

To: Cabinet
Date: 03 October 2019
Report of: Scrutiny Committee
Title of Report: Commissioning of Services at Floyds Row

Summary and recommendations	
Purpose of report:	To present Scrutiny Committee recommendations concerning the Commissioning of Services at Floyds Row
Key decision:	Yes
Scrutiny Lead Member:	Councillor Andrew Gant, Chair of the Scrutiny Committee
Cabinet Member:	Councillor Linda Smith, Deputy Leader and Cabinet Member for Leisure and Housing
Corporate Priority:	Meeting Housing Needs
Policy Framework:	Housing and Homelessness Strategy 2018 to 2021
Recommendation: That the Cabinet states whether it agrees or disagrees with the recommendations in the body of this report.	

Appendices
None

Introduction and overview

1. At its meeting on 01 October 2019, the Scrutiny Committee considered the report on Floyds Row – Single Homelessness Engagement and Assessment Centre – Approvals for additional capital funding and commissioning the delivery of the services from this new facility.
2. The Panel would like to thank Councillor Linda Smith, Cabinet Member for Leisure and Housing, for attending the meeting to answer questions. The Committee would also like to thank Polly McKinlay, Senior Commissioning Officer (Rough Sleeping and Single Homeless) for supporting the meeting and

Dave Scholes, Housing Strategy and Needs Manager, for supporting the meeting and compiling the report.

Summary and recommendation

3. The Cabinet Member for Leisure and Housing, Councillor Linda Smith, introduced the report. The Floyds Row initiative was part of the Council's commitment to doing all within its power to address the issues of homelessness, driven by the ultimate ambition of no one having to sleep on the streets. Floyds Row would, among other things, provide a new 'gateway' and significantly increase the amount of night shelter provision. Attention was drawn to the increased costs of the project and that recommendations from officers were being made to the Cabinet as to how best to respond to that increase. Despite the costs, Councillor Smith commended the project to the Committee given the contribution it would make to addressing one of the Council's priorities.
4. In response to the report presented the Committee's particular areas of scrutiny focused on a number of key areas:
 - Project management concerns and lessons learnt
 - Project finance and viability
 - The relationship with St Mungo's and alternative future delivery options
 - Testing the assumptions about the efficacy of move-on provision
 - Capacity implications
5. The Committee recognises the importance of the Floyds Row project both as a standalone project and as an important part of the Council's wider ambitions not to have anybody in Oxford sleeping on the street. It endorses the recommendations of the report.
6. Further to its endorsement and based on its enquiries, the Committee makes a further three recommendations

Project Management Concerns and Lessons Learnt

7. A number of councillors expressed concern over the steep rise in both capital and revenue costs against original estimates and sought to understand the reasons why these costs had escalated, why they had not been previously foreseen, and the project management oversight that had been in place.
8. Councillors sought to understand the increase in capital costs from £550k to £1.9 million. They were informed that the original capital estimate was based primarily on a dilapidation survey - the cost of rebuilding the property - with inclusion of estimates for known costs, such as replacing the boiler system. No single item had been primarily responsible for increasing the costs, but instead a combination of items including the need to replace the air handling units. Based on the classification of the building being 'residential' (though similar units elsewhere in the country have not been classified as such) higher standards

were required by Building Control relating to fire safety, disability access and efficiency which came with associated unavoidable increases in costs.

9. In discussing the increase in revenue costs from an original estimate of £750k to £1.2 million the Committee was informed that this had arisen mostly from co-designing the staffing needs with St Mungo's. Whereas the original estimate had been based on similar services across Oxford City, St Mungo's identified a need for the services at Floyds Row to be staffed to much higher levels if the desired outcomes around assessment and move on were to be achieved. St Mungo's were stated to be subsidising the service by £120,000.
10. Regarding process, the project was confirmed to have gone through the Council's gateway process. However, the extremely short bid-submission timetable to MHCLG of one month made necessary a truncated project management oversight process. As such, less time was available for due diligence. As a consequence, the only way for the project to proceed was on estimates, which could and did change significantly. The risks of having to operate on this basis were recognised by the officers involved.
11. The Committee welcomes the successful bid to MHCLG which resulted in a funding award of £727,000 and the progress made to date. It notes that the team have achieved a significant amount in a challenging time frame and wishes this to be recognised and those responsible congratulated. Nevertheless, the escalation in costs does need to be acknowledged. The Committee understands that the bid-submission process to central government is unhelpful in the short period it provides for bid preparation. Whilst unsatisfactory, government funding remains an arena in which the Council must operate to fund its services. As such, it is within the Council's interest to align its processes such that it can manage its risk when it is required to operate in this challenging external environment.

Recommendation 1: It is recommended that Cabinet consider ways to streamline the project gateway process in cases where grant funding deadlines require the truncation of regular project planning timescales to enable successful bids to be made without the risk of similar cost escalations in the future.

Project Finance and Viability

12. During discussion over cost-increases the Committee also sought clarification on cost-certainty relating to revenue costs, anticipated income and the project's viability.
13. The anticipated level of revenue costs at £1.2 million were confirmed by officers to be an average cost confirmed by the provider over a four year time frame. However, it was recognised that when going out to tender, providers could put forwards a higher price. However, cost-expectations would be made very clear, and the expectation on an incumbent provider is that additional value should be added, rather than additional costs.
14. MHCLG have asserted an intention to provide a similar level of funding for rough sleeping services in 2020/21 as in 2019/20. Whilst allocations have not yet been

confirmed, there can be reasonable confidence of obtaining some revenue funding towards the revenue costs for Floyds Row services in 2020/21. Further, Oxford Homeless Movement was due to start a fundraising campaign 30% of which would support Floyds Row, with further potential to bid for additional funding.

Relationship with St Mungo's and Future Delivery Options

15. A number of councillors raised concerns over the deepening of the Council's relationship with St Mungo's in light of their current performance. Councillors explored the possibility of taking services in-house.
16. Two areas of concern about the performance of St Mungo's were specified. Firstly, that it receives negative feedback from service users, and secondly its effectiveness and ability to provide measurable outcomes regarding the impact of its interventions.
17. A specific concern was raised over the fact that St Mungo's do not share information they hold with the police relating to potential illegal activity undertaken by homeless people to fund their lifestyles.
18. In response to the issues raised Councillors were informed that St Mungo's had tended to suffer from a high level of staff turnover, which had already been identified as an issue by St Mungo's at both a national level and a local level. Proactive steps to increase the pool of people considering working in the area were being taken, which it was anticipated would improve continuity and level of service. Regarding measurable outcomes, the complexity of the issues lying behind homelessness made measurement challenging.
19. It is the view of the Committee that additional information would be helpful to the Council in measuring performance and identifying trends.

Recommendation 2: That under the contract St Mungo's be required to provide additional information to the Council, for example:

- ***Reasons for clients' engagement or failure to engage***
- ***Number of engagements per client***
- ***Staff turnover***
- ***Data be collected, anonymised and shared about how homeless people support their lifestyles, which will in turn inform how best to address their needs and provide information on the wider benefits of reducing the number sleeping on the streets.***

20. A question was raised as to whether the Council could move to in-house service provision rather than go out to tender. In response, a number of challenges to the idea were put forward. These included the specialism of the work required and the absence of that specialist knowledge within the Council at present, the legal challenges of providing short term licenses and the associated risks of creating inadvertent tenancies, and the financial risk to the Council in light of the funding uncertainty.

21. Notwithstanding the challenges associated with providing an in-house service the Committee still considers it has significant merits, including greater continuity of staffing, more control and easier alignment and integration with other Council and statutory services.

Recommendation 3: That Cabinet consider the possibility of in-house provision when it comes to market testing.

22. There are no further recommendations, but the following is included for context and information.

Move-on Provision

23. Successful client move-on in relation to the Floyds Row initiative was recognised by both officers and the Committee as important in ensuring that its intended outcomes were met. However, it was also noted that if move-on were not to function well, bed availability could become insufficient to cater for the number of people coming onto Oxford's streets.
24. In response to questioning about move-on, officers referenced a number of factors to give ground for confidence on the ability of Floyds Row to deliver on its aim on moving clients on within seven days. The first of these was that in similar hubs in London, the target was set at 72 hours, which was being met 50% of the time. The Council's own monitored target outcome was therefore less challenging than elsewhere. Further, the additional staffing requirement insisted on by St Mungo's was partially designed to enable greater flexibility and capacity to meet and work with clients outside the normal office-hours-only setup, and to allow sufficient slack to invest time in making reconnection services successful.

Capacity Implications

25. The Committee sought to question the impact of the changes to homelessness prevention provision and to ensure that at the point of maximum demand there would be sufficient capacity to give those on the street a place to stay.
26. It was reported that the highest number of people using facilities under the Severe Weather Emergency Protocol (SWEP) on any one night, had been 40 in the last two years. In total, Floyds Row (once in full operation) would provide 20 Staging post spaces, 20 Somewhere Safe to Stay spaces and 16 Winter Shelter spaces providing 56 spaces over winter in total. There would, however, be a loss of 20 spaces in sit-up. This therefore provides a net provision of 36 spaces, which was close to, if not at, the level of highest demand. However, the SWEP protocol would remain operational meaning there was confidence that capacity in severe weather would be sufficient. It was also noted that Oxford's churches had doubled their provision throughout January to March, from ten to twenty spaces, since the figure of 40 people was recorded.

27. Officers explained that Floyds Row would only come into full operation from Spring 2020, but that interim services would exist over the winter in the meantime. They set out the timetable for the operation of services as follows:
- October 21 - early January: Operation of an interim service from Simon House, with twelve Somewhere Safe to Stay spaces and between ten and fifteen winter shelter beds
 - Early January-Spring: Delivery of services in one wing of Floyds Row.
 - Provision of ten Somewhere Safe to Stay beds and ten Winter Shelter beds.
 - Spring: Full opening of Floyds Row

Further Consideration

28. Prevention of homelessness continues to be a high-profile issue and a particular priority for the Council. The Floyds Row project is accepted to be an important step in a wider transformation of homelessness services. The Committee will continue to monitor this project as it progresses, as well as its part in the Council’s wider homelessness prevention ambition.

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Cabinet response to recommendations of the Scrutiny Committee made on 01/10/2019 concerning Floyds Row – Single Homelessness Engagement and Assessment Centre – Approvals for capital funding and commissioning the delivery of services from the new facility

Provided by the Board Member for Leisure and Housing

Recommendation	Agree?	Comment
<p>1) That Cabinet consider ways to streamline the project gateway process in cases where grant funding deadlines require the truncation of regular project planning timescales to enable successful bids to be made without the risk of similar cost escalations in the future.</p>	Yes	That officers will be asked to consider lessons learnt from the project in the Project Management Office, including approaches to streamline the Gateway process, especially for grant funding applications that require processing in often very compressed timescales.
<p>2) That under the contract St Mungo's be required to provide additional information to the Council, for example:</p> <ul style="list-style-type: none"> - Reasons for clients' engagement or failure to engage - Number of engagements per client - Staff turnover - Data be collected, anonymised and shared about how homeless people support their lifestyles, which will in turn inform how best to address their needs and provide information on the wider benefits of reducing the number sleeping on the streets. 	Yes	<p>These can be incorporated into new commissioning arrangements.</p> <p>Officers will review data issues in relation to assessing how homeless persons may financially support a street lifestyle with partner organisations. It should be noted though that OxSPOT staff do report illegal activity which they are made aware of to the police – whether someone is street homeless or otherwise. However the primary aim of the service is to support clients into accommodation and improve their welfare, which involves building and maintaining trust with vulnerable people. Therefore it would not be in line with the purpose of the service, to place a requirement on OxSPOT to seek information on illegal activities and to pass this information on.</p>
<p>3) That Cabinet consider the possibility of in-house provision when it comes to market testing.</p>	Yes	This can be considered as an option in future commissioning and procurement, notwithstanding any issues that this option may present, as identified in the report and Scrutiny meeting

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