



Report for:	<b>Housing Overview and Scrutiny Committee</b>
Date of meeting:	<b>10 October 2018</b>
Part:	<b>1</b>
If Part II, reason:	

Title of report:	<b>The Elms, Contract Performance Year 3</b>
Contact:	Margaret Griffiths, Portfolio Holder for Housing  Responsible Officer: Natasha Beresford Strategic Housing Group Manager
Purpose of report:	<ol style="list-style-type: none"> <li>1. To inform members of the current performance in relation to the Elms Contract.</li> <li>2. To inform members of recommendations in relation to contract improvement.</li> </ol>
Recommendations	1. For members to consider the report and provide feedback regarding current performance and contract delivery.
Period for post policy/project review	The contract is reviewed on an annual basis
Corporate objectives:	Providing good quality affordable homes, in particular for those in the greatest need
Implications:	<u>Financial</u>
'Value for money' implications	<p>The management of the Elms is funded via various funding streams that sit with DENS including client's licence fee charges, lottery funding, Housing Related Support funding and Housing Benefit. Reductions in any of these areas would have implications for the management of the building. The council retains the direct responsibility for maintenance of the asset, the current contract doesn't make any provision for payment to the local authority for repairs and maintenance.</p> <p><u>Value for money</u></p> <p>The 44 units of at the Elms, provides vital accommodation for homeless clients. This accommodation reduces significant demand on the council's statutory function and provision of</p>

	temporary accommodation, it is crucial to keeping expenditure in relation to rough sleeping at a minimum and associated costs such as Bed & Breakfast usage.
Risk implications	Wherever possible the risks associated with management of the Elms are mitigated. The council undertakes relevant health & safety risk assessments such as the annual Fire Safety Risk Assessment and implements relevant requirements. In relation to the client group, each potential new referral undergoes a full risk assessment and Police National Computer check, to ensure the placement is suitable, appropriate provisions are in place and can be managed effectively by relevant staff and security.
Community Impact Assessment	A community impact assessment has not been completed in relation to the Elms contract.
Health and safety Implications	The process for the administration and management of applicants on the direct offer list is designed to review the risks at an individual case level and therefore the health and safety implications are considered.
Consultees: (including feedback from Scrutiny where appropriate)	Jodi Cooper, Strategy Improvement and Engagement Team Leader (Interim)  Fiona Williamson, Assistant Director Housing
Background papers:	Appendix 1 The Elms Audit Report  Appendix 2 DENS Year 3 review
Glossary of acronyms and any other abbreviations used in this report:	

## 1. Introduction

1.1 On the 18 December 2014 the contract for the delivery of The Elms was awarded to DENS, with a formal contract commencement date of 1 May 2015. DENS demonstrated expertise in a wide range of areas through their tender and this included extensive experience of running DENS Night Shelter, Day Centre, Rent Aid, Foodbank and Equipped to Change programme. The Elms provides 44 rooms of emergency accommodation and crashpad facilities to support the Council's No Second Night Out Policy to end rough sleeping.

1.2 The Group Manager Strategic Housing is the 'Contract Manager'. This contract is reviewed on a monthly basis by the Operational Manager (Strategic Housing Team Leader) and DENS Hostel Manager. Where there is underperformance or non-compliance, the Contract Manager will follow the Remediation Process set out in the

terms and conditions of the Contract. Throughout the third year, the Contract Manager has monitored DENS against their mobilisation plan and key milestones contained within the contract.

1.3 There are no major non-conformities or contract breaches, small change control arrangements have been implemented in relation to day to day processes. The purpose of this report is to provide an update of the third year performance, key areas and recommendations to be implemented.

## **2. Key areas of improvement**

2.1 The Strategy Improvement and Engagement team have been in liaison with DENS to establish a robust involvement and monitoring programme for 2018, this programme will assist the Council in undertaking a full review of the contract ahead of its expiry and will help form the basis of a full options appraisal of the Contract and consideration of how the building should be managed after the contract expiry. The report from the audit is contained in Appendix 1. A number of recommendations have been made in relation to the ongoing contract monitoring, in order to ensure continued effectiveness and improvement. A summary of the recommendations can be seen below;

- DENS report in Appendix 3, explains the challenges with achieving a positive move on rate from the Elms for their clients, this was also identified as an area for identified improvement within the recent audit. It is recommended that both parties should revisit the agreed move on target and amend this to something more achievable so performance can be appropriately monitored.
- All policies for The Elms to be reviewed, ensuring a consistent template is used and appropriate version control is in place.
- The Policy Register to be re-established, detailing a robust programme of review (Suggested - Full review every 3 years unless legislation or service changes require earlier review).
- Policies related to The Elms should be accessible to council staff. Final versions of updated policies should be uploaded to the housing service's intranet, 'Team Site'.
- The Strategic Housing Service to consider the current approach to contract management and whether this could be revised and new controls introduced at the point of re-tendering.
- Currently DENS are required to provide detailed performance and outcome based information statistics to Hertfordshire County Council in relation to Housing Related Support Funding. The service considers that the satisfaction of residents is vital and wish to build on the Residents Group and suggestion box already put in place by DENS, it is therefore proposed that the Strategy, Improvement and Engagement Team should run an independent consultation with residents at The Elms.
- As performance of the Elms contract and delivery of relevant services, directly impacts on the council's statutory function, it is proposed that ownership of the contract and its monitoring should move under the Homelessness

Prevention and Assessment Team, one consideration is that the Independent Reviewing Officer responsible for reviewing decisions made in relation to Part 6 (Allocations) and Part 7 (Homelessness) of the Housing Act 1996 take on this role.

- Service to consider extending initiatives such as First Impressions and Tenant Academy courses to Elms residents, these services are currently only provided to council residents.
- For the service to develop a robust approach to evaluating support plans to, identifying outcomes other than successful move-on e.g. resident attended a job interview, resident has reduced use of drugs or alcohol etc. It is proposed that long term the Independent Reviewing Officer role to periodically assess support plans for Elms residents in line with contract performance.
- In addition to the audit and monitoring programme, the Property and Place team are undertaking extensive investigations into the repairs undertaken at the Elms, this is to be comprehensive to enable the service to fully establish the current and ongoing maintenance costs of the building, to ensure this is factored into the options appraisal process and reflected in the future tender.

2.2 Attached in Appendix 3 is a supplementary report from DENS CEO, regarding key areas of performance and improvement required to the Elms operation. This includes items identified as part of the DBC audit but in addition their own external audit. Finally, the council are now in receipt of DENS 2017/18 statement of accounts, these provide details of full running costs of the Elms inclusive of main charges around staff, security, catering and furniture, the accounts additionally show a surplus of £54,413.68. The Strategic Core Group will be discussing the surplus to determine how best this should be spent in relation to management of the ongoing contract. Additionally, the Strategic Core Group will finalise agreement on how to proceed in relation to recommendations made in the audit.

### **3. Conclusions**

3.1 Members have been provided with an update of the current position in respect of the Elms Contract and the current audit monitoring programme, additionally members have been furnished with the recommendations made as part of the audit, progress and outcomes from the recommendations will be built into the future tender specification.

3.2 Members to note that a project team to include members of Strategic Housing, Property and Place, Finance, Procurement and Estates is to be established in Quarter 4 to undertake a full options appraisal of the contract ahead of re-tender.