

Committee: Cabinet

Date: 25th March 2019

Wards: All Wards

Subject: Award of Contracts for the Provision of Housing Related Support (HRS) Services

Lead officer: Hannah Doody, Director of Community and Housing

Lead members: Tobin Byers, Cabinet Member for Adult Social Care and Health; Martin Whelton, Cabinet Member for Regeneration, Housing and Transport

Contact officer: Steve Langley, Head of Housing Needs

Recommendations:

1. That Cabinet approves the award of the contracts for Housing Related Support for Lots 1 to 5 in respect of the highest ranked and evaluated bids for each Lot as set out in Appendix Part B.
 2. That Cabinet note that the contracts which are due to commence by 1 July 2019 and will be granted for a period of 3 years with options to extend for up to 2 further periods of up to 12 months each. The maximum contract period will be no more than 5 years.
 3. Delegate to the Director of Community and Housing, in consultation with the Cabinet Member for Adult Social Care and Health and the Cabinet Member for Regeneration, Housing and Transport, the authority to extend the contract by the further increment of up to 2 years (as above).
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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The purpose of the report is to seek approval of the Cabinet for the award of the contracts for the Council's Housing Related Support (HRS) programme.

2 DETAILS

- 2.1. Housing Related Support is a non-statutory support service for vulnerable Adults and young people. HRS superseded the previous Supporting People funding regime, introduced in 2003 as the government's national programme for housing related support. The HRS service is provided in purpose-built schemes or by visiting and delivering the support in the community.
- 2.2. Housing Related Support can help clients with obtaining benefits, managing their money, supporting them to improve their safety, health and wellbeing. The range of services provided reflect the broad range of needs different people have in relation to support including:
- People with mental health needs
 - Single homeless

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- Young people at risk
 - Frail elderly and disabled people
 - Teenage parents
 - Women at risk of domestic violence
- 2.3. The social, policy and economic environments have changed since Supporting People was introduced in 2003. Service users face significant challenges, such as welfare reform and the introduction of Universal Credit. Lack of affordable supply in the social housing and private rented sectors, combined with rental increase trends in the private sector compound the challenges faced by those with housing and support needs. The review of the Council's funding of HRS and new procurement requirements need to take account of the Government's consultation on the future funding of supported housing.
- 2.4. The Homelessness Reduction Act 2017 placed new legal duties on local authorities, to provide advice and assistance to anyone eligible person who is homeless or at risk of homelessness, irrespective of their priority need status. Overall the new legislation imposed greater responsibilities on councils to prevent homelessness and provide advice and assistance through a tailored plan to assist an applicant to retain or secure accommodation. The Care Act 2014 set out the duty of a local authority to 'meet the needs' of a person who needs care and support. Where these needs are significant a duty to secure accommodation is likely to arise.
- 2.5. There are 16 HRS funded organisations schemes operating within Merton, providing over 30 services through a range of HRS contracts. These services are a range of accommodation based and floating support services. Accommodation based services provide support as an integral part of the service user's tenancy or licence arrangement. Floating support is usually time limited and provided to residents in their own tenancies to support them to deal with crises or prevent homelessness by supporting them to sustain their accommodation.
- 2.6. The 2018/19 HRS budget is £1.85m. The current HRS contracts have largely been inherited from the old Supporting People funding regime. Following expiry of the original contracts, the agreements have been extended by contract variations. The majority of the Council's HRS providers are housing associations.
- 2.7. Following the HRS Review Project implementation the HRS programme has been revised and the number of contract services that will be funded in 2019-20 has been reduced to 7. This has been achieved by combining some services within new contract packages, and through ending a number of contracts and putting in place alternative measures. Details are set out in Part B, including the target HRS savings that will contribute to the Council's 2019/20 Budget savings.
- 2.8. The contract for Women's Refuge was tendered under a separate process along with the Independent Domestic Violence Advocate (IDVA) contract as these contracts form the Council's domestic abuse and violence (DVA) service.

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- 2.9. The overall reduction in the number of HRS contracts tendered is an outcome from the HRS Review. Following consultation with providers the decision was made that current contracts for older people's services, which expire on 31st July 2019, will not be renewed. A new needs-based assessment and funding process will be available for Providers that wish to apply for supported housing HRS funding for older persons services from 1st August 2019. They will need to submit an application form under the new HRS framework for individual service users requiring older persons HRS funded support. The funding model will ensure that in cases where there is evidence of likely significant detriment to an individual, or a likely demand on statutory services if HRS was not provided, the Council would be able to fund targeted support.
- 2.10. Following CMT and Procurement Board approval to recommission the service under competitive open tender procedure, tender documents were prepared. It was agreed that bidders would have the option to tender for one or more of the Lots, to encourage small organisations as well as large ones to compete.
- 2.11. The key objectives of the new services are:
- Ensuring that the procurement of HRS services addresses the identified current and future anticipated customer need for supported housing services within Merton
 - Ensure that HRS services support Adult Social Care strategic objectives where possible
 - Align HRS funding with the local authority strategic priorities arising from statutory and regulatory changes such as the HRA 2017 and Care Act 2014
 - Greater transparency and consistency across the range of services delivered
 - A funding structure that is fairer to all providers delivering HRS services and based on demonstrable and measurable customer outcomes
 - Delivery of cost efficiencies and demonstrable value for money measures
 - Enablement of a more robust contract management framework aligned with the National Statement of Expectation standards
 - Enabling a streamlined contract management framework
 - Ensure the needs of service users are reflected across a more balanced service model reflecting the benefits of floating support services to achieve better outcomes for vulnerable adults
- 2.12. Description of the Tender process
- The tender process was undertaken by Commercial Services in accordance with EU Directive 2014/24/EU, The Public Contracts Regulations 2015 and the Council's Contract Standing Orders. The tender was managed via the Council's web based e-Tendering system ProContract, with advice from the Council's Legal services as needed.
- 2.13. The tender opportunity was advertised from 25th January through ProContract, the Official Journal of the European Union (OJEU) and

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Contracts Finder. The contracts will be for an initial 3-year period with options to extend for a maximum of 2 further periods of up to 12 months.

Contract	Service	Units	Value pa
Lot 1	Mental Health Accommodation Scheme	23	311,633
Lot 2	Floating Support	76	180,000
Lot 3	Homelessness Prevention - Young People	34	61,931
Lot 4	Homelessness Prevention - Adults	58	130,500
Lot 5	24-hr Direct Access Homelessness Hostel	14	192,325

2.14 The contracts published were as follows:

Contracts Published	Annual Contract Value £
Lot1 Mental Health Accommodation Scheme	311,633
Lot 2 Floating Support	180,000
Lot 3 Single Homelessness (Young People)	61,931
Lot 4 Single Homeless (Adults)	130,500
Lot 5 Homeless (Direct Access Hostel)	192,325

2.15 TUPE

Bidders were advised by the Council that the Transfer of Undertakings (Protection of Employment) Regulations 2006 (“TUPE”) and/or Property lease/rental agreement might apply to this contract. It was, however, made clear in the invitation to tender that it would be up to bidders to make their own judgement on the potential implications of TUPE and/or Property lease rental agreement and factor it into their bid accordingly.

2.16 Tender Evaluation

All bidders were advised in the tender documents provided that the award of any contract would be in accordance with the evaluation criteria specified in the tender documents based on 70% quality and 30% cost. A total of 5 bids were received for the Tender. These were evaluated and moderated in accordance with the tender documents and as shown in Part B.

2.17 Evaluation Panel

An Evaluation Panel was established consisting of:

- Head of Housing Needs (C&H)
- Senior Public Health Principal (C&H)
- HRS Project Manager (C&H)

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Moderator - Category Advisor (Commercial Services)

2.18 Quality Evaluation (Method Statements)

During the period 25th February to 28th February 2019 the Evaluation Panel assessed each tender against pre-set evaluation criteria set out in Appendix 1. Details of the Moderated scores are set out in Part B.

3 ALTERNATIVE OPTIONS

3.1. The following alternative options were considered:

Cease providing the services

This option would enable the Council to save the budgeted contract expenditure on the contracts. However ceasing the services is not recommended, as this would lead to a failure to meet the Council's Adult Social Care and Housing strategic objectives and failure to meet the requirements of the Care Act 2014 in respect of meeting needs and reducing demand on statutory services. Ending the service could result in additional homelessness and an increased demand for temporary accommodation.

Extend current contracts

Extending the contracts would avoid the need for work associated with mobilisation and implementing the new contract and performance management framework. However, this option is not recommended. The current contracts have been extended over years, and there is a need to ensure that services are aligned with corporate priorities, and regulatory and statutory changes. There is also the need to ensure that contracts deliver quality services, value for money and the best outcomes for service users, under the new performance management framework. Extending the current contracts would not meet these objectives.

4 CONSULTATION UNDERTAKEN OR PROPOSED

4.1. Providers have been consulted with throughout the review and via open consultation forums, individual meetings and written communications. Co-working with Providers has ensured that their views have shaped the drafting of contract Lot proposals and contract specifications. External consultation was undertaken with other local authorities.

4.2. The following stakeholders were consulted at various stages throughout the Review process and the tender and evaluation process.

Internal:

Adult Social Care Commissioning Team
Commercial Services Team

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South London Legal Partnership
Corporate Accountancy Team
Older Persons Commissioning Team
ASC Contracts & Procurement Team

External:

Current Providers
Other Local Authority

5 TIMETABLE

5.1 The timetable to re-tender the services is as follows;

Stage / Activity	Dates
Publication of ITT	Friday 25 th January 2019
Last date for ITT clarification questions	Monday 18 th February 2019
Closing date for receipt of ITT	Monday 25 th February
Evaluation of ITT	Tuesday 26 th February – Friday 1 st March 2019
LSG	Monday 11 th March 2019
Cabinet award decision	Monday 25 th March 2019
Notify bidders of Council's intention to award	Tuesday 2 nd April 2019
Standstill Period	Wednesday 3 rd April – Friday 12 th April 2019
Confirmation of award decision	Monday 14 th April 2019
Target Contract Commencement date	Thursday 1 st August 2019

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

6.1. Details of financial implications are set out in Part B.

7 LEGAL AND STATUTORY IMPLICATIONS

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- 7.1 This report describes a tender process that should proceed to award to the highest scoring tenders provided that the relevant procurement process as stated in the report has followed the requirements of the Public Contracts Regulations 2015, and has also been undertaken in a manner compliant with the published tender documentation and the treaty principles of Transparency, Equal treatment and non-discrimination, Proportionality and Mutual recognition.
- 7.2 On the face of the report it appears that a compliant process has been undertaken.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1 An Equalities Impact Assessment has been carried out as part of the pre-Tender process. Under the new contract management framework Providers' submission of equalities monitoring data will enable the Council to monitor and assess the impact of services, including access and barriers to services for different groups. There are no specific community cohesion implications arising from this report.

9 CRIME AND DISORDER IMPLICATIONS

- 9.1 There are no specific implications affecting this tender.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1 All organisations that are awarded contracts are required to have policies and procedures in place and ensure that these comply with the Council's Policies in relation to health and safety, risk management and safeguarding children and vulnerable adults. Providers are required to perform their contractual obligations in accordance with all applicable health and safety and safeguarding legislation.
- 10.2 The Council will ensure compliance to the contract specification and contract standards through the use of a robust monitoring procedure that will be developed for this service. This will use at least the following methods:
- The provider monitoring the contract through their own quality management and monitoring system (this will include: monitoring service delivery hours, service user outcomes achieved, monthly activities held and attended, analysis & investigation of complaints, monitoring of health and safety practices and at least annually a client satisfaction survey to identify any areas for improvement).
 - Submission of monthly and quarterly performance data, depending on the service type, will be submitted to the Council in respect of a range of data including: service hours delivered, complaints analysis, new referrals, referrals moved on, support plan progress and outcomes achieved. The performance data will enable the Council to ensure that that the providers

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are conforming to the contract specification and performance targets. Submission of quarterly performance reports to the Council.

- Review meetings between the Council and the Providers every 6 months.
- Annual inspections of the service providers by the contract manager and review of customer satisfaction.

11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

Part B - Tender Evaluation Process and Award Criteria

12 BACKGROUND PAPERS

The Council's Standing Orders

The Council's Procurement Strategy