

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD2031

### Title: Re-procurement of No Second Night Out

#### Executive Summary:

The GLA commissions and funds a major programme of pan-London rough sleeping services and projects, including the No Second Night Out service. No Second Night Out is an assessment and reconnection service that aims to prevent new rough sleepers from sleeping out for a second night. The current contract with St Mungos comes to an end on 31 March 2017.

This paper seeks approval to re-procure the No Second Night Out service, from 1 April 2017 to 31 March 2019 at an estimated cost of up to £7.36m, with the option to extend for a further two years.

#### Decision:

That the Mayor:

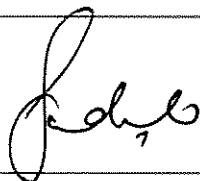
- approves expenditure of up to £7.36m to procure a No Second Night Out service from 1 April 2017 and to 31 March 2019; and
- delegates authority to the Executive Director – Housing & Land, in consultation with the Deputy Mayor for Housing and Residential Development, to approve any extension of the contract to be procured for the service beyond the initial term for up to a further two years and related expenditure of up to a further £7.36m (in line with the budget approved in MD1532).

#### 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:

4/10/16

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

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

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

- 1.1 The Mayor has committed to tackling the “scourge of homelessness” and in particular has noted that the rise in rough sleeping over recent years is a growing source of shame that we have a “moral imperative” to stop. In his manifesto he pledged to look at preventing rough sleeping and to develop a ‘No Nights Sleeping Rough’ initiative, a London-wide taskforce to oversee the implementation of the Mayor’s rough sleeping work and funding priorities. Extending and improving the No Second Night Out (NSNO) service will assist in this by providing a rapid response to those sleeping rough.
- 1.2 NSNO is an assessment and reconnection service. It provides new rough sleepers with a single service offer to prevent them from becoming entrenched rough sleepers. Between 1 April 2011 and 30 June 2016, 8,743 new rough sleepers were assisted by the service, 76 per cent of whom have not been seen sleeping rough in London since attending the service.
- 1.3 Funding of £33.8 million has been approved, under cover of MD1532, for a programme of pan-London rough sleeper services, including NSNO, to run for a period of up to four years – 1 April 2016 to 31 March 2020. This Mayoral decision also approved the re-procurement of a number of key services, which have now been commissioned and mobilised. However, as the NSNO service had only recently been combined with the No Living on the Streets (NLOS) service (approved by the Executive Director – Housing and Land under cover of DD1261), rather than re-procuring it at the same time as the other services, the contract for the new joint service was extended until March 2017. This was done in order to allow sufficient time to ascertain the effectiveness of the streamlined service before re-procuring.
- 1.4 Sufficient time has now passed to make this assessment. The streamlined service is working well and is continuing to reach its overarching key performance indicators (KPIs). Initially there was a drop in a number of new rough sleepers attending the service. However, robust contract monitoring and some operational changes have rectified this, so that numbers of new rough sleepers attending the service have now returned to previous levels and outcomes have improved.
- 1.5 The streamlined NSNO service currently comprises three assessment hubs plus two accommodation ‘staging posts’ (one for those with lower support needs, and one for those with higher support needs). Each hub currently has capacity for a maximum of 25 clients, and the staging posts accommodate up to 28 clients (lower support needs) and 19 clients (higher support needs). These maximum numbers are considered optimal, taking into account the resources available to the service, as well as risk and locality management.
- 1.6 NSNO has operated from a series of temporary premises and, therefore, a position of some uncertainty since it commenced. Also, finding premises has been extremely challenging and, as a result, none of the service’s buildings have been ideal, in terms of internal layout and size. The contract currently stipulates that the provider sources the premises and this will continue for this contract.
- 1.7 The GLA is currently seeking to fund permanent buildings for NSNO, through the Homelessness Change programme. Once buildings are secured, the NSNO service contract will no longer require all premises to be provided by the service provider. It is envisaged that this will increase the pool of providers able to bid for this contract. In the interim, for the proposed 2017-19 contract, the service provider will be expected to provide both the service and the premises.
- 1.8 It is intended that the requirements and terms of the 2017-19 contract will be similar to those in the current contract, but with two key changes. First, the service provider will be required to provide the pan-London Severe Weather Emergency Provision (SWEP), with capacity for up to 80 clients. The SWEP is put in place by the GLA each winter to ensure that rough sleepers have access to emergency accommodation during extreme cold weather. Second, there will be a small element of payment by results, relating to clients’ length of stay at the hubs. The purpose will be to incentivise the provider to reduce the length of stay, which has increased somewhat recently. It is proposed

that any savings from this contract change will be used to grant fund smaller organisations to deliver services for rough sleepers, to help enhance and grow the current small marketplace of providers in this area.

- 1.9 Given the high and increasing numbers of new rough sleepers in the capital, it is anticipated that there will be an ongoing need for NSNO for at least the next two years.

## 2. Objectives and expected outcomes

2.1 NSNO contributes to key performance indicators to ensure that:

- 90 per cent of new rough sleepers do not spend a second night out as a result of the GLA funded NSNO service
- 80 per cent of individuals exit rough sleeping as a result of GLA funded services (excluding the Social Impact Bond (SIB))
- 80 per cent of rough sleepers who are not new are prevented from returning to the streets as a result of GLA funded services.

## 3. Equality comments

3.1 Of those seen rough sleeping in 2015/16:

- 59 per cent were non-UK nationals
- 46 per cent had a mental health need
- 15 per cent were women
- most of those seen rough sleeping (58 per cent) were in the 26-45 age group
- ten per cent were under 26 years old
- 11 per cent were over 55
- four people were under 18.

## 4. Other considerations

| Risk description   | Rating      | Mitigating action  |
|--|-------------|--|
| The service may not be re procured in sufficient time to enable it to be in place by 1 April 2017  | Medium risk | GLA, working with TfL Procurement, will ensure that the project is resourced to support the procurement plan   |
| There may be insufficient time to mobilise the new service, where a new provider has been procured   | Low risk    | The procurement timetable will allow sufficient time for the service to be in place by 1 April 2017  |
| That the GLA will not commission the most appropriate and relevant service   | Low risk    | The pan-London Commissioning Framework, which will underpin commissioning priorities and decisions, has been developed in a robust way, including widespread consultation with key partners and a needs assessment. A robust invitation to tender document will detail the requirements and outcomes |
| The provider may perform poorly, negatively impacting on the achievement of key Mayoral objectives and more detailed service-specific KPIs | Low risk    | A robust contract, contract monitoring between the GLA and the service provider will ensure that poor performance is identified and rectified quickly and appropriately  |

|   |                 |  |
|---|-----------------|--|
| <p>The number of rough sleepers may reduce to the point where the service is no longer required, or required at the level specified in contract, or the nature of rough sleeping may change, making the service less relevant</p> | <p>Low risk</p> | <p>The GLA Rough Sleeping Team constantly monitors the rough sleeping landscape, through detailed quarterly CHAIN report and through strategic and operational interactions with key stakeholders from boroughs, service providers, central government and others (including through the Mayor's forthcoming No Nights Sleeping Rough Taskforce). The contract can be varied to incorporate new or different requirements and will contain a break clause to allow for termination should this be necessary.</p> |
|---|-----------------|--|

## 5. Financial comments

- 5.1 This decision requests an approval to expend of up to £7.36m on No Second Night Out services, between 1 April 2017 and to 31 March 2019 (£3.68m per/year) with an option to extend the contract for up to two further years.
- 5.2 The proposed funds will be expended from Rough Sleeping Commissioning budget (MD1532), which has been allocated a four year indicative Budget of up-to £33.8m (£8.450m per/year) subject to approval on an annual basis as part of the GLA budget setting process..
- 5.3 The Programme Policy and Services team within Housing and Land directorate will be responsible for managing this programme and ensuring that all activities and associated expenditure complies with the Authority's Financial Regulations, Contracts & Funding Code and Expenses and Benefits Framework.
- 5.4 Any changes to this proposal, including a continuation beyond the period stated above (or a request for additional funds), must be subject to further approval via the Authority's decision-making process.

## 6. Legal comments

- 6.1 The foregoing sections 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 in 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 Officers must ensure that the services required are procured by Transport for London Procurement and officers should liaise with Transport for London Procurement in this regard and ensure that appropriate contract documentation is put in place with and executed by proposed service providers before the commencement of the required services.

6.4 The Mayor may delegate the exercise by him of the powers of the GLA to the Executive Director – Housing & Land (as proposed) pursuant to section 38 of the Greater London Authority Act 1999.

## **7. Deputy Mayor's Housing Investment & Policy Panel**

7.1 Due to an urgent need to progress this approval it was not discussed at the Deputy Mayor's Housing Investment & Policy Panel (DMP), the first meeting of which is on 14 September. It has been discussed with and approved by the Deputy Mayor for Housing & Residential Development who is content for it to be progressed in an expedited manner.

## **8. Planned delivery approach and next steps**

| <b>Activity</b>                            | <b>Timeline</b>                         |
|--|---|
| Procurement strategy commenced by TFL      | 19 August 2016                          |
| ITT documentation drafted                  | 15 September 2016                       |
| OJEU advert placed                         | 28 September 2016                       |
| Bids evaluated                             | October 2016                            |
| Contract award recommendations made        | November 2016                           |
| Tenderers notified of contract award       | December 2016                           |
| Contracts signed                           | January 2017                            |
| Service mobilised                          | January to March 2017                   |
| Contract commences                         | 1 April 2017                            |
| Permanent hubs and staging posts available | All premises available by 31 March 2019 |
| Contract ends                              | 31 March 2019                           |

### **Appendices and supporting papers:**

DD1261

MD 1532

**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.

**Part 1 Deferral:****Is the publication of Part 1 of this approval to be deferred? YES**

If YES, for what reason: The budget for contracted services is identified within this paper, disclosure at this point would prejudice, potentially, genuine competition for the services and impact adversely on the GLA's ability to secure value for public money.

Until what date: **1 April 2017** (when the contract will have been awarded)

**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:**

James Murray 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. D. Bellamy*

Date

*15.9.16*

**CHIEF OF STAFF:**

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

Signature

*D. Bellamy*

Date

*23/9/2016*