



Havering

LONDON BOROUGH

Notice of Non-key Executive Decision

Subject Heading:	Waiver for a direct award – Farrington Avenue Single Homeless Contract
Decision Maker	Councillor Paul McGeary
Cabinet Member:	Councillor Paul McGeary
SLT Lead:	Patrick Odling-Smee, Director of Housing Services
Report Author and contact details:	David Saxon david.saxon@havering.gov.uk Telephone 01708 434581
Policy context:	Communities Theme: The needs of our most vulnerable residents are identified and met. We received some initial funding from the NHS to reduce homelessness amongst people who are suffering with mental health conditions.
Financial summary:	The total service cost for the period 31 st January 2022 to 31 st March 2023 forecasted to be £399k. The service is being funded via the following sources:- NHS Winter Fund - £177k Council funding (Homeless Prevention Grant Budget) – £222k
Relevant OSC:	People Overview & Scrutiny Sub Committee
Is this decision exempt from being called-in?	Yes It is a non-key decision

Non-key Executive Decision

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"/>

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Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

A waiver is requested to current CPR rules. Approval is requested to make a direct award of a contract to Penrose without undertaking a full procurement process to enable the Council to provide housing and support for 25 single homeless adults who the Council has a legal duty to assist as an interim arrangement whilst we undertake a full procurement process under the light touch regime.

AUTHORITY UNDER WHICH DECISION IS MADE

Paragraph 14.1 of the Council's Contract Procedure Rules states that waivers can be permitted upon approval by an individual Cabinet member using an Executive Decision.

Paragraph 14.3 of the CPR

14.3 Exceptions to the competition requirements may be made only if all relevant law is complied with and one of the following circumstances applies:

- i. the contract falls within one of the exceptions listed in this Rule; AND
- a. the Competition Financial Thresholds Exceptions, is fully and properly completed and signed by the relevant Member of SLT; AND
- b. the person awarding the contract can demonstrate that the contract represents the best value that can be obtained in the circumstances.

Paragraph 14.6.6 Best Interests of the Council - where it is in the best interests of the Council or the Borough for a provision in these Rules to be waived to enable a contract procurement to be rapidly progressed while still complying with European procurement rules.

STATEMENT OF THE REASONS FOR THE DECISION

The Council received £177k of funding on 1st January 2022 directly from the NHS England Winter Fund 2021/22. This aimed to reduce homelessness of people with mental health problems during the winter 2021/22. The funding had to be spent by the end of March 2022. The funding received from the NHS arrived at short notice and the Council was unable to plan in advance on the best way to spend the money. However, officers recognised that it was in the Council's and local communities interest not to forego this funding as the alternatives would have resulted in either no service being offered to clients in need or alternatively, the Council having to use its own budgets rather than external funding to deliver this service. Therefore, the Council directly award a contract to Penrose, a subsidiary of Social Interest Group to deliver the service.

Officers assessed the costs of the service being delivered by Penrose against other providers delivering similar schemes to ensure the Council is receiving a service that represents value for money. Quotes received from 2 other providers for providing 5 units of complex needs supported accommodation have shown that Penrose's cost profile is in line with other market prices.

Penrose are also currently delivering a similar service under a different contract for the Council.

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In order to minimise risk to the Council officers are holding regular contract management meetings with the supplier and assessing the suppliers' budgets. The provider has a dedicated Quality & Compliance team who ensure the organisation complies with its regulatory and legislative obligations including Health & Safety and Care Quality Commission as well as monitoring and developing internal policies and procedures.

Funding for the service to ensure continued delivery is as follows

- The NHS grant funded this service totalling £177k
- The Homeless Prevention Grant will continue to fund this service from until 31 March 2023 totalling £222k

For the period from 01 April 2023, we are now progressing funding aimed at providing intensive housing management and supported housing accommodation for those with complex needs and mental health problems who are at risk of or are homeless or rough sleeping in the borough.

The reason for this request to be approved is that it is considered to be in the Council's interest for this service to continue until we are able to procure a new service contract in April 2023. In the interim, if the waiver is not agreed, the Council would have to cease service provision which would result in very vulnerable single people with complex needs being evicted and most probably ending up homeless and sleep rough.

OTHER OPTIONS CONSIDERED AND REJECTED

Two alternative options have been considered and rejected:-

- Stop providing the service – this has been rejected as it would result in very vulnerable residents being made homeless
- Provide the service in house – this has been rejected due to a lack of resources and expertise in delivering this type of service. Furthermore, the Council does not possess these housing facilities currently.

PRE-DECISION CONSULTATION

We have been liaising with Legal services and Procurement on how to ensure that the future of the service is sustained and a contract let in accordance with CPR. We have met with Finance Business Partners to confirm budget availability and the following funding is available:-

Homelessness Prevention Grant (held by AD Housing Demand, Needs and Strategy)

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

Name: Katri Wilson

Designation: Assistant Director of Housing

Signature:

Date: 18th July 2022

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

1. This report seeks to waive the Contract Procedure Rules permitting the direct award of a contract to Penrose to provide housing and support for 25 single homeless adults.
2. The Council has a range of duties under the Housing Act 1996, Homelessness Act 2002 and Homelessness Reduction Act 2012 to prevent homelessness and assist those who are homeless or at risk of becoming homeless.
3. The Council has the general power of competence under section 1 of the Localism Act 2011 to do anything an individual may generally do subject to any limitations.
4. The Council's Contracts Procedure Rules (CPR) 9.9, require officers to undertake a formal tender exercise in conjunction with SPU to award a contract valued £100,000 or above (unless stated [as permitted] elsewhere in CPR or for reasons of extreme urgency). CPR 14 permits exceptions to the competitive requirements where it does not infringe any applicable procurement laws; and meets the criteria set out in CPR 14.3
5. A tender exercise was not carried out as required by the Contract Procedure Rules (CPR) and the contract will need to be directly awarded to the provider. In accordance with CPR 14 a waiver is being sought to authorise the direct award.
6. The proposed contract value is below the EU threshold for light touch services (£663,540) and accordingly is not subject to the full rigours of the Public Contracts Regulations 2015 (as amended).

FINANCIAL IMPLICATIONS AND RISKS

Funding for 2022-23 from 01 April 2022 to 31 March 2023 is confirmed by the AD for Housing Demand, Needs and Strategy for service continuity with the current supplier Penrose.
Estimated expenditure £222k

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.

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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.

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.

The Council will also be ensuring that equalities monitoring will be considered at all contract monitoring meetings.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

The following elements of the Council's environmental and climate change priorities have been considered:-

- The impact on carbon emissions
- Offsetting carbon emissions
- Improving biodiversity
- Preparing for the impacts of climate change.

Due to the nature of this request, there are no obvious environmental or climate change implications from either a positive or negative perspective.

BACKGROUND PAPERS

There are no additional background papers supporting this report.

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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**

Delete as applicable

~~Proposal NOT agreed because~~

Details of decision maker



Signed

Name: **Councillor Paul McGeary**

Cabinet Portfolio held: **Housing**

CMT Member title:

Head of Service title

Other manager title:

Date: 9th August 2022

Lodging this notice

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

For use by Committee Administration

This notice was lodged with me on _____

Signed _____