

<p>Cabinet</p> <p>26 July 2016</p>	 <p>TOWER HAMLETS</p>
<p>Report of: Denise Radley, Director of Adults' Services.</p>	<p>Classification: Unrestricted</p>
<p>Hostel Commissioning Plan (HCP) 2016 -2019.</p>	

Lead Member	Councillor Amy Whitelock Gibbs, Cabinet Member for Health and Adult Services
Originating Officer(s)	Karen Sugars, Interim Service Head Commissioning and Health, Adult Services
Wards affected	All wards
Key Decision?	Yes
Community Plan Theme	A Safe and Cohesive Community

1. Executive Summary

- 1.1 Further to the Cabinet decision on 10 May 2016 this report updates on engagement with service users, stakeholders and landlords within the hostels sector and recommends service reconfiguration to better meet the needs and provide a more focussed provision during the next procurement cycle.
- 1.2 A new Hostels Commissioning Plan (HCP) is needed as the current HCP expires this year and hostel contracts come to an end in 2016/7. Access into hostels is, tightly focused towards local people, by teams within the Housing Options service. The annual spend on hostels for 2015/6, was £4.4 million, which provides 575 units of accommodation, across 9 services. Overall the level/complexity of people's support needs is increasing. Officers have however established that there is an oversupply of accommodation for women and those seeking abstinent (substance/ alcohol free) hostel services, compared with the current hostel provision for these groups. The plan is subject to approval from the Salvation Army Housing Association and Salvation Army, in regard to the ongoing use of their building. Officers anticipate that this will be forthcoming in the immediate period.
- 1.3 The future hostel commissioning priorities should:
- Focus on meeting the needs of those who are the most complex, whilst also aiming to provide advice and assistance to those with lower needs.

- Reduce the level of women only and abstinent hostel services, to better meet the needs of the service users whilst ensuring provision of choice and control is maintained
- Remodel the service to provide more efficient and effective services supporting service user's independence.
- Achieve an estimated saving of **£805,277** from 2017-2018 across the remodelled, reconfigured hostel provision.

2. Recommendations:

The Mayor in Cabinet is asked to approve:

2.1. Remodelling of the hostel provision:

- This will focus on providing clear criteria, time limited step down personalised pathways starting with the multidisciplinary assessment centre to be followed by a range of smaller, specialised range of hostel services for those with high and/or complex needs. A distinctive recovery and stabilisation scheme will form part of the pathway.

2.2. Reconfiguring of the hostel provision to enable implementation of the new model:

- Decommissioning of Booth House: a 150 bed space service for men to align with a re-provisioned service in an alternative building, and
- Decommissioning of 8 beds at Caplin House after the current contract comes to an end in December 2016.
- Convert 123 beds in Hopetown Hostel into men only provision to replace Booth House
- Convert the Riverside House complex to deliver up to 81 units into women only provision to replace Hopetown Hostel
- Convert 35 high/low support beds at Hackney Road into abstinent provision to replace Riverside House.

2.3. Subject to legal and procurement approval to:

- Exempt Providence Row Housing Association (PRHA) for up to 3 years and the Salvation Army for up to 5 years (3 + 1 + 1 year contract) from any tendering exercise relating to the improved and / or reconfigured provision at Edward Gibbons House, Hopetown Hostel and Riverside House in recognition of the significant capital

investment to improve the quality and design of the existing buildings.

- Vary the existing contracts at Hopetown and Booth House should it be necessary to provide continuity of support whilst the reconfiguration programme is being implemented
- Commence the procurement programme to achieve the recommendations as set out above.

1. REASONS FOR THE DECISIONS

1.1 The recommendations have been informed by the hostel service provision review which included analysis of the current national and local policy drivers, current and forecasted service users' needs vs current supply, best practice applied within the sector, and a review of financial benchmark information against comparable Local Authorities. It incorporated engagement with service users, key stakeholders and landlords within the hostels sector. The review highlighted the opportunities to:

- remodel hostel services to better meet changing needs of the service users
- deliver a more efficient and effective co-produced services with clear and personalised support pathways to enable clients to regain personal independence
- deliver an estimated saving of **£805,277** from 2017-2018

The recommendations of the review were incorporated into the new HCP for 2016-2019.

2. ALTERNATIVE OPTIONS

2.1 A new Hostels Commissioning Plan is required as contracts are ending during 2016/17 – “commissioning and procuring efficient, value for money adults social care” is critical to the delivery of the Councils Medium Term Financial Strategy and hostel services need to be reviewed as part of this. No alternative options have been considered.

3. DETAILS OF REPORT

The detailed HCP 2016-2019 is included at Appendix 1. The high level summary is provided below.

3.1 The key drivers for the HCP 2016-2019 are:

- The need to deliver more effective and efficient services which support independence, increase the rates of recovery and promote successful move on into Privately Rented Accommodation or other suitable move on accommodation
- Review and re-design hostel services as commissioned in 2012 to ensure that they continue to provide high quality support, offer choice of specialised support to meet both the current and projected needs of service users

- The requirement to re-tender all hostel services from 2016/17, as the current contracts comes to an end.

3.2 **Key strategic aims**

The key aims of the HCP 2016 – 2019 are that:

- Local needs are met (the range of hostels, meets the anticipated support needs of people using them)
- Hostel buildings are fit for purpose
- Services achieve value for money and are financially sustainable
- Hostel services achieve excellent outcomes for service users
- Services are effectively monitored and commissioned with all partners

3.3 **Specific areas for action and associated service reconfiguration proposals**

The following have been identified as specific areas for action within the HCP 2016-19 to meet the overall strategic aims:

- Enable more people to move on from hostel accommodation through the new move on service.
- Address an oversupply of abstinent beds
- Address an oversupply of female only hostel beds
- Maintain and where applicable, increase provision for service users with higher and/or more complex needs–
- Reconfigure the usage of the buildings to provide a conducive environment to deliver personalised support pathways:
 - ensure provision of smaller specialised units
 - avoid institutionalised design features
- All services need to ensure they are delivering good value for money and the overall sector is financially sustainable,

4. **COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 The hostel services cover a specific range of service users which fall within the Supporting People budget. Without the provision of hostel services it is likely that these client groups will develop more complex needs resulting in potentially more costly care packages. The commissioning plan will include an assessment of the unit costs and value for money of the hostel provision, to ensure that the overall costs are managed effectively and within the available budget.

- 4.2 This report contains a proposal to exempt from competitive tendering processes, schemes operated by the Salvation Army and Providence Road Housing Association on the basis of the capital investment made or to be made to reconfigure services to better meet the identified needs of the boroughs service users. Members will need to be assured that this approach represents Value for Money.
- 4.3 To the extent that the places secured through the procurement are unfilled there is an opportunity cost to the Council and it is therefore important both that the estimated needs of the community for these services are forecasted as accurately as possible and also that appropriate measures are in place to minimise the cost of unfilled places.
- 4.4 The proposals in this report anticipate on-going full year savings of c£800k which will form part of the Council's Medium Term Financial Strategy (MTFS) and in particular contribute towards the need to deliver savings of £60m over the period to 2020. In addition where changes are made during the 2016/17 financial year there will be part year savings which will be reported through the regular budget monitoring process to the Cabinet.

5. LEGAL COMMENTS

5.1 Homelessness duty and duties to adults with care needs

The Council's statutory duties in respect of homelessness are primarily set out in the Housing Act 1996, including:

- Section 179: Duty to provide advisory services
- Section 184: Duty to make enquiries in respect of eligibility and duties owed
- Section 188: Interim duty to accommodate in cases of apparent priority need
- Section 192: Duties to people found not to be in priority need and not
- homeless intentionally
- Section 193: Duties to people found to be in priority need and not homeless
- intentionally
- Section 195: Duties to those threatened with homelessness

The 2002 Homelessness Act also introduced a requirement on the Council to carry out a homelessness review and formulate and publish a strategy based on that review. The Council must take the strategy into account in the exercise of their housing and social services functions.

Under Sections 1-7 of the Care Act 2014 the Council has a number of general duties, including a duty to co-operate generally with those it considers appropriate who are engaged in the Council's area relating to

adults with needs for care and support. Further, there is a general duty to prevent needs for care and support from developing.

The Council has broad powers to provide different types of accommodation in order to meet people's needs for care and support. The Act is clear that suitable accommodation can be one way of meeting care and supports needs. However, the Act is also clear on the limits of responsibilities and relationship between care and support and housing legislation, to ensure that there is no overlap or confusion. Section 23 of the Act clarifies the existing boundary in law between care and support relevant housing legislation, such as the Housing Act 1996. Where the Council is required to meet accommodation related needs under housing legislation as set out in the Housing Act 1996 or under any other legislation specified in regulations then the Council must meet those needs under that housing legislation.

Best Value duty and procurement procedures

The Council has a duty under the Local Government Act 1999 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. This is referred to as the Council's best value duty.

One of the ways in which the Council achieves best value is by subjecting its purchases to competition in accordance with its procurement procedures. Therefore the Council is required to tender these contracts in order to meet its best value obligations. The winning bidders should be chosen when measured against the evaluation criteria as being the one providing the most economically advantageous tender having had a regard for a blend of quality and price.

The Secretary of State made directions on 17 December 2014 pursuant to powers under sections 15(5) and 15(6) of the Local Government Act 1999 (the Directions). For the purposes of this report the effect of these directions is that if the Council decided to take a lease of any of the hostels mentioned in this report with the intention of subletting the hostel to a provider then that subletting arrangement would be a disposal for the purposes of the Directions and Commissioner approval would have to be sought.

It is notable however, that the nature of Supporting People Services is such that the Service Users enter into their own lease / licence for the use of the accommodation with a landlord who is not the Council directly. Therefore, the procurements required in order to effect the report are of their nature services only in that the Council is procuring services to be delivered in effect at the Service Users own residence.

It is also notable that where either Service Users elect for the services to be provided by a particular provider or the owner of the building does

not agree to the presence of a particular provider attending the premises then this can have an effect on the Council's ability to secure proper competition for the provision of the services.

However, a bidding Service Provider will need to be aware of the arrangements and obligations imposed by the relevant landlords at the time of bidding. Therefore, these need to be agreed with the owner of each hostel in advance of the tender being sent out and the relevant details included in the tender pack as the landlord's specific requirements may impact on the bid being submitted.

The Public Contracts Regulations 2006 have now been replaced by the Public Contracts Regulations 2015. The new regulations have abolished the old idea of "part B services" and a new regime has been introduced.

Services of the nature included in this report are referred to in Schedule 3 of the 2015 regulations. Schedule 3 in effect details that the European Rules apply to contracts such as this where the whole life cost of the services is greater than the threshold of £589,148. This means that where the estimated value of a procurement is above this threshold then the regulations apply. Therefore, it is likely that the regulations will apply to this procurement

Where such a procurement is subject to the regulations the Council is required by the regulations to:

- Place an advert requesting bids for the services in the Official Journal of the European Union
- Award a contract following a fair reasonable and transparent process
- Place an award notice in OJEU

However, the actual requirements of the tender process itself are intended to be "a light touch" regime. In practice this means that the Council can determine all aspects of the procurement to be followed provided that it always abides by the general European principles of openness fairness and transparency.

Equality duty

Any change in provision or services should be considered in accordance with the public sector equalities duty to eliminate unlawful conduct under the Equality Act 2010. The duty is set out at Section 149 of the Act. It requires the Council, when exercising its functions, to have 'due regard' 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.

The obligation on the Council is that it should take all necessary steps to ensure that it properly understands how the change to services affects people who have protected characteristics. In the circumstances not only should the Council perform an Equality Analysis prior to any changes being made but it should consider consultation with affected services users if it considers it necessary to show that it has taken due regard of the impact on those Service Users. The duty is for the Council to take appropriate steps to fully understand the needs of the people affected by the changes. This also includes the families and others of the Service Users who may also be affected.

6. ONE TOWER HAMLETS CONSIDERATIONS

An initial Equality Assurance Checklist has been completed which does not identify an adverse impact of the proposed changes for the hostels sector. In the case of women and those with substance misuse problems where services are proposed to be reduced, this is because an analysis of the demand for the services indicates an over-supply. The checklist will be reviewed on completion of the hostels commissioning plan.

7. BEST VALUE (BV) IMPLICATIONS

7.1 See above legal comments, which highlight Best Value issues.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1 The HCP is expected to have a positive effect on the environment by helping to reduce anti-social behaviour. This will then reduce the amount of criminal damage, graffiti, fly-tipping and fly-posting and other environmental crimes in the borough.

Additionally, as current services, all new hostel service specification will specifically require hostel support providers, to comply with their obligations under Environmental legislation and local policies in this area, including contributing to improving air quality. Hostels have received national recognition for their work linked to the therapeutic use and educational skills gained through gardening e.g. Providence Row Housing Association's Grounded Ecotherapy team, working on local projects in the borough, at the Chelsea Flower Show, as well as on the Southbank Centre Roof Garden.

9. RISK MANAGEMENT IMPLICATIONS

9.1 This report outlines further discussion and engagement plans with service users, hostel providers and other stakeholders to ensure that the risks involved in the proposed changes (specifically the reductions in the overall level of service) are thoroughly reviewed and understood.

The risks will be reviewed and mitigated on completion of the full Hostel Commissioning Plan.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 The impact on crime reduction is specifically highlighted in the full report at Appendix 1, together with data highlighting positive achievements within the hostel sector in Section 1 of the report.
- 10.2 The continued development of the hostel sector, as detailed in this report, will continue to deliver these benefits for local people in terms of crime reduction. There are also specific actions linking to developing and reviewing approaches to crime reduction, together with the Police and Probation, together with relevant council officers.

11. SAFEGUARDING IMPLICATIONS

- 11.1 Specific measures are in place to address and manage safeguarding issues, these include:
- Continued contractual obligation within all hostel service specifications to report any Safeguarding issues to the LBTH Safeguarding Team
 - Ongoing support and training from both the LBTH Safeguarding team and Adult Services
 - A specific action point, developed with LBTH Safeguarding, to review approaches and local practice within hostels in this area
 - Detailed plans would be developed to manage any safeguarding concerns for groups or individuals affected by these changes e.g. moving to different accommodation

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- Appendix 1 – Hostels Commissioning Plan

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

- NONE

Officer contact details for documents:

N/A

APPENDIX 1

Hostel Commissioning Plan (HCP) 2016-19

1. Introduction and context

- 1.1 A new Hostel Commissioning Plan (HCP) is needed as the current HCP expires this year and hostel contracts come to end in 2016/7. The annual spend on hostels for 2015/6, is £4.4 million, which provides 575 units of accommodation, across 9 services. The Council faces significant financial pressure and as part of the published budget and savings proposals for Adults' Services has identified the need to deliver more cost effective and efficient adult social care across commissioned services. Officers have identified opportunities to deliver savings through the new HCP.
- 1.2 An initial paper was considered by Cabinet on 10 May which reviewed the key characteristics of the current hostels sector, activity data projected needs and trends. This work identified the need to:
- Focus on meeting the needs of those who are the most complex
 - Reduce the overall level of provision in recognition of move on services which have recently been developed
 - Reduce the women only and abstinent hostel services, to better match local needs.
 - Review the use of buildings and explore options for improvements with landlords including the management of any reductions in beds
 - Achieve overall savings across hostels commissioning to contribute to the council's budget pressures and ensure resources are being used in the most cost effective way
- 1.3 The Mayor In Cabinet on 10 May approved the recommendations authorising officers to :
1. Commence discussion and engagement with service users, providers, stakeholders and landlords as to the future model of the hostel sector to inform the commissioning plan for 2016-2019 including:
- Reduce the level of service provision for women and those in need of abstinent hostel provision, in line with local needs. Currently it is estimated that the reduction in units for women could be from 118 units to 81, whilst for abstinent beds, the reduction could be from 51 units to 35.
 - Focus on providing a range of hostel services for those with high and complex needs.

- Reduce the overall size of the hostel sector by approximately 120 beds.
2. Liaise with colleagues in legal and procurement to:
 - Consider the potential to exclude services for a defined period, if significant capital is being invested to enable effective management of the programme of works and ensure continuity of both staff and provision throughout the period and minimise any adverse effects on provision and clients going forward.
 - Explore such arrangements with hostel landlords to invest in the sector and make improvements to the living environment.
 3. Receive a further Cabinet report detailing the proposed hostel contracts to be competitively tendered and details of any exemptions from this.
- 1.4 This paper reports back on the outcome of the engagement undertaken and makes recommendations as to the future model and provision of the Hostels Sector in Tower Hamlets

2 Key Findings From Engagement Activities

- 2.1 In accordance with the recommendations of the 10 May Cabinet paper, Officers have completed a series of engagement activities focusing on the initial findings within the paper.
- 2.2 Officers held focus groups at all nine schemes within the hostel sector, completed a service user questionnaire and held a stakeholder event on 19 May inviting stakeholders, representatives from each scheme and the supported housing sector within the borough. The key findings are explored below.

2.3 Service User Engagement

Officers met with 64 service users during the scheme visits and 102 questionnaires were returned by service users identifying their key priorities for the sector going forward. The questionnaire focused on five areas and a summary of their responses, together with the supplementary information from the focus groups is recorded as follows:

2.3.1 What are the most important support needs for service users?

Service users that attended the consultation provided a list of tasks they required support with, ranging from being supported to go shopping, to requiring frequent wellbeing and health and safety checks.

The full list being to:

- Support completing documentation i.e. housing and medical forms. Some service users noted that due to an inability to read and write they are very dependent on staff support.
- Support to manage finances; including support to access and manage benefits, budgeting for bills and personal finances, support to manage arrears and pay service charges.
- Support to access treatment, detox and rehab.
- Help with scheduling appointments and transport and reminders to attend appointments. Some service users noted that staff attends appointments with them.
- Support to locate and engage in in-house and community based activities.
- Support to access employment, training courses and education.
- Support with rehousing; locating and accessing community based support, finding properties and completing the relevant documentation.
- Support to manage their physical and mental health. Service users noted that staff members support them to make and attend medical appointments, organise and remind them to take medication and respond in an emergency.
- Support to manage their personal safety. While service users did not specifically state that they needed support, many noted incidents whereby staff have intervened and contacted emergency services.

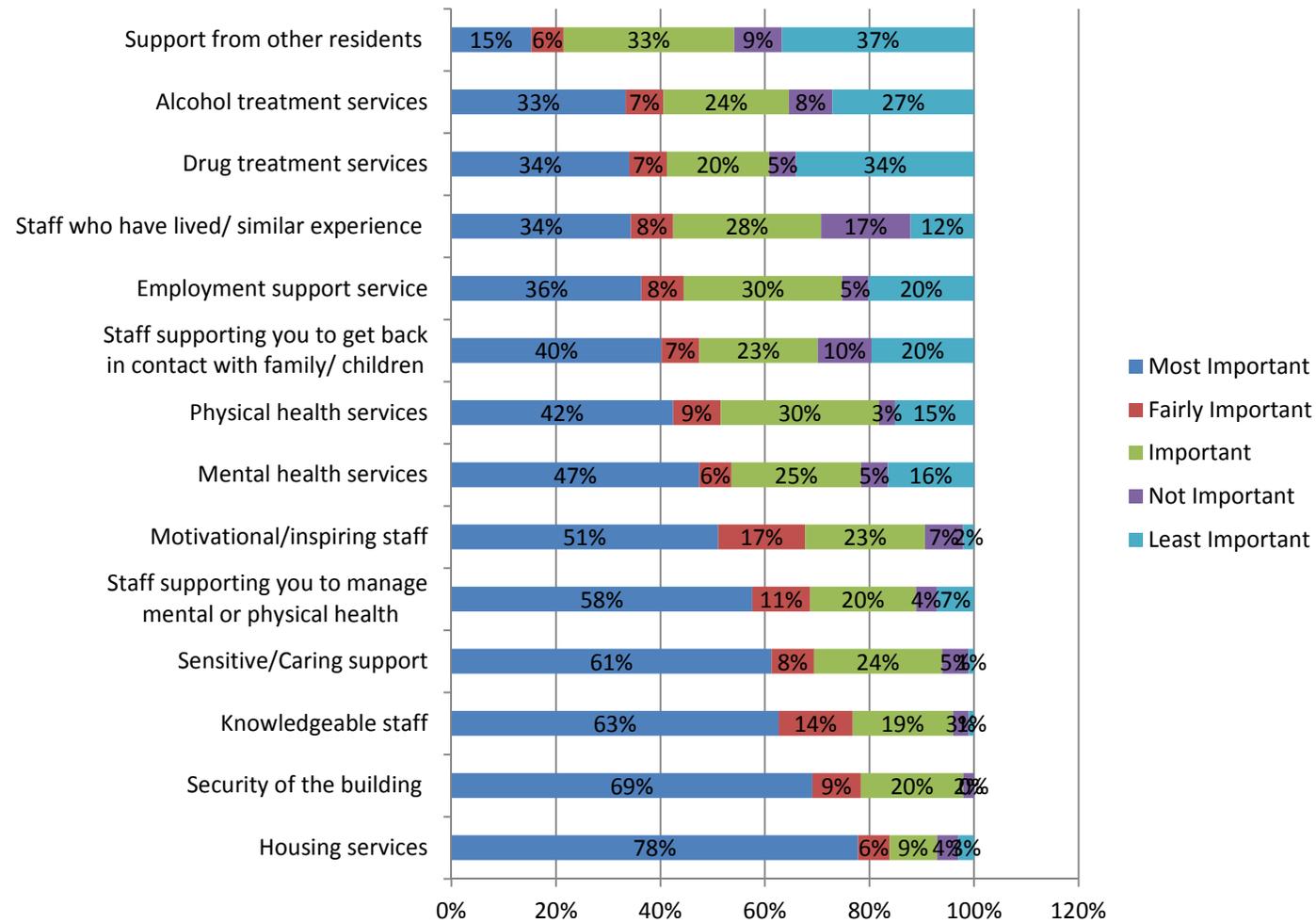
2.3.2 'What is the most important to you when you stay in a hostel?'

The most important area of support for services users is housing services, (support to move on) with 78%; indicating a high percentage of service users considering themselves currently or in the future ready to move on.

Staff support in various forms, is also high ranking with the exception of 'staff with lived experience'. During the consultation, service users stated that they do not necessary need staff to have lived experience as long as staff are professional and knowledgeable.

Whilst service users attending the focus groups stated they required support from staff to access treatment or detox, the questionnaires suggest that this is not important to a wider cohort of service users. It must be noted, that although support plans indicated that high consumers of substances with chaotic lifestyles would benefit from support to access detox, the clients themselves might be unable to envisage detox for themselves so as a consequence would answer that they don't need any support from staff to access treatment or detox. This may be reflective of the number of service users accommodated within hostels that do not present substance misuse needs.

A comment from a service user was: "We need a service that is supportive without being intrusive."



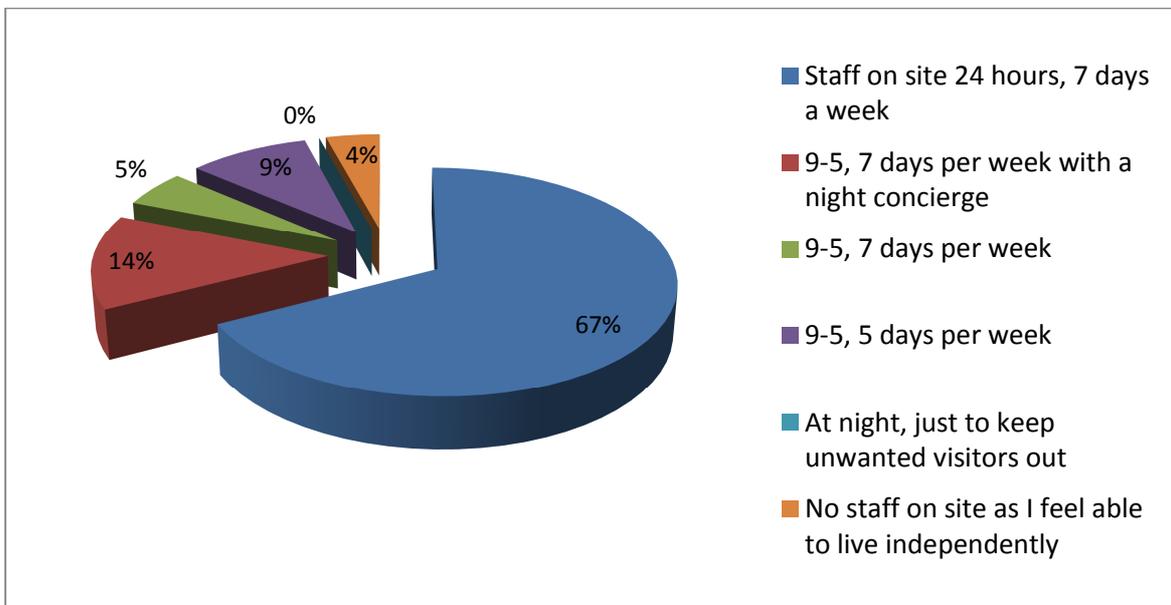
2.3.3 What are the minimum needs that need to be addressed (if we needed to reduce the service provision)?

The focus groups identified 3 core needs that they would need support with to enable them to live as independently as possible:

- Support with move on; Service users across the hostel sector unanimously identified move on as a key need that they would require support with.
- Support to access treatment. Service users stated they would like additional in-reach support to promote recovery.
- Support to manage mental and physical health needs.

One service user commented that: “It’s not about how often support sessions happen but is about what happens during these sessions.”

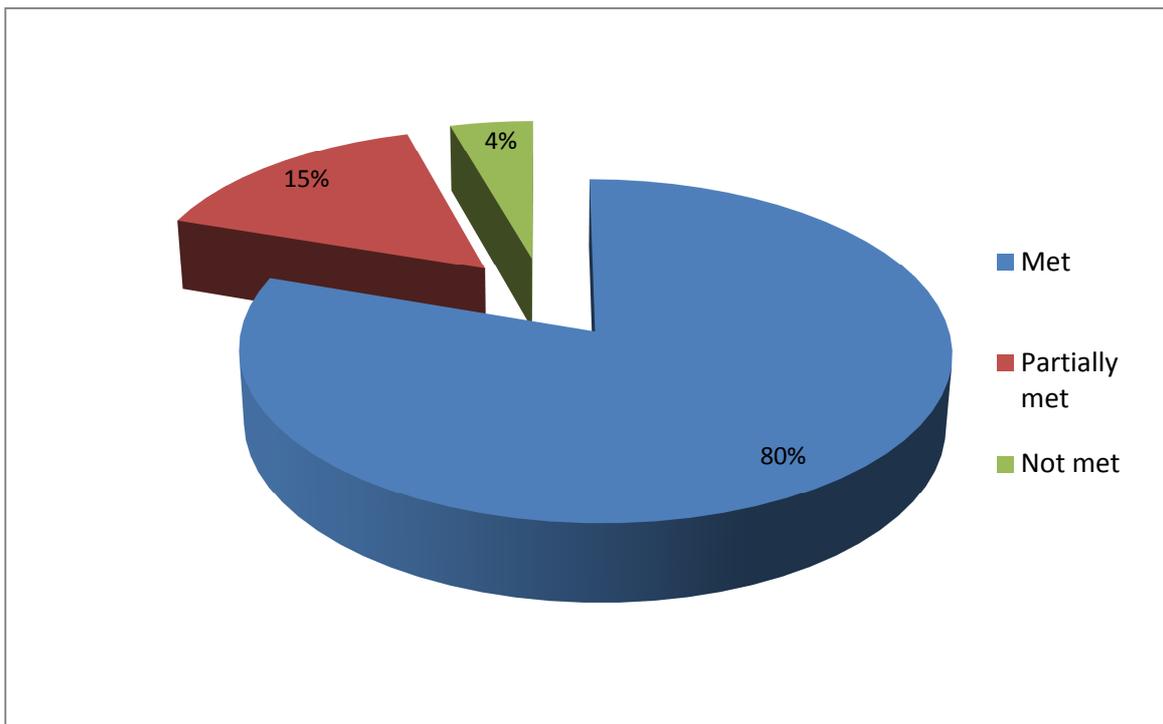
2.3.4 When do office staff need to be present onsite?



The findings indicate that a need to ensure provision of staff on site 24 hours 7 days a week for as high as 2/3 or our service users. However, it is also important to ensure that staff presence is appropriate to the level of service users’ needs.

A service user commented that: “People need to have the appropriate level of support for what their needs are.”

2.3.5. Are your needs met in relation to diversity and equal opportunities?



80% of service users were satisfied that the sector is meeting their equality and diversity requirements.

2.3.6 What are service user's views on building (e.g. security/set up) and surrounding location?

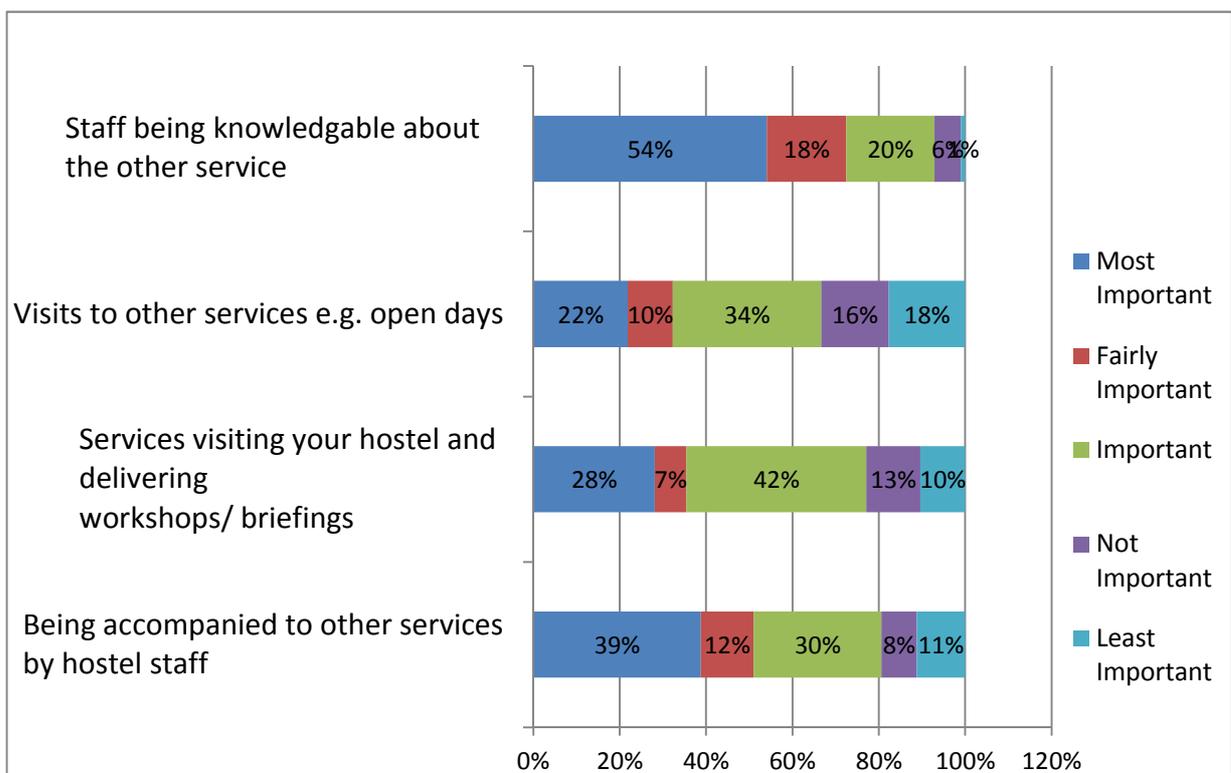
- Views varied across the sector; the majority of service users considered the hostel buildings to be fit for purpose. Some service users complained about repairs and highlighted the length of time they wait for maintenance.
- Service users had mixed views on the location of the buildings, most were happy with the location with the exception of Hopetown and Edward Gibbons House Hostel. Service users noted they were unhappy with ASB resulting from the local area and the availability of drugs/ drug dealers.
- Some service users complained about individual services including; the size of the rooms, window restrictors and general layout of the building.

A service user said: "I don't feel safe because there are so many people outside with drugs."

2.3.7.

What would help you access other services?

Knowledgeable staff able who to accompany service users when visiting other services is one of the key requirements for hostels support provision in Tower Hamlets. The findings also suggest that we need to engage with our partners to explore opportunities for “bringing services to our hostels residents” e.g. by having services undertaking engagement activities at the hostels as oppose to service users attending open days.



2.3.8. Overall there appears to be a significant cohort that considers themselves ready to move on, requiring little support and stating that their only barrier is the availability of properties. In contrast, there is a cohort of service users that require support in a variety of forms to enable them to address their needs. The majority of service users agreed that having the right level of support was a key factor in their progress and noted that housing high volumes of people presenting complex/higher level of needs alongside those ready to move on, especially in the larger hostel services was detrimental to their overall wellbeing.

Service users did not raise any concerns about wider strategic changes or remodelling of services, this is likely to be as a direct consequence of a significant number of service users spoken to, who considered they are ready

to move on. A reduction in provision may enable hostels to re-focus the support provision for those presenting multiple and more complex/higher level of needs.

2.4. Stakeholder Engagement

An open event was held on 19 May to which a broad range of agencies, stakeholders, providers and landlords were invited to attend which was facilitated by the VACT and supported by HOST.

30 people attended the event representing a range of agencies including:

- Current providers and landlords
- Public health commissioners
- Public health providers
- East London Foundation Trust
- Tower Hamlets CCG
- Community Mental Health Trust
- Drug Alcohol Action Team
- Substance misuse services
- Domestic Violence Team

2.4.1. The key priorities were identified as follows:

- Clear Criteria
- Thorough assessment
- Clear Pathway
- Immediate Access
- Options for short stay accommodation
- More Information Sharing

These priorities will be addressed through the service remodelling and subsequent procurement process and specifically within the service specifications which form part of the tender packs. The service specification sets out the expectations of providers and the processes to which they will be required to adhere and achieve when delivering services. The current processes will be updated with key stakeholders who will be invited to be members of the tender panels and fully participate in the process.

The service specification will also identify key outcomes that successful bidders will be required to achieve:

- Environment offering high quality, safe and secure accommodation ensuring that service users are free from discrimination, harassment and abuse.
- High quality, personalised support services that results in reducing the level/complexity of needs e.g. reduction in harmful behaviours including substance misuse, offending and anti-social behaviours

- Mental, emotional and physical health and wellbeing
- Independence enabling service users to have a positive sustainable move on to independent accommodation
- Service users assessing hostel provision as a high quality service effectively meeting their needs in a person centred and personalised way

2.5. Landlord Engagement

A series of meetings and ongoing dialogues commenced with Landlords at the start of this this year to explore the options of :

- Continued use of buildings,
- Potential for redevelopment to enhance existing provision, and
- Alternative use.

This continued commitment to and partnership is essential to the future of the hostels sector and Officers welcome the positive engagement of both landlords within this process.

To date the majority of landlords have committed to continue to work together to develop the sector, whilst balancing organisation need and will continue to build upon the positive work undertaken.

Genesis Housing Association (GHA) and Peabody Housing Trust have confirmed that the borough can continue to access their building with options to explore the client group and management and support agreements. Both have agreed in principal the change of focus in the services delivered in their buildings.

The Salvation Army have committed in principle to undertake significant capital works to their existing buildings at Riverside House and Hopetown Hostel, and in return for this investment, have requested that they directly deliver the service at the buildings for a maximum period of up to 5 years (3 + 1 + 1 year contract) to facilitate the change process. This will include Booth House service users moving to Hopetown Hostel, the women's service moving to Riverside House.

The capital investment will be subject to internal organisational approvals by both The Salvation Army & SAHA.

Providence Row Housing Association has a long history of working in the East End and in particular Tower Hamlets and are committed to reducing homelessness. They have requested that they be exempted for a 2 year period from any tendering exercise relating to the support service at Edward Gibbons House (EGH) after their current contract ends in November 2016. This is in recognition of their capital

investment of £150k into EGH, linked to obtaining DCLG capital funding of £500k.

Providence Row Charity have also committed to working with the borough through the next procurement cycle and advised that increasingly they are working with homeless people from within the borough.

3. Proposed changes to the Hostels Sector 2016-19

3.1 Introduction

This section summarises the proposed changes to hostel services as part of the commissioning plan for the next three years. The key drivers for the proposed changes are:

- The need to deliver more effective and efficient services supporting our service users independence– increase the rates of recovery and successful move on into Privately Rented Accommodation or other suitable move on accommodation
- Review and re-design hostel services as commissioned in 2012 to ensure that they continue to provide high quality support, offer choice of specialised support to meet current, changing needs of service users and ensure meeting projected needs
- The requirement to re-tender all hostel services from 2016/17, as the current contracts comes to an end.

3.2 Key strategic aims

The overall key aims of the HCP 2016 - 2019:

- Local needs are met (the range of hostels, meets the anticipated support needs of people using them)
- Hostel buildings are fit for purpose
- Services achieve value for money and are financially sustainable
- Hostel services achieve excellent outcomes for service users
- Services are effectively monitored and commissioned with all partners

3.3. Specific areas for action and associated service reconfiguration proposals

The following have been identified as key issues for the HCP 2016-19 to address in terms of key needs and service level issues, to meet the overall strategic aims:

- a) There is an oversupply of abstinent beds
- b) There is an oversupply of female only hostel beds
- c) Services users' level of needs is becoming higher/more complex – leading to a strong case to maintain provision or increase it for this group, if at all possible.
- d) There is a preference from commissioners and organisations working in the hostel sector, for smaller hostel services and to avoid institutionalised design features, as far as possible.

- e) All services need to ensure they are delivering good value for money and the overall sector is financially sustainable, particularly in light of the significant financial challenges the Council faces in the coming years.
- f) All of the hostel services currently operating are considered below against these key sector wide supply and operational issues. They have been listed in groups, where appropriate to cover the above key issues:
 - a) *Reduce the number of abstinent beds to better reflect local needs*

This is based on the rationale that the current service at Riverside House, is too large for presenting need for abstinent beds which the current managing agent has confirmed as having a significant impact on the financial viability of the service.

The Riverside House complex delivers 81 beds consisting of a range of units: 31 short term hostel beds, 20 longer term, self-contained move on flats (Matthew House), 20 self-contained flats (Grieg House) 9 dedicated self-contained units (Harbour Project) used for those who are in the latter stages of recovery and who could on the whole be supported in the PRS or other independent housing options (e.g. Clearing House flats).

In order to retain an adequate supply of abstinent beds, the proposal is to change the Hackney Road Project (HRP), to focus on providing an abstinent based hostel service. This proposal has been agreed in principle by the landlord Peabody Housing Trust.

Current needs data from HOST indicates that the annual flow of referrals of approximately 23 people annually can be managed within HRP, which consists of 35 units. It should also be noted, that the DAAT anticipate that the numbers of referrals may increase, as a result of the new DAAT treatment pathway. If this increase is significant, then it will be possible to improve the move through from the project, by targeting the resources of the new PRS Hostel Move on service.

- b) *Reduce the number of female only beds to better meet the needs and reflect local demand*

It is proposed that Riverside House complex provides a women only service, as it provides smaller, specialised, more personalised pathways within its distinctive 4 houses areas to better meet the needs of vulnerable women. This proposal also includes Greig House, which is a former residential drug treatment project, accessed primarily by local authorities from outside of Tower Hamlets, that is located in front of Riverside House as well as Harbour House. This property is directly

owned by The Salvation Army with no HCA grant conditions associated with it.

In addition, Riverside House complex is located away from the Brick Lane area (where the women only service is at the moment, with all the attendant historic issues linked to the night time economy).

This would replace the current provision at Hopetown Hostel of 118 units, with a smaller project of potentially up to 81 units.

A plan will be put in place to move on those living at Riverside House sensitively.

Salvation Army have proposed that they would make a significant capital investment into Riverside House complex to better meet the needs of women across the complex and have requested that they be exempted for up to 5 years period (3+ 2 contract) from any tendering exercise relating to the support service.

c) Maintain or increase where possible, the support at services to meet the increasingly complex needs (identified from local data collection).

The projected continuing high demand for hostel services from those with complex and/or higher needs, including substance misuse, mental health, and offending and rough sleeping histories means there is a strong case to maintain services for this group, which include:

- Daniel Gilbert House (DGH)
- Dellow Hostel
- Providence House
- Edward Gibbons House (EGH)

Caplin House(8 beds) is not included within this group of services as officers, have looked at the outcomes from this very high cost project and come to the view, that it is not cost effective. It was concluded that the needs of this small group could be met as effectively in other parts of the hostel sector. Due to its small size, it means that if a high support project is based at Caplin House, it becomes prohibitively expensive – over twice the cost of any other hostel placement within the borough.

For this reason, a number of alternative options will be explored for Caplin House involving further discussion and agreement with the landlord of the building, Genesis Housing Association (GHA) and key stakeholders. These include:

- Using it as supported housing accommodation for Young Vulnerable People
- Short term move on accommodation for those in the hostel sector, with no or very low support needs, awaiting offers of independent accommodation in the Private Rented Sector (PRS), or other more

long term housing solutions. Support could be provided through Floating Support services or potentially through night time concierge type staff presence.

It is anticipated that none of the above options, would have any financial impact on the VACT budget.

d) Improve buildings which are outdated

The key hostel identified for attention under this heading is Booth House. It is proposed to ultimately end the service provided from Booth House. This is in recognition that in its current state the building is:

- Generally institutionalised in terms of its layout and associated characteristics e.g. the reception area.
- Not easily improved without a complete rebuilding/ major modernisation.

This would lead to moving the men's hostel from Booth House into Hoptown Hostel and provision of 123 beds including provision of a multidisciplinary assessment centre and a clear step down, time limited pathway to enable clients to regain their personal independence. The building will, undergo significant capital investment to provide better security for both residents and the local community. In recognition of such expenditure the Salvation Army are requesting a minimum of a 3 + 1 + 1 year contract to deliver the service on transfer to a male provision. It is likely that the current Booth House contract will require extension to facilitate this process.

The proposal has been developed in partnership with the Salvation Army (SA) and Salvation Army Housing Association. There is a commitment to refurbish Booth House which will be taken forward with colleagues in planning to align with the Whitechapel Vision Masterplan.

The remaining hostel services have all benefitted from recent capital investment.

e) Ensure services are delivering good value for money and the overall sector is financially sustainable.

For any service reconfiguration agreed by Cabinet, the approach to the procurement process itself (as in the previous hostel re-tendering exercise) will maximise value for money i.e. a range of proposals will be invited from bidders against quality and cost thresholds, to maximise support in achieving the agreed outcomes:

- Personal independence
 - Good emotional and physical health and wellbeing
 - High quality, efficient and effective hostel provision,
 - Service users assessing hostel provision as a high quality service effectively meeting their needs in a person centred and personalised way
- . Close liaison and joint working will take place with colleagues in procurement and legal services to ensure value for money and high quality services, will be tenaciously pursued.
- The table on the following page details the estimated costs of the reconfigured services proposed above. It should be highlighted, that procurement activity will need to start during the Summer of 2016/17, as several hostel contracts come to an end this financial year and the development of a procurement plan to achieve this is already underway. Should Cabinet agree the overall pattern of services proposed, officers will work with the key hostel landlords and support providers to develop a transitional plan to ensure the budgetary forecasts below for 2017/18 are not exceeded and both of these areas are included in the action plan

	Focus in 17/18	Units in new hostels sector.	Total estimated cost p.a. - 2017/ 18	Indicative minimum staffing cover	Estimated total annual saving p.a. from 17/18	2015/16 annual cost
Caplin House -	To be clarified	0	£0	N/a	£297,922	£297,922
Hopetown Hostel Project	Medium/ high support - men only	123	£832,038	<i>Double waking cover, 7 days a week (2 x concierge with 1 x waking support worker)</i>	-£143,921	£688,117
Providence House	Medium (long term) support	33	£269,901	<i>Double cover during the day 7 days a week, with 2 x night cover (1 support worker - sleep in and 1 concierge).</i>	£0	£269,901
Daniel Gilbert House	Low / medium/high support	87	£564,243	<i>Double waking cover 7 days a week, though some parts, where needs are lower, have less.</i>	£0	£564,243
Dellow Hostel	Medium support	58	£464,449	<i>Double waking cover 7 days a week</i>	£0	£464,449

Edward Gibbons House	Medium/high support	35	£471,317	<i>Double waking cover 7 days a week</i>	£0	£471,317
Hackney Road Project	Low/ medium support - abstinent	35	£466,430	<i>Double waking cover, 7 days a week</i>	£0	£466,430
Booth House	N/a	0	0	<i>N/a</i>	£909,373	£909,373
Riverside House (new)	Women with medium/ high support needs	81	£528,000	<i>Double waking cover 7 days a week (2 x concierge with 1 x waking support worker)</i>	-£258,097	£269,903
Sub-total		452	£3,596,378		£805,277	£4,401,655