

Forward Plan reference number: FP/452/06/19

Report title: Amendment to Homelessness Accommodation Based Support Service Procurement timeline	
Report to: Councillor Spence, Cabinet Member for Health and Adult Social Care	
Report author: Mike Gogarty, Director, Wellbeing, Public Health and Communities	
Date: 5 th September 2019	For: Decision
Enquiries to: Ben Hughes, ben.hughes@essex.gov.uk , Head of Public Health and Wellbeing	
County Divisions affected: All Essex	

1. Purpose of Report

- 1.1 The services detailed in this report are designed to support vulnerable individuals and families to maintain their housing, improve their life circumstances and support them to access a greater range of community support agencies to prevent homelessness. By procuring the services in the proposed manner ECC will be able to provide support that is flexible in both intensity and location to ensure needs and demand are met as efficiently as possible.
- 1.2 Essex County Council (ECC) is required to comply with various obligations that relate to homelessness, such as the Homelessness Reduction Act 2017. The Care Act 2014 also places a general preventative duty on local authorities to support vulnerable people including those below the social care eligibility threshold. The services in this report aim to deliver those duties.
- 1.3 This report seeks approval to amend the procurement timeline and weighting for the Homelessness Accommodation Based Support Service as originally agreed by Cabinet (FP/192/07/18) with a view to the contract commencing no later than 1 April 2020 and to update the Cabinet Member on the engagement with the housing authorities.

2. Recommendations

- 2.1 Agree to amend the procurement timeline for the Homelessness Accommodation Based Support Service as originally agreed by Cabinet (FP/192/07/18) with a view to the 7 year contract:
 - 2.1.1 being procured via a one stage open procedure with minimum quality thresholds and evaluated on a 60:30:10 price:quality:social value weighting with bids which are higher than the maximum threshold being excluded;

- 2.1.2 commencing no later than 1 April 2020 with ECC being able to terminate at any time on notice.
- 2.2 Agree that the Executive Director, Localities and Public Health may award the contract if he is satisfied that the procurement has been conducted in accordance with the published criteria.

3. Summary of issue

- 3.1 ECC currently commissions homelessness accommodation based support services. Support is funded in a number of locations for vulnerable people who are homeless and living in particular temporary accommodation. This includes crisis services such as night shelters. Many of the people receiving services have additional needs such as poor mental health.
- 3.2 Cabinet previously approved the procurement of these services in September 2018. However during the market engagement events conducted in 2018 after the Cabinet decision, it was identified that various affected District Councils, Borough Councils and City Councils as well as providers were expressing significant concerns in relation to ECC's procurement strategy to consolidate the existing 11 contracts into one contract – concerns included destabilising housing provision of the housing authorities and a potential procurement challenge.
- 3.3 Given the significant new concerns raised, ECC re-visited the pre-Cabinet market and stakeholder engagements which had indicated that all affected housing authorities were on board with ECC's commissioning intentions for this service and it was considered sensible to delay the procurement process for a period of time in order to ensure the robustness of the procurement proposals.
- 3.4 In light of the circumstances, legal and procurement advice to ensure the continuity of service provision was to undertake the ECC Request for Quotes (RFQ) process for the existing 11 contracts and new contracts were put in place for 2019-20 while further market and stakeholder engagement was undertaken. The current contracts will expire on 31 March 2020.
- 3.5 Although there are 11 separate contracts, it should be noted that these are held by only 5 organisations, all of which (the two night shelters aside) are large or medium national organisations.
- 3.6 Following the introduction of the new Housing Related Support Accommodation Based Support schemes (as per RfQs in January 2019), ECC undertook a further series of workshops with the housing authorities. These sessions are on-going but feedback has been positive and it has been generally agreed by these stakeholders that a more flexible service

is required, that is both able to respond to changing need over time and to provide a more equitable spread of provision across the county.

3.7 Given the stakeholder's positive engagement, officers now recommend proceeding with the previously approved procurement process with the only changes being to the timeline and the proposed weighting:

3.7.1 to procure a 7-year contract via a one stage process, commencing the procurement in October 2019;

3.7.2 to award the contract by December 2019 subject to bidders meeting the minimum quality thresholds and bids being evaluated on a 60:30:10 price:quality:social value weighting. The rationale for the variation to the previously recommended weighting and deviation to the corporate procurement standard is that this procurement has been identified to pilot the ECC Social Value Project. From previous tender exercises the prices received are expected to be close. Therefore, the move to a 10% weighting for Social Value is expected to be significant enough to have an impact on the result of the tender. The 10% social-value evaluation criteria will be measured using the TOMs calculator (Theme, Outcomes, Measures) and will be made up of a quantified Social Value proposal (5%) and a Method Statement (5%). The TOMs calculator, in line with the Social Value Project trial, carries a higher weighting for:

- The development of employment opportunities for care leavers
- The development of employment opportunities for people with disabilities
- Savings car miles and the use of low emission vehicles

but still allows bidders to offer other social value contributions ensuring they are not disadvantaged if they cannot offer contributions against these priorities. The evaluation of social value will be equally made up of quantitative (using the TOMs) and qualitative (using a 0-12 scoring criteria) scores;

3.7.3 these services are likely to deliver around 330 units across the county, based on existing provision. The tender opportunity will be available to any provider (or consortium) with access to suitable accommodation to bid up to the value of the accommodation based support service budget available – the money is capped per provider at an annual occupancy rate. The total value for the services is set at £1.086 million per year for all the units.

3.7.4 the new contract will commence on 1 April 2020.

3.8 The award of this contract will be subject to a separate decision as delegated under this report.

- 3.9 It is likely that TUPE will apply to this service; which will affect the incumbent providers and any new provider. Although ECC will not be a party to the TUPE transfer; the Council will need to ensure that TUPE is appropriately handed between the incoming and outgoing providers as part of the post-tender mobilisation process.
- 3.10 Due to their specialist nature and their ability to take input cross-district, the intention is to keep the two Night Shelters (Colchester and Chelmsford) contracts outside of this procurement. This will be subject to a separate decision.

4. Options

- 4.1 **Option 1** – do nothing. This option is not recommended as allowing the current contracts to expire without recommissioning a replacement provision would effectively decommission this service, depriving vulnerable people of access to support.
- 4.2 **Option 2** – go to the market with a significantly reduced budget. This option is not recommended following ECC's statutory duties with regards to homelessness and supporting vulnerable service users, as well as ECC's position working collaboratively with the housing authorities to deliver services to prevent homelessness and provide services to support those at risk. A significant reduction in budget will also impact staffing levels and create additional restructuring costs which will have a negative impact on service delivery.
- 4.3 **Option 3 (recommended)** – procure the Homelessness Accommodation Based Support Services as a single contract totalling £1.086 million per year for a term of 7 years, which can be terminated at any time on notice. Any further reduction to the budget will hamper ECC's ability to tackle homelessness and associated community harms effectively across the county. It is also proposed to use this tender to trial a new Social Value pilot. Option 3 will deliver a benefit to ECC from efficiency savings without impacting on frontline service delivery, due to the refocusing and targeting of services. Actual financial savings have already been taken out of this budget and bids which come in over the published budget will not be accepted. This will also enable ECC to meet its obligations under the Homelessness Reduction Act 2017 and its Vision and ambition for Essex County.

5. Issues for consideration

5.1 Financial implications

- 5.1.1 £450,000 savings have already been identified and removed from the budget presented in the previous Cabinet report (FP/192/07/18), the intention is to tender with the budget previously identified - £1.086 million per year.

- 5.1.2 The anticipated savings are expected to be achieved as a result of combining the current 9 individual district-based contracts into one contract covering the whole Essex County Council area.
- 5.1.3 The current service is part funded by the Public Health Grant. The continuation of the Public Health Grant after 2019/20 is currently under consultation, although the recent spending review suggests that it will continue. The proposed contract duration is seven years. Should ECC wish or need to exit the contract sooner, this can be achieved by giving written notice at any point, with no liability other than the agreed notice period, as is the case with our existing contracts.
- 5.1.4 Bids over the published financial threshold will not be considered, so this presents no risk to ECC of the project coming in over budget.

5.2 Legal implications

- 5.2.1 The public health grant is a ring fenced grant to be paid to upper tier and unitary authorities for public health functions under section 31 of the Local Government Act 2003 for 2018-2019 and has published indicative figures for 2019-2020. The money is required to be spent on public health but, providing certain mandatory services are provided, ECC has a broad discretion on how it is spent. Housing can be a source of poor health and these services will therefore improve and maintain public health. The proposed services are non-prescribed public health functions.
- 5.2.2 As the value of the proposed contract is above the financial threshold (currently set at £615,278) and the nature of the service is one that falls under Schedule 3 in the Public Contracts Regulations 2015 ("the PCR 2015"), as a health, social and related service, the procurement of these services will be undertaken in accordance with the light touch regime as set out in the PCR 2015. The proposed procurement strategy is compliant with the Regulations.

6. Equality and Diversity implications

- 6.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
 - (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful.

- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 6.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 6.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.
- 6.4 The proposed new contract will in fact increase the ability of services to reach ever more diverse and emerging communities of Essex by creating a flexible and responsive service.

7. List of appendices

Equality Impact Assessment

8. List of Background papers

- 8.1 Cabinet report FP/192/07/18
- 8.2 Housing White Paper 'Fixing our Broken housing market'
- 8.3 The Supported Housing Funding Review
- 8.4 ECC's Housing Growth Strategy
- 8.5 ECC's Organisational Strategy

I approve the above recommendations set out above for the reasons set out in the report.	Date 23.09.2019
Councillor John Spence, Cabinet Member for Health and Adult Social Care	

In consultation with:

Role	Date
Executive Director for Corporate and Customer Services (S151 Officer)	
Margaret Lee	
Director, Legal and Assurance (Monitoring Officer)	

Laura Edwards on behalf of Paul Turner	12/08/2019
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Consortia etc

Positive rather than more positive