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| Item No. | Classification: Open | Date: 20 October 2022 | Meeting Name: Strategic Director for Children's and Adults' Services |
| Report title: | | Gateway 1 Procurement Strategy Provision of Mental Health Homelessness Hostels | |
| Ward(s) or groups affected: | | All | |
| From: | | Director of Commissioning | |

RECOMMENDATIONS

1. The Strategic Director for Children's and Adults' Services approve the insourcing of three Mental Health Homelessness Hostels, namely Joe Richards House, Manor Place and David Barker House which are currently under contract with Look Ahead the support provider supporting residents of these hostels.
2. The Strategic Director of Children's and Adults' Services note that this decision was delegated by the Leader via a General Exception Notice on 1 August 2022.

BACKGROUND INFORMATION

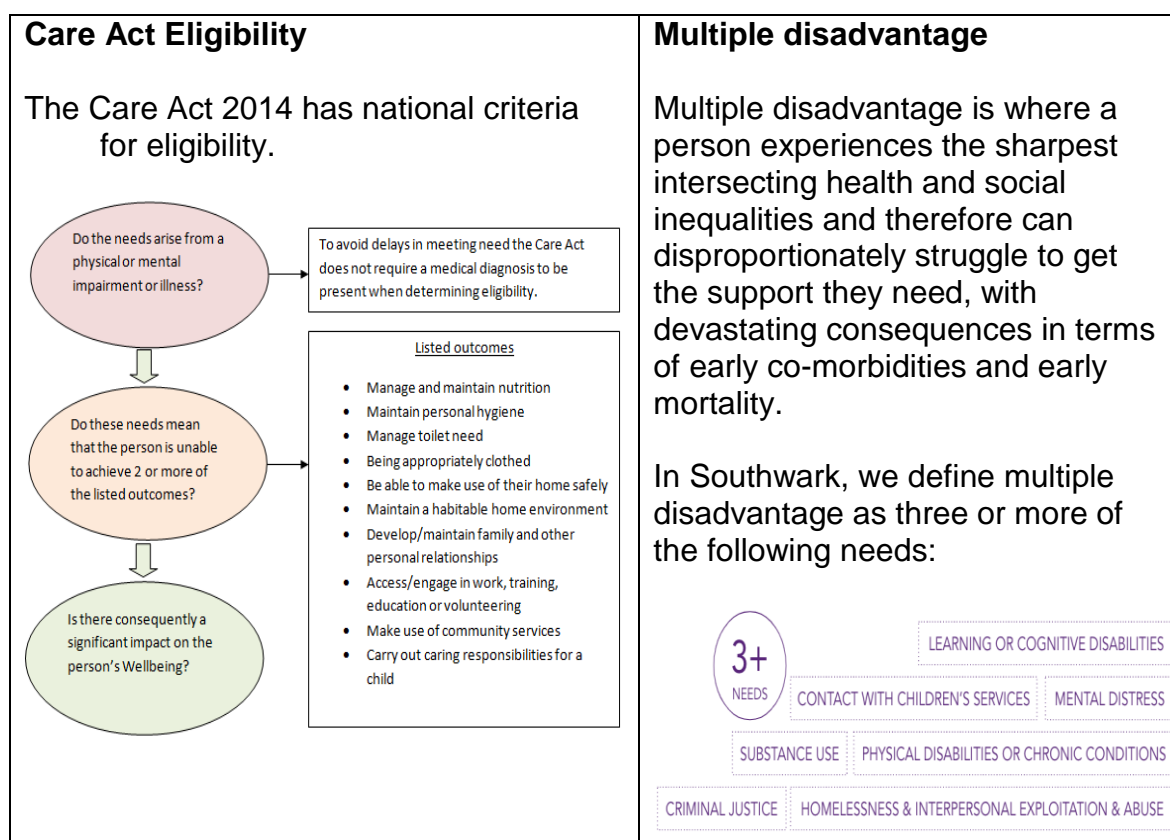
3. The Mental Health Supported Hostels Service contributes to the priorities set out in both the council's and government's strategies and partnerships. This includes:
 - The council's commitments to end rough sleeping, improve health, reduce inequalities, Southwark Stands Together and the Fairer Futures for All programme.
 - Southwark's joint strategic needs assessment mapping the needs and profile of people facing multiple disadvantage in Southwark, so health and social needs are not overlooked by services
 - Southwark Safeguarding Adults Board's focus on homelessness in terms of prevention and meeting need through multi-agency collaboration, see paragraph 53
 - Violence against Women and Girls Strategy
 - The Government national statement of expectations for Supported housing (Oct 2020)
 - 'Changing Futures' government scheme to support vulnerable people with multiple disadvantages (launched in Dec 2020)
 - The Department for Levelling Up, Housing and Communities (DLUHC) Rough Sleepers Programme

4. Look Ahead is in contract with Southwark to deliver the housing management and support function across 121 beds over the three hostels. These contracts were due to expire on 31 March 2023.
5. In September 2021, it was agreed by the strategic director of finance and governance to extend the contracting arrangements for the three services for 18 months from 1 October 2021 to 31 March 2023. The extension would provide time for an options appraisal for insourcing to be completed.
6. As part of budget setting for 2022/23, a reduction of £130k for these services were agreed.
7. As indicated in paragraph 5 and described in paragraphs 16 to 22, officers have been evaluating options for the insourcing of these services to be managed by Housing and Modernisation, with a view to seek approval from decision makers to ensure a transition be made from existing arrangements by 31 March 2023.
8. On 16 June 2022, Look Ahead gave formal notification to give six months' notice (as per the terms and conditions of the contracting arrangement) to end these contracts via an email from its Chief Executive Officer.
9. The date Look Ahead plan to exit the contract is 16 December 2022. Therefore preparations for potential insourcing need to accelerate, if this approach is approved. If insourced the Housing and Modernisation department will be responsible for the management of these services. Housing and Modernisation currently manage three hostels in the borough, which Children's and Adults' Services also part-fund.

Service users

10. All service users in Joe Richards House, Manor Place and David Barker House are assessed at the point of entry into the Supported Hostel Pathway as being homeless and with support needs that place them at increased risk when living independently and unable to sustain a tenancy without support. This cohort of service users will typically be rough sleeping or with a history of repeating homelessness with significant mental ill health, substance abuse or multiple disadvantage/chaotic lifestyles which means that they cannot safely or successfully stay in general needs nightly paid accommodation.
11. An assessment of their support needs, aligning those outlined within the Care Act, is undertaken which captures their immediate needs and their aspirations. Homelessness alone does not define the need for the Supported Hostel Pathway. Because Adult Social Care (ASC) funding is used for these hostels those with care act eligibility should be prioritised.

Diagram 1: Care Act Eligibility



Current contracts

- The hostels managed by Look Ahead were commissioned to support single homeless people whose primary support is mental health and secondary support is substance misuse services (e.g. drug and alcohol). The hostel's service reduces homelessness and rough-sleeping as well as supporting those who have ongoing mental health needs. These services provide a safe and secure home environment, with access to essential support services and engagement with relevant services which may include mental health services and drug and alcohol treatment services.
- Adult Social Care (ASC) currently funds the contracts delivered by Look Ahead for these hostels to the sum of £895,000 per annum. This does not include the £130k savings described in paragraph 6. The freeholders of these hostels are owned by different housing associations and Look Ahead have use of the buildings by way of negotiated management agreements with the landlords. Each management agreement specifies the shared or split areas of responsibilities for repairs and the housing management service provided to the residents.

14. The details of the three properties are shown in Table 1:

Table 1 – hostel details

| Homelessness Hostels | Total number of units | Commissioned Annual support | Registered Social Landlord (RSL) |
|-----------------------------|------------------------------|------------------------------------|---|
| Joe Richards House | 42 | £318,000 | Hexagon |
| David Barker House | 45 | £317,000 | Salvation Army Housing Association |
| Manor Place | 34 | £260,000 | London & Quadrant |
| Total | 121 | £895,000 | |

15. Further details about these hostels are described in Appendix 1.

Ongoing exploration of insourcing options

16. A working group was set up in 2021 including representation from ASC, commissioning, legal services, housing solutions, property services, Finance and Human Resources (HR) who been looking into the options for insourcing.

17. TUPE¹ and employment implications have been considered by legal and, if approved, Look Ahead staff will transfer their employment to the council and the following would automatically pass to the council (subject to any indemnities in the existing service agreement):

- all rights, powers, duties and liabilities under or in connection with the contracts of employment of transferring employees
- liability for all pre-transfer acts and omissions of or in relation to the transferor in respect of transferring employees or their contracts of employment. Employees will retain their existing terms and conditions, except certain rights relating to old age, invalidity or survivors' benefits under occupational pension schemes, which are excluded from the scope of the automatic transfer principle (although under 'best deal' Local Authorities are obliged to offer transferred employees the right to join the LGPS)

Financial and service issues considered by Housing and Modernisation in operating these services

18. The financing of supported hostels can be complex due to a variety of funding arrangements. In 2018, the government undertook a review and they committed to retaining the funding of all housing costs for this specialist housing within the welfare system and through Housing Benefit.

¹ When a business changes owner, its employees may be protected under the **Transfer of Undertakings (Protection of Employment) regulations** (TUPE)

19. Housing Benefit will continue to meet the additional housing related costs of supported housing accommodation for the foreseeable future. The government did not introduce a Local Housing Allowance (LHA) cap to this type of accommodation and so the additional cost is picked up through Housing benefit rather than by the council or service user, unlike housing costs in the private sector or in nightly paid temporary accommodation, where LHA caps result in the council subsidising the cost.
20. The dual role of Housing and Care & Support means that supported accommodation can be met by different funding streams. The rent and cost of staffing on the schemes are paid for as follows;

| Source of funding | What this pays for |
|--|---|
| The Rent and Service charges, attributed to the Housing Revenue Account and eligible for Housing Benefit | Covers the full cost of housing related costs, the running of the building, the communal areas, security and cleaning |
| The Care and Support, attributed to the Adult Social Care budget - not eligible for Housing Benefit | Pays for staff who provide the care and support for the service users |
| Personal service charges- attributed and paid by the service user - not eligible for Housing Benefit | Pays for personal usage of gas, electricity, water, on-site food provision if applicable |

21. If one of the hostels is not insourced, transitional costs can be saved, however, temporary accommodation costs for these service users in the hostels will be needed. Paragraph 49 gives an indication of the estimated costs to the nightly paid accommodation costs if one of these hostels were to close. There is an opportunity to maintain the three hostels if security was used at night rather than the hybrid use of security and supported housing officers currently, which would increase the housing benefit rather than ASC contribution. Challenges would also be faced in managing the risk of placing these service users into nightly paid accommodation and in finding bed spaces within the borough. It is anticipated that a closure would result in an increase in rough sleeping and nightly paid accommodation being abandoned
22. With current information, the three hostel buildings running costs are largely likely to break even if insourced. The rental stream generated through occupation of the hostel subsidises the additional revenue costs associated with operating it, the financial analysis and viability is very sensitive to any changes in the assumptions and in-depth discussions with the providers and managing agent are yet to take place.
23. A full financial analysis of the running costs cannot be known until the buildings have been surveyed and staff costs provided by Look Ahead and so these costs remain unknown until such time as formal notice is given of

insourcing. Costs have therefore been assessed using the current in house hostels as a comparator.

24. It is proposed that the budget and expenditure stays with Children's and Adults' services.
25. There are upfront costs associated with insourcing this provision and this is estimated in Appendix 2. Further financial analysis of the costs of insourcing the hostels is shown in Appendix 2.
26. If this provision is not insourced then Commissioning could seek to find another provider to deliver the support function within these hostels by 16 December 2022. It is likely that if a new provider is sourced there will be upfront costs that would be negotiated with the provider and it is extremely likely that they will seek an increase in the contract price before the transfer were to take place. The reason Look Ahead gave for giving notice is that on the basis of the current contract price it is no longer financially viable to operate these services. The provider market are facing financial pressures so it may be difficult to source an organisation that is willing and able to take on these services without a significant increase in contract price and these costs could be expected to increase in the future.

Potential Future Plans

27. Review the Homelessness and Mental Health Pathways and explore the introduction of an Assessment Hub with integrated services to support service users into sustained engagement and prevent a return to homelessness.
28. Complete the review on the Mental Health Complex Care Pathway to agree routes in and out as service users' support needs flex, increase or reduce. Currently the Mental Health pathway into these hostels is under utilised, work will be ongoing to improve these links and benefits for ASC service users.
29. With the re-procurement of Mental Health Supported Housing and Outreach services due to take place soon this will give an opportunity for the council-operated hostels to be more aligned as a key part of new service delivery within the Mental Health pathway.
30. Work to agree a cross-agency risk assessment tool to highlight safeguarding needs that meet the needs of these service users and take into account their multiple disadvantage and complex support needs.
31. Look for opportunity to provide more integrated/co-located services with health and drug and alcohol services and with Solace and the women's hub at the female hostel. Expand the Housing and Modernisation-led workshop currently designed with Solace at Northcott House to all female service

users in the Supported Pathway exploring the under-reporting of sexual exploitation and coercive behaviour and building resilience.

32. Work collaboratively to reduce Violence Against Women and Girls (VAWG) and better protect females at risk of exploitation.
33. Work with those who have lived experience to design a workshop to help build resilience to coercion for all residents in Supported Hostels
34. Continue work with the Safeguarding Adults Board to review the service provision in relation to safeguarding this vulnerable homeless group of service users.
35. Acceleration of joint work across Housing and ASC to identify suitable flexi-care options for younger adults with premature age-related illness and for older residents who are often excluded due to their substance misuse.

KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach

Option 1- Do nothing

36. Although the majority of the current residents are housed via the Homeless Pathway the council has a statutory duty under the Care Act 2014, to support people's physical, mental health and wellbeing. This option will leave vulnerable people without the service they need and can lead to increased escalation of crisis costing more, increased homelessness, poverty, and widening the gap of health inequalities for vulnerable people who have mental health issues. This is not the preferred option.

Option 2- Contract extension

37. This is not the preferred option as Look Ahead will only deliver on the current contract and service specification and they have given notice that they will terminate the contract on 16 December 2022. Whilst approaching an alternative provider to 'step in' and run the service for the remainder of the extension agreed in September 2021, this would be disruptive to staff who could experience TUPE twice in three or four months.

Option 3- Insource the support services

38. This is the preferred option. The benefits that an in-sourcing opportunity could offer includes:
 - a. Continuation of support for hostel residents
 - b. A consistent and improved service across the borough
 - c. Better outcomes for residents
 - d. A better ability to manage referrals and throughput in the service
 - e. Improved risk management

- f. Better ability to shift resources quickly to tackle local needs and address issues
- g. Reduction of nightly paid temporary accommodation usage due to current waiting list to access Supported Pathway
- h. Improved ability to future plan to meet the changes in levels of need
- i. Bringing properties up to council standards around fire safety
- j. More streamlined safeguarding pathway
- k. Contract management resources will be diverted to managing the collaboration across divisions
- l. Procurement resources can be redeployed to tendering other services.

Continuation of support for hostel residents

39. As Look Ahead has given notice on the contracts and the Housing and Modernisation department already hold a portfolio of hostels they are best placed to offer this support.

A consistent and improved service across the borough

40. Changes to the in-house job description and training mean that all hostel staff now have an understanding of trauma-informed care and Reflective Practise. Harmonisation would extend this approach across the borough.
41. The insourcing of these hostels will ensure these hostels are better included in the Mental Health pathway and offer more options for supported accommodation for those who are referred from the Mental Health panel. The Mental Health complex care pathway is being developed for Southwark residents and having these hostels as a part of that pathway will ensure that service users have access to most appropriate support to help with their move on to more independent living.

Better outcomes for residents

42. Although Covid impacted on residents' ability to move on, the data shows that changes made within the current in-house hostels resulted in improved outcomes for residents. The number of positive moves over the last three years account for 72% of cases compared to 23% in other hostels. The harmonisation of the services and processes will give scope to continued improvement for move on.

A better ability to manage referrals and throughput in the service

43. Insourcing would give improved ability to manage and increase referrals into these hostels. A potential joint agreement between Housing and Modernisation and ASC will align the various referral routes and support move on and the filling of voids in a joint process.

Improved risk management

44. Insourcing the support would ensure a consistent use of information held in one place, which reduces the risks and provide a better ability to track the customer journey from beginning to end. The collection of this data could then inform the future needs of the population.
45. Insourcing the three hostels could help address issues such as safeguarding, anti-social behaviour (ASB), drugs, violence, prostitution etc. across the borough. The current council-managed hostels benefit from easy access to other council services to provide wrap around support to residents and have a close working relationship with colleagues in community safety. The benefit of this resource would then become available to all the supported hostels across the borough.
46. The procured hostels have varying levels of autonomy to act against perpetrators of ASB, having to liaise and on occasions seek agreement with their landlords on taking legal action. Leasing the premises would allow the council autonomy to deal with breaches of license and initial negotiations will explore this option.

Better ability to shift resources quickly to tackle local needs and address issues

47. Insourcing the support would allow the council to better address particular issues, or to help focus support for move-on. Other Mental Health Supported Housing services will be a key move on option for service users.

Reduction of nightly paid temporary accommodation usage due to current waiting list to access Supported Pathway

48. There is currently a waiting list of vulnerable adults being placed into nightly paid accommodation until spaces become available. Residents placed into nightly paid accommodation do not receive the support needed to link into health and substance abuse services and to obtain documentation required for benefit claims and there is a higher risk them abandoning the accommodation and returning to the streets.
49. The cost of placing 45 residents (the number of residents at David Barker House) into nightly paid accommodation ranges between £131,400 per annum to £279,225 per annum. Limited support would be available to these residents and so a high level of abandonment, eviction and rent arrears is anticipated along with an increase in rough sleeping if all three hostels are not insourced.

Improved ability to future plan to meet the changes in levels of need

50. If the decision is made to insource the service then officers will review provision levels once there has been an opportunity to improve move-on times

and develop a more streamlined service and this will be completed jointly across Housing and Modernisation and Adult Social Care services.

Bringing properties up to council standards around fire safety

51. The council has agreed enhanced Fire Risk Assessments (FRA) standards for shared accommodation. There will likely be costs associated with installing fire doors and fire alarms and depending on the length of the lease, potentially installing sprinklers into Manor Place and Joe Richards.
52. The council has completed a desktop exercise based on FRA surveys provided so far but it is recommended that a FRA survey and engineering inspection should be undertaken to assess potential fire safety and compliance works prior to agreeing to lease or management agreement so that the council is aware of the full potential costs.

More streamlined safeguarding pathway

53. The Southwark Safeguarding Adults Board (SSAB) 20/21 Annual report highlights that “...safe, affordable housing is a fundamental requirement to safeguard vulnerable individuals in preventing/managing complex issues.” Board members wanted to see a focus on homelessness from a preventative perspective. Consideration will be given to the development of a partnership risk assessment tool together with the development of a pathway for homeless people/rough sleepers that will ensure that needs are being met in the best possible way by all agencies, thus facilitating the response to safeguarding concerns. In response to the report a task and finish group was established in December 2021 to review the pathway and various service touchpoints and it is due to make recommendations this year.
54. With this provision being insourced Southwark will be able to exercise more control over the pathway and link to the preventative work directed by the SSAB.

Identified risks

55. The following risks have been identified for this project:

| Risk | Description | Risk Rating | Mitigation |
|--|--|--------------------|---|
| Initial feasibility costs - lease agreements | The costs of negotiating a lease/management agreement at each of the three hostels will largely depend on the progress gained in negotiations. | Medium | Agreed joint communications with RSLs from Look Ahead and the council. Look Ahead have indicated, once communication is agreed, that they will help facilitate discussions with RSLs if required. |

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| | | | <p>Look Ahead will draft a letter to the RSLs regarding the transfer, Southwark will have sight of this ahead of this going out to ensure we agree with the content and to communicate to the RSLs that it is our intention to communicate Look Ahead's exit in partnership to avoid the RSLs having unnecessary concerns.</p> |
| <p>Initial feasibility costs - surveys</p> | <p>There will be a need for stock condition surveys and engineering inspections to fully understand the potential costs which may be encountered.</p> <p>Initial survey costs are expected to be in the range of £5-10K per building. This allows the surveyor to gain entry and advise on what needs further inspection for the full survey</p> <p>The price of the full surveys is not known at this stage and will depend on the condition of the properties and what Operation and Maintenance manuals and certification is available.</p> <p>Survey fees rising to over £100k would require gateway approval.</p> | <p>Medium</p> | <p>Agreed joint communications with RSLs from Look Ahead and the council. Once RSLs are aware that the council, if approved, plans to insource the support provision negotiations will take place to access the buildings in advance of the transfer to complete surveys.</p> <p>There will be work carried out internally with Southwark engineering service to try and reduce the survey costs where possible - they have undertaken to review all operating manual that are provided in order to limit any unnecessary work or duplication by the surveyors</p> |

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| | A photographic survey is also required to record the condition on taking up occupation. | | |
| Initial feasibility costs – potential improvements required to buildings | <p>The council will need to return the property back to the landlord in the same condition it was assigned to us.</p> <p>Council Policy on fire safety standards exceeds the statutory requirements improvements which may lead to additional costs which are not yet known. Council policy is to install sprinkler systems in hostels and the estimated costs compared with costs to in house hostels is approximately £225k per hostel. Authority to adapt the premises/ install needs to be given by landlords and they are unlikely to contribute towards the cost.</p> | Medium | <p>The RSLs and the council will need to agree together which improvements and repairs are required at the start and end of any lease arrangement. Until the negotiation and the results of the stock condition survey are completed any future negotiations will need to ensure any liabilities are capped.</p> <p>We will seek to obtain a contribution towards sprinkler costs through our negotiation process but as a non-statutory requirement the landlord may wish not to contribute.</p> |
| Initial feasibility costs - staffing | Financial costs not known in terms of staffing due to lack of information from the incumbent provider. | Low | As Look Ahead has now given notice, officers have discussed information sharing to ensure the council has enough information to insource this provision before the new contract end date. We have a provisional agreement to deliver messages to staff and service users jointly between Look Ahead and the council. |

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| Staff availability | Staff leaving service before contracts change due to uncertainty | Medium | Look Ahead and Southwark HR teams will be introduced- It was provisionally been agreed that all staff are TUPE eligible. Vacancies will be covered by agency, security and existing staff. |
| Disruption in support to Service Users | Uncertainty for service users if staff leave or if they are unsure what the new service provider will operate like. | Medium | The council will lead on the communications to staff and service users offering reassurances around service and employment continuity – Look Ahead will have sight of anything being circulated whilst they are the contract holders. |
| Increased responsibility for repairs | While the council could just take on the support function in the hostels, the council is keen to retain control over internal repairs so these can be quickly made without having to involve the RSL. | Medium | Negotiations with RSLs will explore whether external repairs could remain with the landlord. Financial liability for all repairs remains with the tenant whether or not the responsibility does. |
| Differing lease arrangements | With current information held David Barker House cannot be leased and will require a management agreement with the RSL. The RSL at Manor Place were ready to draw up lease arrangements previously. The RSL at Joe Richards House were willing to consider lease arrangements but needed board approval. | Medium | If approved the council will enter into a mix of arrangements once we can start formal conversations. The RSL of Manor Place are willing to limit tenant liability for structure (literally structure and roof) with the tenant keeping liability and responsibility for windows, doors and frames, probably guttering etc. but this is a good position (comparative to the market) and one we will |

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| | | | explore with the other RSLs. |
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Proposed insourcing route

56. As described in paragraph 16 the insourcing of this provision to sit within Housing and Modernisation has been discussed in working groups since 2021.
57. Consideration was given to closing one hostel due to the agreed budget reduction but the current demand for the service and the cost of placing the residents into nightly paid accommodation, where they are likely to return to the streets, is considered to be financially more expensive and at odds with improving the life chances for our most vulnerable.
58. Housing and Modernisation will manage the support function in the three hostels acknowledging that there will be increased costs to the council to implement insourcing safely and before the new contract end date of 16 December 2022.

Key /Non Key decisions

59. This report deals with a key decision.

Policy framework implications

60. There are a number of overlapping statutory duties set out in legislation in relation to the provision of health, care, support and housing for people with mental health issues. Under the Mental Health Act 1983 (s117), the council and local Integrated Care System (SELICS) have a joint duty to make provisions for health, care and support to individuals leaving hospital or prison settings and to reduce the risk if there is a deterioration of these individuals' mental health condition. These duties remain with the council and SELICS until such time as the person deemed to no longer require the support.
61. In 2018, the council made eight new commitments aimed at making Southwark a fairer place to live where all residents have the opportunity to fulfil their potential.
62. Two of the key commitments in Southwark's Borough Plan 2020-22 are: Tackling Health Inequalities and Homes for All.

Tackling health inequalities

63. Southwark wants to reduce health inequality so whatever your background, you can live a healthy life. The council committed to breaking down barriers that prevent our residents leading healthy and active lives.

64. These services in particular will:

- close the gap in health inequalities that affect our Black, Asian and minority ethnic communities; and
- support domestic abuse survivors.

Homes for all

65. The Borough Plan states that 'having a decent home is the foundation of everything in life'. These services in particular will:

- Work to end rough sleeping in Southwark.

66. Reducing homelessness is a key priority for Southwark Council. The 'Southwark Housing Strategy to 2043' states that our ambition is to break the cycle of homelessness, by working with vulnerable individuals and families to develop creative solutions to prevent homelessness wherever possible.

67. Priority 5 of Southwark's Joint Health and Wellbeing Strategy (2022 – 2027) is to create and develop healthy and sustainable places and communities. Housing is an important determinant of health and unaffordable, insecure, or poor quality housing has impacts on mental health and physical health. Socially excluded groups, such as people experiencing homelessness, often have much worse health outcomes than the rest of the population.

68. The work of these services crosses over many services within the council and sits at the heart of the council's priorities in relation to vulnerable adults. Key local partnerships and strategies that these services are key to support are:

- Southwark Safeguarding Adults Board
- Southwark's Violence Against Women and Girls strategy
- Southwark's Modern day slavery (county lines) statement
- Joint Strategic Needs Assessment

69. Other relevant government policies and programmes include:

- Changing Futures scheme to support vulnerable people with multiple disadvantage (launched in Dec 2020)
- Department for Levelling Up, Housing and Communities (DLUHC) Rough Sleepers Programme

70. The Government's national statement of expectations for Supported housing (Oct 2020) states that 'Local councils have the lead role in planning to meet local demand for supported housing. To be effective, councils need to plan strategically to ensure that supply aligns with the current and future supported housing needs of vulnerable people in their areas. This will include any appropriate supply of accommodation that might come from

private market development, including non-commissioned and leased provision.'

71. The Equality Act 2010 –This places a duty on the council to ensure all its services protect service users and its citizens from discrimination/unfair treatment regardless of the equalities protected characteristics:
- age
 - disability
 - gender reassignment
 - marriage or civil partnership
 - pregnancy and maternity
 - race
 - religion or belief
 - sex
 - sexual orientation

TUPE/Pensions implications

72. Due diligence will be undertaken to obtain relevant TUPE information from Look Ahead. Additional information will be requested as necessary in order to provide assurance that the full requirements of the TUPE Regulations (and any pension implications) will be satisfied.

Managing the insourcing arrangement

73. Landlord agreements will need to be in place.
74. Given that the service will be insourced and become an in-house service, it has been agreed that the traditional contract management arrangements will not be replicated internally. Children's and Adults' Services will continue to be the budget holders for the services with Housing and Modernisation managing service delivery. Therefore, in order to ensure that the service achieves the rationale for insourcing, i.e. better outcomes and people moving quicker and safely through the pathway to a permanent home of their own, it has been agreed that a partnership steering group will be established. The steering group will bring together the three primary stakeholders – Resident Services, Adult Social Care and Commissioning. The group will review delivery against the agreed vision and model of delivery for the service as well as a dashboard for monitoring agreed metrics.

Community, equalities (including socio-economic) and health impacts

Community impact statement

75. The service will provide crucial support to help people with complex needs to work towards independent living in suitable accommodation, to prevent

escalation of mental health issues or homelessness. These individuals will be assessed using the social care eligibility criteria and their needs will be assessed in terms of both the support and also the accommodation.

Equalities (including socio-economic) impact statement

76. Southwark Stands Together is a borough wide initiative in response to the killing of George Floyd in 2020, the injustice and racism experienced by Black, Asian and minority ethnic communities and to the inequalities exposed by COVID-19. Southwark Stands Together is about all organisations, community groups and individuals across the borough committing to identify, and then implement solutions to address entrenched racism and injustice and take positive action to ensure equality of opportunity.
77. Southwark Stands Together to deliver solutions to address entrenched, persistent racisms and injustices faced by Black, Asian and minority ethnic communities and to deliver a fairer and more equal society.
78. Data from the Health Needs Assessment of Southwark's Street Population in 2018 showed that 68% were of White ethnicity, 21% Black, 2% Asian, 1% Arab, 1% Mixed, 5% Other, while 2% refused to answer. This is broadly comparable to Greater London, however Southwark contains a higher proportion of Black rough sleepers, but fewer Asian persons.

Health impact statement

79. As described earlier in this report in paragraph 10 people sleeping rough experience the most severe health inequalities with higher rates of premature mortality. There is a significantly increased risk to health and wellbeing as a result of a life on the streets and extended periods of rough sleeping can bring on premature ageing and result in the earlier development of age-related health conditions, such as frailty.

Climate change implications

80. The climate change target for Southwark is to be net zero by 2050 as set out in the Climate Change Act 2008. The council has declared a Climate Emergency with the ambition to reach carbon neutrality by 2030.
81. There are no negative implications if this proposal is to be approved.

Social Value considerations

82. Since the introduction of The Public Services (Social Value) Act 2012, (which came into force after the contracts had been awarded) the council has been required to consider how wider social, economic and

environmental benefits that may improve the wellbeing of the local area can be secured.

83. Southwark will achieve its social value commitments when delivering these services internally in the following ways:
- a. Southwark values what staff with lived experience can bring to roles and to the service users within the Pathway. Southwark currently employ staff who have successfully navigated this Pathway and will provide ongoing support to their recovery.
 - b. Work placement opportunities
 - c. Linking with Goldsmith College to provide work experience for students studying social care qualifications; with aspirations to expand this link to Southbank University in the future
 - d. Work closely with peer mentors and peer mentoring schemes within the borough, both as a positive practical support for our current service users but also as a positive opportunity for our service users who have moved on and wish to 'give back' and support those still in the recovery journey.
 - e. London Living Wage
 - f. Environmental and sustainability considerations
 - g. Health and wellbeing considerations
 - h. Exploring options to work with partners, such as Southwark Living Room in Walworth, to work with the service users in these hostels, providing a befriending service to residents to provide opportunity to build new positive friendship groups, onsite activities such as arts and crafts and supporting those service users to reengage within the local community.

Social considerations

84. The service will support individuals to access local services, to maintain their health and wellbeing and be part of a community.

Environmental/Sustainability considerations

85. There are no negative environmental or sustainability implications from this proposal.

Staffing/procurement implications

86. TUPE data will be requested formally. Informal discussions between HR departments have been set up and will be supported by a project group.

Financial implications

87. The current annual budget for the Homelessness Hostels are as follows:

| Homelessness Hostels | Total number of units | Annual Contract Value | Registered Social Landlord (RSL) |
|----------------------|-----------------------|-----------------------|------------------------------------|
| Joe Richards House | 42 | £318,000 | Hexagon |
| David Baker House | 45 | £317,000 | Salvation Army Housing Association |
| Manor Place | 34 | £260,000 | L&Q |
| Total | 121 | £895,000 | |

88. Given that the current contractual obligations are in place until the 16 December 2022, the pro-rata spend in 2022/23 is £635k. Therefore, there is £260k budget remaining for 2022/23. However, as part of budget challenge there were £130k annual savings applied to the three hostels, hence the actual budget remaining is £222k, which is inclusive of pro-rata savings of £38k.
89. Insourcing and on-going management of the hostels will be carried out by Housing and Modernisation.
90. Children's and Adult's services will continue to hold the base budget for this service of £765k and will contribute via an internal journal to Housing and Modernisation to manage service delivery. This is inclusive of the £130k savings that were applied as part of budget challenge in 2022/23. It is yet to be identified as to how long the insourcing arrangement will be in place.
91. Although this is not a contract with an external provider, the steering group must play an active role to ensure that there is an appropriate quality of service for clients and value for money for the department.

Investment implications

92. There are no negative environmental or sustainability implications from this proposal.

Legal implications

93. Please see the concurrent of the Director of Law and Governance below.

Consultation

94. Engagement with the landlords to continue delivering services from their properties.
95. Engagement with Look Ahead will be prioritised to ensure timely transition takes place and that TUPE information is submitted given the short timescales.
96. If the insourcing option is approved in order to transition people into the new service, consultation and engagement will need to take place with current

service users and their families, operational staff and colleagues in the council to mobilise the new service.

Other implications or issues

97. Not applicable.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

98. Not applicable.

Director of Law and Governance

99. This report seeks approval of the insourcing of three mental health homelessness hostels (Joe Richards House, Manor Place and David Barker House) following the cessation of the existing service provided by Look Ahead.
100. Contract Standing Order 3.3 requires that where it is proposed to bring a service which was previously externalised back in-house, approval of that procurement strategy is made through a gateway 1 report, after consideration of that report by the Departmental and Corporate Contract Review Boards.
101. The report notes that negotiations with Look Ahead and the landlords of the hostel premises are continuing. Paragraph 71 details the requirements of the TUPE regulations and the effect and impact of those regulations on the proposed insourcing of the service and on affected service staff currently employed by Look Ahead. The report further notes at paragraph 17 that the necessary formal engagement and consultation with Look Ahead, the affected staff and their union representatives and service users and their families will be built into the programme plan.

102. In considering the recommendation the decision maker should have regard to the council's obligations to carry out its duties in accordance with the principles of best value - to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
103. The decision maker's attention is drawn to the Public Sector Equality Duty (PSED General Duty) under the Equality Act 2010, which requires public bodies to have regard, when making decisions, to the need to eliminate discrimination, advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not share it. The decision maker is specifically referred to the community impact statement at paragraph 70 and the equalities impact statement at paragraphs 71 to 73 setting out the consideration that has been given to equalities issues which should be considered when approving the recommendation in this report. The PSED General Duty is a continuing duty and an Equality Impact Assessment should be reviewed and updated during the mobilisation period.
104. Paragraph 2 notes that the decision to approve the recommendation of this report has been delegated to the Strategic Director of Children's and Adults Services.
105. The Director of Law and Governance and her staff will continue to provide advice to officers on any legal and governance issues arising during the mobilisation of the service to in-house provision.

Strategic Director of Finance and Governance REF: [21EN202223]

106. The Strategic Director of Finance and Governance notes the contents of this report and in particular the issues addressed under the 'Financial Implications' section para 87-91 as well as the Financial Analysis in Appendix 2. The model includes a number of assumptions therefore Housing and Modernisation needs to ensure sufficient monitoring in place to ensure action is taken to minimise voids and maximise value for money.

Director of Exchequer

107. Not applicable.

Director of Resident Services or Strategic Director of Housing and Modernisation

107. Resident Services currently manage three Supported Hostels in-house, providing a vital intervention to some of the boroughs most vulnerable residents. Insourcing these hostels will ensure a more consistent and improved service across the borough which will result in improved outcomes for these residents. Improving the synergy and pathway with the existing

services will assist in our commitment to end rough sleeping and reduce homelessness within the borough.

- 108. Insourcing the three hostels will give these residents access to staff and services with the skill set needed to support this cohort, who have complex and high support needs. This would also provide a more streamlined approach to deal with safeguarding issues and the opportunity to improve the referral and move on pathway, making more efficient use of the bed spaces in the borough.
- 109. There will be significant transitional and other financial costs to survey and negotiate leases or management agreements for the buildings. There will also be significant capital expenditure for work to update the buildings in line with council policy. Children's and Adults' Services will continue to be the budget holders for the services with Housing and Modernisation managing service delivery
- 110. The establishment of a partnership steering group to oversee the future strategy and framework for the service will improve the ability to make changes and future plan this service

PART A – TO BE COMPLETED FOR ALL DELEGATED DECISIONS

Under the powers delegated to me in accordance with the council's Contract Standing Orders, I authorise action in accordance with the recommendation(s) contained in the above report (and as otherwise recorded in Part B below).

Signature **David Quirke-Thornton**Date **20 October 2022**

Designation **Strategic Director for Children's and Adults' Services**

PART B – TO BE COMPLETED BY THE DECISION TAKER FOR:

- 1) All key decisions taken by officers
- 2) Any non-key decisions that are sufficiently important and/or sensitive that a reasonable member of the public would reasonably expect it to be publicly available (see 'FOR DELEGATED DECISIONS' section of the guidance).

| |
|--|
| 1. DECISION(S) |
| As set out in the recommendations of the report. |

2. REASONS FOR DECISION

As set out in the report.

3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED BY THE OFFICER WHEN MAKING THE DECISION

As set out in the report.

4. ANY CONFLICT OF INTEREST DECLARED BY ANY CABINET MEMBER WHO IS CONSULTED BY THE OFFICER WHICH RELATES TO THIS DECISION *

None

* Contract standing order 6.4.1 states that for contracts with an Estimated Contract Value of £100,000 or more, the lead contract officer (LCO) must consult with the relevant cabinet member before a procurement strategy is implemented.

5. NOTE OF ANY DISPENSATION GRANTED BY THE MONITORING OFFICER, IN RESPECT OF ANY DECLARED CONFLICT OF INTEREST

If a decision taker or cabinet member is unsure as to whether there is a conflict of interest they should contact the legal governance team for advice.

None.

6. DECLARATION ON CONFLICTS OF INTERESTS

I declare that I was informed of no conflicts of interests.*

Signature **David Quirke-Thornton**Date **20 October 2022**

Designation **Strategic Director for Children’s and Adults’ Services**

7. CONSIDERATION GIVEN TO WHETHER, AS A NON-KEY DECISION, THIS SHOULD BE FORWARDED TO THE CONSTITUTIONAL TEAM FOR PUBLICATION IN ACCORDANCE WITH REGULATION 13(4)*

The decision taker should consider whether although a non-key decision, the decision is sufficiently important and/or sensitive that a reasonable member of the public would reasonably expect it to be publicly available. Where there is any doubt, having considered the importance and/or sensitivity of a decision, it should be deemed that Regulation 13(4) would apply.

I consider that the decision be made available for publication under Regulation 13(4).*

Signature **David Quirke-Thornton**Date **20 October 2022**

Designation **Strategic Director for Children's and Adults' Services**

* Under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the council is required to put in place a scheme for recording and publishing some officer executive decisions. This process is sometimes referred to as "Regulation 13(4)".

BACKGROUND DOCUMENTS

| Background Documents | Held At | Contact |
|--|---|---------------------------------|
| Southwark's Borough Plan | Children's and Adults' Services, Commissioning Directorate 160 Tooley Street, London, SE1 2QH | Neil Colquhoun 0207 525 4227 |
| Link: https://www.southwark.gov.uk/council-and-democracy/fairer-future/council-plan | | |
| Southwark Stands Together | Children's and Adults' Services, Commissioning Directorate 160 Tooley Street, London, SE1 2QH | Neil Colquhoun 0207 525 4227 |
| Link: https://www.southwark.gov.uk/engagement-and-consultations/southwark-stands-together | | |
| Fairer Future For All | Children's and Adults' Services, Commissioning Directorate 160 Tooley Street, London, SE1 2QH | Neil Colquhoun 0207 525 4227 |
| Link: https://www.southwark.gov.uk/council-and-democracy/fairer-future/fairer-future-commitments | | |
| Joint Strategic Needs Assessment | Children's and Adults' Services, Commissioning Directorate 160 Tooley Street, London, SE1 2QH | Neil Colquhoun 0207 525 4227 |
| Link: https://www.southwark.gov.uk/health-and-wellbeing/public-health/health-and-wellbeing-in-southwark-jsna | | |
| Southwark Safeguarding Adults Board (Annual Report 2020-21) | Children's and Adults' Services, Commissioning Directorate 160 Tooley Street, London, SE1 2QH | Neil Colquhoun 0207 525 4227 |
| Link: https://safeguarding.southwark.gov.uk/southwark-safeguarding-board/ssab/ | | |
| Southwark Violence Against Women and Girls Strategy 2019 to 2024 | Children's and Adults' Services, Commissioning Directorate | Neil Colquhoun 0207 525 4227 |

| | | |
|--|---|---------------------------------|
| | 160 Tooley Street, London, SE1 2QH | |
| Link: https://www.southwark.gov.uk/community-safety/domestic-abuse/information-for-professionals-about-domestic-abuse/violence-against-women-and-girls-strategy-2019-to-2024 | | |
| Supported housing: national statement of expectations | Children's and Adults' Services, Commissioning Directorate 160 Tooley Street, London, SE1 2QH | Neil Colquhoun 0207 525 4227 |
| Link: https://www.gov.uk/government/publications/supported-housing-national-statement-of-expectations/supported-housing-national-statement-of-expectations | | |
| Changing Futures | Children's and Adults' Services, Commissioning Directorate 160 Tooley Street, London, SE1 2QH | Neil Colquhoun 0207 525 4227 |
| Link: https://www.gov.uk/government/collections/changing-futures | | |
| Department for Levelling Up, Housing and Communities Homelessness and rough sleeping strategy | Children's and Adults' Services, Commissioning Directorate 160 Tooley Street, London, SE1 2QH | Neil Colquhoun 0207 525 4227 |
| Link: https://www.gov.uk/government/publications/ending-rough-sleeping-for-good | | |
| Care Act 2014 | Children's and Adults' Services, Commissioning Directorate 160 Tooley Street, London, SE1 2QH | Neil Colquhoun 0207 525 4227 |
| Link: https://www.legislation.gov.uk/ukpga/2014/23/contents/enacted | | |
| Mental Health Act 1983 (Section 117) | Children's and Adults' Services, Commissioning Directorate 160 Tooley Street, London, SE1 2QH | Neil Colquhoun 0207 525 4227 |
| Link: https://www.legislation.gov.uk/ukpga/1983/20/section/117 | | |
| Southwark Joint Health and Wellbeing Strategy 2022-2027 | Children's and Adults' Services, Commissioning Directorate | Neil Colquhoun 0207 525 4227 |

| | | |
|---|---|---------------------------------|
| | 160 Tooley Street, London, SE1 2QH | |
| Link: https://modern.gov.southwark.gov.uk/documents/s105577/Appendix%201%20-%20Draft%20Joint%20Health%20and%20Wellbeing%20Strategy.pdf | | |
| Southwark's Modern Slavery Policy and Statement | Children's and Adults' Services, Commissioning Directorate 160 Tooley Street, London, SE1 2QH | Neil Colquhoun 0207 525 4227 |
| Link: https://www.southwark.gov.uk/council-and-democracy/key-documents/modern-slavery-statement | | |
| Climate Change Act 2008 | Children's and Adults' Services, Commissioning Directorate 160 Tooley Street, London, SE1 2QH | Neil Colquhoun 0207 525 4227 |
| Link: https://www.legislation.gov.uk/ukpga/2008/27/contents | | |
| Equality Act 2010: Public Sector Equality Duty | Children's and Adults' Services, Commissioning Directorate 160 Tooley Street, London, SE1 2QH | Neil Colquhoun 0207 525 4227 |
| Link: https://www.legislation.gov.uk/ukpga/2010/15/section/149 | | |

APPENDICES

| No | Title |
|------------|---|
| Appendix 1 | Look Ahead Hostel Supplementary Information |
| Appendix 2 | Financial Analysis of insourcing costs |
| Appendix 3 | Background Document – Contracts Register |

AUDIT TRAIL

| | | |
|---|--|--------------------------|
| Lead Officer | David Quirke-Thornton, Strategic Director of Children's and Adults' Services | |
| Report Author | Neil Colquhoun, Strategic Commissioning Manager for All Age Disabilities | |
| Version | Final | |
| Dated | 11 October 2022 | |
| Key Decision? | Yes | |
| CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER | | |
| Officer Title | Comments Sought | Comments included |
| Strategic Director of Finance and Governance | Yes | Yes |
| Head of Procurement | Yes | Yes |
| Director of Law and Governance | Yes | Yes |
| Director of Exchequer (for housing contracts only) | N/a | N/a |
| Cabinet Member | Yes | No |
| Contract Review Boards | | |
| Departmental Contract Review Board | Yes | Yes |
| Corporate Contract Review Board | No | No |
| Cabinet Member | Yes | No |
| Date final report sent to Constitutional Team | | 20 October 2022 |