

Cabinet 27 November 2019	 TOWER HAMLETS
Report of: Denise Radley, Corporate Director of Health, Adults and Community	Classification: Unrestricted
Award of contracts for the support service in three hostels for the single homeless	

Lead Member	Councillor Amina Ali, Cabinet Member for Adults, Health and Wellbeing
Originating Officer(s)	Warwick Tomsett, Divisional Director, Integrated Commissioning
Wards affected	All wards
Key Decision?	Yes
Forward Plan Notice Published	24/09/2019
Reason for Key Decision	Financial Threshold and Impact on Wards
Strategic Plan Priority / Outcome	Strong, resilient and safe communities Better health and wellbeing

Executive Summary

The delivery of the Hostels Commissioning Plan for 2016 – 2019 is complete and has resulted in significant changes to the hostel sector locally. It remains important, however, to continue the re-shaping of support services over the coming years to ensure that they continue to be as responsive and relevant as possible to vulnerable residents. Key drivers for change include:

- The demand for hostel services and the needs of current hostel residents are changing, which needs to be taken into account in the design of support services to be delivered from hostels in the future.
- The contracts for 3 out of 7 hostel services are due to expire in March 2020 and new contracts are therefore required.

This report seeks approval to directly award contracts for the provision of the support services in three hostels, all of which are in the ownership of Providence Row Housing Association (PRHA). Detail about the value for money case that supports the proposed direct awards is set out.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Agree to exempt Providence Row Housing Association (PRHA) for up to 3 years from 01 April 2020 from any tendering exercise relating to provision of support services at Edward Gibbons House, Providence House and Daniel Gilbert House in recognition of:
 - PRHA capital investment of £101k to improve the quality and design of the hostels buildings via increased provision of:
 - medical rooms,
 - catering facilities,
 - wet rooms/rooms suitable for residents with restricted mobility
 - PRHA revenue investment to better respond to the changing needs of Service Users via provision of:
 - homeless specific palliative care and support training
 - AQA accredited Safeguarding training
 - clinical psychologist support
2. Authorise the Divisional Director, Legal Services to execute all necessary contract documents in respect of the awards of contracts referred to at recommendations 1 above
3. Note the specific equalities considerations as set out in Paragraph 4.

1 REASONS FOR THE DECISIONS

- 1.1 To ensure the continuing provision of support services in the three hostels referenced in the report following the expiry of existing contracts.

2 ALTERNATIVE OPTIONS

- 2.1 The Mayor in Cabinet could decide that there is insufficient justification to directly award contracts to Providence Row Housing Association in respect of Edward Gibbons House, Providence House and Daniel Gilbert House and direct officers to subject those services to a competitive procurement process. This would put at risk the additional capital and revenue investment proposed by Providence Row Housing Association.

3 DETAILS OF THE REPORT

- 3.2 The key drivers of our strategic approach to the delivery of hostel services over the next three to five years are:

- The need to deliver services which remain responsive to the changing needs of homeless, vulnerable people in Tower Hamlets. Research undertaken by officers during 2019 has identified that:
 - both homeless people placed in hostels and rough sleepers are rapidly and prematurely becoming frail;
 - the average age of hostel residents in Tower Hamlets increased from 39 in 2015/2016 to 44 in 2017/2018 and this increase is mirrored by national trends;
 - 23 hostel residents passed away between April 2015 and August 2018. The average age at the point of death was 49;
 - the average life expectancy of a rough sleeper in the UK is 47 for male and 42 for female.
- The need to review and re-design hostels buildings and review support services as commissioned in 2016/2017 to ensure that:
 - they continue to provide high quality support that meets the current and future needs of hostel residents, including the provision of level access wet room facilities for residents with restricted mobility;
 - generic support is enhanced by provision of onsite specialised health and care services including bespoke intermediate and long term home care, palliative and end of life care,
 - multidisciplinary, personalised, individual support plans for hostel residents are enhanced by the on-site provision of physical and mental health services enabled via provider funded capital works such as the provision of medical rooms.
- The requirement to re-commission three hostel services from April 2020 as a result of the current contracts coming to an end in March 2020.

3.3 It is proposed that the funding envelope for the three hostels for which a direct award of contract is recommended be maintained at £1,312,808 per annum in order to ensure that best value continues to be achieved.

3.4 In order to deliver the necessary physical improvements to Edward Gibbons House, Daniel Gilbert House and Providence House as outline above, PRHA are proposing to invest a total of £101k, which is broken down as follows:

3.4.1 Edward Gibbons House: £43,200

Refurbishment of the shared toilet and bathroom facilities in line with requirement to maintain CQC registration and respond to the increasing needs of those with mobility issues. The challenge here is that mobility needs of the users of these facilities vary so flexible adaptations are required. The

existing bathrooms will be converted into wet rooms so that those on crutches, Zimmer frames or in wheelchairs will be able to use them. All toilets will be upgraded to increase accessibility.

3.4.2 **Providence House: £28,080**

Refurbishment of the Ground floor kitchen to enable catering services to be provided to some of the residents who are unable to provide for themselves. Also one room will be converted into a bespoke medical room (following the model successfully introduced at Edward Gibbons House) to enable on-site satellite medical services including district nurses, GPs and screening services.

3.4.3 **Daniel Gilbert House: £29,280**

Refurbishment of one room to create a medical room to enable on-site satellite medical services including district nurses, GPs and screening services (following the model successfully introduced at Edward Gibbons House).

Additional security measures (CCTV and reinforced doors) in the communal areas to address concerns about lack of security, anti-social behaviour and compromising fire safety caused by ongoing vandalism because of the increasingly complex needs and challenging behaviour of the residents. This will enable the scheme to continue to accept referrals of high risk residents without compromising the safety of others.

- 3.5 If the direct award of contracts is approved, the completion of the above works within 9 months of contract commencement will be made a condition of contract in order to provide assurance that the works will be undertaken.

4 EQUALITIES IMPLICATIONS

- 4.1 The proposed change in provision of hostel services has been considered in accordance with the public sector equalities duty to eliminate unlawful conduct under the Equality Act 2010 as set out at Section 149 of the Act. 'Due regard' have been given to the need to eliminate discrimination (both direct and indirect discrimination), harassment and victimisation and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who share a 'protected characteristic' and those who do not share that protected characteristic.

5 OTHER STATUTORY IMPLICATIONS

- 5.1 Risk management: Hostels are increasingly being used to accommodate individuals with complex multi-morbidities and often chaotic lifestyles. There are, therefore, significant operational risks present on an ongoing basis. A key element of the Council's contract management activities is, therefore, focused on providers' risk management arrangements.

6 COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 This report proposes to direct award 3 contracts for hostel provision currently held by Providence Row Housing Association, at an annual value of £1,312,808 for up to 3 years from 1 April 2020. The value is in-line with current and future budgeted expenditure. These services are funded by the council, and included within the current medium term financial strategy (MTFS). As part of the direct award it has been agreed Providence Row Housing Association will invest £101,000 of their own funding in capital works to enable physical improvements to the buildings within 9 months of contract award. This will need to be monitored to ensure delivery.
- 6.2 The paper also proposes a procurement exercise is undertaken for support services at Dellow Hostel, which are funded by the council. The current budgeted value of this provision is £464,137 per annum and is built in to the current MTFS. It is proposed the budget envelope for the re-procured service will be within this level of funding available. If the re-procured service is agreed at a lower value, the savings will support delivery of savings already agreed as part of the MTFS.

7 COMMENTS OF LEGAL SERVICES

- 7.1 The Council has a legal duty to obtain Best Value and to subject its expenditure to competition. Usually, subjecting expenditure to competition satisfies both legal duties provided a particular bid is evaluated on a blend of both quality and price. However, this is not the only way to demonstrate Best Value and also price is just one factor.
- 7.2 In many instances, Hostel provision is required as one of the Council's statutory functions and this is dependent upon the needs of the service user. The direct award of the contract as referred to in this report has the effect of driving up the efficiency and effectiveness of the hostel provision by increasing the quality of the accommodation through encouraging investment into the properties. Also, the existing cost is set to remain the same against rising cost of provision and therefore it appears that there is strong evidence to suggest that this arrangement does represent Best Value.
- 7.3 Many services users have the own right to remain in the residence, or at least that the Council is restricted from moving service users to different accommodation. This would restrict the effectiveness of any competition and the Council is legally bound by the principle of proportionality under European Law. In the circumstances therefore, a direct award may be considered proportionate.
- 7.4 However, the compliance with statute is dependent upon the realisation of the investment into the properties. The proposed agreement will ensure that the contractor is legally bound to provide the investment which will safeguard the Council's compliance with its statutory duties.

7.5 The report details a continuation of the existing services, albeit with improved quality of accommodation. Therefore, it is reasonable to assume that there will be little or no impact on persons who have a protected characteristic for the purposes of the Equality Act 2010

Linked Reports, Appendices and Background Documents

Linked Report

None

Appendices

- None

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- None

Officer contact details for documents:

- N/A