




Report to:	Housing, Economy and Business	Date:	23 January 2018
Report title:	Commissioning Strategy for Housing Support		
Report from:	Mary Morrissey - Strategic Director of Environment, Neighbourhood and Regeneration		
Ward/Areas affected:	Borough Wide		
Chair of Committee/Lead Member:	Councillor Jayne McCoy		
Author(s)/Contact Number(s):	Simon Latham, Assistant Director, Environment, Housing and Regeneration Directorate, 0208 770 4006		
Corporate Plan Priorities:	<ul style="list-style-type: none"> • An Open Council • A Fair Council • A Smart Council 		
Open/Exempt:	Open		
Signed:		Date:	10 January 2018

1. Summary

- 1.1 This report sets out proposals for the recommissioning of housing support services for a range of vulnerable people including care leavers, people with a learning disability, women at risk of domestic violence, people with mental health needs and/or substance misuse problems and ex-offenders.
- 1.2 The council has reviewed its provision of housing support services in the light of client need and client feedback, provider and stakeholder views and data, both national and local and as a result plans to recommission services. These services will be cost effective, flexible and high quality, enabling clients to gain the ability and confidence to move from intensive care and support settings into independence, retain their independence and continue to live in their own home.
- 1.3 The services will be commissioned to deliver specified outcomes identified during the review of each of the existing services. Outcomes to be delivered by future housing support services will be further developed through stakeholder engagement, including service users, prior to the tendering of the services. This approach has been approved by the Council's Commissioning Board.
- 1.4 The new model for commissioning housing support will contribute to the delivery of both the Corporate Plan and Sutton Plan priorities by improving the resilience of residents and communities so they can live full and independent lives.

- 1.5 The context of this review is the continuing and sustained impact of the reduction in Government revenue support for local authorities. This has led to the Council needing to achieve reductions in its budgets across all services, notwithstanding the benefits that those services bring.

2. Recommendation

The Housing, Economy and Business Committee is recommended to:

- 2.1 Approve the commissioning model set out in this report, including the award of a new single contract.
- 2.2 Delegate authority to the Strategic Director, Environment Housing and Regeneration to implement the recommended option (option 4) for commissioning housing support and award of the contract, as mentioned in para 2.1.
- 2.3 Approve the award or extension of short term contracts as necessary, to ensure the continuation of current arrangements until the new housing support model is implemented and services recommissioned (anticipated to be by 1 April 2019, but this may be achieved earlier).

3. Background

- 3.1 The Council provides housing support in the main via the current Housing Support Framework, that commenced on 1 April 2013 for three years. Contracts awarded during the lifetime of the framework can be extended beyond the framework's end date, and this has been the case with most of the existing housing support contracts that are the subject of this report.
- 3.2 Services that the existing contracts deliver are non-statutory. However, they provide a range of practical support and guidance to enable vulnerable adults to sustain independent living, or to gain the ability and confidence to become independent. The services support vulnerable clients to find and maintain independent accommodation in the community, resettlement after periods of homelessness, institutionalisation (prison or hospital), or when leaving local authority care.
- 3.3 The services provide help to clients to identify and address underlying reasons for housing difficulties, to prevent initial and/or repeated homelessness and minimise the requirement for statutory services. Stable accommodation is widely recognised as a key contributor to vulnerable citizens' likelihood of successful rehabilitation, including gaining and retaining employment.
- 3.4 A number of housing support clients are also clients of Sutton Clinical Commissioning Group's (CCG) commissioned services, delivered by the South West London and St George's Mental Health Trust. A closer alignment of Council and CCG services would benefit clients, via a more integrated and consistent approach to housing support and, through a shared pathway, an efficient use of available resources and the delivery of shared outcomes.
- 3.5 The table below sets out details of the current contracts for housing support services, each with a separate specification for the delivery of a particular service.



	Provider	Service Description	Support Provided	Contract end date	Annual Contract Value
1	Croydon Association for Young Single Homeless (CAYSH)	Young People's Supported Accommodation	36 units of accommodation based housing support	30/9/2018	£356,000
2	Sutton Women's Aid	Domestic Violence Support	8 crisis refuge units and 2 floating support	3/1/2019	£122,750
3	Keyring	Housing Support for people with a learning disability	33 units of accommodation based housing support for 39 residents of the borough	31/7/2019	£125,000
4	Family Mosaic	Generic Tenancy Sustainment Service	105 residents of the borough	2/2/2018	£226,000
5	Family Mosaic	Mental Health Supported Accommodation	54 units of accommodation based housing support	3/11/2017	£311,000
6	Thames Reach	Single Homeless with mental health and/or substance misuse	38 units of accommodation based housing support	31/3/2018	£236,000
7	Thames Reach	Mental Health Floating Support	105 residents of the borough	7/12/2018	£260,000
8	Penrose	Ex-offenders Accommodation & Visiting Support	18 units of accommodation based housing support and floating support	31/3/2018	£66,000
Total Annual Cost:					1,702,750

3.6 These contracts were included in the review of the wider housing support budget. A timetable for delivery of service and financial efficiencies was identified and through the proposals in this report, the Council is on course to achieve these.

3.7 In addition, a comprehensive commissioning review of the housing support services above was carried out, including a detailed analysis of national and local drivers, the performance of each

contract, consultation with existing providers, a separate event with wider stakeholders and separate meetings with existing clients. The outcome of the review has been incorporated into the Commissioning Strategy for Housing Support.

- 3.8 A more detailed needs analysis and forecast of demand for housing support over the next 5-10 years for clients with mental health needs, (both Sutton CCG/Mental Health Trust and LBS Adult Social Care), will be commissioned. This will be used to inform the development of the outcomes framework and a service specification, and to facilitate discussions with the CCG about more integrated working.
- 3.9 A further impact on the delivery of these short term housing support services is the Government's proposed new funding model through a ring-fenced grant for all such services, to be administered locally.

4. Issues and underpinning principles

- 4.1 The Commissioning Strategy for Housing Support identifies issues that need to be addressed to ensure future arrangements are cost effective, flexible and high quality. These include:
- Insufficient innovation in the delivery of housing support services
 - Lack of joined up working across Health and Adult Social Care
 - Inefficient use of skilled staff resources
 - Unavoidable cost pressures arising from reductions in funding for local authorities from the government
- 4.2 In order to address these, the future commissioning model will incorporate the following:
- A more efficient and flexible approach to commissioning housing support
- 4.3 Current housing support services are commissioned through a framework agreement. This approach has not increased efficiency as there has been reducing engagement from providers on the framework due to the uncertainties and challenges of providing housing support services in the current socio-economic climate.
- 4.4 A collaborative approach by providers to deliver a housing support service across a range of different client groups with common support needs will provide opportunity to stimulate innovative and flexible ways to deliver housing support.
- 4.5 A framework reflecting common outcomes across different client groups will include:
- Positive health outcomes - working with individual clients to enable them to exercise greater choice, control and involvement in services that contribute to their health and wellbeing.
 - Increased self-confidence - supporting clients to develop their social skills, to rebuild functional relationships, friendships and access activities that are important to them.
 - Increased ability to manage with reduced support - enabling clients to make choices and take action to retain their accommodation and address issues that place it at risk.



- Successful access to employment, education or training - supporting clients in selecting meaningful employment, education or training that is compatible with their interests and aspirations, with a view to gaining paid employment where possible.
- Successful move to independent living - supporting clients to access suitable independent accommodation and provide ongoing support to enable a smooth transition from a supported environment to independence.

Improved integration of health and social care

- 4.6 Further research to be carried out will identify current and future housing support needs, and identify opportunities to work across sectors with the CCG to ensure that there are improved pathways for clients leaving mental health hospital wards and on joint working in the community to provide a co-ordinated approach for this vulnerable group.

Improved use of skilled staff across various client groups

- 4.7 The analysis of current services has identified a number of overlaps in client type, client support needs and provider skills. There is the potential to commission services that deliver support to a range of different client groups within one larger contract that will deliver positive outcomes at a reduced cost. Fewer contracts for a longer contractual period will provide opportunity to work more closely with providers to look at different ways of meeting clients' needs.
- 4.8 A single larger contract will better utilise the available staff resources of qualified support staff in the local market as well as creating and retaining a skilled workforce. The skill sets of staff across existing contracts are similar and can be used more flexibly across the client groups to deliver a consistent standard of service, which was identified by service users as a priority.

An integrated approach to commissioning services via joint budgets/alignment of budgets

- 4.9 Both local and national policies identify the need to support vulnerable groups with stable accommodation and access to support. It is a priority to provide residents with the necessary tools to move to, and remain in, independence. There is evidence that people in stable accommodation have improved health outcomes and better access to employment, education and training.
- 4.10 Opportunities should be explored to transfer budget responsibility to particular services and Directorates to meet the strategic priorities of those areas. Working across sectors is key to driving the best value from available budgets and to provide the best outcomes for service users.

Innovative use of resources

- 4.11 Fewer providers delivering housing support to a wider client group over a longer contractual period should result in economies of scale, which may allow scope for providers to be more creative and innovative in the delivery of housing support.

- 4.12 A reduced number of contracts will ease the administrative burden of the Government's proposed short term supported housing funding model, due to be implemented in 2020, subject to the Government's response to the consultation on this that is currently underway.

5. Options Considered

- 5.1 The Commissioning Strategy for Housing Support identifies national and local policy drivers for the provision of housing support services, current service provision, current and future demand and the views of a wide range of stakeholders. This analysis enabled a number of potential future commissioning models to be identified to improve the housing support service offered to vulnerable residents of the borough whilst delivering efficiency savings.

- 5.2 Five models were considered for the future delivery of the Council's housing support service:

Option 1 - Withdraw all housing support services

- 5.3 There is no statutory requirement to deliver housing support services. The provision of housing support for particular client groups e.g. people with mental health needs who are discharged from mental health hospitals, is not a requirement of the Mental Health Act but is beneficial to the individual service user, and there is evidence that these services avoid additional costly, and more complex support further down the line. Similarly for young people who are leaving care, there is no statutory provision to provide housing support.
- 5.4 This option would enable the council to exceed the savings target for housing support and would allow this target to be met early, at the beginning of the financial year 2018/19.
- 5.5 If this option were chosen, some of the most vulnerable members of the community would have no housing support to enable them to remain living as part of the community. This option is likely to result in an increase in homelessness, anti-social behaviour, tenancy breakdown and crime. This option would place additional pressure on Sutton CCG and NHS budgets, Police services, Housing and Adult Social Care from increased demand.

Option 2 - Recommission housing support services in their current form with reduced budgets to meet savings targets.

- 5.6 This option reflects current user satisfaction with existing services and maintains support for vulnerable residents. There is potential for new providers to enter the market with different delivery models during the re-tendering of services and competition could lead to cost reductions.
- 5.7 The mapping of current services identified overlaps in provision. Recommissioning the same services does not address these overlaps. An exercise with current providers to identify potential savings delivered low cashable savings; it is unlikely therefore that re-commissioning the same services will deliver sufficient savings and provide the same level of support to service users. There is a risk therefore that this option would result in services that are unable to meet current need or respond to changes in demand in the future.
- 5.8 Re-commissioning existing services with a reduced budget would deliver savings earlier than planned.

**Option 3 - Introduce a service model based on Individual Service Funds**

- 5.9 There is the opportunity to look at implementing Individual Service Funds (ISF) to give clients greater choice and control over the type of service they receive. All or part of the client's budget is held by a provider of their choice under the terms of a contract held between the council and the provider – this can be a framework contract, a spot purchase or a cost and volume contract.
- 5.10 The ISF allows individual choice over provider and activity. It can be rolled over to allow support to be accessed when required.
- 5.11 This option would mean commissioning a framework of providers who meet certain standards for clients to choose from. This model would suit a “housing first” type model where tenants are housed and support is provided in the home rather than the current model of accommodation based support services. Sutton does not have the property base to support a housing first model and utilises a limited number of identified properties for accommodation based support.
- 5.12 An ISF model could work for floating support within the borough however the numbers accessing the service do not warrant a framework of approved providers. The resources spent monitoring a framework of floating support providers would be disproportionate to the number of people accessing individual services. There is potential for an ISF based service if future commissioning links floating support with support for older people.
- 5.13 An ISF model would take longer to commission than other options as there would be a requirement to consult fully with clients. The benefits of commissioning an ISF model would be outweighed by the cost of procuring and monitoring of services.

Option 4 - Commission an outcomes based consolidated service

- 5.14 This option transfers the budget for the young people's accommodation based housing support service to the People Directorate. This will enable greater utilisation of the resources available and a coherent pathway that corresponds with the wider strategy for care leavers. The domestic violence service and the housing support service for people with a learning disability will be closer aligned to the priorities of the Safer Sutton Partnership Service and Supported Living Strategy respectively. The mental health supported accommodation and floating support services, single homeless supported accommodation service and ex-offenders supported accommodation and floating support service will be commissioned as a single service and the tenancy sustainment service that ends in February 2018 will be replaced by an in-house tenancy sustainment/welfare benefit post under one of the existing service areas.
- 5.15 Providing one contract for the delivery of supported accommodation services and floating support for people with mental health needs meets the requirements under s117 of the Mental Health Act. It addresses the need of service users for a joined up service when they move from supported accommodation and reduces the risk of relapse. A joined up service provides a safety net for service users allowing them to re-engage with the service at any time.
- 5.16 Commissioning a housing support service that incorporates mental health housing support provides an opportunity to work with CCG to co-fund and co-commission services that support joint clients. It allows an improved pathway between the NHS, CCG and social care services to be

implemented. A joined up service meets clients' need for high quality and flexible support and allows continuity of support worker as they move to independent living.

- 5.17 This option has the added synergy of bringing the ex-offenders and the single homeless contract into a larger contract, which has the potential for economies of scale. There are similar skill sets for staff working with all of these client groups. Those accessing the single homeless pathway often have mental health needs, and/or drug or alcohol issues. This option will give greater flexibility for use of the available supported accommodation.
- 5.18 By moving resources from the current tenancy sustainment service to an in-house provision, we can respond to the needs of vulnerable tenants at a critical time. The skill sets needed includes a wide knowledge of welfare benefits, negotiation skills with landlords and work with private sector landlords to make more properties available at affordable rents. This service will be linked to the other housing support services to ensure clients are maximising their income and provided with advice to sustain their accommodation.
- 5.19 In the longer term, there is an opportunity to include the recently commissioned targeted housing support service for older people into a single generic housing support service.
- 5.20 This model will establish a common outcomes framework across a number of client groups.
- 5.21 With this option commissioners will have to engage with the market at an early stage to allow time for collaborative working to be discussed and agreed between organisations.
- 5.22 Procurement for a single mental health and single homeless and ex-offenders housing support service could be in place by April 2019. If market engagement commences in March 2018, this may allow for an earlier commencement date, providing the potential for additional savings.

Option 5 - Outcomes Based Consolidated Services with Separate Mental Health and Single Homeless Services

- 5.23 This option transfers the budget for the young people's service area to the People Directorate. The domestic violence service and the housing support service for people with a learning disability will be closer aligned to the priorities of the Safer Sutton Partnership Service and Supported Living Strategy respectively. The mental health supported accommodation and floating support services and the ex-offenders supported accommodation and floating support service will be commissioned as one contract. The single homeless support will be commissioned as separate service and the tenancy sustainment service will be transferred to an in-house provision under existing management and service areas.
- 5.24 This option has the benefits outlined in option 4 but without exploiting the potential synergies outlined in joining the mental health and single homeless services. This option does not allow as much flexibility in the use of the available accommodation.
- 5.25 Commissioning the single homelessness service separately means that the needs of this group of vulnerable clients is met. There is an opportunity for this service to be linked with the early prevention service commissioned through the Trailblazer funding.



Recommended Option

- 5.26 Option 4 is the recommended option; an outcomes based consolidated service with separate provision for young people, people with a learning disability and victims of domestic violence.
- (i) Transfer of budget for the young people's contract to the People Directorate, enabling those services to support the wider strategic aims and priorities of that service area.
 - (ii) The contract for the women's refuge accommodation and floating support (via an Independent Domestic Violence Advocate) will remain as a separate service with closer alignment to the priorities identified by the Safer Sutton Partnership Service.
 - (iii) The accommodation based housing support service for people with a learning disability will remain as a separate contract as this is considered to be a specialist provision, which may be aligned in the future with the priorities identified in Supported Living Strategy.
 - (iv) The generic tenancy sustainment service will be decommissioned and an additional post created in-house to provide welfare benefit, homelessness prevention and tenancy sustainment advice. The skills of this additional member of staff will enable an easily accessible and specialist response to issues relating to welfare benefits, income maximisation, tenancy advice and negotiation with private landlords, which are the main areas of support being requested from the existing service.
 - (v) The mental health supported accommodation service, single homeless with mental health and/or substance misuse supported accommodation service, mental health floating support service and the ex-offenders supported accommodation and visiting support service will be commissioned as a single outcomes based service, to be in place by 1st April 2019.
- 5.27 This proposed way forward will necessitate the extension of some of the existing contracts, where contracts are due to expire before the new service commences or budgets are transferred to other service areas.
- 5.28 The new single housing support contract will provide an opportunity to explore co-funding and co-commissioning with partners such as the CCG and the Probation Service and to develop appropriate pathways of support from mental health in-patient or out-patient services through to supported housing and on to independent living, with a safety net of support when needed. It will also enable a more flexible use of existing supported accommodation.
- 5.29 The table below sets out the proposed new model for housing support, incorporating option 4 against the existing contracts. As this shows, the current contract value reduces from £1,702,750 to £1,385,700.

Current contract				Proposed Model	
	Provider & Service	Contract end date	Contract Value pa	Service Description	Contract Value pa
1	CAYSH - Young People's Supported Accommodation	30/9/2018	£356,000	Transfer of budget to People Directorate and continue to provide existing service pending future review	£356,000
2	Sutton Women's Aid – Domestic Violence Support	3/1/2019	£122,750	Align the budget to the priorities of the Safer Sutton Partnership and DVA/VAWG Board.	£122,750
3	Keyring - Housing Support for people with a learning disability	31/7/2019	£125,000	Continue to provide this as a separate contract pending future review and align with the Supported Living Strategy	£125,000
4	Family Mosaic – Generic Tenancy Sustainment for homeless prevention and resettlement	2/2/2018	£226,000	When contract expires, recruit an in-house tenancy sustainment/welfare benefit officer	£36,750
5	Family Mosaic – Mental Health Supported Accommodation	3/11/2017	£311,000	Commission a single service of supported accommodation and floating support for people with mental health needs, substance misuse issues and ex-offenders	£745,250
6	Thames Reach - Single Homeless with mental health and/or substance misuse	31/3/2018	£236,000		
7	Thames Reach - Mental Health Floating Support	7/12/2018	£260,000		
8	Penrose – Ex-offenders Accommodation & Visiting Support	31/3/2018	£66,000		
Total			1,702,750		1,385,700



Procurement

- 5.30 This strategy assumes that the appropriate commissioning approach is a restricted two stage tender.
- 5.31 The recommended model of delivery will be procured using the light touch regime rules set out in the Public Contract Regulations 2015, 74 to 77. These apply to certain health, social care and education services. The process will be:
- Stage 1: a short-listing stage that will robustly check each organisation's business competence and fitness to provide high quality supported housing services. The five highest scoring providers will then go forward to Stage 2.
 - Stage 2: The shortlisted economic operators will be invited to tender using method statement questions that will incorporate quality issues, particularly aspects of service delivery, ability to deliver/evidence commissioning outcomes, a willingness to work with the Council on different delivery models and financial proposals.
- 5.32 The procurement process will test each tenderer's ability to effectively deliver the full range of support required across the different skill sets.

6. Impacts and Implications

Financial

- 6.1 As outlined in the table above, a housing support budget of £1,385,700 from 1st April 2019 will allow for the the delivery of the recommended option 4, whilst contributing to the delivery of the remaining housing support savings target of £531,500 by 2019/20.
- 6.2 This approach will allow for future commissioning to be at the same rate for the young people's housing support service, the domestic violence service and the learning disability service. The recruitment of an in-house tenancy sustainment/welfare reform officer (£36,500 per annum) will replace the existing tenancy sustainment service. The annual budget remaining available to commission the new single service is £745,250. If we are successful in working with Sutton CCG to co-commission mental health housing support services, this could increase the budget for the new single contract.
- 6.3 The majority of people in supported accommodation are in receipt of Housing Benefit. In most cases this covers all of their eligible rent.
- 6.4 Having initially proposed capping rents for accommodation with support to Local Housing Allowance Levels from April 2020, the Government is now consulting on changes to how housing costs will be met. Sheltered and extra care accommodation, and accommodation for people with learning disabilities and other long-term support needs will continue to be met through the welfare system. It is proposed to introduce a 'Sheltered Rent'. For long-term supported housing, 100% of housing costs (rent inclusive of eligible service charges) will continue to be funded as at present

through the welfare system (subject to the application of the existing housing benefit/Universal Credit rules).

- 6.5 Costs for short-term supported accommodation, such as those mentioned in this report, will be met at local level through a ring-fenced grant, and underpinned by a new local planning and oversight regime. This means all the funding for housing costs (including rent and eligible service charges) that were previously met from Housing Benefit, will instead be allocated to local authorities to fund services that meet the needs of their local areas. The Government is seeking views on the design of the new supported housing funding models through a consultation that closes on 23rd January 2018.

Finance Comments

- 6.6 The changes outlined above are part of a programme of change which will contribute to the delivery of the remaining housing support savings of £531,500 by 2019/20 in line with the expected profile.

Legal Comments

- 6.7 As per the main body of the report, the Council seeks approval to procure replacement housing support services. The services to be procured are subject to the Light Touch Regime (LTR). Under PCR 2015, there is no prescribed procedure for the procurement of light touch services. Contracting Authorities have flexibility to use any process or procedure they choose to run the procurement for light touch services, as long as the procedure is in compliance with the EU treaty principles and the mandatory requirements set out in PCR 2015 summarised below:
- (i) The publication of a contract notice (CN) or prior information notice (PIN). Except where the grounds for using the negotiated procedure without a call for competition could have been used, for example where there is only one provider capable of supplying the services required.
 - (ii) The publication of a contract award notice following the procurement.
 - (iii) Compliance with EU treaty principles of transparency, non-discrimination, proportionality and equal treatment.
 - (iv) Conducting the procurement in conformance with the information provided in the OJEU advert (CN or PIN) regarding: any conditions for participation; time limits for contacting/responding to the Contracting Authority; and the award procedure to be applied.
 - (v) Time limits imposed by authorities on suppliers, such as for responding to adverts and tenders, must be reasonable and proportionate. There are no stipulated minimum time periods in the LTR rules, and guidance suggests that Contracting Authorities should use their discretion and judgement on a case by case basis.
- 6.8 The proposed procurement strategy (as set out in the main body of the report) presents no risks of challenge to the Council in so far as the requirements of PCR 2015 and the EU treaty principles are followed to the letter. It is important that a proper audit trail is maintained throughout the procurement process to evidence the process followed.



7. Appendices and Background Documents

Appendix letter	Title
A	Equality Impact Assessment

Background documents
Commissioning Strategy for Housing Support 2017 Onwards

Audit Trail		
Version	Final	Date: 9 January 2018
Consultation with other officers		
Finance	Yes	Neilesh Kakad
Legal	Yes	Fabiola Hickson
Equality Impact Assessment?	Yes	See Appendix A

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