

Cabinet

22 September 2026

Gateway 1: Procurement of Housing Related Support Services

Portfolio Holder: Councillor Louwella Prenter, Portfolio Holder for Housing and Homelessness

Report from: Adam Bryan, Director of Place

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Procurement Overview

Total Contract Value (estimated): £860,000 Per annum /£4,300,000 full contract based on current budget. £1,505,000 Per annum /£7,525,000 full contract if uplift agreed.

Regulated Procurement: Yes

Proposed Contract Term: 36 months + 12 months + 12 months

Summary

This report seeks permission to commence the re-procurement of the Housing Related Support Services contract.

1. Recommendation

- 1.1. The Cabinet is asked to agree to pursue the procurement of Housing Related Support Services (Supported Housing, typically for vulnerable cohorts within Medway's population who may not be deemed in priority housing need), as per the preferred option 4 identified in paragraph 7.2.5 of the report.

2. Suggested reasons for decision

- 2.1. The recommendation is made on the basis that the previous Housing Related Support Services were commissioned in 2021 and ran from April 2022. The contract extension comes to conclusion on 31 March 2027, and to ensure that Medway is able to provide commissioned supported housing for vulnerable residents, a procurement exercise is required to commence in autumn 2026.
- 2.2. Medway has a range of supported housing which ranges from services which provide a statutory duty (housing related support for people fleeing domestic abuse, as per the Domestic Abuse Act 2021, to those who may not meet

thresholds for homelessness or adult social care provision at point of entry into services but are deemed to be vulnerable and at risk of meeting thresholds if action is not taken to prevent escalation of need.

- 2.3. There are currently 181 people being housed and supported through these schemes which are in most cases more cost effective than would be the case if they were housed through statutory channels such as temporary accommodation. If all current residents of supported accommodation required temporary accommodation this could result in an additional cost of approx. £5.53mil (over the life contract) to temporary accommodation.
- 2.4. Should the contract end without further procurement activity, this would cause significant burden on Housing Services to provide alternative accommodation for those currently residing in supported accommodation. Loss of this service creates an ongoing additional barrier for single people moving out of temporary accommodation.

3. Budget & Policy Framework

- 3.1. The procurement aligns with Medway's Homelessness Prevention and Rough Sleeping Strategy to 2030 with regards to addressing homelessness and rough sleeping, the One Medway Council Plan with regards to suitable accommodation to meet resident needs and the People Strategy with regards to high quality of support for people who need it, and the Kent and Medway Domestic Abuse Strategy. With regards to wider determinants of health, these services are significant contributors to Medway's Marmot Place objectives, with support plans including goals around developing better outcomes in health, education, employment and a variety of independent living skills. In terms of the national picture, the National Plan to End Homelessness (Dec 2025) is clear on the necessity to provide high quality supported housing to prevent people sleeping rough and to accommodate those with a level of immediate need which cannot be effectively supported in independent living.

4. Background Information and Procurement Deliverables

4.1. Background Information

- 4.1.1. A needs assessment was carried out in May 2026, the findings identified that the plateaued funding has caused issues for providers being unable to expand staffing capacity, invest in enhanced support models, deliver specialist training, and respond flexibly to increasingly high-risk presentations. Concerns were also raised regarding the long-term sustainability of some services where funding arrangements were not considered reflective of current levels of demand or support intensity required within accommodation settings.
- 4.1.2. The needs assessment confirms that supported housing is a core component of the wider housing system in Medway, particularly for individuals unable to live independently without support, and that individuals accessing supported housing in Medway commonly

experience significant housing instability, hidden homelessness, and repeated movement between insecure accommodation types before entering formal support pathways.

4.1.3. The current commissioned services comprise of 181 units of supported housing: a 27-bed foyer for vulnerable young people who have typically been asked to leave by friends and family and do not have the ability to live independently, a dispersed scheme of supported houses for 25 vulnerable young people, two schemes totalling 33 rooms for people with a criminal justice history who require support to be rehabilitated into independent living in a structured way providing a route out of potential future criminality , two schemes totalling 82 units for homeless vulnerable people who have support needs which cannot be sustained without significant input around living skills development, budgeting, mental health issues, substance use and physical health, two refuges for women and children within their household who are victims of domestic abuse, totalling 14 rooms.

4.1.4. The contract for all services ends on 31 March 2027 and is in its final extension year.

4.2. Local Government Reorganisation (LGR)

4.2.1. Following the announcement of the pause on the 7 September 2026 officers will monitor the on-going situation and will consider any relevant impacts as they arise.

4.3. Procurement Deliverables

4.3.1. 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?
Provision of accommodation for those who require additional support to maintain tenancies.	Void rates monitored through quarterly workbooks and performance monitoring visits.	The Housing Strategy and Partnerships Team, Primarily the Housing Strategy and Partnerships Senior Officer	Quarterly

Outputs / Outcomes	How will success be measured?	Who will measure success of outputs/ outcomes	When will success be measured?
Minimum standard met for quality of both support and accommodation provided.	During an annual audit against the MQAF (Medway Quality Assurance Framework)	The Housing Strategy and Partnerships Team, Primarily the Housing Strategy and Partnerships Senior Officer	Annually
Residents successfully moving into long term, self-sustained accommodation.	Quarterly workbooks and performance monitoring visits.	The Housing Strategy and Partnerships Team, primarily the Housing Strategy and Partnerships Senior Officer	Quarterly
Residents are successfully supported to gain independent living skills.	Quarterly workbooks and performance monitoring visits.	The Housing Strategy and Partnerships Team, primarily the Housing Strategy and Partnerships Senior Officer	Quarterly
Provision of refuge bed spaces for those who are fleeing domestic abuse.	Quarterly workbooks and performance monitoring visits.	The Housing Strategy and Partnerships Team, primarily the Domestic Abuse Senior Project Officer	Quarterly
Opportunities for young people to access work and training.	Quarterly workbooks and performance monitoring visits.	The Housing Strategy and Partnerships Team, primarily the Housing Strategy and Partnerships Senior Officer	Quarterly

Outputs / Outcomes	How will success be measured?	Who will measure success of outputs/ outcomes	When will success be measured?
Prevention of re-offending for those released from prison.	Rate of re-call and rehabilitation activities carried out - Quarterly workbooks and performance monitoring visits.	The Housing Strategy and Partnerships Team, primarily the Housing Strategy and Partnerships Senior Officer	Quarterly

5. Parent Company Guarantee/Performance Bond Required

- 5.1. It is not necessary to seek a PCG/Bond. Lead Officer requests that the Parent Company Bond be waived, PCG Bonds would potentially prohibit small to medium providers to bid for the contract (pool of potential providers already expected to be limited)

6. Procurement Dependencies and Obligations

6.1. Project Dependency

- 6.1.1. The project is broadly standalone, as provision for people who are not currently meeting statutory thresholds. There is a limited crossover with services funded through government grant for rough sleeping, but these are limited to 11 of the 181 rooms provided.
- 6.1.2. There is scope to explore the potential to develop a framework which will encompass supported housing funded via the general fund of the new North Kent authority and that which is commissioned with funding from central government. The challenge will be in aligning the requirements of the preventative function that the local authority wishes to have in place with the cyclical funding provide by government, which creates uncertainty in longer term commissioning.

6.2. Statutory/Legal Obligations

- 6.2.1. Under the Domestic Abuse Act 2021, all local authorities have a requirement to assess the levels of need for services for victims of domestic abuse, and to ensure that suitable commissioning is carried out in line with recommendations of the needs assessment, in conjunction with the multi-agency Local Partnership Board.
- 6.2.2. Medway Council are already compliant with statutory obligations under the Homelessness Reduction Act 2017 and the Housing Act 1996

Whilst there is no legal requirement to procure wider housing related support services, these services carry out a preventative function which aligns with the Medway Homelessness Prevention and Rough Sleeping Strategy to 2030 (an up-to-date strategy is a statutory requirement), and the National Plan to End Homelessness.

6.3. Procurement Project Management

6.3.1. The management of this procurement process will be the responsibility of the Category Management team.

6.4. Post Procurement Contract Management

6.4.1. The management of any subsequent contract will be the responsibility of the Housing Strategy and Partnerships Manager.

6.4.2. To ensure the needs of the requirement are met and continuously fulfilled post award, the following KPIs that support the delivery of the project outcomes as outlined in 4.3.1 will be included in the tender and will form part of any subsequent contract. These KPIs may change ahead of procurement activity.

Title	Short Description	% measurement criteria
Void management	The length of time taken to re-let a void. A void should be available within 4 working days unless there are significant maintenance issues to resolve.	TBC (depending on number of bed spaces)
Accessing external services	% of tenants linked to external services (e.g. GP, mental health services, DWP)	TBC (depending on number of bed spaces)
Strength based approaches	% of tenants accessing training, education and employment opportunities.	TBC (depending on number of bed spaces)
Support provision	% of tenants with a person-centred plan of support that includes SMART targets and dynamic risk assessments.	TBC (depending on number of bed spaces)
Customer satisfaction	% of tenants reporting positive experience with the service.	TBC (depending on number of bed spaces)
Move on rates	The % of tenants who have moved successfully into long term accommodation.	TBC (depending on number of bed spaces)

- 6.4.3. The KPIs as denoted within paragraph 6.4.2 will be monitored on a quarterly basis. Those not performing will be reported to the next available RCE DMT meeting for discussion and agreed remedial action.

7. Market Conditions and Procurement Approach

7.1. Market Conditions

- 7.1.1. There is little competitive market at the price point the service is currently commissioned at. It is unclear if sufficient bids will be received from current providers to meet current capacity requirements.

7.2. Procurement Options

- 7.2.1. The following is a detailed list of options considered and analysed for this report:
- 7.2.2. **Option 1 – Do nothing:** This would have the expected result of providers evicting people from accommodation and potential reusing the accommodation for other purposes. This would be an undesired outcome for Medway/North Kent as there would be an immediate increase in people presenting as homeless and increasing demand on temporary accommodation or adult social care placements. There would also be a risk that providers would offer the existing accommodation to other authorities. As we have seen from previous experience from other Kent/London authorities, this would also have a longer-term impact on Medway's resources through people becoming eligible for Medway services.
- 7.2.3. **Option 2 – Extend the current contract:** Contract extensions end on 31 March 2027 with no further available extensions. -
- 7.2.4. **Option 3 – Utilise a framework or existing contract to meet this need:** No current framework exists.
- 7.2.5. **Option 4 – Competitive procurement:** This would be the preferred route however the concerns about the market have been stated in 7.1.1.
- Competitive Flexible (multi-stage) Procedure:** Single stage tender with multiple lots for each of the services within the current envelope. This would allow bids to meet the individual lot requirements if there weren't sufficient qualifying tenders received for all the lots.

Subject to approval, it is proposed the Open Competitive procedure is designed as follows:

Procurement stage	Purpose/detail	Deadline
Tender publication	Advertise the opportunity to the market	TBC
Tender Close		TBC
Evaluation Governance	Evaluation period	
	Gateway 3 Report Governance (CADMT, Procurement Board)	TBC
	Gateway 3 Report – Cabinet Approval	TBC
	Standstill period	TBC
	Contract Award Notice	TBC
Mobilisation	Mobilisation	Jan-Mar 2027
Contract Start Date	Contract Start Date	01 April 2027

7.3. Contractual synergies

7.3.1. None identified as viable with this contract.

7.4. Advice and analysis

7.4.1. The report's advice is that procurement of the Housing Related Support Service represents a significant benefit to Medway residents:

7.4.2. The Housing Related Support provision is a key part of Medway's offer in terms of homelessness prevention. To access the service, people have an assessment and are deemed to be at risk of homelessness and likely to be unable to manage in a fully independent living setting but would be able to develop those independent living skills through person-centred support planning.

7.4.3. In addition to providing much needed supported housing for 181 vulnerable people, the Young Person's services additionally contribute to addressing the level of NEET young people in Medway through

structured support for young people to access education, training, volunteering and employment.

7.4.4. If the contract is not filled or procurement does not move forward, this could potentially result in an additional 181 homeless applications. If all current residents of supported accommodation this could result in an additional cost of £5.53mil (over the life contract) to temporary accommodation.

7.4.5. The service requests that option 4 is agreed. If so, the contract length should be a 36-month term with the option to extend for 12 + 12 months by mutual agreement.

7.5. Evaluation Criteria

7.5.1. Given the market conditions established through previous procurement rounds, it is recommended that the price quality split is 80% quality, 15% price and 5% social value. The justification is that lots within the contract are below market value and that the preventative function across these contracts is highly predicated on providers being able to deliver the highest quality service using staff paid at suitable wage points.

7.5.2. **(Whilst not finalised at this stage)** Officers propose to evaluate bidders against the following quality criteria within the tender.

#	Question	Weighting (%)	Purpose
1	Relevant experience	30%	Confirmation of ability to work with relevant client groups within the lots applied for
2	Mobilisation	25%	Detailed plan of the service structure, staffing and operating model to have the service operational by planned start date
3	Collaboration	25%	Demonstration of developed partnership working and understanding of how synergies through a collaborative approach can drive significantly higher outcomes than single service action.

8. Risk Management

8.1. Risk management is an integral part of good governance. The Council has a responsibility to identify and manage threats and risks to achieve its strategic objectives and enhance the value of services it provides to the community.

Using the following table this section should therefore consider any significant risks arising from your report.

Risk	Description	Action to avoid or mitigate risk	Risk rating
Suitably qualified supported housing providers not bidding for lots within this contract	Contract values not attractive to current or alternative bidders	There is little that can be done with current contract values	A 1 if uplift agreed this could be mitigated to C2
Insufficient service capacity	Demand for services far exceeds the volume commissioned and the presenting needs are too high for service capacity	Request for uplift has been made for inclusion in the medium-term financial plan. There is recently a supported housing needs assessment completed which has indicated that the right mix of housing Related Support provision is within the planned procurement activity.	B 3 or if uplift agreed this could be mitigated to C2
Mismatch with wider North Kent provision	There may be a disproportionate amount of supported housing in Medway as a proportion of the new North Kent Authority.	Requests for meetings have been made to current Dartford and Gravesham management teams in order to establish the levels of any commissioned services. Kent County Council previously commissioned countywide provision for homelessness services, ex offenders and vulnerable young	B 3 which may be mitigated down once details have been established.

Risk	Description	Action to avoid or mitigate risk	Risk rating
		people. These were phased out over the period 2017-2022 and responsibility picked up by districts and boroughs. KCC do currently commission domestic abuse services and the amount of provision in the new authority area will be established.	
Service not commissioned and current providers not able to continue without funding.	181 bedspaces for vulnerable people including care leavers and victims of domestic abuse would end, resulting in an increase in homeless applications and damage to the council's reputation	Procurement activity is agreed	C2

For risk rating, please refer to the following table:

Likelihood	Impact:
A Very likely B Likely C Unlikely D Rare	1 Critical 2 Major 3 Moderate 4 Minor

8. Consultation

- 8.1. Providers of current services have been consulted; across the board they have stated that Medway contract values are below that which other authorities fund for similar services they provide. They have not given a commitment to bid for the services at current contract values. It should be noted that when these services were tendered in 2021 there was no interest

from the wider market i.e. no competitive bids were received from other providers with the only bids submitted from providers of existing services. Other providers, notably Porchlight and North Kent Mind, have bid for other related services in Medway with a higher contract value (e.g. rough sleeping contracts).

- 8.2. A wider consultation event was carried out in March 2026 with statutory and voluntary colleagues, housing providers and elected members with regards to the amount and types of supported housing services in Medway. It was universally confirmed that the current volume and type of supported housing is necessary as a preventative function to offset the personal and financial impacts of people who would be not have their needs met in the community and therefore would be likely to escalate to statutory services.

9. Service Implications

9.1. Financial Implications

- 9.1.1. Existing budget provision has been allocated for the delivery of the service. In recognition of forecast increases in contract costs, an additional budget provision has been incorporated into the Medium Term Financial Outlook. Approval of this additional funding is dependent upon Full Council's approval of the 2027/28 budget in February 2027. If the proposed funding is not approved, the Council will face a budget shortfall that will require mitigation through alternative funding sources or service savings.

9.2. Legal Implications

- 9.2.1. Housing Related Support Services contribute to Medway Council's legal duty to prevent homelessness.
- 9.2.2. Medway Council has the power under the Local Government (Contracts) Act 1997 and the Localism Act 2011 to enter into contracts in connection with the performance of its functions. The process described in this report complies with the Procurement Act 2023 and Medway Council's Contract Procedure Rules. This report identifies that this is a key decision and therefore must be presented to Cabinet.

9.3. TUPE Implications

- 9.3.1. It is anticipated that all of the lots within the Housing Related Support contract will have staff who will be eligible for TUPE. Where this has previously happened (e.g. rough sleeping service contracts) this has been dealt with by the respective legal services of the incoming and outgoing providers.

9.4. Procurement Implications

9.5. This contract will be procured in accordance with the Procurement Act 2023 and associated regulations, open competitive process. Contract is a key decision and will require Cabinet approval.

9.6. ICT Implications

9.6.1. No ICT Implications

10. Social, Economic & Environmental Considerations

10.1. In line with Medway Council's Social Value Policy, officers will include the following standard outcomes and measures (the units have also been included for illustrative purposes) within the tender. Whilst there will be no commitment for bidders to deliver against every line, the accumulative value provided by each bidder will be scored and form part of the price evaluation score.

10.2. The Social Value commitment from the winning bidder will be transposed into contractual KPIs.

Outcomes	Measures	Standard Units
More local people in employment	No. of local direct employees (FTE) hired or retained (for re-tendered contracts) on contract for one year or the whole duration of the contract, whichever is shorter	No. people FTE
More local people in employment	Percentage of local employees (FTE) on contract	%
Improved skills	No. of staff hours spent on local school and college visits e.g. delivering careers talks, curriculum support, literacy support, safety talks (including preparation time)	No. staff hours
Improved skills	No. of weeks of apprenticeships on the contract that have either been completed during the year, or that will be supported by the organisation until completion in the following years - Level 2,3, or 4+	No. weeks
More opportunities for local MSMEs and VCSEs	Total amount (£) spent in LOCAL supply chain through the contract	£

Outcomes	Measures	Standard Units
More opportunities for local MSMEs and VCSEs	Meet the buyer' events held to highlight local supply chain opportunities	£ invested including staff time
Social Value embedded in the supply chain	Percentage of contracts with the supply chain on which Social Value commitments, measurement and monitoring are required	%
Creating a healthier community	Initiatives taken or supported to engage people in health interventions (e.g. stop smoking, obesity, alcoholism, drugs, etc.) or wellbeing initiatives in the community, including physical activities for adults and children	£ invested including staff time
Carbon emissions are reduced	Savings in CO2 emissions on contract achieved through de-carbonisation (specify how these are to be achieved)	Tonnes CO2e
Sustainable Procurement is promoted	Percentage of procurement contracts that includes sustainable procurement commitments or other relevant requirements and certifications (e.g. to use local produce, reduce food waste, and keep resources in circulation longer.)	% of contracts
Social innovation to create local skills and employment	Innovative measures to promote local skills and employment to be delivered on the contract - these could be e.g. co-designed with stakeholders or communities, or aiming at delivering benefits while minimising carbon footprint from initiatives, etc.	£ invested - including staff time and materials, equipment or other resources

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Appendices

Appendix 1 – Diversity Impact Assessment

Exempt Appendix 1 – Financial Analysis

Background Papers

[Homelessness Prevention and Rough Sleeping Strategy \(to 2030\)](#)

[National Plan to end Homelessness](#)