

<b>Meeting:</b>	Executive
<b>Meeting date:</b>	16 <sup>th</sup> November 2023
<b>Report of:</b>	Abid Mumtaz/Caroline Billington
<b>Portfolio of:</b>	Cllr Jo Coles

## **Decision Report: Extension of the Young People’s Community Wellbeing and Support Service**

### **Subject of Report**

1. This paper seeks permission to extend the Council of the City of York’s (“**the Council**”) Community Wellbeing and Support Contract for Young People (the “**Contract**”) delivered by Safe and Sound Homes (“**SASH**”) by a further six-months. A review of the Youth Homelessness Pathway is currently being undertaken by Children’s Services. A six-month extension would allow us to incorporate its recommendations into the modelling and recommissioning of the new Service.
2. The Contract commenced on 1<sup>st</sup> February 2017 and will expire on 31<sup>st</sup> January 2024 (the Term having previously been extended beyond the original expiry date of 31<sup>st</sup> January 2022 by a further 2-years). The current annual cost is £89,825, and a 6-month extension would be at a cost of £44,913. This paper seeks permission to extend the contract until the 31<sup>st</sup> July 2023.
3. The Young People’s Community Wellbeing and Support Service is an important part of the offer to Young People at risk of homelessness. It offers a unique model of delivery using host ‘families. The first part of the Service provides up to 12-months of support to young people estranged from their family, including care leavers, through a community model of Supported Lodgings (structured support in a Host’s home to develop the skills and independence to move into independent accommodation). The second element is a Nightstop service (emergency supported accommodation through a Host) for up to 14-nights to assess needs

in a safe environment and re-engage with the family or find suitable alternative provision.

## **Benefits and Challenges**

4. The benefit of extending the current Contract is that it allows us to make best use of Council resources to deliver any strategic aims generated by the review of the wider Youth Homelessness Pathway. In current financial climate, we must meet greater needs within a more restrictive financial envelope. Part of this requires us to use existing contracts to evolve in response to new commitments. We know the model SASH offers is an important part of our city's offer, but it is important that it is seamlessly joined up with the wider pathway currently under review. A 6-month extension of the Contract would enable us to learn from the review and make any necessary changes to the model before entering a new contractual relationship.
5. The risk of not extending the Contract would be that any replacement service would be designed and commissioned before the new approach has been agreed. This would limit the contract as a mechanism for new deliverables.
6. Risks associated with contract extensions are often related to poor delivery. However, SASH are delivering well against the current Contract and are probably amendable to a contract extension.
7. The challenges to extending the Contract can be mitigated by following legal and procurement guidance in relation to the requirements.

## **Policy Basis for Decision**

8. Provision of good quality housing to meet the range of needs across the City's residents is recognised as central to the Council's 2023-27 Plan as part of Core Commitments, Affordability and Health and Wellbeing, and to the vision of "One City, for all".
9. The Economic Strategy highlights the importance of "providing a range of affordable housing opportunities fit for a growing local workforce" and the contribution meeting diverse housing needs makes to skills and inclusion in the local labour market.

10. It is recognised in the Health and Wellbeing Strategy that housing access and affordability is fundamental in meeting the aims of the Strategy and tackling wider determinants of health.
11. The Council's approved 2018-23 Homelessness Strategy is currently under review. It is expected that the key themes relevant to this proposal will be maintained in the new strategy. This proposal delivers outcomes integral to 3 of the key strategic aims set out in the document:
  - Prevention of homelessness
  - Ensure appropriate accommodation for people who are homeless or at risk of homelessness
  - Ensure appropriate support for people that are homeless or at risk of homelessness
12. The services offered through Young People's Community Wellbeing and Support contracts are specifically referenced as providing strategic value as part of the homelessness support and resettlement pathways in the City.
13. It also enables us to deliver against one of the Strategies other commitments "not to place any young person age 16 or 17 ...in bed and breakfast except in an emergency"

## **Financial Strategy Implications**

14. The Contract was initially commissioned in 2017 at £109,790 (exc. VAT) per annum, but due to savings targets over the course of the Contract this was reduced by £19,965 per annum or 18% to £89,825 (exc. VAT) per annum from c. 2019. The incumbent provider, SASH, contributes significantly through its fundraising activities to the delivery of 'added value' activities such as private counselling, travel costs to apprenticeships and laptops to support further education which directly contribute to their outcome delivery.
15. The authorisation of an extension would enable the Council to use existing the Contract to both meet current deliverables and enable the Council to stretch its resources to work towards strategic aims due to be identified at potentially no additional cost.

## Recommendation and Reasons

### 16. Recommendations:

- a) To approve the extension of the current Community Wellbeing and Support Contract for Young People with SASH by 6-months until 31<sup>st</sup> July 2024.
- b) To delegate authority to the Director of the Corporate Director of Adults and Integration (and their delegated officers) in consultation with both the Director Governance and the Chief Finance Officer (and their respective delegated officers) to draft, negotiate and conclude any necessary documentation with SASH to extend the Contract, in compliance with the terms and conditions of the Contract, the Council's Contract Procedure Rules set out within Appendix 11 of the Council's Constitution ("**the Council's CPRs**") and the Council's statutory obligations under the Public Contract Regulations 2015 ("**the Procurement Regs**").

### Reasons:

- a) To enable the Council to use existing the Contract to both meet current deliverables and enable the Council to stretch its resources, potentially no additional cost, while the Council works to deliver any strategic aims generated by the review of the wider Youth Homelessness Pathway.
- b) To ensure the Contract is extended in compliance with its terms and conditions and in line with the Council's CPRs and statutory obligations.

## Background

17. The current Contract aims to reduce youth homelessness and increase the independent living skills of 16–25-year-olds.
18. This financial year, SASH provided Supported Lodgings to 16-young people, from which 8-young people have moved on (50%) to a positive outcome of either family reconciliation or into settled accommodation. SASH have also enabled all 16-of these young people (100%) to participate in work, education, or training. In

2022/23, the Nightstop Service arranged 88-emergency bed nights for 6-young people who as a result were able to access more long-term alternatives to homelessness. Since the start of the Contract, SASH has helped 30-young people maintain their Council tenancies with no evictions or loss of tenancies. They have delivered this through their offer of floating support to overcome any issues in the first year of tenancy.

19. The current Contract provides a high outcome and high added-value service. SASH's relationship with grant funders enables them to deliver their SASH Active programme which delivers a range of activities and voluntary opportunities to tackle the more complex causes of homelessness within the Young People's lives. It also enables additional individual support to their Young People such as private counselling, travel costs to apprenticeships and laptops to support further education.

## **Consultation Analysis**

20. Consultation regarding this approach has been undertaken with Children's Services, Adult's Services, Housing and Commissioning.

## **Options Analysis and Evidential Basis**

### 21. **Extend the Contract**

As discussed above, an extension of the Contract will enable us to utilise this service to deliver an offer which benefits from the overarching review of the Youth Homelessness Pathway. It will orientate the service in the same direction as other services post-review. It will also allow us to outline within the requirements how this service fits into and delivers within the wider pathway.

### 22. **Reprocure the Contract as planned**

As discussed above, this would mean we would lose the opportunity to better the service by taking advantage of the learning from the review of the wider Youth Homelessness Pathway. To procure the service to current timelines, the final tender documents would need to be complete next month (i.e., November 2023). We would then mobilise a potentially out-of-date model in Spring 2024 to what could be a different landscape thus requiring a variation in Contract and an inability to easily align the new service with the direction of travel.

## Organisational Impact and Implications

23.

- **Financial**, contact: *Chief Finance Officer*.

The total annual cost of the contract to 31<sup>st</sup> January 2024 is £89,825. An extension for a further 6 months will be £44,912; this can be funded from within the existing contracts budget.

- **Human Resources (HR)**, contact: *Head of HR*.

- **Legal**

- The Contract originally expired on 31<sup>st</sup> January 2022.
- The Contract permitted the Council to extend the Term beyond this date by up to a maximum of 2-years up to and including 31<sup>st</sup> January 2024. This was done by way of written notice in accordance with the terms of the Contract. All available extensions under the Contract have been exhausted.
- In addition, the current total value of the Contract up to and including 31<sup>st</sup> January 2024 has been estimated at £664,852. Based on this the estimated value of the extension is £44,912.50, meaning that the total aggregate value of the Contract up to and including 31<sup>st</sup> July 2024 will be £709,764.50.
- Rule 20.1.6 of the Council's CPRs require that before taking an extension, the relevant Authorised Officer must check the original spending authorisation decision (obtained in accordance with Rule 8 of the Council's CPRs) to confirm that authorisation to extend the Contract is in place. As it is highly unlikely that any previous decisions will have permitted the Contract to be extended beyond its original maximum extension period (i.e., beyond 31<sup>st</sup> January 2024), further authorisation may be sought under Rule 8 of the Council's CPRs. The value of the decision used to determine the authorisation requirement shall be the original Contract value plus the value of the proposed extension.

- The total value of the Contract when aggregated together with the estimated value of the proposed extension, places it above the Key Decision threshold of £500,000, and could not be classified as a “routine procurement.” As such, per Rules 8.11 and 8.19 of the Council’s CPRs, any decision relating to the extension of the Contract is reserved to the Executive (unless specifically delegated to an Executive Member or an Officer, which does not apply in this instance).
- [Further, any extension of this Contract, instead of going out to market with a full tender exercise in accordance with the Procurement Regs, may be considered a direct award without advertisement to SASH, and therefore may necessitate a waiver of the Council’s CPRs.]
- The Contract was already an above threshold public services contract under the Light Touch Regime set out within the Procurement Regs (i.e., the LTR threshold is currently £663,450 inc. VAT (£552,950 exc. an indicative 20% VAT)). The proposed extension will take the Contract further beyond the LTR threshold, and therefore Reg. 72 of the Procurement Regs regarding the modification of public contracts will apply in this instance. Further detailed advice will be required from Legal Services on how to justify the proposed extension under one of the safe harbour provisions set out within Reg 72 **before** any extension is entered into.

At this stage however, it is the view of Legal Services that:

- Reg. 72(1)(a) does not apply as there are no available provisions under the terms and conditions of the Contract to extend.
- Reg. 72(1)(c) does not apply as the circumstances of this proposed extension have not been brought about by extreme urgency due to anything outside of the Council’s control.
- Reg. 72(2)(d) does not apply as the Council does not intend to replace SASH as the contractor.
- Reg. 72(1)(f) and 72(5) do not apply, as the Council has already exceeded the required threshold for this

kind of permitted modification (i.e., 10% of the original advertised contract value of £485,000).

Reg. 72(1)(b) could apply in this instance as the proposed extension falls below the required financial threshold of 50% of the original contract value, and a change of contractor at this stage could arguably cause significant inconvenience or substantial duplication of costs for the Council but would also require publication of a Modification Notice under Reg. 51 by Commercial Procurement before the extension is entered into.

Regs. 72(1)(e) and 72(8) could apply, provided that Adults and integration can demonstrate to the satisfaction of the Head of Commercial Procurement (and their delegated officers) the following:

- The extension will not fundamentally alter the Services being supplied under the Contract (which should be the case here, as the only change to the Contract is the expiry date).
- The amended expiry date, had it been part of the original contract, would not have altered the outcome of the original tender.
- The amended expiry date does not change the economic balance between the parties in favour of SASH (again this is arguably not the case here as whilst the term will be extended, the Council will still be paying the current contracted rates to SASH in exchange for any services they provide over the 6-month extension period, and no other changes to any charges or service levels under the Contract are being proposed).
- The contract has not been extended “considerably” (this is a question of degree or materiality, but a short 6-month extension without any further amendments to the Contract arguably meets this requirement).
- A new contractor is being appointed (again this is not the case here).



Provided that the Head of Commercial Procurement (and their delegated officers) are satisfied that all the above criteria can be met, then the extension can proceed under Regs. 72(1)(e) and 72(8). No Modification Notice is required for any changes made to a contract under Regs. 72(1)(e) and 72(8).

.;Legal Services and Commercial Procurement reserve its rights to review this position prior to the extension being finalised once more information is available, and it also regarding any further extensions beyond 31<sup>st</sup> July 2024 (although further extensions beyond this date should be avoided if possible)..

- Any extension of the Term will require a Deed of Variation to the original Contract in order to comply with Rules 19.3 and 20 of the Council's CPRs. Such a written agreement between the Council and SASH will meet the variation requirements currently set out within the Contract but will need to be drafted with input from officers in Legal Services further to Rules 20.1.3 and 20.2 of the Council's CPRs.
- Such a Deed of Variation must be completed before the current expiry date of 31<sup>st</sup> January 2023, or else the Contract will lapse and expire, and SASH will be required to cease all activity in relation to this service. This will also mean the Council having to procure a replacement service in the interim while it prepares to go out to tender, and could also mean having to deal with any consequences of the expiry of the Contract with SASH (e.g., relocating existing service users and the associated disruption to these individuals' wellbeing and any reputational harm the Council suffers as a result; transfer of SASH employees under TUPE to the Council and any associated costs, etc.).

- **Procurement**, contact: Head of Procurement.
- **Health and Wellbeing**, contact: Director of Public Health.
- **Environment and Climate action**, contact: Director of Transport, Environment and Planning, and Head of Carbon Reduction.
- **Affordability**, contact: Director of Customer and Communities.

- ***Equalities and Human Rights,***  
The Council recognises, and needs to take into account its Public Sector Equality Duty under Section 149 of the Equality Act 2010 (to have due regard to the need to eliminate discrimination, harassment, victimisation and any other prohibited conduct; advance equality of opportunity between persons who share a relevant protected characteristic 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 in the exercise of a public authority's functions).

At the time of writing there are no equalities implications identified in respect of the matters discussed in this report. However, an Equalities Impact Assessment will be carried out in due course and the process of consulting on the recommendations in this report will identify any equalities implications on a case-by-case basis, and these will be addressed in future reports.

- ***Data Protection and Privacy, contact:***  
[information.governance@york.gov.uk](mailto:information.governance@york.gov.uk) - *every report must consider whether to have a Data Protection Impact Assessment (DPIA) and this section will include the compliance requirements from the DPIA or explain why no DPIA is required.*
  - ***Communications, contact: Head of Communications.***
  - ***Economy, contact: Head of City Development.***
  - ***Specialist Implications Officers, as appropriate.***
- Reports without this information will not be considered.***

## **Risks and Mitigations**

24. Given there is a current Provider with the appetite and skill to continue to deliver the Contract there is minimal negative risk to delivery.
25. There is a positive risk in allowing more time to enable delivery outcomes of a pertinent strategic review.

## Wards Impacted

26. All wards will be impacted.

## Contact details

For further information please contact the authors of this Decision Report.

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