

## REQUEST FOR MAYORAL DECISION – MD2297

### Title: Tenancy Sustainment Teams' capacity increase

#### Executive Summary:

The Mayor currently funds two Tenancy Sustainment Teams (TSTs) as part of his suite of rough sleeping services. The TSTs provide support to people with a history of sleeping rough living in Clearing House stock - housing association properties specifically earmarked for this group. Each team is contracted to support 750 clients, with an expectation of managing any change in caseload within a ten per cent range from existing resources (i.e. a maximum of 825 clients each at any one time).

Each of the TST caseloads will exceed the contracted maximum by March 2018 and to meet need, an additional four staff posts across both teams will be required, at a cost of £148,605. It is proposed that this additional funding is made available to the TST providers, to ensure that former rough sleepers in Clearing House stock be adequately and safely supported and that contractual commitments be met.

Approval is being sought via a Mayoral Decision form because the change in contract expenditure is at a level requiring a new decision, as per paragraph 17.12 of 'Mayoral Decision-Making in the GLA'.

#### Decision:

That the Mayor approves:

- Additional expenditure of £148,605 in 2018/19 for Tenancy Sustainment Team services, with a variation of the contracts with St Mungo's and Thames Reach (the providers of the TST services) to reflect the additional expenditure (£103,809 for St Mungo's and £44,796 for Thames Reach, increasing expenditure across the two contracts to a total of £2.4m).

#### Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

12/6/18

## **PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. During 2016/17, 8,108 people were seen sleeping rough in London, more than double the number in 2010/11. Sixty-three per cent were new to the street, 53 per cent were non-UK nationals, and 41 per cent were from EU countries. Around three quarters had a support need (47 per cent mental health, 44 per cent alcohol, and 35 per cent drugs).<sup>1</sup>
- 1.2. The Mayor believes we have a moral imperative to tackle homelessness. In particular he sees the fact that a growing number of people have been left sleeping rough on London's streets as a source of shame. The Mayor has set up a 'No Nights Sleeping Rough' (NNSR) taskforce to identify, implement, lobby for, and monitor the effectiveness of interventions to tackle rough sleeping. Chaired by the Deputy Mayor for Housing and Residential Development, it brings together partners key to tackling rough sleeping in London (including boroughs, voluntary organisations and Government).
- 1.3. The Mayor has responsibility for funding and commissioning a range of pan-London rough sleeping services. These are services for rough sleepers, or initiatives to tackle rough sleeping, that cannot or would not be provided at a London borough level, as they are pan-London or multi-borough in their remit. A budget of £33.8m for these services was approved for the period 1 April 2016 to 31 March 2020 (see MD1532). Working with the taskforce, the Mayor has also secured over £4.2m of Government funding for a number of additional rough sleeping services and initiatives (see MD2083). He has also recently announced an additional £1.3m for a pilot to help rough sleepers with mental health support needs.
- 1.4. Most of the Mayor's rough sleeping budget is spent on major contracted services, such as No Second Night Out, London Street Rescue, and Tenancy Sustainment Teams (TSTs). These major services significantly improve outcomes for people with a history of sleeping rough in London.
- 1.5. There are two TST services (one covering north and one covering south London). Since April 2016, they have been provided by St Mungo's and Thames Reach, each of which has a three-year contract with potential for two extensions of one year each.
- 1.6. The TSTs support people with a history of sleeping rough who are living in Clearing House stock. This comprises over 3,500 homes that have been earmarked for this group for the last 25 years, initially via the Rough Sleeping Initiative (RSI). There are 350-400 new tenancy starts each year, which create throughflow from hostels and allow people sleeping rough to be referred into local authority pathways. Based on learning from the GLA's pilot of Housing First between 2012 and 2015, many of these tenancies are offered to people who are moving directly from rough sleeping into their own, settled homes, echoing some of the best principles of the Housing First approach.
- 1.7. People are referred to these properties from hostels or the street via Clearing House (another of the Mayor's services). TSTs support people to sustain their tenancies and to secure education, training, employment and independent move-on accommodation.
- 1.8. Tenants were historically offered tenancies for life. However, since 2008 new tenants have received fixed-term tenancies and support to move into independent accommodation once they no longer require the service offered by TSTs. Tenants with historical tenancies for life who no longer require support have their TST case closed. As more of the people in these historical tenancies have moved on and been replaced with new tenants in need of TST support, the size of the TST caseload has increased – and will continue to do so for the foreseeable future.
- 1.9. An eventual growth in the size of TST caseloads has always been expected. However, several recent factors have accelerated this process:
  - The withdrawal of support from other sources: some tenants in Clearing House properties were previously supported by teams other than the TSTs via local arrangements. This arrangement has

<sup>1</sup> CHAIN Annual Report 2016-2017, <https://files.datapress.com/london/dataset/chain-reports/2017-06-30T09:03:07.84/Greater%20London%20full%202016-17.pdf>

become increasingly uncommon. Specifically, two mid-sized schemes in the London Borough of Brent recently reverted from local to TST support, creating a one-off, immediate increase in caseload.

- An accelerated rate of move-on within the Clearing House stock, due to:
  - The recommissioned TST services that started operating in April 2016 having a greater focus on supporting tenants to move-on to independent accommodation. Work in this area continues to improve, thereby increasing the number of new tenants (with support needs) living in Clearing House stock.
  - The focus of the Clearing House Sub-Group of the Mayor's No Nights Sleeping Rough taskforce on further increasing move-on within the Clearing House stock, especially for the group of tenants who no longer require TST support.

- 1.10. Each TST team is contracted to support 750 clients, with an expectation of managing any increase or decrease within a ten per cent range from existing resources (i.e. a maximum of 825 clients each at any one time). Schedule 3, section 3.62 of the GLA's contract with providers states "Above or below this level [10% of 750], the GLA will negotiate a contract variation".
- 1.11. It is proposed that the TST providers receive an additional £148,605 in 2018/19 to create additional staff posts to increase their capacity in line with need. The funding will finance three additional posts within St Mungo's TST, and one within Thames Reach TST. This will increase the size of the St Mungo's contract from £1,206,931 to £1,310,740, and the Thames Reach contract from £1,199,692 to £1,244,488.
- 1.12. If this funding was not forthcoming, the safety of tenants, staff and the wider community would be at risk, either because individual caseloads would increase beyond acceptable levels or because vulnerable people needing support would not receive it.
- 1.13. It is anticipated that caseloads will continue to increase beyond 2018/2019. It is proposed that the service model be reviewed during 2018/2019 (the final year of the initial three-year contract), with a view to exploring different ways of supporting this client group.

## **2. Objectives and expected outcomes**

- 2.1. To meet the GLA's commitment as set out in contract with St Mungo's and Thames Reach to provide a contract variation in the event that caseloads increase or decrease by more than ten per cent.
- 2.2. To ensure that TSTs have the resources to continue to deliver safe and effective services for people leaving rough sleeping behind.
- 2.3. To continue to achieve the principal aims of the TST service, these being; to support people to sustain their Clearing House tenancies, engage with specialist support services, take part in education, training and employment activities, and move away from rough sleeping services into their own, independent, homes.
- 2.4. To enable more people to move on from hostels, freeing up hostel spaces for people sleeping rough.

## **3. Equality comments**

- 3.1 Under section 149 of the Equality Act 2010, as public authorities, the Mayor and GLA are subject to a public-sector equality duty and must have 'due regard' to the need to (i) eliminate unlawful discrimination, harassment and victimisation; (ii) advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and (iii) foster good relations between people who share a relevant protected characteristic and those who do not. Protected characteristics under section 149 of the Equality Act are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status (all except the last being "relevant" protected characteristics).
- 3.2 Of current TST clients:

- 40 per cent are non-UK nationals
- 53 per cent have a mental health need
- 12 per cent are women
- 41 per cent are in the 26-45 age group
- two per cent are under 26 years old
- 21 per cent are over 55

3.3 Those with protected characteristics of race and disability are over-represented among rough sleepers, as the client group for these services is people with a history of sleeping rough the proposals in this paper are likely to have positive impacts on these groups.

#### 4. Other considerations

##### a) Key risks

Risk description	Rating	Mitigating action
Caseloads increase more rapidly than projected.	Medium	The projections being used have proven to be accurate in predicting increases over the current period. In tandem with the increased funding for 2018/2019, there will be a review of the model to identify new service models.
The providers perform poorly thereby failing to provide value for money.	Low	Contracts are regularly monitored against a range of milestones to ensure good performance. TST contracts also contain an element of Payment by Results, further incentivising good performance, and ensuring that poor performance does not result in poor value for money.
The providers are unable to recruit suitable new staff.	Low	Both providers are large, established organisations with adequate recruitment processes. The number of new posts required is relatively very small.

##### b) Links to Mayoral strategies and priorities;

4.1 The draft London Housing Strategy, published in September 2017 states that “The Mayor will fund and commission a range of pan-London services and other initiatives. These will focus on identifying rough sleepers and intervening rapidly to support them off the streets, providing specialist support for particular groups, and helping rough sleepers stay off the street.”. By supporting their clients to maintain tenancies and gain employment the TST services particularly provide “specialist support for particular groups” and help “rough sleepers stay off the street”.

##### c) Impact assessments and consultations

- 4.2 Extensive consultation was carried out when designing the services specifications for the TST services.
- 4.3 Projections have been created in consultation with Clearing House and both TST services.

## **5 Financial comments**

- 5.1 This decision requests approval to expend £148,605 during the financial year 2018/2019 - £103,809 to St Mungo's to fund three additional posts (increasing the annual contract from £1,207k to £1,311k), and £44,796 to Thames Reach to fund one additional post (increasing the annual contract from £1,200k to £1,244k).
- 5.2 The proposed funds will be expended from 1 April 2018, and will be funded from the Rough Sleeping Commissioning budget.

## **6 Legal comments**

- 6.1 The foregoing section of this report indicate that the decisions requested of the mayor fall within the statutory powers of the Authority to promote and/or to do anything which is facilitative of or conducive or incidental to the promotion of social development within Greater London and in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:
- (a) pay due regard to the principle that there should be equality of opportunity for all people;
  - (b) consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
  - (c) consult with appropriate bodies.
- 6.2 In taking the decisions requested of him, the Mayor must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 3 (above) of this report.
- 6.3 Both the St Mungo's and the Thames Reach contracts were entered into following an OJEU-advertised tender. In light of this, the GLA may undertake each variation where, inter alia, the value of the variation is below the OJEU threshold for services, below 10% of the original value of the contract and the relevant variation does not change the overall nature of the relevant contract. As set out in section 1 above, the GLA's agreements with St Mungo's and Thames Reach amount to £1,206,931 and £1,199,692 respectively. The decision requested of the Mayor seeks the increase of the St Mungo's contract by £103,809 and the Thames Reach by £44,796. In each case, the size of the variation falls below 10% of the value of the original contract.
- 6.4 Furthermore, each variation relates to the employment of additional members of Tenancy Sustainment Teams, which teams work on the core activities of each contract; namely reducing rough sleeping. To this end, the GLA may proceed with the variations. However, the officers are reminded to ensure that they liaise with TfL's procurement team to ensure that the variations be duly documented in the approved form.

## 7. Planned delivery approach and next steps

Milestones	Indicative date*
Mayoral approval secured/CIB	June 2018
Additional staff mobilised	1 April 2018 (at risk to providers)
<b>Additional capacity commences</b>	1 April 2018
Quarterly contract monitoring meeting and reporting	August 2018

*\*indicative dates, subject to change*

### Appendices and supporting papers:

#### Appendix 1:

##### Caseload projections

	TST caseloads					
Year ending	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22
North	825	870	933	993	1051	1087
South	743	784	841	896	949	982

These caseload projections have been produced by applying past rates of tenancy ends and reopening of closed cases to the current caseload, and adjusting for the additional factors covered in 1.9 above.

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

**Part 1 Deferral:**

**Is the publication of Part 1 of this approval to be deferred? NO**

If YES, for what reason:

Until what date: (a date is required if deferring)

**Part 2 Confidentiality:** Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

**Is there a part 2 form – NO**

**ORIGINATING OFFICER DECLARATION:**

Drafting officer to  
confirm the  
following (✓)

**Drafting officer:**

Luke Oates has drafted this report in accordance with GLA procedures and confirms the following:

✓

**Sponsoring Director:**

David Lunts has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

**Mayoral Adviser:**

James Murray has been consulted about the proposal and agrees the recommendations.

✓

**Advice:**

The Finance and Legal teams have commented on this proposal.

✓

**Corporate Investment Board**

This decision was agreed by the Corporate Investment Board on the 11 June 2018.

**EXECUTIVE DIRECTOR, RESOURCES:**

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

**Signature**

*M. D. Allen*

**Date**

*11. 6. 18*

**CHIEF OF STAFF:**

I am satisfied that this is an appropriate request to be submitted to the Mayor

**Signature**

*D. Bellamy*

**Date**

*11/6/2018.*

