underwrite any potential void loss experienced by the Service Provider.
9. In order to mitigate any risks to the Council, break clauses in the Head and Sub Lease will be written back to back and will also be included in the contract documents issued to the successful service provider.
10. The services required are categorised as 'light touch' under the Public Contracts Regulations 2015 (as amended). The contract opportunity will be advertised on the 'Find a Tender' and 'Contracts Finder' platforms by 24th December 2021.
11. The proposed procurement timetable is as follows:

Stage	Date
FTS advert, Contracts finder advert, SQ and ITT issued	24/12/21
ITT response deadline	16/01/22
SQ and tender evaluation	19/01/22
Clarification Interviews	19/01/22
Moderation	20/01/22
GRG meeting	09/01/22
Theme Board	28/02/22
Publication of Exec Decision form prior to signature	01/03/22- 07/03/22
Sign Exec Decision	08/03/22
Post-signature call-in	09/03/22- 15/03/22
Send out standstill letters	16/03/22
Award contract	28/03/22
Finalise contract documents	To mid Apr
Start of contract	Mid Apr

12. The procurement team consists of the following:

- Strategic Procurement Manager
- Strategic Procurement Officer
- Assistant Director Supported Housing
- Supported Housing Project Manager

13. Given the specialised nature of the services and the proposed funding arrangements, it is proposed that the evaluation criterion for the award of the contract will be quality only. This is because the one off and capped payment of £30,000 from the council to the successful contractor will be made as purely 'seed funding' and represents a tiny proportion of the contractor's overall

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remuneration. The balance of that remuneration will be the difference between the enhanced housing benefit rates which the contractor will be able to claim on the tenants' behalf, less the rent which the contractor will pay to the council. The remuneration is therefore fixed; we wish to see who can provide the best quality offer of services for that fixed remuneration. A separate executive decision signed by a Member of the Cabinet was agreed on [] to formally approve the quality-only evaluation criterion. (note this is currently pending Theme Board decision on 5th January 2022)

14. As the Council rents these properties from third party landlords, we will need to arrange the appropriate consents from those landlords to sub-let the properties as planned. Legal Services are providing assistance in obtaining these consents and putting in the requisite property agreements subject to separate governance to be agreed.

OTHER OPTIONS CONSIDERED AND REJECTED

A number of other options were considered for delivering this service. These included:-

- 1) Delivering the service in house. This was rejected as we do not possess the level of experience we felt necessary for delivering this type of service. We concluded that there were other organisations who could possess additional experience to deliver the service.
- 2) Making a direct award to a specialist provider. This was rejected as this exceeded the procurement thresholds.

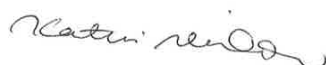
PRE-DECISION CONSULTATION

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Katri Wilson

Designation: Assistant Director Supported Housing

Signature:



Date: 22/12/21

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

This report seeks approval to procure, an above procurement threshold for advertising, light touch services covering specialised housing management support. Such arrangements being made under Public Contracts Regulations 2015 (as amended). The Council has a general statutory duty under Section 8 of the Housing Act 1985 to consider housing conditions in its district and the needs of the district with respect to the provision of further housing accommodation. Section 1 of the Localism Act 2011 gives the Council a general power of competence to do anything an individual can do, subject to any statutory constraints on the Council's powers. The recommendations in this report are in keeping with these powers.

FINANCIAL IMPLICATIONS AND RISKS

The one-off payment of £30k for start-up costs will be incurred in 2022-23 and funded from a grant payment. All other costs are to be borne by the supplier funded via Housing Benefit claims.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

The pilot service is currently being delivered by a 3rd party special interest group on a temporary interim basis. It does not involve Council staff. This arrangement commenced on 9th December 2021 and is due to end on 31st March 2022. If TUPE applies, the current provider will be asked to provide information to a new provider.

We can therefore confirm that there are no TUPE implications for any Council staff.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) foster good relations between those who have protected characteristics and those who do not.

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Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants. As such we will be commissioning an EQIA.

BACKGROUND PAPERS

Non-key Executive Decision

Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Details of decision maker

Signed



Name: Patrick Odling-Smee

Cabinet Portfolio held:

CMT Member title:

Head of Service title

Other manager title:

Date: 23/12/21

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____