

Meeting: Cabinet
Date: 9th January 2025
Classification: Part 1
Key Decision: Yes
Title of Report: Extension of the Severe and Multiple Disadvantage Service (SMDS) and Intensive Housing Support (IHS) Service

Executive Director: Mark Harvey
Report Author: Sharna Allen – Lead Commissioner for Prevention
Executive Councillor: Cllr Maxine Sadza

1. Executive Summary

- 1.1. Southend-on-Sea City Council commissions the Severe & Multiple Disadvantage Service (SMDS) and the Intensive Housing Support Service (IHS) which form part of our response to supporting individuals with multiple and complex needs to improved outcomes for themselves and the wider housing, health and social care system. This paper asks approval to extend the contract until 30th September 2025.
- 1.2. The contract for the SMDS is due to expire on 31st March 2025. The SMDS service has the option to extend up until 31st March 2027 (or any part therein). The IHS service was commissioned as a variation to the SMDS and expires on 31st March 2025.
- 1.3. This extension will allow the Council time to conduct a thorough tender exercise for a new service for 1st October 2025.

2. Recommendations

It is recommended that Cabinet:

- 2.1. Approve an extension to contract for the provision of the SMDS and IHS service for a period of 6 months until 30th September 2025, to allow time for a procurement exercise to take place during that period.

3. Background

- 3.1. The terms 'Complex Needs' and 'Severe and Multiple Disadvantage (SMD)' are used interchangeably in this report and describe persistent and

interrelated health and/or social care needs which impact an individual's life and ability to function in society. These may include:

- Entrenched homelessness, repeat service use or being otherwise vulnerably housed
- Mental, psychological or emotional health needs
- Drug and/or alcohol dependency
- Contact with the criminal justice system
- Physical health needs
- Experience of domestic violence and abuse

Severe & Multiple Disadvantage Service (SMDS)

3.2. The SMDS service contract price is £281,620 per annum (Funded by ring-fenced Public Health Grant, committed Drug and Alcohol Spend). The current contract term ends on 31st March 2025, with an option to extend the contract for up to two years in annual increments until 31st March 2027.

3.3. The SMDS contract was awarded to Family Mosaic (now known as Peabody Trust) and the service provides outreach and accommodation support to individuals with multiple and complex needs. These individuals are supported too through a wide range of agencies including Probation, homelessness services, drug and alcohol treatment, mental health services, and community support teams. The services operates using wraparound and link worker provision on both a residential and outreach basis.

Intensive Housing Support Service (IHS)

3.4. The IHSS contract price is £218,000 per annum (Funded this year by £123,000 Next Steps Accommodation Programme (NSP) funding, £45,757 Public Health Grant, £25,000 Public Health Grant Reserve, £25,000 Adult Social Care)

3.5. The IHS service is currently delivered by Peabody Trust as part of the SMDS Contract, at a value of £218,000 per annum. The current variation is in place until 31st March 2025. The IHS service was commissioned to support up to 30 individuals with complex needs in NSAP funded properties and in other accommodation as required, the ethos of the service is based on Housing First Principles as set out in Appendix 1.

4. Reasons for Decisions

4.1. It appears that the services are performing well in preventing worse outcomes for individuals, the Council and the wider health and social care system.

4.2. Extending the contract for the services allows the Council time to conduct a robust procurement exercise and offers opportunity to revise and develop the current model to more effectively embed or join up this provision in the development of a new contract.

5. Other Options

5.1. **Continue delivering the SMDS as is and cease the IHS service** – this is not recommended. The IHS has a larger cohort of service users and feedback

from the service provider has indicated that the individuals on this caseload have a higher complexity of need. Loss of this support could have significant implications for the outcomes for individuals.

- 5.2. **Extend the SMDS for 6 months with the intention of going out to tender for this service only and cease the IHS service** - This option is not recommended. This holds less risk than decommissioning both services and provides scope for some mitigation of the loss of the IHS in the redesign of the SMDS contract, however there would still be a cohort of individuals with complex needs who would find it difficult to sustain tenancy and achieve positive outcomes without the intensive support service. Alternative mitigation through wider existing services would need to be explored, and capacity implications considered.
- 5.3. **Do Nothing/Decommission both services** – this option is not recommended. Decommissioning both services poses a great risk to service users, commissioned service and the wider system. Particular impact would be experienced by housing who are already facing significant housing challenges and loss of support and potential eviction would further compound these challenges. The mitigation for this option would likely hold significant long-term cost implications.

6. Financial Implications

- 6.1. Based on the current level of expenditure on these services, an extension to the SMDS for 6 months would cost £140,810, which is contained within the budget set out in 3.2 and 3.4 above.

7. Legal Implications

- 7.1. The original contract term for the SMDS ran from 1st December 2017 until 31st March 2024. Following the extension issued last year, which variation included the delivery of the IHS, the contract includes the option to extend for a further 2 years up until 31st March 2027 as per clauses 3.1-3.4 of the contract. Any new variation of the contract would need to be issued, specifying any revised Price for the provision of these services.
- 7.2. Any break in service provision would leave the most vulnerable people at risk. Therefore, the most expedient measure is to extend the existing contract in order to provide the time to deliver an appropriate tender exercise.
- 7.3. The terms and conditions of the contract will remain the same, except the Price paid for the services may be revised, as agreed between the Council and the service Provider. The contract provides for an annual Price Review if requested by either party with documentary evidence to support the request which should be on best value terms and in accordance with the general level of competitiveness of the market at the time of the request. No adjustment to the Price is to be higher the Consumer Price Index (or other agreed index).

8. Policy Context

- 8.1. Next Steps Accommodation Programme Guidance (2020) [Next Steps Accommodation Programme - GOV.UK](#)
- 8.2. Government Changing Futures Prospectus - [Changing Futures: changing systems to support adults experiencing multiple disadvantage - prospectus - GOV.UK \(www.gov.uk\)](#)
- 8.3. Making Every Adult Matter (MEAM) approach - [The MEAM Approach - MEAM](#)
- 8.4. Housing First - [Mobilising Housing First toolkit: from planning to early implementation - GOV.UK \(www.gov.uk\)](#)

9. Carbon Impact

- 9.1. There is no carbon impact associated with the extension.

10. Equalities

- 10.1. No equalities implications associated with the extension. A full Equality Impact Assessment will be completed in the design of any future specification.

11. Consultation

- 11.1. Consultation has been undertaken with stakeholders and residents of the current complex needs hostel which is supported by the SMDS in order to understand needs for future service design.

12. Appendices

Appendix 1: Housing First Principles



Appendix
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13. Report Authorisation

| This report has been approved for publication by: | | |
|---|----------------|------------|
| | Name: | Date: |
| Executive Director(s) | Mark Harvey | 22/11/2024 |
| S151 Officer | Joe Chesterton | 26/11/2024 |
| Monitoring Officer | Susan Zeiss | 26/11/2024 |
| Relevant Cabinet Member(s) | Cllr M Sadza | 08/11/2024 |