

<b>Report to</b>	Lead Member for Housing and Communities, Councillor Rhys Thomas.
<b>Date</b>	22/03/2023
<b>Lead Officer</b>	Lauren Roberts- Contracts and Commissioning Officer
<b>Head of Service</b>	Ann Lloyd- Head of Service
<b>Report author</b>	Lauren Roberts- Contracts and Commissioning Officer
<b>Title</b>	Adferiad Lake Avenue Contract Extension- HSG Funded

## **1. What is the report about?**

- 1.1. The report is to seek approval for the extension of the Adferiad Lake Avenue supported housing project that is HSG funded.

## **2. What is the reason for making this report?**

- 2.1. A decision is required to grant the extension of the Adferiad Lake Avenue project for a further and final time to allow us to consider opportunities of remodelling the mental health services within the HSG funding. This includes exploring the option of merging a number of mental health contracts into one, to allow for a more flexible and needs-led service offer. The landscape we are operating in has changed, meaning we have been unable to complete the planned tender exercise following the previous contract extension.

## **3. What are the Recommendations?**

- 3.1 The Lead Member approves the contract extension as set out in the Contract Variation Report in Appendix 1. Please see below for additional information about the variation report.

## 4. Report details

- 4.1. Adferiad Recovery Mental Health Supported Housing is a time-limited, very high intensity flexible supported housing project to provide accommodation and support to homeless people with mental health needs who are not accessing mental health services. The contract has regular monitoring which has given no cause for concern.
- 4.2. The project fits well with DCC's Homeless Prevention Team priority of preventing homelessness.
- 4.3. The ongoing costs are contained within the allocated budget from the Denbighshire Housing Support Grant until 31st March 2024. These will continue within the budget for 2024/2025.
- 4.4. This service continues to be vital for our delivery of homelessness prevention/housing related support in Denbighshire while we transition towards rapid rehousing, the impact if we were to lose this service would be significant for a number of citizens with complex mental health needs and DCC.
- 4.5. Embracing rapid rehousing requires a shift in mind set as well as service configuration. People will be regarded as being 'housing ready' with the right support, rather than having to prove they are ready in order to access housing. An independent, mainstream home will be the default approach when someone experiences homelessness. While supported accommodation will remain an option, people who are currently referred to supported accommodation could choose to live in an independent, mainstream home with support in the new rapid rehousing landscape. This poses the question for the future role of supported accommodation and floating support provision.
- 4.6. We are requesting an extension to this contract to allow sufficient time for a scoping of supported housing scale and demand to ensure the project aligns with Denbighshire's transition to a rapid rehousing approach to address homelessness and a procurement exercise. A tender process at this time would not be advisable as we need to ensure our supported housing portfolio aligns with our transition to rapid rehousing which will involve some reconfiguration.

## **5. How does the decision contribute to the Corporate Plan 2022 to 2027: The Denbighshire We Want?**

5.1. If the decision to extend is agreed, it will enable the commissioning process to ensure all 9 areas of the Corporate Plan are considered in the new service specification and therefore the supplier contract. This proposal will specifically support the themes: 'A Denbighshire of quality housing that meets people's needs' and 'A fairer, safe, and more equal Denbighshire'.

## **6. What will it cost and how will it affect other services?**

6.1. The overall cost of the extension (1<sup>st</sup> April 2023- 31<sup>st</sup> October 2024) is £221,127.54 taking the overall cost of the project £1,064,142.34. This is funded by DCC's HSG allocation.

6.2. No additional resources needed (staffing or financial) as is a continuation of a service and will continue as is.

6.3. Legal will be required to authorise the deed of variation under seal.

## **7. What are the main conclusions of the Well-being Impact Assessment?**

7.1. An impact assessment is not required on this occasion, the reports is going to delegated decision and not to cabinet. The project is not changing its delivery to the service user in any way, the contract is just requiring an extension in order for the re-commissioning work to take place. Therefore, there is no change in the impact to the social, economic, environmental and cultural well-being of Denbighshire, Wales and the world.

## **8. What consultations have been carried out with Scrutiny and others?**

8.1. The request to extend this contract has been made by the Head of Service and Service Manager. The decision was taken after an internal team meeting where a review of current job roles, responsibilities and provision took place. It was concluded that further work is to take place to identify any gaps in provision and look at remodelling all 5 HSG mental health projects to ensure a more streamlined, accessible service.

## 9. Chief Finance Officer Statement

9.1. The expenditure is funded from external funding and has been incorporated into the projections for that grant. Report supported.

## 10. What risks are there and is there anything we can do to reduce them?

10.1. **Risk-** Should this contract extension not be agreed, mitigating the impacts, including providing replacement support for citizens, would be a significant challenge within existing resources.

**Mitigation-** Regular contract monitoring and liaison between the Homelessness Prevention Team and Adferiad Recovery throughout the year ensures as far as possible that risks related to the delivery of the contract can be identified and mitigated as soon as possible.

10.2. **Risk-** If this service is not available, this would impact on citizens being able to maintain their tenancies resulting increased homelessness and increased costs to DCC if temporary accommodation is needed. Prevention is a key priority of this service, which has been demonstrated during the current contract period.

**Mitigation-** The extension would allow the continuation of the much needed resource in Denbighshire. If a tender process was required there would be a chance of financial impact during the changeover period between providers where temporary accommodation would need to be provided by the Council.

10.3. **Risk-** If this service is not available, the Council would need to secure other appropriate supports, which would likely have much broader cost implications.

**Mitigation-** The extension would allow the continuation of this much needed resource in Denbighshire.

## 11. Power to make the decision

11.1. Housing (Wales) Act 2014

11.2. The total value of the contract is above the light touch procurement threshold and therefore this will always carry a risk of challenge. A one year extension was requested last year to enable the service are to undertake a review of the

service and how they envisage it to be delivered in the longer term. The service area are now facing further challenges - “We had planned to evaluate all our mental health support projects with the view to allow for a more flexible and needs-led service offer however, the landscape we are operating in has since changed, meaning we have been unable to complete the planned tender exercise following the previous contract extension. The supported housing sector is facing new challenges with new housing benefit guidance meaning the enhanced housing benefit rates in a supported housing setting are no longer guaranteed alongside an expected transition toward a Rapid Rehousing approach driven by Welsh Government. Therefore, we must propose an extension until 31st October 2024, to enable us to undertake the required work to reach a decision as to how this contract must be shaped and delivered in the longer term.”

11.3. In accordance with powers delegated to the Cabinet portfolio holder as per Appendix 2(b) to Section 13 of the Council’s Constitution.