

Individual Mayoral Decision	 TOWER HAMLETS
6 March 2020	
Report of: Ann Sutcliffe, Corporate Director, Place	Classification: Unrestricted
MHCLG Rough Sleeping Initiative 2020/2021	

Lead Member	Councillor Sirajul Islam, Cabinet Member for Housing
Originating Officer(s)	Karen Swift, Divisional Director – Housing and Regeneration
Wards affected	All
Key Decision?	No
Forward Plan Notice Published	N/A Exemption from call in notice published
Reason for Key Decision	N/A
Strategic Plan Priority / Outcome	Strong, resilient and safe communities Better health and wellbeing

Exemption from Call in

The Council's Overview and Scrutiny Procedure Rules (Constitution, Section 30) provides that the 'Call In' procedure shall not apply where a decision taken by the Mayor is urgent, i.e. that any delay likely to be caused by the 'Call In' process would seriously prejudice the Council's or the public interests. This decision has been determined to be urgent and is therefore not subject to call in.

Executive Summary

The Mayor is being asked to approve two contract variations, one for the council's commissioned Enhanced Rough Sleeping Outreach Service and one for the council's commissioned Resource Centre for Rough Sleepers. These variations are the result of the council being successful in its bid to the MHCLG for new and continued funding for a range of innovative and effective rough sleeping services.

The MHCLG grants are ring fenced and delivery organisations are identified to ensure speedy mobilisation of new services and the continuation of services that commenced in 2018/19 and 2019/20. Mayoral approval is being sought as the grant exceeds the level of authority available to corporate directors under the Council's scheme of delegation.

Recommendations:

The Mayor is recommended to:

1. Approve a contract variation to St Mungo's Enhanced Rough Sleeping Outreach (EROS) number DR5450 for £635,501.

2. Approve a contract variation to Providence Row's Resource Centre for Rough Sleepers number PL5242 for £126,242.
 - 2a. The funding is being awarded through:
 - Tower Hamlets' MHCLG's Rough Sleeping Initiative (RSI) 2020/21 Award that will enable roles and services that are currently funded under the MHCLG Rough Sleeping Initiative (RSI) 2019/20 to continue and expand between 1 April 2020 and 31 March 2021, totally £638,084
 - The City of London's MHCLG Rough Sleeping Initiative 2020/21 Award to enable the expansion of a Rough Sleeping Service (Navigators) that is shared with, and lead by Tower Hamlets, totally £88,659
 - In principle, small amount of match funding from LBTH's DAT service, totally £35,000.

 - 2b. The MHCLG RSI funding is ring-fenced for agreed services and named organisations. We have received the grant notification and a MOU containing these details. We are expecting to receive the Grant Award letter shortly.

3. Note the specific equalities considerations as set out in Paragraph 4.1.

4. Delegate to the Corporate Director Place the power to authorise the execution of any agreements necessary to give effect to recommendation 1.

1. REASONS FOR THE DECISIONS

The reasons for the decision are: the MHCLG funding awards are ring-fenced and delivery organisations are identified and agreed by MHCLG. This is to enable existing services funded under the MHCLG RSI 2019/20 to continue without disruption and some can be expanded and mobilised by 1 April 2020.

- 1.1 In the national Rough Sleeping Strategy 2018, the Government has set out its aim to end rough sleeping by 2027, halving it by 2022. In January 2019, the council launched our five year Homelessness and Rough Sleeping Strategy which echoes this commitment. In December 2019, the Prime Minister committed to ending rough sleeping by the end of this Parliament in 2024 – 3 years earlier than the previous commitment. Without the MHCLG RSI 2020/21 funding award, it is very unlikely we can achieve this aim.

- 1.2 Mayoral approval is required given the size of the funding allocation. The amounts involved are too large to be approved under the authority devolved to Corporate Directors under the Council's scheme of delegation.

2. ALTERNATIVE OPTIONS

- 2.1 Were these recommendations not to be approved, all new services which started under the MHCLG RSI 2018/19 and 2019/20 would need to cease by 31 March 2019. This action would leave rough sleepers who entered into new accommodation options without support and at risk of returning to the street. This includes: rough sleepers accommodated in the council's new Housing First Pilot; those with complex needs currently in B&B and on Safe Seats; and those earmarked to enter the Crash Pad as first stage accommodation. In addition, it is likely that the gains made in the reduction to the council's rough sleeping figures would be lost. It would also put at risk the council's reputation with MHCLG – opening ourselves to challenge as to the level of our commitment to end rough sleeping as well as putting future funding opportunities at risk. It would also put our NFNO partnership with the City of London at jeopardy and as a consequence severely limiting the council's homelessness prevention options for those at risk of rough sleeping.

3. DETAILS OF THE REPORT

3.1 Rough Sleeping Service Contracts

- 3.1.1 St Mungo's is the council's commissioned provider of the rough sleeping outreach service whose team name is TH SORT and the contract is entitled Enhanced Rough Sleeping Service (EROS). Providence Row Charity is the council's commissioned provider of a day service for rough sleepers under the Contract name Resource Centre for Rough Sleepers.
- 3.1.2 Both the EROS and the Resource Centre for Rough Sleeper Contracts were procured through an open tender process. St Mungo's EROS contract started on 1 April 2017. It is a 3 year contract with a possible continuation of 2 years. Providence Row's Resource Service Contract commenced on 1 April 2018 and is a 3 year contract.

3.2 MHCLG's Funding Streams 2018 – 2020, the Records of Corporate Director's Action (RCDAs) and Individual Mayoral Decisions

- 3.2.1 The Government is committed to ending rough sleeping by 2024. Since 2018, the MHCLG have asked local authorities with high rates of rough sleeping to bid for new annual funding. Quick service mobilisation was a key criterion to ensuring a successful bid.
- 3.2.2 In July 2018, the council's Housing Options service received notification that we were successful in our bid under the MHCLG's new Rough Sleeping Initiative fund (RSI) 2018/19 and was awarded £297,331. This funding was agreed with the condition that the new posts and services would be up and

running by September 2018. The funding was ring-fenced and allocated to named organisations.

3.2.3 The contract awards were approved under delegated authority via Records of Corporate Director's Action (RCDA):

- St Mungo's EROS Contract for £117,923 from 1 September 2018 to 31 March 2019
- Providence Row Resource Centre Contract for £106,807 from 1 September 2018 to 31 March 2019

Both RCDAs were approved and contract variations letters were signed off.

3.2.4 The council's Housing Options service also received funding to employ a Street Nurse and a Rough Sleeping Coordinator.

3.2.4 The MHCLG are very focused on hard outcomes, i.e. reduction of number of rough sleepers, although they do include a range of KPI and outcome measures in their monthly monitoring forms.

3.2.5 The MHCLG has praised the council's ability to mobilise funding and commence services in a timely manner. Moreover, it has congratulated Tower Hamlets in our reduction of rough sleepers as noted in the annual street count figures. In November 2017, our street count was 21. Since the introduction of the MHCLG RSI funding, our figure fell to 10 at our November 2018 annual street count. The counts are externally verified, using the same methodology year on year and hence, accepted as accurate snapshot figures of our rough sleeping population on the street on one given night.

3.2.6 In January 2019, the MHCLG indicated that LBTH was in a strong position to receive continued RSI funding for 2019/20. This was based on the reduction in our street count figures and the MHCLG's interest in the figure remaining low as well as the demonstrable effort that went into mobilising the RSI funding on time.

3.2.7 Working at pace in October 2018, the MHCLG announced further funding opportunities under their new **Rapid Rehousing Pathway Initiative (RRP)**. The RRP contained four distinct funding streams all aimed to meet gaps in rough sleeping prevention and responses.

3.2.8 The City of London (lead authority) and Tower Hamlets submitted a joint bid under two streams:

- Continuation funding for our tri-borough No First Night Out (NFNO) rough sleeping prevention project via the Social Lettings Funding Stream (unsuccessful – didn't meet the eligibility criteria)
- A Navigators service to support rough sleepers to exit the street. In this case we were successful and have been awarded £130,617.

3.2.9 The MHCLG wrote a Memorandum of Understanding (MOU) for the council and the City of London Corporation to review and sign. The MOU sets out the

conditions of the funding, including the funding was ring fenced for a named delivery partner: St Mungo's who run both the City of London's outreach service and Tower Hamlet's rough sleeping outreach service.

- 3.2.10 We have discussed with the City of London who would accept the funding and agreed that it would be Tower Hamlets. It has been noted and very much appreciated that the City of London has been the lead of the tri-borough NFNO project for the past 2 years, a project in which Tower Hamlets has gained the most benefits and housing outcomes. The amount of work the City of London has put into the NFNO project has been substantial including managing the staff team and negotiating a number of contracts with Private Rented Sector providers which has been time consuming.
- 3.2.11 LB of Tower Hamlets' agreement to take a lead on the Navigators funding, in which the council and the City of London will have equal access to the recourse and outcomes, is a way of sharing the responsibility of joint projects with the City of London and indeed thanking them for this hard work and continued commitment towards Tower Hamlets and NFNO.
- 3.2.12 The council's Private Sector Housing Policy team and Housing Options Services submitted two bids to the MHCLGs new PRS Access Fund in late 2018. We received written confirmation at the beginning of March 2019, that both bids were successful. One will enhance our Housing Options service while the other will provide continued funding for our cross-borough NFNO project. Bringing together the NFNO project underspend and the PRS Access Fund NFNO funding is enabling the City of London to continue to employ project staff and allot resources through to 31 March 2020. LB of Tower Hamlets continued to see the benefit from this combined funding making the argument for us to lead on the RRP Navigator funding even stronger.
- 3.2.13 In March 2019, Tower Hamlets was awarded £402,000 under MHCLG's Rough Sleeping Initiative 2019/20. The Award letter was accompanied by an Appendix outlining the specific interventions alongside the named agencies to deliver these services. There was an expectation that the funding would be distributed to partner agencies forthwith to enable them to continue to run the 2018/19 RSI services and retain current workers on contract from 1 April 2019 to 31 March 2020. It was agreed that the Street Nurse post would be deleted and replaced by a more generic Complex Needs Health Coordinator post. An Individual Mayoral Decision was agreed for variations to the EROS outreach contract (£356,121) and Resource Centre for Rough Sleepers contract (£142,509). These amounts included underspent, contributions from the City of London MHCLG RRP bid for the Navigators service and a small contribution from the DAT service. Contract variation letters were produced.
- 3.2.14 In October 2019, Tower Hamlets was awarded £100,000 under MHCLG Suspension of Derogation / Cold Weather Rough Sleeping Fund. Appendix 1 attached to the Award letter specified how the funding was to be spent and identified organisations to deliver the services. RCDA's and contract variation letters were approved as follows: the EROS outreach contract - up to £68,870 for a cold weather outreach worker, accommodation under the Suspension of

Derogation and personalisation funding for local rough sleepers; the Resource Centre for Rough Sleepers contract – up to £13,130 for a crash pad for complex needs rough sleepers. The remainder went to the employment of an additional Housing Options rough sleeping officer.

3.2.15 In November 2019, the Housing Options service and MHCLG coproduced a RSI 2020/21 bid. This was preceded by a number of monitoring reports and visits. MHCLG was happy with the progress and approach Tower Hamlets has taken to reducing and preventing rough sleeping and although our November 2019 street count was higher than the previous year (17 and 10 respectively) this was still much lower than surrounding boroughs and lower than the London and national picture.

3.2.16 In February 2020, Tower Hamlets was awarded funding for the initiatives and services that had been co-produced with the MHCLG. The total Award is for £712,477 (£635,961 new money, £76,516 underspend). The Award letter and MOU specify the specific interventions to be funded, amounts of funding for each and named organisations to deliver the interventions. The RSI and RRP funding streams have been rolled into one – both are now under the MHCLG RSI 2020/21. The Navigator service will continue to be shared across Tower Hamlets and the City of London but lead by LBTH. The No First Night Out Homelessness Prevention Project will also be shared across both authorities but lead by the City of London.

3.2.17 The MHCLG is asking for the MOU to be signed at the council's earliest convenience and thus, this Mayoral request has a level of urgency.

4. EQUALITIES IMPLICATIONS

4.1 Rough Sleepers are some of the most marginalised members of our society. By agreeing the recommendations above, this diverse population of clients will have improved access to support and accommodation options. Tailored approaches can be created from a range of specialist services to meet the complex needs of this cohort. Demographic and support needs will continue to be monitored, compared against the pan-London rough sleeping data and reviewed to ensure that no one group is being inadvertently discriminated against.

5. OTHER STATUTORY IMPLICATIONS

5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),

- Risk Management,
- Crime Reduction,
- Safeguarding.

- 5.2 Internal consultation has been conducted within the Housing Options Service and with homelessness stakeholders including the MHCLG. All have agreed the importance of these grant awards in being able to effectively support and accommodate vulnerable rough sleepers and those at risk of rough sleeping.
- 5.3 Supporting rough sleeping to exit the street and take up safe offers of accommodation reduces the risk of violence and harm associated with rough sleeping. The services provided through these grants will help to safeguard rough sleepers.
- 5.4 Moving rough sleepers into accommodation also helps reduce anti-social behaviour that often accompanies rough sleeping, therefore providing to support to all those who live and work in Tower Hamlets.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 The Council is considering varying two contracts, one for the council's commissioned Enhanced Rough Sleeping Outreach Service and one for the council's commissioned Resource Centre for Rough Sleepers. These variations are the result of the council being successful in its joint bid with the City of London to the MHCLG for new and continued funding for a range of innovative and effective rough sleeping services.
- 6.2 These MHCLG grants are ring fenced for rough sleeping and delivery organisations are identified to ensure speedy mobilisation of new services and the continuation of services that commenced in 2018/19 and 2019/20. Mayoral approval is being sought as the grant exceeds the level of authority available to corporate directors under the Council's scheme of delegation.
- 6.3 A contract variation is being proposed to St Mungo's Enhanced Rough Sleeping Outreach for £635,501 and to Row's Resource Centre for Rough Sleepers for £126,242. In total the contract variations are £761,743.
- 6.4 These contracts are being funded through MHCLG's Rough Sleeping Initiative 2020/21 Award of £638,084 to LBTH and £88,659 to City of London. The remaining balance of £35k will be met from within existing budgetary provision.

7. COMMENTS OF LEGAL SERVICES

- 7.1 As a local housing authority the Council has a duty under the Housing Act 1996 to secure that accommodation is available for eligible applicants who are homeless, in priority need and not intentionally homeless.

- 7.2 The Council has the legal power to undertake the actions detailed in this report.
- 7.3 This report seeks approval of the variation of two existing contracts relating to the Rough Sleeping services.
- 7.4 Whilst the report defines the actions required as a variation to existing contracts, under the Public Contracts Regulations 2015 the variations constitute direct awards as the variation amount exceeds the values stated under Regulation 72. However, the Council is restricted from undertaking a meaningful competition exercise on the grounds that the MHCLG has granted the funds on the basis that the recipients of the funds will be Providence Row and St Mungos. It is clear that the Council has no intention to avoid competition or act anticompetitively.
Therefore, running a competitive exercise to spend the grant would be a disproportionate use of the Council's resources. Also, the mandate relating to the use of the funds constitutes a technical reason why competition is absent for the purposes of regulation 32 (Use of the negotiated procedure without a prior notice). Therefore, the risk of a challenge should be considered extremely low.
- 7.4 It is also noted that these providers have previous involvement in the current projects and therefore there is a need for the continuation of existing work that cannot be separated from the new project.
- 7.5 The Council is required when exercising its functions to comply with the duty set out in section 149 of the Equality Act 2010, namely to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity between those who share a protected characteristic and those who do not, and foster good relations between those who share a protected characteristic and those who do not. Those with protected characteristics of race and disability are over-represented among rough sleepers, and this grant assists with the execution of the Council's Equality Duty in this regard.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE.

Appendices

- Appendix 1 - Memorandum of Understanding (MoU) Between Council and MHCLG on Rough Sleeping Initiative (RSI) Funding

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

- NONE.

Officer contact details for documents:

N/A

