



Joint Report of the Cabinet Member for Care Services and Cabinet Member for Service Transformation

Special Cabinet – 29 September 2022

Welsh Government Housing Support Grant Procurement Plan 2022 – 2025

Purpose:	This report details the procurement plan for Housing Support Grant funded services. It confirms the timescale for re-procuring all services and seeks approval to issue contract extensions to ensure continuity of essential services.
Policy Framework:	Housing Support Grant Guidance 2020 (Updated April 2021) Local Authority Contract Procedure Rules and Public Contract Regulations 2015.
Consultation:	Social Services, Access to Services, Finance, Legal, Commercial Services and Procurement and Housing.
Recommendation(s):	It is recommended that Cabinet: 1) Approve the extension of the timescales approved in the Cabinet report on the 20 th May 2021 by one year. Contract periods and the proposed re-procurement timescales are detailed in Appendix 1. 2) Delegate decisions in respect of the procurement process in relation to Housing Support Grant commissioned services to the Director of Social Services in consultation with the Cabinet Member for Care Services and Cabinet Member for Service Transformation with support from Commercial Services.
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1. Introduction

- 1.1 The Housing Support Grant (HSG) is grant based funding from Welsh Government paid to each Local Authority to commission or provide services to help prevent people becoming homeless or requiring residential/ institutional services, through the provision of 'housing related support.
- 1.2 Housing Support Grant is an amalgamation by Welsh Government of 3 existing grants; Supporting People Programme Grant, Homelessness Prevention Grant, and Rent Smart Wales. The merging of funding streams has increased flexibility and reduced bureaucracy helping to streamline planning and funding and therefore support a single strategic approach to tackling homelessness.
- 1.3 Housing related support enables people to develop or maintain the skills and confidence necessary to maximise their ability to live independently. Support is provided to a wide range of vulnerable people ranging from homeless people, older people in sheltered housing to the chronically sick or disabled, people experiencing domestic abuse or those with a learning disability and mental health problems. It also reduces or prevents the need for often more costly interventions, by other public services including the NHS and/or social care.
- 1.4 HSG has housing, and preventing homelessness or people living in inappropriate institutional settings, at its core. Support can be offered to anyone eligible, regardless of the tenure, services can be of a fixed nature or float between service users homes. The emphasis of the programme is "doing with" as opposed to doing for and building their personal resilience.

2. Background

- 2.1.1 A report was approved by Cabinet on the 20th May 2021 ratifying the continuation and expansion of Housing Support Grant funded projects with a procurement plan identifying timescales for the procurement of HSG funded provision.
- 2.1.2 Welsh Government has shown commitment to supporting Local Authorities in tackling homeless and the causes. In 2021 -2022 Welsh Government (WG) allocated an uplift to Housing Support Grant of £4.4 million with specific guidance that the new allocation should be spent on the transformation of Homelessness Prevention and Housing Support Services.
- 2.1.3 From April 2022 Welsh Government have also transferred elements of the Homeless Prevention Grant previously administered by WG directly into the HSG. The ring fenced allocation of £198,607.69 for 2022 /2023 and 2023/ 2024.

- 2.1.4 The Homelessness Prevention Grant 'Main Programme' funding will also be transferred to HSG in 2024/2025 with an overall indicative allocation for 2024/25 of £270,393.03.
- 2.1.5 The ambition from Welsh Government is to move to a rapid rehousing / housing led approach aiming to offer more community based settled options with the right support in place ultimately reducing the need for temporary accommodation for people experiencing homelessness.
- 2.1.6 To assist with the transformation Welsh Government (WG) have published a range of documents with a multi-agency focus on early intervention, prevention and rapid rehousing with key actions to transform homelessness services. Notably the Welsh Government Action Plan to End Homelessness which builds on the WG Strategy to End Homelessness and outlines a range of actions for National, Regional, and Local partners to transform the homelessness system.
- 2.1.7 There have been new requirements from Welsh Government for the Local Authority which has included the development of Housing Support Programme Strategy (HSPS). The HSPS sets out the strategic direction of the local authority for homelessness prevention and housing related support. It is integral that commissioning plans align with the strategic priorities and associated action plan of the Housing Support Programme Strategy.
- 2.1.8 The Local Authority is also required to develop and deliver a Rapid Rehousing Transition Plan. The Plan will demonstrate how the Local Authority will amend both supply and support requirements to align with a rapid rehousing approach over the next five years. Rapid Rehousing means moving people to the right accommodation with the right support as quickly as possible. If effective this will mean the need for many forms of temporary accommodation will diminish and where it is needed, is for shorter periods. The plan is currently in development with a submission date of June 2022 for the initial draft and September 2022 for the final plan.
- 2.1.9 During the past two years there has been a significant increase in the number of people presenting as homeless. People are also staying longer in all forms of temporary accommodation before moving on. The issue is compounded by the lack of supply of 1 bedroom affordable accommodation. Whilst the lack of affordable accommodation has previously been a challenge the difficulties have been exacerbated by further issues as a result of the pandemic. Examples include suspension of priority need status, a reduction in the end of social tenancies, social distancing and supply chain issues slowing down repairs and new build completions, and changes in the private rented and sales housing market.
- 2.1.10 The development and planning of services to enable a shift to a rapid rehousing coupled with the challenges created by the pandemic has prevented recommissioning within the timescales set out in the procurement plan agreed by Cabinet in 2021.

2.1.11 Welsh Government have acknowledged that these additional obligations would create procurement challenges for Local Authorities. In its grant allocation letter WG pointed to current pressure on services and invited Local Authorities to consider the timing of re-commissioning rounds and to potentially delay re-commissioning to reflect the risks associated with undertaking this during the pandemic. It was however recognised by WG that this is a matter which should be decided by individual Local Authorities.

2.1.12 The procurement plan agreed by Cabinet in 2021 has been reviewed (Appendix 1) and revised with a proposal to **extend procurement timescales by one year**. This will provide a realistic timeframe to fully consider future service design and commissioning options which align with strategic priorities and revised HSG grant obligations.

3. Progress

Despite the challenges faced there has been significant progress in moving forward with the commissioning reviews in line with the procurement plan as follows;

Progress for Young Persons Temporary Supported Accommodation

- **Joint commissioning approach agreed with Child and Family** - to alleviate spend on spot purchase arrangements and improve outcomes for young people
- **Project Board** has been established which is meeting monthly to progress service design
- **Service Assessment** has been completed identifying future accommodation and support models and preferred procurement options. A comprehensive data analysis has been completed as part of the service assessment to identify future demand and performance levels
- **Provider Engagement Event** held with 20 organisations attending – Business Wales were also present offering advice and guidance on the tender process. This was also an opportunity for providers to feed into the development of the service specification asking them what works well/ what does good look like / how to design.
- **Young people engagement events** have been hosted to gather views of young people accessing the supported accommodation, and to scope options for including young people within the procurement process.
- **Procurement workshops** have been held to understand procurement options and determine the procurement approach.

Progress for Single Homeless Temporary Supported Accommodation

- **Project Board** established with project management support to progress service design and commissioning options.
- **Project Management Support** in place facilitating monthly meetings and monitoring re-commissioning progress.

- **Systems Thinking Review** has been undertaken with key strategic partners with effective collaboration to consider how to improve services.
- **Multi-agency Task and Finish group** to improve pathways into services and ensure people get timely access to the right accommodation and support to meet their needs.
- **Data analysis** – A comprehensive evaluation of key data and information on current provision has been completed to understand demand and pressures, and to consider future KPIs for measuring success of future services.
- **Coproduction** is in progress to refine our understanding of preferred service models and to shape service user involvement in the selection of new Providers
- **Initial Procurement workshop** held to understand procurement options and determine procurement approach.

4. Future Commissioning and Procurement Arrangements

- 4.1 This report is seeking to extend the current agreements with existing providers for the periods that are detailed within Appendix 1 and delegate the decisions around future commissioning and procurement arrangements to the Director of Social Services in consultation with the relevant Cabinet Members and with support of Commercial Services.
- 4.2 Welsh Government Procurement Advice Notices have offered flexibility to ensure service continuity during the COVID19 outbreak. The COVID19 pandemic has had a significant effect across all service provision funded via the HSG. Providers have been at the forefront during the pandemic ensuring that critical services to vulnerable people are maintained. Ensuring service continuity has created significant challenges for Providers and commissioners, not least in terms of additional costs, maintaining staffing levels, and ensuring staff safety and wellbeing.
- 4.3 To instigate a procurement process during this time could have resulted in an adverse effect on provider resources. Many providers especially smaller organisations may have struggled to give sufficient time to adequately respond to a tender process with the added burden of addressing immediate pressures created by the COVID-19 pandemic. Re-commissioning may have resulted in a reduction in responses to an invitation to tender, with consequent impacts on the quality and consistency of service delivery. It may have also resulted in a negative effect on people that use services if there was transition to a new provider during the current challenging circumstances.
- 4.4 To progress the procurement plan, timescales have been amended to take into consideration the impact of further delays to Providers and colleagues and service users, while ensuring there is progress in achieving compliance with procurement rules and maintaining efficacy in current service provision.

- 4.5 Whilst there have been and will continue to be substantial pressures and challenges during COVID19 there are also positives to be understood from delivering support during this period. The learning from changes in demand and need will be captured to influence strategic planning and service models going forward. The different ways of working which are important to people that use services and improve their outcomes will also be utilised to inform future service delivery.
- 4.6 The plan provides an incremental approach to the procurement of provision. It ensure that specifications link with the strategic priorities and future service models recommended within Commissioning Reviews across the various service areas.
- 4.7 The incremental approach also provides an opportunity to improve strategic planning across the merged funding streams. It ensures that commissioning is based on a clear understanding of local need and provides for a more flexible approach to delivery which aligns with the aims and objectives of the homelessness strategy.
- 4.8 The approval of an extension to the waivers will ensure that commissioning activity and the procurement of future services aligns with the WG ambition to ensure homelessness is rare, brief and unrepeated. This will give effect to the Welsh Government Action Plan to End Homelessness, the local Rapid Rehousing Transition Plan and the Housing Support Programme Strategy. It will also enable the development of coproduced options and improve outcomes for people experiencing homelessness.

5. Integrated Impact Assessment Implications

- 5.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.
 - Deliver better outcomes for those people who experience socio-economic disadvantage
 - Consider opportunities for people to use the Welsh language
 - Treat the Welsh language no less favourably than English.
 - Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.
- 5.1.1 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in

accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

- 5.1.2 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.
- 5.2 An IIA Screening Form has been completed with the agreed outcome that a full IIA report was not required as there will be no direct impact on the general public at this point in time. The request is for approval to extend current contracts and implement a procurement plan. An extension of the procurement plan for one year will provide a realistic timescale to fully consider future service design and commissioning options which align with strategic priorities and Welsh Government expectations to transform service provision. Engagement, consultation and co-production will be built into the development of each tender and inform the specifications for future provision. A separate IIA process will be completed when required prior to any changes in service provision.

Please refer to Appendix 2 Integrated Impact Assessment Screening Form as a background paper

6. Legal Implications

- 6.1 The procurement of social care and housing-related support services is governed by the Public Contract Regulations (PCR) 2015.
- 6.2 The PCR 2015 recognise the special characteristics of social services and related services, and the regulations reflect the importance of cultural context and sensitivity. There are specific rules for social, health and other services (Light Touch Regime) and a separate EU Threshold limit.
- 6.3 The current EU Threshold limit for these services is currently £663,540. Upon review of the information a number of contracts will exceed this threshold. Therefore, due to the anticipated level of spend over the course of the extension period being in excess of the EU Threshold limit, approval to extend the Contracts is being sought from Cabinet.
- 6.4 Extending the existing agreements would be in breach of the UK Public Contracts Regulations 2015 and the decision could therefore be open to legal challenge.
- 6.5 All of the contracts listed on the schedule have been extended previously without challenge. A further extension could be subject to challenge. However, it would in the circumstances be appropriate to view the award of further funding as distinct short term awards the values for which fall below the EU thresholds (apart from the contracts exceeding the EU Threshold referred to in 6.3 above).

- 6.6 Factors to take into account include the fact that these contracts are all grant funded and the grant funding and related guidance has only recently been confirmed. The nature and timing of the grant funding is such that it presupposes a degree of service provision continuity through short term awards. It would be extremely difficult to tender the contracts at this point having regard to the need to ensure continuity of provision for vulnerable service users or a planned and sensitive approach to contract change and to make service changes as a result of Covid-19.
- 6.7 Therefore, the award of further funding to all providers apart from those that exceed the EU Threshold can be justified as being short term contracts below the EU threshold.
- 6.8 The award to the following organisations exceeds the threshold and is breach of the PCR 2015:
- Caredig
 - The Wallich
 - The British Red Cross
- 6.9 There is a possibility that all the awards may be subject to challenge but this risk is perceived to be very low. The Council is committed to an open procurement process in the near future should it be considered that it is the best way forward. Appendix 1 details the anticipated commissioning and procurement plan for these contracts.

7. Financial Implications

- 7.1 The Housing Support Grant allocation from Welsh Government for Swansea Council for 2022/2023 is £ 18, 489,233.10, with a further 2 year indicative allocation to enable forward planning of £18,489,233.10.
- 7.2 This is a £4.4 Million increase in funding into this area for Swansea, and is as a result of the additional £40m being allocated to the total Housing Support Grant budget in Welsh Government. This additional funding will help maintain the services established in 20/21 as part of the Covid response and respond to local need and priorities.
- 7.3 Welsh Government previously administered the Homeless Prevention Grant. As from April 2022 a ring fenced allocation of £198,607.69 Homeless Prevention Grant was transferred over to the Housing Support Grant. This will increase to £270,393.0 in 2024 – 25 due to the inclusion of additional projects.
- 7.4 A spreadsheet (Appendix 1) illustrates the proposed timescale for procurement for each client group, detailing the contract values and service providers. The order of procurement maybe subject to change due to a variety of reasons including provider failure, poor performance or receipt of termination notice from a provider however, it is envisaged that procurement of all provision will have been completed by March 31st 2025.

Background Papers: None.

Appendices:

Appendix 1 Housing Support Grant Commissioning and Procurement Plan

Appendix 2 Integrated Impact Assessment Screening Form

Appendix 3 Housing Support Grant – Allocation Letter