

REPORT TO: Executive Board
DATE: 16 October 2014
REPORTING OFFICER: Strategic Director, Communities
PORTFOLIO: Physical Environment
SUBJECT: Grangeway Court Homelessness Service
WARD(S) Grange

1.0 PURPOSE OF THE REPORT

1.1 The report seeks approval for a waiver of relevant procurement standing orders in order to further extend the housing support contract at Grangeway Court while proposals for the redesign of the service are finalised.

2.0 RECOMMENDATION: That

1) acting in accordance with Procurement Standing Order 1.8.3(a), Executive Board agrees to waive Procurement Standing Orders Part 4.1, in order to extend the contracts with Your Housing Group for housing management and housing support services at Grangeway Court up to the 31st March 2015;

2) a further report be presented to Board to agree proposals for a revised service model at Grangeway Court.

3.0 SUPPORTING INFORMATION

3.1 Your Housing Group (YHG) has successfully delivered housing management and housing support services at Grangeway Court since October 2008. The scheme provides temporary accommodation for homeless families that the authority has a statutory duty to accommodate.

3.2 The original 5 year contracts were extended for a year by Board in September 2013 to facilitate planned refurbishment works which were identified as necessary during a Scrutiny Review of homeless services by the Health PPB in 2012.

3.3 A further report was submitted to Board in January 2014 outlining the financial losses that YHG had suffered over the life of the contracts as a consequence of low occupancy rates, which had accelerated in 2013/14, and it was agreed to vary the contract conditions to waive

the rental charge for the premises due under the lease.

- 3.4 This was a difficult decision given the financial pressures facing the Council but the Council does have a statutory duty to provide temporary accommodation for the homeless and the continued use of Grangeway Court is the best option given the unsatisfactory alternative of using expensive bed and breakfast accommodation with the limitations imposed on this by Government.
- 3.5 Discussions around what a new service model should look like have been complicated by concerns and uncertainty about whether or not the reduction in occupancy might be temporary, and the risk associated with permanently reducing the capacity of the scheme given the potential for homelessness to increase due to the Welfare Reforms.
- 3.6 However it now appears to be a sustained trend and so Officers have therefore been working with YHG to develop a service model that will be sustainable with current levels of demand. This work is not yet complete, due largely to occupancy rates further reducing from the 55% reported at the time of the January report to around 23% currently, and the need to revisit modelling assumptions several times.
- 3.7 It is anticipated that a report with firm proposals will come back to Board by November but in the meantime the existing contractual arrangements with YHG need to be extended as the contracts expired on the 5th October.
- 3.8 YHG has indicated a willingness to continue to provide the service on current terms and conditions provided that the Council agrees to underwrite up to 70% of any losses arising due to loss of rental income, with YHG bearing any losses above that threshold.
- 3.9 It is therefore proposed that the contracts be extended initially up to the 31st March 2015 on the terms described in 3.8 above with potential additional costs to the Council of up to £76,000, and that in principle the Board agree to further extend the contracts for a remodelled service until March 2016, although this will be the subject of a further report to Board.
- 3.10 This is because, depending on the nature of the changes that result from the service remodelling, it may take some time for them to be implemented and for the service to demonstrate its ongoing viability. It would also give YHG some comfort in agreeing to continue to work at risk with the Council to remodel the service. The intention would be to then retender the service from April 2016.

4.0 POLICY IMPLICATIONS

4.1 None identified.

5.0 OTHER/FINANCIAL IMPLICATIONS

5.1 The potential financial implications are as set out in section 3.9 of the report. In the short term, until a new service model is agreed, the additional cost could be met from balances in the Supporting People budget.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children & Young People in Halton

None identified.

6.2 Employment, Learning & Skills in Halton

None identified.

6.3 A Healthy Halton

None identified.

6.4 A Safer Halton

None identified.

6.5 Halton's Urban Renewal

None identified.

7.0 RISK ANALYSIS

7.1 Failure to agree terms for the extension of the service contract could result in closure of the scheme and the consequent need to house homeless households in unsuitable bed and breakfast accommodation.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 None identified.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
Part II Exec Board Report 12/07/12 - Homelessness Services	N/A	Commissioning Manager

Exec Board Report 05/09/13 – Homeless Accommodation Update	Runcorn Town Hall	Commissioning Manager
Exec Board Report 09/01/14 - Grangeway Court Variation to Contract Terms	Runcorn Town Hall	Commissioning Manager