

North Yorkshire County Council

Health and Adult Services

Executive Members Meeting

13th September 2024

REPORT TO Corporate Director of Health and Adult Services (HAS) in consultation with the Executive Member for Health and Adult Services

Extension and Variation of Supported Housing Services for Offenders

1.0 Purpose Of Report

To seek approval for the extension and variation of Offenders Supported Housing Services (known as RACSS)

2.0 Executive Summary

Health and Adult Services in partnership with the National Probation Service (NPS) commissions supported housing services for High and Medium risk offenders where the risk of reoffending is related to the person's ability to maintain a tenancy. These services are known as RACSS (Resettlement and Community Safety Scheme).

This paper seeks approval to enter into the final extension year allowed by the contract, and to apply a negotiated uplift to the contract to reflect additional cost pressures beyond those initially anticipated in the tender.

3.0 Background

3.1 Service Background

RACSS is a countywide housing related support service for high and medium risk offenders. The purpose of the service is for those individuals supervised by the Probation Service-Yorkshire and Humber (PS-YatH) to maximise their potential for independence, sustain accommodation, access employment and significantly reduce the risk of re-offending.

The service provides supported accommodation under a property management arrangement for up to 2 years, plus short-term focussed support based on the individual's needs. This will include empowering individuals to develop self-advocacy skills to further independence including:

- support to develop housing related and financial skills
- signposting and support to engage in services and activities to improve physical and mental well being
- encouraging social and family relationships
- enable access to employment, education and training

NYC commissions Foundation UK to provide the service, and units (housing with support) are located across the county.

3.2 Contract

The contract was procured by NYC on behalf of the Council and NPS on a 3 year + 1 year term commencing 1st October 2021.

On commencement the contract comprised 3 service Lots:

Lot 1 - core funding of £243,478 per year from NYC to secure 60 units of supported accommodation,

Lot 2 - 1 year Lot based to secure 10 units of supported accommodation from non-recurrent funding of £39,390 from NPS as the ongoing status of this funding as not known at the time due to changes within the Probation service.

Lot 3 – A linked but separate service for substance use supported housing, fully funded by NYC. This Lot was added to the RACSS procurement due to the low value and small number of units.

Note - The extension for this Lot has been entered into and does not require a Key Decision.

At the end of the first year of the contract NPS confirmed that ongoing funding would be available for the service and as a result the £39,390 and 10 units allocated to Lot 2 was added to Lot 1 for the remainder of the contract via contract variation, Lot 2 ceased at the end of the first contract year.

3.3 Performance

For those individuals supported by the RACSS service during the contract year 23/24, 52.5% had a positive move on. Move on accommodation is difficult to source and this figure would be higher if suitable accommodation was available. Joint review meetings take place quarterly with PS- YatH to evidence the steps taken by Foundation to deliver successful outcomes for individuals in receipt of the service. Individuals accessing the service are living less chaotic lives - examples of success over the past quarter has resulted in one person being accepted to buy a shared ownership property; another has taken part in recruitment training and has sat on the Foundation interview panel to recruit new staff; and a person who accessed the service in February this year, has now engaged with the service and managed his tenancy to a very high standard, resulting in him being referred for general needs housing with gold band bidding starting this month.

Probation have expressed their satisfaction with the service particularly for Foundation UK's prompt response in dealing with imminent releases to ensure individuals are provided with housing and support at short notice, thus maintaining safety levels.

Probation view the RACSS service as a positive way of managing high risk individuals and have identified additional funding to maintain and increase activity levels for years 2 to 4 of the contract.

Prison leavers without stable accommodation are almost 50% more likely to reoffend again per Yorkshire and the Humber Reducing Reoffending Plan, 2022-25, [Reducing Reoffending Plan 2022-25 for Yorkshire and the Humber \(publishing.service.gov.uk\)](#)

4.0 Variation and Extension

On entering into discussions with foundation to extend the RACSS contract into a final year, the provider raised challenges relating to financial sustainability with commissioners. As such, the Council has entered into negotiations with Foundation to reach a mutually agreeable position which ensures that the service can continue with the current level of units and support.

The contracts were let with 0% annual uplift in 2021 following a period of extended low and predictable inflation. Since that time, inflation has risen, peaking at more than 11% before returning close to the baseline figure. This increase in costs has placed significant pressure on providers operating on tight margins. The Council has worked through a detailed process with the provider to understand the need for additional funding, including:

- Initial bids assumed 2% year on year inflation and as such this must be absorbed within the original bid cost.
- Staffing and pay levels within the provider have been reviewed and the provider have been challenged to review their staffing model and ensure the Council is receiving best value. As a result Foundation have moved away from the NJC pay spine as of this year to a wage structure based on performance and affordability.
- Robust contract management has ensured HAS are aware of gaps in staffing and other areas of underspend which need to, and have been, utilised prior to any additional uplift
- The contract has been thoroughly reviewed for opportunities for efficiencies by maximising the service model, these have been explored and implemented prior to this ask
- Very significant increases in utility costs and overheads need to be acknowledged

Following this process and a period of negotiation it is recommended that an uplift of £12,376 or 4.5% be applied to the final year of the contract to reflect increased costs.

4.2 Alternative Options Considered

The alternative to applying an uplift to these contracts would be to reduce the number of units available by 3-5 units. This would reduce the ability of the service to support individuals and promote good outcomes.

5.0 Financial Implications

The uplift will fall across financial years 2024/5 and 2025/6 – totalling £6,188 for each financial year.

6.0 Legal Implications

The above proposal has been approved by Procurement Assurance Board and as such legal and procurement risks have been considered and addressed.

7.0 Conclusion and reason for recommendation/s

RACSS Supported Housing continues to deliver a strong service which supports offenders to reintegrate into communities on release and reduces rates of reoffending. This variation and Extension will allow to service to continue at capacity whilst work is completed to reproduce the service from 2025 onwards.

8.0 Recommendation/s

That the Corporate Director in consultation with the Executive Member approve the variation and extension of the Offenders Supported Housing (RACSS) Service

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County Hall

13th September 2024