



<b>Meeting:</b>	Executive
<b>Meeting date:</b>	May 9th, 2024
<b>Report of:</b>	Corporate Directors of Place, Adult Social Care, Childrens Services, Director of Public Health Director of Housing Economy Regeneration
<b>Portfolio of:</b>	Executive Members for Housing, Adults, Childrens Cllr Pavlovic Cllr Webb Cllr Coles

## **Decision Report: Developing Homelessness Resettlement Pathways – Building Independence**

### **Subject of Report**

1. The council has a clear ambition to reduce homelessness and since 2023 significant cross directorate work has been undertaken between Housing Adult Social Care, Children’s Services and Public Health to explore ways of achieving this. The report to Executive in December 2023 on the Procurement of the Adult Community Wellbeing and Support Service provided the opportunity for a 6-month contract extension to allow for a consultation process, prior to reprocurement. The report noted the lack of business case for the option to bring the services inhouse, whilst also noting that the elements of the service that were already delivered in-house, delivered better outcomes than externally delivered services.
2. This 6-month extension has provided opportunity for further consultation and refinement of the council’s ambition to reduce homelessness. While the presumption in December was to reprocure services, it has also allowed the council to develop a business case for the option to bring most of the resettlement pathway in-house, with the objective of increasing efficiency, managing costs, and improving outcomes.
3. Due diligence on Housing Benefits subsidy arrangements has significantly altered the financial implications of insourcing the service

and as a result this option is presented in this report alongside the option to reprocure.

The resettlement pathways provide emergency/temporary accommodation and support, using residential placements, for everyone who is homeless over the age of 16. The pathways support people to develop the skills to live independently and prevent homelessness. The report outlines the progressive journey towards a tailored, person-centred, strength-based approach to resettlement. The first stage will bring the existing service in house and will then be followed by a second stage, to deliver a long-term ambition to ensure the council can provide a variety of effective, flexible accommodation and support solutions for residents who find themselves homeless. The approach is evidence based and will shift away from hostel accommodation, provide increased levels of service to prevent homelessness, and a focus upon rapid rehousing for those who become homeless but have relatively low support needs.

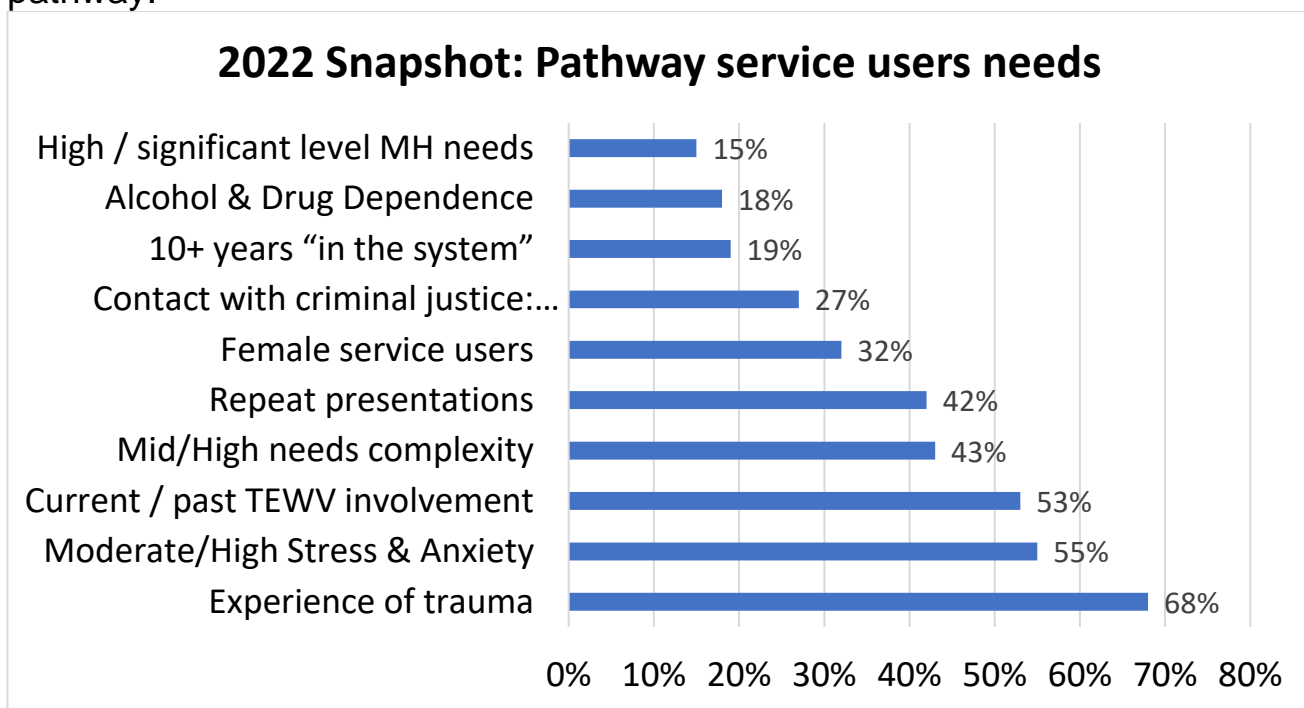
4. Following further consultation, a refreshed Homelessness and Rough Sleeping Strategy and delivery plan will be brought back to Executive later this year. This will be based on ongoing work with DLUHC (Department for Levelling Up, Housing and Communities) and the advice of internationally renowned Homelessness and Rough Sleeping expert Nicholas Pleace, who is based at the Centre for Housing Studies at the University of York. This strategy and our wider approach will ensure we are able to take a trauma informed approach in accordance with the motion passed at full council in March 2024.

## **Background**

### **The context**

5. The landscape of resettlement is wide ranging and complex and has evolved quickly in recent years. Rough sleeping reached crisis point nationally and locally in the middle of the last decade, due to austerity and national underinvestment in preventative services. Nationally, rough sleeping and the number of families in temporary accommodation continue to rise, with a national increase of 120% in rough sleeping levels from 2010 to 2023, and 60% since 2021. The Homelessness Reduction Act 2017 (HRA) set out new statutory responsibilities for local government in preventing and relieving homelessness. Similarly, the Children's Act has also refined our duty of care to 16 and 17-year-olds who are homeless and can also be Looked After Children (LACs).

6. A number of significant factors have exacerbated the situation, not least the impact of welfare reform (Universal Credit, Changes to disability benefits, bedroom tax etc.), the ongoing impact of the Covid pandemic on services and the health and wellbeing of individuals, followed recently by the ongoing cost of living crisis, the rise in short term holiday lets, the rise in S21 no fault evictions and the lack of sufficient affordable housing. A whole range of services around housing support, health (including mental health), social care and wider public services are all struggling to cope with demand within tight financial constraints. The picture for local government is one of extreme financial challenge. Changes to the asylum arrangements across the UK are also adding pressure to affordable housing supply in areas which have not previously experienced them. This includes York.
7. The diagram below articulates the presenting issues of customers in the pathway.



### **Existing Service Delivery**

8. Existing provision is a mixture of internally delivered and externally commissioned services. The pathways are set out in Annexes A and B.

### **Externally commissioned services**

9. The existing external contract was commissioned on 1st February 2017 from The Cyrenians Ltd. (t/a Changing Lives) to reduce homelessness. The Contract will expire on 31st July 2024 (the term having previously been extended beyond the original expiry date of 31st January 2022 by a further 2.5 years). The current annual cost is £1,098,375.

10. The scope of this contract covers: -
- 24/7 hostel provision at Union Terrace (39 male units)
  - 24/7 hostel provision at Robinson Court (14 female units and 4 young people's units)
  - floating tenancy support to shared housing and people living in the community (74 units across 14 houses, including Scarcroft Rd, and 12 training flats).
  - Making Every Adult Matter services ("MEAM") which provide intensive support and multi-agency coordination to up to 28 adults with complex needs.
  - Mental Health Housing First service ("MHMF") which supports up to 21 individuals with a long history of mental ill health and challenging lives to live independently. This service element is currently funded by ICB/TEWV as part of the future specialist Mental Health Supported Accommodation pathway.
11. This is also supplemented by charitable provision by Restore who provide a further 41 beds of uncontracted, shared accommodation in 10 properties, at zero cost to the council. The service provided has proven highly effective at supporting individuals and getting them to the point where they can move on into self-contained accommodation.

### **Council delivered resettlement services**

12. York's Homelessness Service had been proactively developing a preventative approach to homelessness even before the legislative changes of 2017, resulting in the services receiving the national gold standard award in 2018. The council continues to directly deliver homeless resettlement services with a General Fund budget of £670k pa.
- Howe Hill - providing 34 hostel places for young people.
  - The Peaseholme Centre - providing 23 hostel places for adults.
  - Housing First – 37 supported tenancies with mental health support
  - Supported housing in council properties.
  - Navigator service providing early intervention, prevention services for rough sleepers and people at risk of homelessness.
  - Private Rented Sector team– places rough sleepers or single homeless people in private-rented, emergency resettlement accommodation - 34 people/households this year.

### **Homelessness Strategy**

13. Work is ongoing to develop a revised homelessness strategy to reflect the ambitions and recognise wider work that will be needed to support

the ending of rough sleeping. This will be brought back to Executive later in the year supported by a delivery plan. It will need to consider the impact of increased demand in the system from the cost-of-living crisis, the national deterioration of public services, most notably mental health and support and the impact of increased numbers of asylum seekers with permission to remain which are all having impact at a national level.

The emerging draft priorities of the new Homelessness Strategy are shown below and are informed by the analysis set out in this report.

<b>Emerging Homelessness Strategy key priorities summary</b>
1. Expansion of Housing First with a target for additional homes over the strategy period, and multi-disciplinary team support for each tenant
2. Delivery of Resettlement Review exercise recommendations
3. Expansion of social housing with clear priorities to meet key needs
4. Expansion of Temporary Accommodation based on needs evidence
5. Build on existing arrangements to implement a robust governance structure and performance framework

## **Options Analysis and Evidential Basis**

14. External service contracts end in the summer of 2024, and this provides an opportunity to review the business case for internal and commissioned options against performance and financial data and to consider the ability of each option to deliver a future service model, characterised by: -
  1. Provision of a range of accommodation options to meet individual need.
  2. Clear focus on outcomes and using data to shape future residential provision.
  3. A collaborative approach to providing the most appropriate support for people to achieve independence.
  4. Strong financial controls to ensure value for money.
  
15. The service review, undertaken over the last 2 years, has informed the draft homelessness strategy and future delivery options set out in this report. If the pathway is to deliver better outcomes, it will need to change, and that change will be organic rather than immediate. This is extremely

hard to build into a service specification whilst still retaining control of cost and service direction.

16. With current diverse arrangements in place, it has been difficult to create a reliable performance framework and finance schedule nor is it possible to map the journey to a new pathway, to quantify demand and plan future residential and support needs. A major barrier is that there is no overall control over the pathway to enable a root and branch redesign.
17. The existing mixed economy of provision was initially designed to simplify provision, with the contracted services providing more specialist support for the more complex clients. However, the pathway is still complex and opaque. It is difficult to assess end to end outcomes and costs and the intended specialism of the contracted element has been watered down, leaving a service offer that is almost identical, and clients with the same presenting issues being placed in Union Terrace and Peasholme. There is a mismatch between the residential solutions being delivered and those that evidentially deliver better outcomes.
18. As the needs of the individuals in the homelessness pathway become more complex, with higher incidences of drug and alcohol abuse and more significant mental health needs, the specialist services (Rough Sleeper Navigators, MEAM and MHHF) are the most able to meet need and are therefore oversubscribed, whereas the Floating/Shared Housing Services have experienced a lack of referrals because the contracted level of support has not been sufficient to achieve resettlement.
19. Services, particularly those in house, have organically developed their offer to meet the level of support required by those with complex needs. In addition, the complexity of need and resulting challenging behaviours are being found to be progressively more difficult to manage within a hostel setting and the Rough Sleeping Navigator & Housing First approach has been developed to address this issue, allowing a flexible and person-centred service. A more integrated, direct support to the pathways is needed from a range of services, including social work, local area coordination, specialist children services, health, drug and alcohol, mental health support, as well as better access to other basic services such as dentistry, training and employment and meaningful activity.
20. There are two options:  
**Option 1** – Continue the mixed economy of provision and procure the existing scope of resettlement services.

**Option 2** – Expand the current in-house service to incorporate the services in the scope of the Adult Community Wellbeing Support Service contract, with smaller commissioned work packages where needed.

21. The options need to be evaluated based on
  - a) Outcomes in resettling and preventing homelessness.
  - b) Cost control
  - c) Ability to meet our statutory duties.

**Option 1 - Reprocure existing scope of resettlement services**

22. The existing Adult Community Wellbeing Support Service contract expires on 31 July 2024. If it is to be reprocured it would need to be tendered in line with the Public Contract Regulations 2015, soon to be the Procurement Act 2023.
23. It will be impossible to accurately specify (up front) any long-term change to the service model to move away from a service defined by contracted bed space and to an outcome based, person-centred model. It is highly likely that the pathway would therefore remain static.
24. The contract length would need to be sufficiently long to attract a range of providers – 5 years or more - which would fix the pathway in its current form indefinitely. If a shorter contract were offered, it is likely there would be limited competition and a substantial risk of increased costs.
25. The contract would need to have clearer performance outcomes to facilitate better contract management and enable greater control over the use of council assets, for instance for shared housing to accommodate childless couples. This may also increase the price and reduce the field of bidders.
26. Most of the assets used to provide services pursuant to the contract are in council ownership (excluding shared housing properties leased to or owned by the incumbent supplier) so could be operated by a new supplier or be delivered internally.
27. As the statutory duty to prevent homelessness and provide accommodation for those defined as homeless resides with the council, it is difficult to meet these duties when the provider does not have the same responsibilities. If the provider evicts a tenant for being in breach of their tenancy, or refuses a placement based on previous behaviour, the council still has an absolute duty to provide a placement. This then increases the pressure on council operated services.

**Option 2 – Expand the current in-house service to incorporate the services in the scope of the Adult Community Wellbeing Support Service contract with smaller commissioned work packages where needed.**

28. The management structure already exists to triage, assess, place, deliver housing first, rapid rehousing, hostel provision with support and supported housing. This could be expanded to incorporate all resettlement services and allow more effective placement across the estate with improved quality of outcomes.
29. In-sourcing this service provision is likely to be viewed as a relevant transfer which would be managed in accordance with the TUPE (Transfer of Undertakings and Protection of Employment) regulations. If TUPE is deemed to apply, staff wholly assigned to the current contract would have certain employment protections and would transfer to the council on their existing terms and conditions. Any transfer would be managed in accordance with the legislation and the council's workforce change policies and would require HR support to be identified and allocated to support the change.
30. There are potential management efficiencies of integrating the two halves of the service, which would be achieved post transfer. Other opportunities for efficiencies would also be explored and there would be no additional external organisational overheads charge.
31. This option better enables the council to meet its' statutory responsibilities by balancing the risks of placements with the risk of failing to meet our statutory duties associated, increasing the available residential options under council control.
32. This option would enable a remodelling of the pathway to evolve as the homelessness strategy is agreed and as we develop a suite of performance data to facilitate the move to an early intervention, person centred service. It would also ensure that cost controls were in the gift of the council with no fixed contract costs committed over the long term. Efficiencies of operation would be identified following the transfer.
33. The provision of floating support in a range of residential settings is an aspect of the current contract where significant change is needed. This provision is currently inadequate to effectively resettle someone and referrals into this service and the scope of the contract have reduced during the contract term. This element of the service needs to be a



priority, to match the needs of the customer with the multi-agency support needed to support them in their resettlement journey. Further engagement with other agencies, such as Restore, Public Health, TEWV, NYP and health services will inform a development of this pathway, and this will be brought back to Executive.

34. The transition from an externally contracted service to an internally delivered service will require careful management and may be difficult to achieve before the end of the existing contract. These risks would be mitigated by properly resourcing the work and by exploring short extension period. The risk of legal challenge to a short extension is likely to be low if there is no intention to retender the works.

### Analysis

35. The following table summarises the relative performance and risks of the options against these criteria:

Option	Performance	Cost	Statutory Duty
Option 1 – procure			
Option 2 - Insource			

36. The performance data for hostels is shown below: -

		CYC Peasholme	CYC Howe Hill	External Union Terrace	External Robinson Court
<b>2021/22</b>	% planned resettlement / successful move on	50%	60%	31%	64%
	Average length of stay	13.2 weeks	18 weeks	32.9 weeks	49 weeks
<b>2022/23</b>	% planned resettlement / successful move on	38%	59%	39%	43%
	Average length of stay	17.7 weeks	18.9 weeks	27.2 weeks	51 weeks
<b>2023/24</b>	% planned resettlement / successful move on	58%	60%	47%	32%
	Average length of stay	27.6 weeks	21.6 weeks	26.6 weeks	49.4 weeks

## Financial Implications

37. The current General Fund budget for the resettlement pathway is spread across Adult Social Care and Housing and was initially funded from Supporting People funding, supplemented by additional grant funding.
38. The Adult Community Wellbeing Support Service contract value of £1,098,375, made up of the core contract (£960,175), MEAM service (£61,500) and Housing First service (£76,700). There is also a net budget of £670k for the delivery of in-house services by the Housing team.
39. Below is a high-level summary of the gross and net costs for the two largest elements of the resettlement service – the hostel provision.

	CYC Services		Changing Lives	
	Peasholme	Howe Hill	Union Terrace	Robinson Court
Net Cost	£380k	£203k	£288k	£200k
Beds	23	34	35	19
Net cost per bed	£16.5k	£6k	£8.2k	£10.5k
Weekly Rent	£266.54	£269.34	£424.10	£392.81

40. CYC rents do not contain a charge for the use of the asset, whereas the contracted beds contain a c.£90 per week charge to pay for the rent levied by CYC to pay for the acquisition of the asset. This is allowable under housing benefit rules and needs to be equalised between the hostels. This could bring in additional revenue of c£ 240k per annum.
41. The due diligence undertaken for this report has identified an anomalous position regarding housing benefit subsidy. For externally delivered hostel accommodation, income from Housing Benefits has been eligible for a 100% subsidy from DWP which has meant the whole rent is recovered by the provider. This differs from council operated hostels which have previously been subject to a Local Housing Allowance cap on eligible rent. This anomaly is being explored and the advice we have received indicates that, following changes in DWP guidance, CYC owned hostels are now eligible for 100% rent subsidy. This will be followed up with DWP and is expected to reduce a budget

deficit in the Housing Benefit budget of c. £600k. This is not included in the cost summary above.

42. There has been significant due diligence undertaken, from information provided by Changing Lives in operating the current contract. The Housing team has also considered what team structures and assets would be required to undertake the service if it were to be in-sourced. The table below shows the results of this. It should be noted that these are high level, indicative costs, from information provided.

	Changing Lives £'000	In house Model £'000
Income		
Contract Income	-1,098	
Rent	-1,510	-1,510
<b>Total Income</b>	<b>2,608</b>	<b>-1,510</b>
Expenditure		
Staffing Costs	1,319	1,255
Other Costs	955	945
Lease Costs	334	72
<b>Total Expenditure</b>	<b>2,608</b>	<b>2,271</b>
<b>Net Cost</b>	<b>0</b>	<b>761</b>
Contract Budget		-1,098
Reduced Lease Income		262
Agreed Budget Savings		75
<b>Net Position for CYC</b>	<b>0</b>	<b>0</b>

43. The above table shows that the in-house provision can deliver the service at a net cost of £761k. This is the budget available once the current budget £1,098k is reduced by £75k and the impact of the lost revenue from property rents is considered. As stated above this is indicative and the project team will need to undertake further work as part of the implementation of the project to ensure the service is delivered within the budgetary envelope.

44. It is unknown whether the contract could be reprocurd at the current contract price less the saving agreed, and that will be a significant risk if that option is pursued.

45. In conclusion, this review of performance and cost shows that CYC delivered services achieve better outcomes and that the service efficiencies that could be made would deliver the current service scope

within budget and potentially achieve further savings. It would also enable a long-term transition to the new pathway set out in this report.

## **Transition**

46. The intention is to transition the as-is service, settle it down and undertake further analysis to establish an implementation plan for the new pathway. This will require dedicated, additional short-term resource, funded from existing budgets. Governance arrangements will be put in place involving a multi-agency partnership board, a CMT project board overseeing the work of task and finish groups for workstreams relating to:

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- Finance
- HR
- Property
- ICT and Information Management
- Operations
- Future pathway development

## **Looked After Children and Youth Homelessness**

47. In the current pathway there are principally two options for young people who become homeless at 16 - 25 as a transition towards a tenancy through resettlement, they are placed either through Safe and Sound Homes (SASH) in supported lodgings or in Howe Hill Hostel. Those who are 16/17-year-old are provided with joint housing and child in need assessment which is backed up by the Joint Housing Protocol which is regularly scrutinised by the Government's Youth Homelessness Advisor. Care Experienced young people in the council's care have a managed transition to independence with the help of the Pathway team. This transition is facilitated through the Council's Allocations Policy for social housing in York and the wider corporate parenting offer is detailed in the Joint Housing Protocol for Care Experienced Young People.

48. 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.

49. The Services for supported lodging for young adults and homeless 16/17-year-olds via SASH and emergency accommodation in someone's home for young people (NightStop) were procured alongside the main Adults Wellbeing contract and are due to expire at the same time.
50. In this financial year, SASH provided Supported Lodgings to 16 Young People. Eight of these young people have moved on, 4 to a positive outcome of either family reconciliation or into settled accommodation. SASH have also enabled 16 young people (100%) to participate in work, education, or training. In 2022/23, the Nightstop Service arranged 88 emergency bed nights for six 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 City of York Council ("CYC") 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.
51. The current contract was intended to provide 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. However, the reality is that young people with lower support need and therefore risk tend to be accommodated with those of higher need accessing Howe Hill hostel. The intention is to reprocure the service but to get it to focus on keeping more complex young people out of hostel accommodation.
52. In October 2023 there was an amendment to the Care Planning, Placement and Case Review (England) Regulations 2010, which prohibits the placement of a looked after child or care leaver aged 16/17 in any provision which has not been registered with Ofsted. This requires supported accommodation to register under The Supported Accommodation (England) Regulations 2023.
53. Almost all children in care usually leave at or post 18, although some will begin this transition earlier through periods of time in a taster flat (which will now require a registration). In addition, young people who

become homeless at 16/17 require a joint housing and social care assessment which may deem them as requiring ongoing support under section 20 of the Children Act 1989 (Looked After), whilst it remains appropriate that they live in independent supported accommodation. These young people will now need to be in registered accommodation.

54. Howe Hill is a council run hostel which provides accommodation and support to a much wider population of young people, including many who are over 18 and it means this facility would therefore be inappropriate to serve as registered provision. However, it is also recognised that younger more vulnerable adults require more focussed support and should be the targeted group accessing existing provision such as SASH, whilst developing new provision which will meet the requirements of registration and inspection.
55. There is a need for a range of accommodation options due to the varying needs of young people post 16. Some young people will transition into 'trainer flats' through our *Staying Close* Programme supported by *Together WE Can*, however, the offer needs to be broader to support young people who are not ready for this level of independence. The broader offer needs to include Ofsted Registered Provision for those young people who present with a higher level of need.
56. It is also proposed that 89/91 Scarcroft Road, currently part of the Adult Wellbeing contract but owned by the council, is registered with OFSTED for the provision of support services for those young people who need supported accommodation as part of their pathway to independence. This is likely to be young people who present as homeless where it is deemed they need to be cared for by the Local Authority, young people moving on from foster care but not yet ready for full independence, young people who present with a higher level of risk and unaccompanied asylum seeking young people as a stepping stone to independence.
57. It is also proposed that the Young People's Community Wellbeing and Support Service should be reprocured following a review of the specification by officers to ensure that the service provides individual accommodation for homeless young adults and 16/17 with higher support needs as these would usually be placed at Howe Hill under the current arrangements. This will be a better environment for the people involved and allow Howe Hill to provide a safer and more stable environment for the residents undergoing resettlement there.

## Policy Basis for Decision

58. The Council Plan highlights that in York the average cost of houses are at least 10 times higher than average earnings and rents rose by 10% in 2021-22. The Council Plan demonstrates this administration's commitment to reducing homelessness by including "number of people sleeping rough" as one of its new key performance indicators. In addition, 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".
59. The National Institute for Health and Care Excellence ("NICE") guidelines published last year highlighted that people experiencing homelessness face significant health inequalities: mortality is around ten times higher than the rest of the population and life expectancy is around 30 years less. Barriers to accessing health and social care services are attributed in part to the high numbers of preventable deaths within this population. The Council Plan contains a focus on fairness and health inequalities, with the ambition to reverse the widening trend of health inequalities in our city. 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.
60. 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 delivers outcomes integral to three 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.

## Recommendation and Reasons

61. Executive are asked to:
- i. Agree the principles of the new Resettlement pathway and develop a Homelessness and Rough Sleeping strategy to be reported to a future meeting of the Executive.
  - ii. Approve the insourcing of services previously contracted under the Adult Community Wellbeing Support Service contract, and to implement the new Resettlement pathway to develop residential and support/care

solutions for adults based upon early intervention and personalised support.

- iii. Approve the short-term extension of the current Adult Community Wellbeing Support Service contract by way of a variation to enable a smooth transition to an in-house service, to run absolutely no later than 31 December 2024, and to delegate authority to the Corporate Director of Adult Social Care in consultation with the Head of Procurement and the Director of Governance to determine and conclude the terms of such a variation.
- iv. Approve the commissioning of support services as needed by the pathway following the transition of the residential elements of the current contract, and to delegate authority to the Director of Housing, Economy and Regeneration in consultation with the Head of Procurement and the Director of Governance to take such steps as are necessary to procure, award and enter into the resulting contracts (and any subsequent modifications and/or extensions thereto).
- v. Agree to appoint a temporary project team from existing budgets to manage the service transition and develop a detailed service transition model, and approve the establishment of a governance board to oversee the transition to the new pathway and engage city partners.
- vi. Approve the commissioning of the Young People's Community Wellbeing and Support Service following a review of the specification, and to delegate authority to the Corporate Director of Children's Services in consultation with the Head of Procurement and the Director of Governance to take such steps as are necessary to procure, award and enter into the resulting contracts (and any subsequent modifications and/or extensions thereto).
- vii. Approve that 89/91 Scarcroft Road, currently part of the Adult Wellbeing contract but owned by the council, is registered with OFSTED for the provision of support services for those young people who need supported accommodation as part of their pathway to independence.

## **Organisational Impact and Implications**

62. **Financial**, – included in the report.

63. **Human Resources (HR)**: the contracting in / in-sourcing of a service provision is likely to be deemed a relevant transfer. Where a relevant transfer is deemed to take place the Transfer of undertakings (TUPE) Protection of Employment Regs 2006 as amended by the collective redundancies and transfer of undertakings (Protection of Employment) (Amendment) Regs 2016 automatically applies. TUPE



provides those employees assigned to the entity with certain employment protections which would see them transfer to the Council's employment on their existing terms and conditions. Any transfer would be managed in accordance with the legislation and the Council's policies.

### ***Contract & Commercial Law***

64. With regards to the proposed short extension to the current Adult Community Wellbeing Support Service contract, to allow the Council time to transition to an in-house service, there are no further options to extend the term available under the existing contract compliantly. Whilst it is possible to extend the contract from 1st August 2024 until 31st December 2024 by way of a variation to the current contract, this would be outside the provisions of regulation 72 of the Public Contract Regulations and the Council's Contract Procedure Rules. This would carry a risk of challenge from any providers who feel they have not been given an opportunity to bid for the service. It is considered the risk of challenge is low given the proposal is to bring the service back in-house and so it is unlikely a provider would feel aggrieved. With that in mind, when considering whether to approve the proposed extension, Members should ensure that any such extension is kept to an absolute minimum to mitigate the risk of challenge as much as possible.
65. Any additional support services that may need to be commissioned to allow for and/or following the transition from the current contractual arrangements to an in-house service must be done so under a robust and compliant procurement strategy in accordance with the Public Contract Regulations 2015 and the Council's Contract Procedure Rules. Any resulting contracts (and any subsequent modifications and/or extensions thereto post award) will be drafted and concluded with advice from the Council's Legal officers.
66. Any insourcing of the Adult Community Wellbeing Support service is likely to trigger the exit management, TUPE, and pension related provisions under the current contract with Changing Lives. The transition to an in-house service will be managed with advice from legal, finance and HR officers to ensure the relevant contract provisions and the relevant transfer requirements under employment law are followed correctly.

### ***Property Law***

67. The Adult Community Wellbeing Support Service contract is operated from Council owned properties at:
- 9 Melbourne Street

- 89/91 Scarcroft Road
- 16/18 Bootham
- 2 Sandringham Street
- Union Terrace
- Robinson Court

68. Upon expiry of the service contract, the Council should ensure that any keys held for the properties, by the contractor are returned and the condition of the properties should be checked to ascertain that the contractor has complied with their obligations pursuant to the leases, regarding maintenance and repair of the properties.

### ***Employment Law***

69. Any decision to bring a Service in-house is likely to engage TUPE if the situation meets the criteria for a service provision change, i.e., the activities carried out after the insourcing must be fundamentally the same as those carried out before and there needs to be an organised grouping of employees whose principal purpose was to carry out the activities transferred.

70. If TUPE applies, then any employees will automatically transfer to the Council and retain their existing terms and conditions of employment. This includes their length of service, salary, and any other contractual benefits. The Council would be required to inform and consult with employee representatives from the Service about any measures the Council envisages taking and the legal, economic, and social implications of the transfer for any affected employees. This process must be conducted with sufficient lead time prior to the transfer.

71. Any liabilities associated with the transferred employees, including past employment liabilities, would transfer to the Council. This can include liabilities such as failure to consult or unfair dismissal claims. The Council would need to consider the pension implications of any transferring employees and if necessary, contact the North Yorkshire Pensions Scheme Administrator for advice. This process would also need to be conducted with sufficient lead time prior to the transfer.

72. If the Service is instead put back out to tender, then TUPE would not be of any direct concern to the Council, as it would be neither the

transferor nor transferee. Instead, the Council would act as a conduit for the provision of employee information during the tendering process.

### ***Procurement***

73. Due to the current contract having no further extension provisions, there is no ability for the council to compliantly extend the contract. The value of the contract is above the Light Touch threshold £663,540 and therefore requires a new procurement exercise to take place to comply with the council's CPR's and the Public Contract Regulations 2015 (PCR). There are no provisions in the PCR's that the council could rely upon to modify the term of the contract.
74. Whilst there are no direct procurement implications (due to the current contract expiring naturally rather than the council relying on termination), should any procurement or purchasing requirements come to light, these will be procured via a compliant, fair open and transparent process in accordance with the council's Contract Procedure Rules and where applicable, the Public Contract Regulations (soon to be Procurement Act 2023).

### ***Health and Wellbeing***

75. There are also significant preventative opportunities to improve health and quality of life, as well as reducing housing issues, through maximising every opportunity to connect individuals in the housing pathway with the drug and alcohol treatment and recovery system. This includes a number of areas of provision commissioned by the council, including:
- Addiction treatment services, including a clinical element focused hosted at 3 Blossom Street.
  - Criminal justice pathways working in tandem with HM Probation services and HM Prison services.
  - Community day recovery, a 12-week service hosted at Bowes Morrell House
  - Bedded services commissioned by CYC out of area, including:
    - Inpatient detoxification
    - Residential rehabilitation
  - The Recovery Hub, a new project which is due to be launched at Wellington Row in 2024
76. There is also a need for the prevention tier of homelessness pathways to include embedded support around Domestic Abuse, which

is part of the programme of DAHA accreditation mentioned above. This includes the facilitation of temporary accommodation, support for housing register applications, resettlement itself, supporting a management transfer / home swapping / mutual exchange, supporting legal options Domestic Abuse clients could access e.g., obtaining an occupation order, safety measures within the home, and of course bedded accommodation through sanctuary (refuge) schemes commissioned by CYC from the provider IDAS.

77. **Environment and Climate action** - Insourcing the services would provide opportunities to review the sustainability standards of the properties that are currently leased out.
78. **Affordability** - The recommendations in this report are seeking to mitigate the impact of welfare changes, the pandemic and now the cost-of-living crisis and resulting impacts on the health and wellbeing of individuals often with complex circumstances and needs, alongside the lack of affordable homes in York. The report provides residential support solutions for those at risk of homelessness alongside a person-centred approach with early intervention and personalised support with the aim of improving outcomes for those individuals and families in the short and long term.
79. **Equalities and Human Rights** - EIA is attached at Annex C
- **Data Protection and Privacy**, all customer data will be transferred from the supplier to the council in line with GDPR regulations
  - **Communications**, A communications plan will be developed as part of the transition project.
  - **Economy**: Successful resettlement increases the economic activity of the York workforce and promotes the ambition for an inclusive economy

## Risks and Mitigations

80. The current Adult Community Wellbeing and Support Service contract may include employees that may be liable to transfer under the provisions of the Transfer of Undertakings Protection of Employment regulations (TUPE). The risks to the council if those staff liable to transfer under TUPE is not completed in a timely manner and aligned to the applicable Legal advice and TUPE protocols could mean the transition to the new service may not be seamless and our customers could be impacted by the service not commencing on time. This will be mitigated by effective project management and early staff engagement.

- 81. If the service is retendered there is a risk of procurement challenge until a new contract is in place. Development of a clear timeline for re-procurement will mitigate this risk.
- 82. There is a risk that a future contract may exceed the current budget or that the cost of inhouse provision exceeds existing budget due to the payment of the living wage. This could be mitigated by a reduction in service levels.
- 83. There is a risk that if services are reprocured there continue to be ongoing issues with placing complex cases within the new contracted services and it may be difficult to make sophisticated person-centred transitions within the existing service definitions. This is currently a managed risk, but this may become more difficult to resolve if homeless presentations continue to rise.
- 84. There is a risk that the current service provider refuses to extend the contract. This has been mitigated by early positive engagement.
- 85. There is a risk that the housing benefit subsidy definitions change, and which will have a significant impact in the cost of the service.
- 86. There is a risk to either option of increasing homeless presentations. The mitigation for this is to continue with the grant funded homelessness prevention and early intervention works undertaken by the Navigator teams.

## Wards Impacted

*All wards*

## Contact details

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

## Author

<b>Name:</b>	Tracey Carter
<b>Job Title:</b>	Director Housing Economy Regeneration
<b>Service Area:</b>	Place Directorate
<b>Telephone:</b>	
<b>Report approved:</b>	Yes
<b>Date:</b>	30/04/2024

## Co-author

<b>Name:</b>	Sara Storey
<b>Job Title:</b>	Corporate Director Adult Social Care
<b>Service Area:</b>	Adult Social Care
<b>Telephone:</b>	
<b>Report approved:</b>	Yes
<b>Date:</b>	30/04/2024

<b>Name:</b>	Martin Kelly
<b>Job Title:</b>	Corporate Director Children's Services
<b>Service Area:</b>	Childrens & Education
<b>Telephone:</b>	
<b>Report approved:</b>	Yes
<b>Date:</b>	30/04/2024

## Background papers

All relevant background papers must be listed.

[Executive paper Procurement of the Adult Community Wellbeing and Support Service](#)

## Annexes

- Annex A: Adult Resettlement Pathway diagram
- Annex B: Children's Resettlement pathway diagram
- Annex C: Equalities Impact Assessment (EIA)

## Glossary

- **DWP** - Department of Work and Pensions
- **Housing First:** Permanent accommodation with individualised wraparound support for service users with complex needs, that can be met in the community.
- **Housing Options:** Statutory homelessness decision making and prevention of homelessness casework.
- **HRA:** Housing Revenue Account
- **LACs:** Local Area Coordinators
- **MEAM:** Making Every Adult Matter, an approach to service delivery and the term for several workers supporting homeless people, "MEAM workers"

- **MH:** Mental Health
- **Navigator:** Rough Sleeper Navigators provide intensive support for rough sleeping individuals and those in the process of resettlement following rough sleeping, including the transition to permanent accommodation
- **Rapid rehousing:** Access to a tenancy for individuals who are homeless or facing homelessness, with a minimal time within the resettlement pathway, and often with lower support needs than Housing First tenants.
- **RSAP:** Rough Sleepers Accommodation Project, 6 flats for independent living with support for individuals with complex needs, government funded programme which accords with Housing First principles.
- **SASH:** Safe and Sound Homes, a third sector organisation contracted separately within the Resettlement Pathway
- **TEWV –** Tees Esk and Wear Valley Foundation Trust
- **Tier 1:** Hostel accommodation – 24-hour on-site support
- **Tier 2:** Shared housing with floating support – minimum one hour a week floating support
- **Tier 3:** Longer term housing in the social rented or private rented sector – support can be minimal through to full wrap around multi-agency team.
- **Tier system within resettlement note:** Initial access to a Tier within the service is based on a formal needs assessment using the SAP (Standard Assessment Procedure) needs matrix. It is not a requirement to move through the Tiers, for example Tier 1 service users who are assessed as being ready for move-on can access permanent accommodation with floating support in Tier 3 without any intermediate Tier 2 placement.