

**To:** Cabinet  
**Date:** 17 September 2025  
**Report of:** Deputy Chief Executive – City and Citizens  
**Title of Report:** Re-procurement of Housing First support service

Summary and recommendations	
<b>Decision being taken:</b>	To approve the commencement of a re-procurement exercise for a support service to enable the Housing First service in Oxford to continue after 31st March 2026.
<b>Key decision:</b>	Yes. <a href="#">Issue details - Re-procurement of Housing First support service   Oxford City Council</a>
<b>Cabinet Member:</b>	Councillor Linda Smith, Cabinet Member for Housing and Communities
<b>Corporate Priority:</b>	Good affordable homes
<b>Policy Framework:</b>	Housing, Homelessness & Rough Sleeping Strategy 2023-28

Recommendation(s): That Cabinet resolves to:	
1.	<b>Approve</b> the commencement of a re-procurement exercise for a Housing First support service;
2.	<b>Delegate authority</b> to the Director of Housing, on completion of the procurement exercise and subject to funding, to award contracts in relation to Housing First support provision.

Appendix No.	Appendix Title	Exempt from Publication
Appendix 1	Risk Register	No
Appendix 2	Equality Impact Assessment	No

## **Introduction and background**

1. Housing First is an internationally evidenced housing intervention, which has proven successful in supporting people who were formerly homeless with multiple and complex needs to maintain housing. This client group can often be homeless for long periods of time and are unable to access other forms of permanent accommodation due to their support needs, Housing First directly addresses this and provides a home with support. The main premise is that an individual should not need to prove they are ready for housing and is instead given a permanent offer of their own home, along with an intensive long-term support package to enable them to maintain it.
2. Unlike traditional homelessness services, the only condition placed on the individual is a willingness to maintain a tenancy. Support is bespoke to the needs of the individual, and they are able to engage with this on their own terms. The support and accommodation are not linked and are generally not delivered by the same provider. This means support can flex according to the person's needs and aspirations over time.
3. Since the high-fidelity Housing First services started in Oxford in 2022, 50 individuals have been accommodated under our three Housing First support contracts held by St Mungo's, A2Dominion and Beam Up Ltd. At the time of writing 45 individuals are accommodated, with a further 13 individuals being supported at a pre-tenancy stage. To date, support services and partners have managed to avoid evicting anyone from their tenancy. However, 3 individuals relinquished their tenancy, and sadly two individuals have passed away.
4. The high tenancy sustainment rate for the Housing First programme in Oxford is a considerable success, with the average tenancy sustainment rate for Housing First nationally being 80% year-on-year. A crucial factor in the success of the programme in Oxford is the close working relationships developed between the commissioned services and the Council's Tenancy Management, Allocations, Rents and Antisocial Behaviour teams, as well as external partners in Adult Social Care, Adult Mental Health and Turning Point (provision of drug and alcohol misuse services).
5. Under the Housing First programme, the support providers have been able to assist some of the most vulnerable former rough sleepers into stable accommodation. In almost all circumstances the people being supported have experienced repeat homelessness over many years and continue to experience multiple disadvantages. Although many individuals have progressed away from life on the street, whilst developing new skills and interests, they are not yet ready to sustain and maintain their current accommodation without the support currently offered.

## **Funding of the Housing First programme**

6. The implementation of the Housing First programme in the City in 2021/22, followed successful bids from the government's Next Steps Accommodation Programme (NSAP) and the Rough Sleeping Accommodation Programme (RSAP). The original funding awards provided both capital and revenue funding.
7. The capital funding through NSAP and RSAP enabled the purchase of 15 self-contained units of accommodation through the Council's Housing Revenue Account, and revenue funding to support residents in these properties, as well as funding support for a further 25 properties. 20 of the 25 properties have been made

available from the Council's housing stock, and 5 properties by A2Dominion. In total therefore, 40 individuals can be accommodated and supported in the city's Housing First programme funded through NSAP and RSAP.

8. During summer/autumn 2021, the Council carried out a procurement exercise in respect of a Housing First support service, using the NSAP and RSAP funds. The procurement was divided into two different lots, where providers could bid for one or both lots. Following this exercise, the Council entered into two separate contracts with St Mungo's and A2Dominion to deliver this support. The contracts were awarded initially until 31<sup>st</sup> March 2024, with an option to extend each contract for up to two additional periods of 12 months.
9. The extension clauses incorporated into the contracts have now been exhausted and both contracts come to an end on 31<sup>st</sup> March 2026.
10. The Council has relied on funding from the Ministry for Housing, Communities and Local Government (MHCLG) – NSAP, RSAP, the Rough Sleeping Initiative (RSI) 2022-25, and Accommodation for Ex-Offenders funding (AfEO), to commission services and projects for several years. New government funding was announced in late December 2024 to replace these funding streams. In 2025/26, the Rough Sleeping Prevention and Recovery Grant (RSPRG) replaced the RSI and AfEO funding streams, and the NSAP/RSAP streams, that fund the St Mungo's and A2Dominion Housing First support service contracts, have been combined under RSAP. These awards saw no increase compared to awards for 2024/25
11. The full revenue cost of the two Housing First support services contracts have been met by funding through NSAP and RSAP this far, and there has been no additional cost to the Council for this service. From 1<sup>st</sup> April 2026 however, there is currently no guaranteed government funding for this service. Following the Government's Spending Review earlier in the year, the Council is expecting announcements on future funding for homelessness and rough sleeping services, including funding that could be used to extend our Housing First programme, but this cannot be guaranteed. Please see 'Financial Implications' section for detailed information.
12. The Council is fully committed to the Housing First programme, as it is a key element of both the Council's Housing, Homelessness and Rough Sleeping Strategy 2023-28, and Oxfordshire's Homelessness and Rough Sleeping Strategy 2021-26. The delivery of Housing First is integral to the success of both strategies, which seek to transform the approach to preventing and ending rough sleeping in the city.
13. Therefore, the Council is now looking to re-procure the Housing First support services delivered by St Mungo's and A2Dominion, as the contracts are due to end 31<sup>st</sup> March 2026, and there is no facility to extend the contracts further
14. Based on the annual value for 2025/26 of the two current contracts, it is likely that the total contract value including any proposed extension periods, if awarded as separate contracts following the procurement process, will exceed £750,000. As such, and in line with the Council's constitution, project approval is needed from Cabinet to start the re-procurement process for the Housing First Support service.
15. In addition to the two contracts in respect of Housing First support services held by St Mungo's and A2Dominion, the Council also has a third contract with Beam Up Ltd. This contract is in place until 31<sup>st</sup> March 2027, so is not impacted by this

procurement exercise, and is funded through the Single Homeless Accommodation Programme (SHAP).

### **Re-procurement implications**

16. Due to the estimated values of the Housing First support service contracts any re-procurement is likely to be regulated by the Procurement Act and as such waiting to the end of the year, when the Council expects further detail from MHCLG on future grant levels, is too late to run a proper re-procurement for the services. Consequently, officers intend to run a pre-emptive procurement for replacement contracts to those ending in March 2026, but will only progress to awarding any contracts once the funding for them is secured.
17. Any contract awarded following the re-procurement of the Housing First support service is therefore likely to:
18. be for an initial 12 month period, with an option for the Council to extend for up to a further four periods of 12 months;
19. specify that any award of contract/s and any subsequent extensions are reliant on sufficient funds being available to the Council.

### **Alternative Options Considered**

20. Officers are requesting the approval from Cabinet to commence a re-procurement exercise for the Housing First support service. Other options considered are as follows:
  - a. Extension of current contracts to enable continuation of the current service delivered by A2Dominion and St Mungo's. This is not an option as the current contracts do not allow for a further extension;
  - b. Wait until any funding award from MHCLG have been confirmed. This does not provide sufficient time for a procurement process to be carried out, that also allows adequate time to implement transitions from service providers, should there be a change of service provider.
  - c. Discontinue the Housing First service when the contracts with A2Dominion and St Mungo's end – this option is not advised for the following reasons:
    - i. Council is fully committed to the Housing First programme, as it is a key element of both the Council's Housing, Homelessness and Rough Sleeping Strategy 2023-28, and Oxfordshire's Homelessness and Rough Sleeping Strategy 2021-26.
    - ii. A total of 33 persons are currently accommodated in Council and A2Dominion properties under the support contracts held by St Mungo's and A2Dominion, and these individuals are in need of the Housing First support service in order to maintain their accommodation. There would be a high risk of homelessness and rough sleeping if this support was not in place. At present there is no alternative support service that could replace the Housing First support service. A further 7 individuals are currently being supported to obtain housing under these contracts.

### **Other implications**

21. The relevant implications, including those as a result of other options considered, the financial, legal and equalities, and environmental, as well as risk are all included in the sections below and in the appendices of the report.

### **Financial implications**

22. As described above in this report, the Housing First support service delivered under contract by St Mungo's and A2Dominion, is currently fully funded from MHCLG funding until 31st March 2026. However, from 1st April 2026 there is currently no guaranteed allocations of MHCLG funding through the current funding streams, or confirmation that these will be replaced. An announcement to confirm funding beyond 1st April 2026 is due late 2025.

23. The procurement documentation and any subsequent contracts/agreements will need to specify that they are subject to an annual review during the term of the contract to ensure the Council has sufficient funds to enter into/continue to fund these services.

24. There are three different scenarios in respect of the funding, and the implications of such are detailed below:

25. Funding settlement is increased – with an increase in funding, this should enable the full cost of Housing First support provision to be met.

26. Funding settlement is at the same level as in 2025/26 - due to the expectation that the new contracts will cost more than the current contracts (due to inflation and general increase in service costs), the Council will have to prioritise services to fund / procure. As Housing First is one of the key services that the Council commissions, it is likely that this service will continue to be funded, whilst any necessary reductions are made to other services.

27. Funding settlement is less than received in 2025/26. The same principles as above would apply, but with more negative impact on other services that the Council funds. If there are significant reductions to funding, a decision will have to be made whether the Housing First support service re-procurement is viable, and if not, the procurement process may need to be dis-continued. It is currently not anticipated that funding will be significantly reduced.

28. In the event that the Council does not receive any funding from MHCLG for/to replace RSPRG and RSAP - the Council will have to decide if some services should be decommissioned, if the Council will find alternative (own) financial resources to fund priority projects currently funded through these funding streams, and consider (as above) if the re-procurement process for a Housing First support service should be discontinued.

### **Legal issues**

29. Under Parts 4.5 (10) 4.5 (11) 18.12 and 19 (17) of the Constitution Cabinet is responsible for the decisions set out in the recommendation. Under section 9E (3) (c) of the Local Government Act 2000 Cabinet is empowered to delegate its functions to officers.

30. Due to the estimated value of spend including proposed extension periods re-procurement of the Housing First Service will need to be carried out in accordance with the Procurement Act 2023 and the Council's Constitution. It is possible to run an

anticipatory procurement exercise provided it is made clear in the invitation to tender that the Council may not award a contract in the event funding is not forthcoming. Further the contract itself can be drafted to offer annual extension options but the decision to exercise them will be at the Council's sole discretion. If there is no funding in future years the contracts will naturally expire.

31. Any decision, following the procurement process, to award a contract of £750,000 or greater will be a Key Decision and will need to comply with the procedure for taking Key Decisions set out in the Council's Constitution.

#### **Level of risk**

32. The Risk Register is attached as Appendix 1.

#### **Equalities impact**

33. As detailed in the Equality Impacts Assessment attached as Appendix 2, there are limited impacts overall in relation to the re-procurement exercise of the Housing First support service. In the event that funding is not made available to allow an award, or there is significant impact on the current service, a detailed Equality Impact Assessment will be carried out before any decision is made relating to this.

#### **Carbon and Environmental Considerations**

34. There are no environmental or carbon considerations arising directly from this report.

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