

REQUEST FOR MAYORAL DECISION – MD1417

Title: Extending contracts and entering into grant agreements for GLA-commissioned rough sleeping services in 2015-16

Executive Summary:

The GLA currently commissions and grant funds a range of pan-London rough sleeping services and projects, with funding devolved from the Department for Communities and Local Government for the period 2011 to 2015. As the next funding round is for one year only (2015/16), approval is sought to extend six of the GLA's contracts for these services for one year, and to enter into one year grant agreements in respect of the Severe Weather Emergency Provision and Streetlink projects. Doing this, rather than undertaking a competitive procurement, will ensure continuity of service and value for money during 2015/16, to assist with the achievement of the Mayor's rough sleeping policy aims. The cost of the extended provision of services and grant funding in 2015/16 will amount to £8.37 million – £8.16 million for the contracted services and £155,000 for those funded under grant agreements.

Decision:

That the Mayor approves:

a) 12 month extensions and corresponding expenditure (until 31 March 2016) of the GLA's contracts with:

(a) St Mungos Broadway - No Second Night Out/No Living on the Streets	£3,680,000
(b) St John of God - Non UK Nationals Service	£432,173
(c) Thames Reach - London Street Rescue	£609,173
(d) Thames Reach - London Reconnections Team	£362,353
(e) St Mungos Broadway - CHAIN and Clearing House	£397,693
(f) One Housing/Look Ahead - Tenancy Sustainment Teams	£2,734,709

b) The award of grant funding for one year (until 31 March 2016) to:

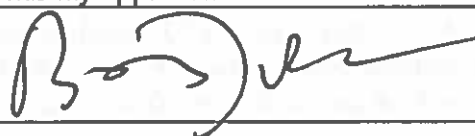
(g) St Mungos Broadway - Severe Weather Emergency Provision	£95,000
(h) St Mungos Broadway - Streetlink	£60,000

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:

30/1/15.

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1 Among the Mayor's key aims in his London Housing Strategy are to ensure that no one will live on the streets of London and no individual arriving on the streets will sleep out for a second night. Since early 2009, the Mayor has convened a board that brings together key partners to identify timely, appropriate and sustainable solutions to rough sleeping in the capital (initially the London Delivery Board and now the Mayor's Rough Sleeping Group).
- 1.2 In recognition of the Mayor's commitments and the then London Delivery Board's achievements, and as part of the localism agenda, the responsibility for commissioning pan-London rough sleeper services was devolved to the GLA from central government in April 2011. 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. The Mayor has invested a budget of £33.8 million for these services over 2011-15.
- 1.3 Following several procurement exercises, a range of services are under contract, with some being piloted under a grant agreement, mainly to test new approaches to working with rough sleepers. Details of all services currently under contract or grant agreement are set out in Appendix 1. All current contracts and grant agreements are due to expire on 31 March 2015.
- 1.4 The pan-London services have been successful in achieving the Mayor's strategic aims. For example:
 - **No Second Night Out (NSNO)** has seen more than 5,890 people between April 2011 and 30 June 2014. Only 20% of this cohort spent a second night out, which has meant that the service has had a positive impact on 80% of clients.
 - **No Living on the Streets (NLOS)**: Between December 2012 and 30 June 2014, 76% of the 419 clients seen by NLOS did not return to rough sleeping.
 - During 2013/14
 - the **Tenancy Sustainment Teams** successfully sustained the tenancies of over 1,860 former rough sleepers
 - the **London Reconnection Team** reconnected around 550 people to the country with which they had a connection.
 - the accommodation-based **service for non-UK nationals** reconnected over 350 people
 - **London Street Rescue**, the pan-London outreach service, found 26% of those who were seen rough sleeping.
- 1.5 Over 6,500 people were seen sleeping rough by outreach workers in 2013/14, around two thirds of whom were new to the streets – around the same proportion as in 2012/13.
- 1.6 There is indicative funding of £8.45 million earmarked in the GLA's 2015/16 budget for rough sleeping services. This funding will be covered by DCLG's revenue funding to the Authority, with formal confirmation of the total settlement currently awaited. In a draft settlement letter to the GLA, DCLG sets out its expectation that £8.45 million of the 2015/16 grant will be used for the continuation of pan-London rough sleeping services.
- 1.7 DCLG's revenue settlement is for one year only. For this reason, a 12 month extension of current contracts and making of two one year grant awards (listed below) are proposed. The intention is that a full competitive tender process for services will be conducted for 2016/17 onwards.

(a) St Mungos Broadway - No Second Night Out/No Living on the Streets	£ 3,680,000
(b) St John of God - Non UK Nationals Service	£ 432,173
(c) Thames Reach - London Street Rescue	£ 609,173
(d) Thames Reach - London Reconnections Team	£ 362,353
(e) St Mungos Broadway - CHAIN and Clearing House	£ 397,693
(f) One Support/Look Ahead - Tenancy Sustainment Teams	£ 2,734,709
(g) St Mungos Broadway - Streetlink (grant funding)	£ 60,000
(h) St Mungos Broadway - SWEP (grant funding)	£ 95,000

- 1.8 Contracts (a) to (f) above all have an option exercisable at the discretion of the GLA to extend for at least a year after 31 March 2015. There are grant agreements in place for 2014/15 for both Streetlink and SWEP and it is proposed that new ones will be issued for 2015/16. All contracted services were procured competitively in accordance with the GLA's Contracts and Funding Code.
- 1.9 Extending the contracts and awarding new grant funding would be far better value for money than re-procuring for one year only. This is because procuring services competitively for such a short contract period is unlikely to attract bids from organisations other than those currently providing the service, given the high start-up costs and the requirement for buildings for services such as these. If any bids were to be submitted by other organisations, they are highly unlikely to represent good value for money. The reason for this is that services such as these require a great deal of upfront investment by the providers to secure buildings (as some are building-based services) and to mobilise (they are also extremely staff-intensive, so would require major recruitment and induction exercises).
- 1.10 In addition, it is becoming increasingly difficult to secure buildings for homelessness services, both because of a lack of suitable available premises and also because of some boroughs' reluctance to accommodate additional services of this type in their localities. Providers are unlikely to invest the time, effort and potentially money in building searches and negotiations with local authorities for a very short contract period.
- 1.11 The inability to spread start-up costs across a number of years inevitably leads to higher costs. A competitively priced bid would almost certainly mean an unacceptably low level of service and, as a consequence, poorer outcomes for clients and a negative impact on the achievement of the Mayor's rough sleeping targets.
- 1.12 Another option would be to re-procure services on a single source basis. However, there is a risk that this could result in higher costs, as the incumbent providers would not be in competition with other organisations.
- 1.13 It is necessary to obtain approval to extend contracts in advance of the GLA's budget setting process for 2015/16 in order to ensure that there is service continuity. It is essential that providers have certainty about the GLA's future funding programme within the next couple of months, to prevent staff from seeking other jobs, providers from issuing redundancy notices and winding down services and clients transitioning into other services prematurely or drafting back onto the streets.

2. Objectives and expected outcomes

- 2.1 These services contribute to key performance indicators to ensure:
- 80% of individuals exit rough sleeping as a result of GLA funded services (excluding the SIB)
 - 90% of new rough sleepers do not spend a second night out as a result of the GLA funded NSNO service

- 80% of rough sleepers who are not new and are prevented from returning to the streets as a result of GLA funded services
- 95% of rough sleepers sustain their tenancies and are prevented from returning to the streets as a result of GLA funded services

2.2 All milestones and KPIs will remain the same for the duration of the contracts.

3. Equality comments

3.1 Of those seen rough sleeping in 2013/14:

- 54% were non-UK nationals
- 46% had a mental health need
- 13% were women
- most of those seen rough sleeping (57%) are in the 26-45 age group
- 12% were under 26 years old
- 10% were over 55
- 11 people were under 18.

3.2 As rough sleepers are over-represented among those with the protected characteristics of race and disability, the proposals in this paper are likely to have positive impacts on these groups.

4. Other considerations

4.1 Key risks and issues

Risk description	Rating	Mitigating action
Uncertainty amongst providers will damage service provision	G	It is proposed that contract extensions and grant agreements will be signed in early 2015, before providers would be starting to demobilise services. However, any delay to this could be detrimental to service provision.
Other organisations providing rough sleeping services may argue that a competitive process should be undertaken.	G	The GLA will clearly communicate reasons for the one year contract extensions and grant agreements to partners.

4.2 Links to Mayoral strategies and priorities

The objectives of the proposals are in line with the Mayor's Rough Sleeping Commissioning Framework 2011-15, as well as the Mayor's draft revised London Housing Strategy which includes the following priorities: to ensure that no one will live on the streets of London and no individual arriving on the streets will sleep out for a second night.

4.3 Impact assessments and consultations

The Mayor's Rough Sleeping Commissioning Framework 2011-15 was made available for public consultation. The statutory London Housing Strategy has been subject to a full-integrated impact assessment and undergone statutory consultation with the London Assembly and functional bodies and with the public.

5. Financial comments

- 5.1 There is £8,450,000 earmarked for rough sleeping in the current 2015/16 draft budget to fund this expenditure within 2015-16.
- 5.2 The confirmation of this funding is subject to the finalisation and sign-off of the 2015-16 budget.
- 5.3 All requisite budget adjustments will be made.
- 5.4 As part of this decision relates to contracts, officers have to ensure that the requirements of the Authority's Contracts and Funding Code are adhered to.
- 5.5 Any changes to this proposal must be subject to further approval via the Authority's decision-making process.
- 5.6 The Programme, Policy and Service Unit within the Housing and Land Directorate will be responsible for managing this project.

6. Legal comments

- 6.1 The foregoing sections of this report indicate that:
 - 6.1.1 the decisions requested of the Mayor fall within the statutory powers of the Authority to promote social development and/or to do anything which is facilitative of or conducive or incidental to the promotion of the same in Greater London; and
 - 6.1.2 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 Officers:
 - 6.2.1 must ensure that the contracts in respect of which extensions are proposed are varied, to reflect the extensions, in accordance with the provisions contained in those contracts for the same; and
 - 6.2.2 have indicated that the contributions it is proposed be made to the costs of amounts to the provision of grant funding and not payment for works, supplies or services. They must ensure that: (a) the funding is distributed fairly, transparently, in accordance with the Authority's equalities policies and in manner which affords value for money in accordance with the Authority's Contracts and Funding Code ; and (b) an appropriate funding agreement is put in place between and executed by the Authority and the recipients before any commitment to fund is made.

7. Investment & Performance Board

This item was discussed and agreed at the Housing Investment Group on 10 October 2014. All members were supportive of the approach and expressed an interest in being involved in a more detailed conversation on the future of services (and interaction with borough responsibilities and services). Rough sleeping services will be discussed at the January 2015 Homes for London Board meeting.

8. Planned delivery approach and next steps

Activity	Timeline
Mayoral decision	Mid-January 2015
Contract extensions/grant agreements executed	January 2015
Contract/grant agreement commencement dates	1 April 2015
Delivery start date	1 April 2015
Delivery end date	31 March 2016

Appendices and supporting papers:

Appendix 1 GLA-commissioned pan-London rough sleeping services 2014/15

Project	Provider/Funding Recipient	Description
Contracts		
1 No Second Night Out (NSNO)/No Living on the Streets	St Mungo's Broadway	Three assessment hubs, plus accommodation 'staging posts', for those who are new or not new to the streets
2 London Street Rescue (LSR)	Thames Reach	Outreach services in boroughs that do not commission outreach plus outreach across London specifically for taking new rough sleepers to No Second Night Out
3 London Reconnections Team (LRT)	Thames Reach	Supported reconnection of non-UK nationals abroad
4 TST North and South	Look Ahead (North) One Housing (South)	Tenancy support to those who move into Rough Sleeper Initiative (RSI) units
5 Non-UK Nationals	St John of God	An accommodation-based service for non-UK nationals
6 Clearing House/ CHAIN	St Mungo's Broadway	Allocation of RSI units Database on rough sleepers
7 Social Impact Bond (additional to the £33.8m funding)	Thamesreach St Mungo's Broadway	A payment by results project focusing on frequent rough sleepers
Grant agreements		
1 Housing First	Thames Reach Single Homeless Project St Mungo's	Independent accommodation with tailored services to sustain the tenancy for entrenched rough sleepers
2 Homeless health peer advocacy project	Groundswell	A project whereby peer advocates to accompany rough sleepers to attend health appointments and sustain health treatment
3 Severe Weather Emergency Provision	St Mungo's Broadway	A shelter that opens when the temperature is predicted to be zero or below for 3 consecutive nights
4 Pan-London Personalisation	St Mungo's Broadway	Intensive personalised casework and personal budgets for long term rough sleepers who are very resistant to moving off the streets
5 Non-commissioned services project	The Passage	A project to influence non-commissioned services (eg soup runs) to help rough sleepers move away from the streets
6 Streetlink	Homeless Link	Rough sleeping reporting phoneline and website

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:

David Eastwood has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.

✓

Assistant Director/Head of Service:

Jamie Ratcliff has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

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:

Richard Blakeway has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. J. Allen

Date

23.1.15

CHIEF OF STAFF:

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

Signature

Edmund

Date

26.01.2015.