



**Executive**  
15 November 2010

**Report from the Director of  
Housing and Community Care**

Wards Affected:  
ALL

**Young people and teenage parent accommodation based  
services and floating support services**

**1.0 Summary**

- 1.1 This report updates Members on the procurement process of two frameworks for teenage parent based accommodation services and floating support services and of two frameworks for young people based accommodation services and floating support services since approval to tender was given at the Executive meeting on 15 June 2009.
- 1.2 For the reasons detailed in this report, Officers seek approval to depart from the existing procurement route in respect of the teenage parent based accommodation services and floating support. Officers seek exemption from full tendering requirements and seek approval to re-commission the services with the existing providers on a one year contract from 1 April 2011, with an option to extend the contract by a further year to 31 March 2013
- 1.3 In connection with the two frameworks for young people based accommodation services and floating support service, Officers seek authority to extend the contracts with the existing providers to enable the procurement process to be concluded.

**2.0 Recommendations**

That the Executive:

- 2.1 Approve an exemption from the usual tendering requirements of Contract Standing Orders in relation to the teenage parent based accommodation services and floating support services on the basis that there are good operational and/ or financial reasons for doing so as set out in Section 3 of the report.

- 2.2 Award the contracts for housing support services for teenage parents at Melrose Avenue NW2 and Nicoll Road NW10 and their respective floating support services to the current providers, Catch 22 and Stadium Housing Association, for the period from 1 April 2011 to 31 March 2012, with the possibility of extending such contract for one further year to 31 March 2013..
- 2.3 Approve the extension of current contracts for young people based accommodation services and floating support services with Depaul Trust, Catch 22, St Christophers Fellowship, Coram Housing and Support Service, Brent Housing Partnership and Centre Point for a period of eight months, to 30 September 2011, to allow for their tender.

### **3.0 Detail**

- 3.1 The Supporting People (“SP”) Programme is a national programme to commission the provision of housing related support services for vulnerable people to gain, increase or maintain their independence. SP funds the provision of “accommodation based services” (support tied to accommodation) and “floating support services” (support to service users in their own home). Services assist clients in maintaining their accommodation, i.e. help with; accessing benefits, budgeting, ensuring bills paid, education, training, employment, healthy living, community engagement etc.
- 3.2 The SP Programme commenced in April 2003. The Programme in Brent was valued at £13.7 million in 2004/5 and has reduced to £12.3 million for 2010/11. It is anticipated that further reductions may take place in 2011-12.
- 3.3 In May 2007, the Executive approved a five year future procurement strategy for Supporting People contracts. An element of this procurement strategy was the procurement of framework agreements for Young People (“YP”) Services and Teenage Parent (“TP”) services. To enable time for this strategy to be implemented, the Executive granted approval from tendering requirements and award to the existing providers for contracts for both YP and TP contracts. These contracts were for a period of two years from 1st February 2007 with an option to extend for one year with scope to extend for a further year. The contracts have been extended to 31 January 2011.
- 3.4 The Strategic Review in March 2009 of SP funded services for YP and TP services confirmed the strategic relevance, recommended their tender and how services should be packaged. The review highlighted the requirement to identify efficiency savings and to ensure delivery of services which provided for early mediation, homelessness prevention, intervention and tenancy sustainment support. A holistic response by specialist staff based on site was needed to address the issues presented.
- 3.5 Following on from the Strategic Review, on the 15<sup>th</sup> June 2009 the Executive gave authority to tender for four framework agreements, two for young people accommodation based services and floating support services and two for

teenage parent accommodation based services and floating support services as follows:

Framework	<u>Specification</u>
Framework 1	<u>Lot A</u> YP accommodation based scattered schemes with visiting staff
	<u>Lot B</u> YP accommodation based hostel with 24/7 staffing, crash pad, move-on and independent flats
Framework 2	YP floating support service
Framework 3	TP accommodation based service
Framework 4	TP floating support service

- 3.6 Expressions of Interest in respect of all four frameworks were invited in September 2009 which resulted in limited interest, which included current providers. Pre Qualification Questionnaires were subsequently issued and on receipt, Officers assessed the Questionnaires. Organisations interested in tendering have subsequently updated Pre Qualification Questionnaire information.
- 3.7 Since receipt of Questionnaires, there has been a re-consideration of funding availability, notably from Children & Families Department. This has resulted in some minor changes proposed to delivery of the young people service, in line with current trends. In addition, there have been concerns regarding SP funding. There has been removal of the ring fencing of the SP grant. As detailed in paragraph 3.2, there has been a reduction in SP funding for 2010/11. It is also anticipated that there will be further reductions in funding for 2011/12. Uncertainties over future funding has therefore led to a reconsideration of YP and TP procurements, particularly as the Council is procuring frameworks lasting a period of 4 years.
- 3.8 Following consideration of procurement options in the light of current funding issues, Officers wish to proceed with the tendering process to contract SP services for young people only i.e. Frameworks 1 and 2. This would avoid any potential loss of joint funding. The tender for these frameworks will achieve value for money as the overall number of contracts will be reduced and ensure that services are "fit for purpose". Re-commencing an alternative tender process is likely to lead to further funding difficulties from funding partners.
- 3.9 In view of the delay that has occurred in the procurement process and the fact that the existing contracts are due to expire on 31 January 2011, Officers seek approval to extend the existing contracts by further 8 months, to 30 September 2011, to enable the existing procurement process to conclude.
- 3.10 Whilst Officers consider it appropriate to proceed with the tender for YP services, Officers do not consider at the current time it is appropriate to proceed with the tender for TP accommodation based services and floating support services. Funding for this contract is not linked in with the Children

and Families Department and is purely reliant on SP funding. Given the significant concerns regarding SP funding at the current time, Officers consider it would be advisable to proceed by awarding a relatively short one year contract (with a one year extension) to the existing providers detailed below:

<b>Provider</b>	<b>Address scheme</b>	<b>Service Type</b>	<b>No. of Units</b>	<b>Landlord</b>
Catch-22	Nicol Rd NW10	Accom based	4	PCHA
	N/A	Floating Support	5	N/A
Stadium HA	Melrose Ave NW2	Accom based	9	Network
	N/A	Floating Support	10	N/A

3.11 In proposing the award of the above TP contracts, Officers have taken account of the recent Quality Audit Visits to the TP schemes that have identified improvements to these services which are rated as “good”, The services are seen as addressing homeless issues and assisting teenage parents to achieve high outcomes. It is noted that one provider owns the properties from which the services are based; the other has a good partnership arrangement with the landlord.

#### **4.0 Financial Implications**

4.1 The Council currently funds 34 units of housing support service for teenage parents through contracts with Catch- 22 and Stadium HA totalling £186,769 per annum. The contracts proposed for exemption from tendering would provide 28 teenage parents with support. In addition 3 further units are funded at a teenage parent scheme in Harrow, jointly commissioned and managed by Harrow Supporting People with a contract extension to 31<sup>st</sup> March 2012. The Executive Report 15 June 2009 identified that the number of accommodation based units provided by Stadium HA are to be reduced. This reduction, plus the anticipated efficiency savings proposal of a minimum of 10%, approximately £19,000, will realise savings .

4.2 Current weekly units costs are £106 per week for TP services . If the teenage parent services were tendered, it is likely that the hourly rates proposed would be similar to current costs. Recent dialogue with current providers has highlighted the potential for greater savings through contract negotiations. To support this, criteria for contract negotiations has been developed and the same robust principles will be applied in the same way as if contracts were to be subject to re-tendering. This would detail how the contract negotiation price was determined and focus on issues of quality, value for money and outcomes. Providers are currently looking look to identify in year efficiencies and further savings. This approach also strengthens our relationship with them.

4.3 A delay in savings due to the late procurement of the young people services is likely to be off-set by the current SP austerity exercise, with all providers, to find in year efficiency savings, as well as future savings, of a minimum of 10%, of all contracts.

- 4.4 In addition the Council will save on the procurement costs of tendering for this element of the service and any potential TUPE costs.
- 4.5 The Executive has agreed earlier exemptions from tendering for other SP vulnerable client groups.
- 4.6 There are no other financial implications arising from the recommendations contained in this report

## **5.0 Legal Implications**

- 5.1 The report recommends the award of TP accommodation based services and floating support services identified in paragraph 3.10 above. Such contracts are required by standing orders to be tendered. Where any contract is proposed not to be tendered, then only the Executive can approve this under Standing Order 84 on the conditions that there are good operational and / or financial reasons for doing so. The Executive therefore needs to consider whether the grounds identified in section 3 of this report constitute good operational and financial reasons for not tendering.
- 5.2 In addition, Members may only grant an exemption from tendering where there is no breach of European public procurement requirements. These services are Part B services under the Public Contracts Regulations 2006 (the EU Regulations) and are thus exempt from the full tendering requirements of the EU Regulations. Most importantly, there is no strict requirement to advertise and tender Part B contracts in accordance with EU Regulations. However award of Part B contracts is subject to over-riding obligations of fairness and transparency and there is certainly EU case law to suggest that even part B contracts should be subject to some form of advertised process. However this is subject to an analysis of the nature of the service and whether there is likely to be cross-Europe interest. This is unlikely with most social services contracts, and so the risk of a challenge is considered low.
- 5.3 As Part B services, the award of TP accommodation based services and floating support services would still require notification of contract award to the EU Publications Office.
- 5.4 The award recommends the extension of existing young people based accommodation services and floating support services. As these contracts have already been extended using delegated powers, Executive approval to such extension is required.

## **6.0 Diversity Implications**

- 6.1 The new contracts will require providers of housing support services to deliver services which are culturally sensitive by providing cultural awareness training for all staff, matching specific language requirements where possible and recruiting a local workforce which reflects the communities of Brent.
- 6.2 In providing a range of training, employment, leisure and social activities the service will be open to all members of the surrounding community. Partnering

arrangements with local community groups and specialist providers will be encouraged as part of the contract terms for the service. The contracts will focus on providing specialist services for teenage parents.

## **7.0 Staffing/Accommodation Implications (if appropriate)**

7.1 There are no staffing implications or accommodation implications for the Council.

### **Background Papers**

Executive report 9th October 2006 Title: Supporting People Contracts  
Executive report 15<sup>th</sup> June 2009 Title: Authority to tender for young people and teenage parent supporting people accommodation based service and floating support services

### **Contact Officers**

Helen Duckworth Supporting People Lead Officer  
(Marilyn Nortey-Silke Service Development Officer)  
Housing and Community Care Department  
34 Wembley Hill Road, Wembley, Middlesex, HA9 8AD

**Martin Cheeseman**  
**Director of Housing and Community Care**