

Committee: Chief Officer Decision

Date: 30th May 2019

Subject: Award of Contract for the Provision of Supported Homelessness Hostel Services

Lead officers: Hannah Doody, Director of Community and Housing

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

Contact officer: Shawn Scott, Interim HRS Project Manager

Recommendations:

1. Approval is granted for the direct award of the contract for the provision of the supported homelessness hostel services (high capacity hostel), to the provider as set out in Appendix B, subject to the publication of a Voluntary ex ante Transparency (VEAT) Notice.
 2. It is noted that the contract is due to commence by 1 July 2019 and will be granted for a period of 3 years with the option to extend for a further period of up to 12 months. The maximum contract period will be no more than 4 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 a further period of up to 12 months (as above).
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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The purpose of the report is to seek approval for the award of the contract for the provision of the supported homelessness hostel services (high capacity hostel).

2 DETAILS

- 2.1. The Hostel provides vital support to those experiencing or at risk of homelessness who may also experience a range of complex needs, and require support to enable them to sustain their accommodation. The hostel forms part of the Council's overall Housing Related Support (HRS) provision.

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- 2.2. Housing Related Support (HRS) is a non-statutory support service for vulnerable Adults and young people. HRS can help clients with sustaining their accommodation and maintaining independence by supporting them in obtaining benefits, managing their money, improving their safety, health and wellbeing.
- 2.3. The hostel is owned and operated by the YMCA. It is the only high capacity homelessness supported accommodation resource in the borough, with 111 units of accommodation. Sixty units are contracted to the Council under the HRS programme.
- 2.4. The YMCA provides 24-hour staffing at the hostel and the service and is an essential service that enables the Council to discharge its statutory responsibilities in relation to prevention of homelessness. The YMCA supports a range of needs amongst the service user group. They deliver integrated support – addressing housing needs issues and supporting residents with managing benefits and debt, developing daily living skills, accessing education, training, employment or volunteering. The service has established referral links with a range of agencies that provide mental health, drug and alcohol misuse services, as well as pathways to securing settled accommodation.
- 2.5. The hostel is a vital resource for the Council in meeting its statutory homeless duties, and in particular, the Homelessness Reduction Act (HRA) 2017, and duties under the Care Act 2014, in respect of reducing demand on statutory health and care services.
- 2.6. The YMCA makes an important contribution to the Council's delivery of its commitments to the Government's Rough Sleeping Strategy to halve rough sleeping during the current parliament and to end it by 2027. The YMCA is also instrumental in enabling the Council to deliver its wider homelessness prevention agenda activities. By ensuring the availability of supported accommodation and specialist recover focused services, the incidence of rough sleeping, demand for emergency temporary accommodation and demand on statutory services is reduced.
- 2.7. The YMCA is one the Council's multi-agency partners for the delivery of the Council's response to rough sleeping, including strategic partnership projects and initiatives for rough sleepers funded by the Ministry of Housing, Communities and Local Government (MHCLG). This partnership relationship would be negatively impacted if the current contractual relationship ended.
- 2.8. The contract with YMCA is due to expire and it is necessary to arrange to ensure the continued availability of high capacity hostel provision in the borough. The YMCA was thought to be the only large hostel provision in the borough. However, it was decided that a "soft market testing" exercise would be carried out to establish whether there were other organisations that fulfilled the necessary service delivery requirements and had the required facilities and premises. If that was the case, the intention was to invite bids for the contract.
- 2.9. The soft market-testing questionnaire was published on the London Tenders Portal on 10th January 2019. The questionnaire required organisations to

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address six key questions relating to the essential criteria that would be required by the Council for a high capacity hostel service.

- 2.10. Six organisations responded to the questionnaire. A summary of the key questions and responses appears at Appendix 2. Apart from the current incumbent, no respondents were able to meet the minimum of 60 accommodation units in the borough and deliver the essential support service requirements, within the timeframe required.
- 2.11. Consideration was then given as to how best to proceed with the procurement of the required services bearing in mind that the Council had reached the conclusion that there were no other service providers able to provide the services. The decision was therefore made to request authority and an instruction to publish a Voluntary ex ante Transparency (VEAT) Notice with the intention to make a direct award of the contract. This will be subject to any representations made following the publication of the Notice.

3 ALTERNATIVE OPTIONS

- 3.1 The following alternative options were considered:

Cease providing the service

- 3.2 This option would provide the Council with an annual saving of £340,078. However stopping the service is not recommended as there are a significant numbers of service users in Merton with support needs including mental health and substance misuse, in addition to their homelessness issues. If the current contract arrangements ended the potential loss of access to 60 units would mean that the Council's ability to meet acute housing need would be severely hampered. Were the contracted units to be made available to other organisations, the potential increase in numbers of residents from outside the borough with significant needs could have an impact on already stretched support services within Merton. Ending the service would impact on the Council's ability to meet its homelessness prevention and Care Act 2014 duties, and deliver on its rough sleeping and related strategic partnership commitments.

Extend the current contract

- 3.3 The current contract has been running since 2003 and has been extended over the years. There is a need to ensure that the service is aligned with corporate priorities, and regulatory and statutory changes. There is also the need to ensure that HRS 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

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- 4.1 Providers have been consulted with throughout the HRS procurement consultation. Co-working with Providers has ensured that their views have shaped the drafting of contract specifications. The YMCA has been consulted with in respect of proposals to procure HRS homelessness and high capacity hostel services.

5 TIMETABLE

- 5.1 The indicative timetable in respect of the direct award process is as follows;

Stage / Activity	Dates
Publication of Forward Plan	16 th May 2019
Decision to award contract	10 th June 2019
Call In period	13 th June 2019
Standstill Period	24 th June 2019
Implement decision	25 th June 2019
Contract Commencement date	1 st July 2019

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

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

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1 Regulation 32 of the Public Contracts Regulations 2015 permits the Council to contract without issuing a contract notice. The VEAT notice, if valid precludes the remedy of ineffectiveness if there is a challenge after a contract has been entered into by a contracting authority and an economic operator.

Regulation 32 permits the use of the negotiated procedure without the publication of a contract notice in (amongst other) the following situation:

32(2)(b) where the works can only be supplied by one particular economic operator for any of the following reasons:

- (ii) competition is absent for technical reasons

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1 An Equalities Impact Assessment was carried out as part of the HRS pre-Tender process. Under the new contract management framework Providers' submission of equalities, monitoring data will enable the Council to monitor

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and assess the impact of services, including access and barriers to services for different groups.

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. The Provider will be required to perform its contractual obligations in accordance with all applicable health and safety and safeguarding legislation.

10.2 The Council will ensure compliance with the contract specification and contract standards through the use of a robust monitoring procedure that will be developed for this service. This will include:

- Submission of monthly or quarterly performance data to enable the Council to ensure that the provider is conforming to the contract specification and performance targets.
- The provider monitoring the contract through their own quality management and monitoring system.
- Review meetings between the Council and the Providers every 6 months.
- Annual inspections of the service providers by the contract manager.

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

Part B - Direct Award of Contract for the provision of Hostel Accommodation and Support Services

12 BACKGROUND PAPERS

None