

## **CABINET**

**23 MAY 2013**

### **GATEWAY 1 PROCUREMENT COMMENCEMENT: HOUSING RELATED SUPPORT – HOUSING SERVICES**

Portfolio Holder: Councillor Howard Doe, Housing and Community Services

Report from: Robin Cooper, Director of Regeneration, Community and Culture

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#### **Summary**

This report seeks permission to commence the procurement of a range of services providing housing related support to vulnerable adults in Medway.

This Gateway 1 report has been approved for submission to Cabinet after review and discussion at Regeneration, Community and Culture Directorate Management Team meeting on 10 April 2013 and Procurement Board on 17 April 2013.

The Regeneration, Community and Culture Directorate Management Team and Procurement Board have recommended that this procurement project be approved as a Category B High Risk procurement project at Procurement Gateway 1 by Cabinet. This is because this procurement project is a Supplies Services Category B High Risk procurement with a total contract value above £250,000.00.

The implications and/or service sensitivities are that these services provide support to vulnerable households and individuals in Medway. Without these services, service users would be placed at increased risk of homelessness and would be more likely to enter crisis or emergency support.

## **1. Budget and Policy Framework**

### **1.1 Service Background Information**

The programme in Medway encompasses a range of services providing housing related support to vulnerable groups across Medway.

Housing related support is distinct from social care and housing or property management and is designed to ensure that a person is supported to maintain a tenancy and/or secures the housing tenancy of their choice. The services are termed preventative in that they are proven to reduce the risk of homelessness and thereby the risk of service users entering crisis or emergency support.

### **1.2 Council's Strategic Priorities And Core Values**

The procurement of this requirement directly links into the following Council Strategic Priorities and Core Values:

#### **Core Values**

- Putting our customers at the centre of everything we do.

This procurement requirement will deliver against the Core Value of 'Putting our customers at the centre of everything we do' through improving the quality of life of vulnerable socially excluded people living in the borough through the delivery of preventative housing support services and to make Medway a place where people are able to achieve their potential for independent living.

- Giving value for money

This procurement requirement will deliver against the Core Value of 'Giving value for money' through securing efficiencies in service delivery and contract management by the consolidation of contracts into broad service areas or themes of spend. In addition, within the re-commissioned contracts, an increased emphasis will be placed on moving people towards independence. This will also enable the service to support a wider need of young people using the same funding levels.

#### **Strategic Priorities**

- Children and young people having the best start in life in Medway.

This procurement requirement will deliver against the Strategic Priority of 'Children and young people having the best start in life in Medway' through the joint commissioning and funding of services to support looked after children and those who are experiencing domestic violence in their home environment.

- Adults maintaining their independence and live healthy lives.

This procurement requirement will deliver against the Strategic Priority of 'Adults maintaining their independence and live healthy lives' through the procurement of housing related support services for vulnerable adults across Medway to maximise their chances of maintaining independence and reducing the risk of them becoming homeless and presenting to emergency or crisis services.

### **1.3 Strategic Council Obligations**

The procurement of this requirement directly links into the following Strategic Council Obligations:

- Medway Council Plan

This procurement requirement links into the Medway Council Plan through these services contributing to the objective of encouraging and supporting the improvement of the quality of life for Medway Council residents.

- Other Strategic Council Obligations

This procurement requirement links in to Medway Council's Housing Strategy 2011-2014 contributing to each of the main themes and outcomes, set out below;

#### **Theme One – Bridging the Gap - Working to create a pathway into suitable housing and home ownership by increasing choice**

- Outcome One: Deliver a range of tenures, properties and locations to meet need
- Outcome Two: Make the best use of existing housing
- Outcome Three: Contribute to sustainable and cohesive communities

#### **Theme Two – Early Prevention - Providing suitable, appropriate and timely housing advice to help people make the right housing choice**

- Outcome Four: Provide advice across agencies to prevent crisis and increase choice and access
- Outcome Five: Improve housing offer to better meet a range of housing needs

#### **Theme Three - Health and Housing - Improving health through quality housing and places**

- Outcome Six: Ensure good quality homes, which are energy efficient

- Outcome Seven: Improve and maintain independence and inclusion by providing effective support

## **1.4 Departmental and Directorate Service Plans**

This procurement requirement links into the following Departmental Service Plans through the overall Council homelessness and Housing strategy.

## **2. Background**

### **2.1 Project Details**

2.1.1 This procurement is a Services procurement requirement

2.1.2 This report seeks permission to commence a new procurement project with proposed contract duration of 3 years with provisions to extend for contract duration of 2 years.

The contracts are proposed to commence on 1 October 2013 and conclude on 30 September 2018.

The total value of this new procurement contract is projected £7,352,099.50 for 5 years.

2.1.3 This procurement requirement is a standalone project with no linkage to any other procurement projects or procurement programmes.

2.1.4 A review of the current Housing Related Support (HRS) providers is currently being undertaken following on from a review that was undertaken last year in conjunction with Adult Social Care.

The review is assessing the effectiveness of the current providers as well as investigating areas where a more “joined-up” pathway approach may be more effective in delivering a service. A range of new service specifications are being developed in conjunction with current national best practice that will inform this procurement.

### **2.2 Business Case**

#### **2.2.1 Procurement Project Outputs / Outcomes**

As part of the successful delivery of this procurement requirement, the following procurement project outputs / outcomes within the table below have been identified as key and will be monitored as part of the procurement project delivery process.

Outputs / Outcomes	How will success be measured?	Who will measure success of outputs/ outcomes	When will success be measured?
1. Service users housing related needs are met and they are supported to set and achieve their goals.	An initial needs and risk assessment of all service users will be completed by the assessment service. Regular updates of needs and risks will be carried out by support worker and documented in the support plan.	Regular contract reviews and performance monitoring will be undertaken by the Strategic Housing Service.	At support plan reviews with the service user. Quarterly performance returns will detail the needs and risk assessments completed and any concerns.
2. Service users are protected from abuse	All support providers will be well trained in the correct procedure in regard to Safeguarding Vulnerable Individuals. Any concerns raised by either staff or service users will be monitored. All those providing support will be required to hold current enhanced CRB clearance to work with vulnerable people.	The procurement project will include these mandatory requirements within the service specification and contract terms. Regular checks will be carried out on staff premises by the Strategic Housing Service.	The compliance with these standards will be checked at tendering (PQQ) stage. In addition, quarterly reviews of performance will include checks on SVA concerns raised and the level of awareness and understanding of the correct procedures.
3. The different cultural, spiritual and physical access needs of individual service users are met.	Equalities and Diversity policies will be checked as part of the PQQ phase. Providers will be requested to outline how they will ensure that minority groups can access their services.	The system prescribed by the Strategic Housing Service will monitor all users of services and include data on gender, age, ethnicity, disability and regular reports will be produced to ensure that those accessing services	Management reports will be produced from the system and reviewed at performance monitoring visits carried out by the Strategic housing Service.

		come from diverse groups in Medway. Any incidents of discrimination will be dealt with in a robust manner	
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### 2.2.2 Procurement Project Management

This procurement project will be resourced through the following project resources and skills. The housing department will lead the development of this project.

Category Management will support the procurement for this project.

### 2.2.3 Post Procurement Contract Management

The contract management of this procurement project post award will be resourced through the following contract management strategy. Regular monitoring will be undertaken by officers to ensure quality support services are being delivered to meet the needs of service users. High level of performance monitoring on specified performance indicators will be part of the monitoring process.

### 2.2.4 Other Issues

The following issues have been identified that could potentially impact both the procurement process and overall strategic aims as identified within Section 1 Budgetary and Policy Framework. There is a requirement there will be a funding reduction across the services. This review of the services, will identify potential for savings to be achieved and bringing services together to improve the quality of services. In addition to which, additional savings will also be identified through the procurement which will contribute to the day to day management, monitoring and supervision of the contracts. It is anticipated that this will result in an additional £80,000 annual reduction.

The provision of Housing Related Support is made through two established routes;

- Floating Support – support that can be provided to an individual without the need for accommodation. The support is flexible and can move with the client E.g. private sector tenants, owner-occupiers.
- Accommodation Based Support – support that is provided to clients, where those clients also need to be provided with specialist accommodation that is not freely available for occupation and would have been delivered as part of a larger capital investment program. E.g. Hostel accommodation, Young Persons Foyer.

It is therefore essential, as part of the procurement process, to ensure that suitable, affordable and sustainable accommodation is available to meet the requirements of the service being procured.

## 2.2.5 TUPE Issues

Further to guidance from Legal Services, Human Resources and the Strategic Procurement Team, it has been identified that TUPE will apply to this procurement process.

The potential number of employees that could be affected by TUPE resultant in the event that the incumbent provider is not successful as part of the procurement tender, is being explored with individual providers.

## 3. Options

In arriving at the preferred option as identified within Section 4.1 'Preferred Option', the following options have been considered with their respective advantages and disadvantages.

### 3.1 Do nothing

The option of doing nothing is not a viable option because there are a number of vulnerable people in the community who currently access this service. If this re-provision was not taken forward they would be left at risk.

The contracts in this procurement project have already been subject to the exemption to contract rules procedure leading to a contract extension. There is a need to test the market to comply with Medway Council's Contract Rules and Best Value principles.

### 3.2 In-house service provision

The option of providing this requirement through in-house service provision has been considered but is not a viable option because insufficient expertise exists within the Council to provide the full range of services. In addition, the in-sourcing of these housing related support services would discourage competition within the market and destabilise the current and potential providers. Lastly, the direct provision of services is contrary to the Council's stated position of seeking to become a commissioner rather than a provider of services.

### 3.3 Using another local authority to deliver procurement requirements

The option of using another local authority to deliver procurement requirements has been considered and below is the advantages and disadvantages of this option:

#### Advantages

- Possible synergies with similar services e.g. domestic violence refuges
- Efficiency savings through larger cost and volume contracts and harmonisation of monitoring and reporting requirements

- Reduction of resource requirements to manage the procurement requirements

#### Disadvantages

- Reduction in direct management and control over procurement process
- Loss of Medway identity and ability to specify detailed requirements for Medway residents within a larger block contract

### **3.4 Procurement via an EU compliant framework**

The option of using an EU compliant framework to deliver procurement requirements has been considered and no EU compliant frameworks have been identified from which Medway Council's procurement requirements can be satisfactorily delivered.

### **3.5 Formal tender process in line with EU Procurement Regulations.**

The option of formally tendering this procurement requirement in line with EU Procurement Regulations has been considered because the value of this procurement requirement is above the EU Procurement Threshold for Services Supplies (Goods) of £173,934.00 and below are the advantages and disadvantages of this option:

#### Advantages

- This procurement project will ensure that the new contracts for housing related support services are able to respond to and meet the diverse needs of vulnerable people.
- The procurement project will provide competitive tenders to ensure that the Council secures Best Value.
- The Council will have greater cost certainty following the tender

#### Disadvantages

- Significant resource will be required to complete this work.

### **3.6 Internal Medway Council Collaboration between departments**

The option of procuring requirements through internal collaboration between Medway Council departments in order to exploit economies of scale and synergies has been considered but no such opportunities exist.

### **3.7 External public sector collaboration (e.g. other Councils, Fire Service, PCT, Police)**

The option of procuring requirements through external collaboration between Medway Council and other external public sector organisations in order to exploit economies of scale and synergies has been considered but no such opportunities exist.



### **3.8 Private sector collaboration e.g. Private Public Partnering/Private Finance Initiatives**

The option of procuring requirements through private sector collaboration between Medway Council and other external private sector organisations has been considered but no such opportunities exist.

### **3.9 Procurement via a below EU Threshold Select List**

No below EU Threshold compliant Select Lists have been identified from which Medway Council's procurement requirements can be satisfactorily delivered.

### **3.10 Other alternative options**

No alternative options have been identified.

## **4. Advice and analysis**

### **4.1 Preferred option**

Further to an extensive review of procurement options as highlighted within Section 3 'Options' above, the following preferred option of 3.5 is recommended to the Cabinet including justification for this recommendation.

- This procurement project will ensure that the new contracts for housing related support services are able to respond to and meet the diverse needs of vulnerable people.
- Assesses the needs of individuals and provide an agreed planned programme of support agreeing joint support planning with the service user and other agencies as applicable to enable holistic service delivery.
- The current contracts have not been subject to competition for a number of years and have instead been the subject of extensions covered by the exemption to contract rules procedure on a number of occasions.

### **4.2 Equality Act 2010**

The Council's General Conditions of Contract will be incorporated into the contract for this service which provide the required adherence to the provisions of the Equality Act 2010. Officers will ensure that the Council's equalities policy will be followed during the proposed procurement process, including relevant evaluations of provider's own policies and abilities to meet necessary requirements.

The proposed structure for the new contract will give greater flexibility to managing different types of need e.g. language; culture and religion; disability. In addition, the new contract terms will include the ability to personalise the services to allow users greater choice and flexibility about who delivers their service and how it is delivered.

### 4.3 Corporate Sustainability Plan

The procurement project will be delivered in line with the Corporate Sustainability Plan and will be in accordance with all relevant health and safety legislation. Tenderers will be requested to submit relevant Health and Safety Policies or demonstrate that they meet recognized standards of accreditation bodies.

## 5. Risk Management

### 5.1 Risk Categorisation

The following risk categories have been identified as having a linkage to this procurement project:

Procurement process	<input type="checkbox"/>	Equalities	<input type="checkbox"/>
Contractual delivery	<input type="checkbox"/>	Sustainability / Environmental	<input type="checkbox"/>
Service delivery	X	Legal	<input type="checkbox"/>
Reputation	X	Financial	<input type="checkbox"/>
Health & Safety	<input type="checkbox"/>	Other/ICT*	<input type="checkbox"/>

For each of the risks identified further information has been provided below

Risk Categories	Outline Description	Risk Likelihood A=Very High B=High C=Significant D=Low E=Very Low F=Almost Impossible	Risk Impact I=Catastrophic II=Critical III=Marginal IV=negligible Impact	Plans To Mitigate Risk
a) Service delivery	Insufficient supply of suitable support to meet the identified needs of clients	D	II	Continuity of supply to be considered as part of procurement process.
	Insufficient supply of suitable accommodation for accommodation based support/ Refusal for property landlords to all alternative	C	II	Consultation to take place with current providers to agree suitable handover where appropriate.

	support provider			
b) Reputation	Disruption caused to service users, should the need to transfer service provider arise	C	III	Consultation with service users to develop suitable services and raise awareness of potential changes.
	Dissatisfaction by current service providers on the commissioning of future delivery.	B	III	Engaging with stakeholders to highlight the proposed developments in service delivery.

## 6. Consultation

### 6.1 Internal (Medway) Stakeholder Consultation

#### 6.1.1 Before commencement of the procurement process in order to direct the specification

As part of this procurement project, the following internal stakeholder consultation is required before commencement of the project in order to direct the specification. There has been ongoing and widespread consultation that has contributed to the development of the approach as outlined. The Supporting People Team in preparation for previous budget rounds undertook initial work. There has also been overall consultation with stakeholders as part of the Council's Housing Strategy, which identified the need to review and improve the provision of specific services.

The provision of supported accommodation was also considered as part of an Overview and Scrutiny Members Task Group, this included consultation with both internal stakeholders and specialist external advisors. The findings of this work have contributed directly to the development of the approach set out in this paper.

#### 6.1.2 During the procurement process in order to aid the evaluation process

As part of this procurement project, the following internal stakeholder consultation is required during the procurement process in order to aid

the evaluation process. With the children and adults directorate to look for streamlining the processes and opportunities to work together.

Post procurement/tender award in order to aid the contract management process.

As part of this procurement project, the following internal stakeholder consultation is required post procurement/tender award in order to aid the contract management process. Placements within the contracts can be opened to the children and adults directorate.

## **6.2 External Stakeholder Consultation**

### **6.2.1 Before commencement of the procurement process in order to direct the specification**

As part of this procurement project, the following internal stakeholder consultation is required before commencement of the project in order to direct the specification. There has been ongoing and widespread consultation that has contributed to the development of the approach as outlined. The Supporting People Team in preparation for previous budget rounds undertook initial work. There has also been overall consultation with stakeholders as part of the Council's Housing Strategy, which identified the need to review and improve the provision of specific services.

The provision of supported accommodation was also considered as part of an Overview and Scrutiny members task group, this included consultation with both internal stakeholders and specialist external advisors. The findings of this work have contributed directly to the development of the approach set out in this paper.

Specific consultation has included;

- Services involved in providing Domestic Abuse Services as well as The Domestic Abuse Forum and views are being formulated in to a specification exclusively tackling Domestic Abuse.

Consultation undertaken through 2012 with all HRS providers (Excluding Domestic Abuse) and stakeholders achieved the following;

- Using a basket of hours rather than allocating the same number of hours to each service user/intervention.
- Using volunteers for low risk activities. This is being used mostly in the homeless people's and young people's services.
- Facilitating provider organisations to assist a larger number of people by increasing throughput.
- Increased numbers of community access points for floating support/drop in sessions.
- Commissioning a specific crisis intervention service.
- Re-specification of the generic floating support service.

Specifications are currently being developed to encompass this consultation.

Regular communication has been provided to the current provider forums.

As part of this procurement project, the following external stakeholder consultation is required before the commencement of the procurement project in order to direct the specification and ensure providers are aware of the Council's intentions. This will allow providers to develop their services to be ready for some of the proposed changes for the services contracted.

Consultation with providers on the potential change to their contracts should these be successful in the tender.

6.2.2 During the procurement process in order to aid the evaluation process

6.2.3 As part of this procurement project no external stakeholder consultation is required during the procurement process in order to aid the evaluation process.

6.2.4 Post procurement/tender award in order to aid the contract management process

As part of this procurement project no external stakeholder consultation is required post procurement/tender award in order to aid the contract management process

## **7. Procurement Board – 17 April 2013**

7.1 The Procurement Board considered this report on 17 April 2013 and supported the recommendations set out in section 9 of this report.

## **8. Financial and legal implications**

### **8.1 Financial Implications**

8.1.1 The Procurement Board must consider the financial implications of this procurement requirement and its associated delivery as per the preferred option highlighted at Section 4.1 'Preferred Option' and the recommendations at Section 9.

8.1.2 Detailed finance and whole-life costing information is contained within Section 2.1 Finance and Whole-Life Costing of the Exempt Appendix.

### **8.2 Legal Implications**

8.2.1 This procurement requirement and its associated delivery as per the preferred option highlighted at Section 4.1 'Preferred Option' and the recommendations at Section 9, has the following legal implications which the Strategic Procurement Team / Procurement Board / Cabinet must consider.

8.2.2 When considering making changes to service provision, the decision maker needs to comply with its obligations as to equalities under the Equality Act 2010. In essence this requires decision makers to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

8.2.3 Protected characteristics, as defined in the 2010 Act, are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Having due regard to the above needs involves:

- removing or minimising disadvantages suffered by people due to their protected characteristics.
- taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
- encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

8.2.4 In order to comply with its equality duties, the Council is required to engage with service users etc and to use the information and views gathered as a result of such engagement (together with other equality information the local authority has) in assessing the equality impact of the proposals.

8.2.5 Where any consultation is undertaken it must be undertaken at a time when proposals are still at a formative stage; it must include sufficient reasons for particular proposals to allow those consulted to give intelligent consideration and an intelligent response; adequate time must be given for this purpose; and the product of consultation must be taken into account when the ultimate decision is taken.

### **8.3 Procurement Implications**

8.3.1 This procurement requirement and its associated delivery as per the preferred option highlighted at Section 4.1 'Preferred Option' and the recommendations at Section 9, has the following procurement implications which the Cabinet must consider.

8.3.2 The value of this procurement requirement is above the EU Procurement Threshold for Services of £173,934.00 and therefore must be undertaken in compliance with EU procurement regulations.

8.3.3 To ensure that the process is successful a robust specification and evaluation process that is informed by key stakeholders must be developed.

## 8.4 ICT Implications

8.4.1 This procurement requirement does not have any ICT implications.

## 9. Recommendations

9.1 Cabinet is requested to approve the commencement of this procurement for a service provider(s) for the provision of housing related support services, on the basis set out in paragraph 3.5 of the report. The services will be tendered in lots, subject to approval, with the opportunity to bring together similar service support areas.

## 10. Suggested reasons for decision(s)

10.1 The recommendations contained within Section 9 'Recommendations' above are provided on the basis that this method of procurement will provide the opportunity to deliver much improved services. These services will be supported by a robust objective to improve service quality and maximise independence for service users ensuring that more vulnerable people can have access to services that meet their needs and aspirations.

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### Background papers

Medway council Housing Strategy 2011-2014

[http://www.medway.gov.uk/pdf/Final%20Housing%20Strategy%202011-14%20\\_2\\_.pdf](http://www.medway.gov.uk/pdf/Final%20Housing%20Strategy%202011-14%20_2_.pdf)

Supported Accommodation Task Group Report

<http://democracy.medway.gov.uk/mgconvert2pdf.aspx?id=18603>