



Cabinet

19 June 2017

Report from the Strategic Director of Community and Wellbeing

For Action

Wards Affected:
[ALL]

Authority to award Multiple Housing Related Support Contracts under the Accommodation Plus Dynamic Purchasing System

Appendix 1 of this report is not for publication as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)"

1.0 Summary

- 1.1. In accordance with Contract Standing Order 88, this report seeks Cabinet authority to award 6 Housing Related Support (HRS) service contracts to support vulnerable adults with support needs. The services will provide housing related support services to Brent residents including to Older People (55+), those identified as having Mental ill Health, Learning Disabilities, Physical Disabilities and/or Sensory Impairments, Single Homeless, Ex-offenders, Substance Misuse and Women, Families and Young People.
- 1.2. This report summarises the process undertaken in tendering the contracts and, following the completion of the evaluation of the tenders, recommends to whom the contracts should be awarded.
- 1.3. The tender process was conducted through the Accommodation Plus Dynamic Purchasing System (AP DPS).
- 1.4. The procurement formed part of the Council's wider Transformation agenda which includes the borough's Outcome Based Review (OBR) aimed at developing radical solutions to delivering better, sustainable service models and outcomes for Housing Vulnerable People.

- 1.5. The OBR outlined a number of recommendations, one of which was to develop a Single Homeless Pathway which would improve the assessment process for those approaching the Council as homeless, providing a gateway into services. HRS services would form part of the Single Homeless Pathway delivering housing related support services whether it be floating or accommodating based via the single gateway assessment process undertaken in Housing Options.
- 1.6. A strategic review carried out by Red Quadrant in 2015 as part of the transformation agenda, the review highlighted the existing problems with the HRS provision and the recommendations required to re-design and deliver achievable outcomes within a new service model. The review identified the following issues as key criteria in deciding what services we should provide;
 - Services should support people to whom the council HAS a statutory duty
 - Services should support people to whom the council WOULD have a statutory duty if the service did not exist
 - Services should continue to support people who are ALREADY in services to enable them to exit services if/wherever possible
- 1.7. The review also identified future services would need to deliver the following, in order to meet customer needs and deliver throughput;
 - promote independence and recovery,
 - prevent or reduce the extent of statutory need,
 - enable move on,
 - enable the delivery of key housing and social care objectives, including by freeing up accommodation resources needed for the discharge of statutory homelessness duties, and step down from residential or hospital care, (e.g. through the NAIL project)

The review also recommended having outcome focused specifications for all new services, which are co-designed with service users focusing on:

- Prevention of homelessness
 - Prevention of need for statutory services
 - Gaining employment for younger adults
- 1.8. In order to align services to the OBR and Red Quadrant's recommendations, co-production with service users and key stakeholder was required to design a future proofing service model based on data and evidence gathering. New services were required to meet the strategic aims of the Council taking into account borough trends and the future needs of service users. HRS outcomes would also need to inform the Single Homeless Pathway to ensure those moving between services don't fall into any gaps.

- 1.9. The re-modelling of services took into account what parts of the service worked well and what parts were less effective. Re-design also took into account the Council's homelessness agenda, the need to move people on when they no longer needed support just housing to enable better use of resources.
- 1.10. Services were re-configured to reduce the number of existing contracts from 19 to 6, by grouping together service areas to create synergy and focus to ensure that service users received the appropriate support to meet their needs.
- 1.11. The introduction of a new 14 bed assessment centre within one of the hostels provides intensive support to new entrants into the service for up to 12 weeks, at the end of which service users should be ready for move on into private rented sector or be referred into the most appropriate support service for longer support. This is expected to reduce the length of stay in services and assist those who have short term needs which can be resolved with intense and focused support.
- 1.12. Changes were also made within the Young Person's service which hands over the responsibility of the 'Crash Pad' mediation service for 16-17 years over to Children's Services who are the main users of this service. Alongside the amalgamation of the Women Services and Young Person's services as a more cohesive service where staff have complementary skill sets which can support both service user groups.
- 1.13. The re-design of mental health services have been aligned with Statutory Services to ensure there are no gaps in provision for those with mental health needs, it also means one provider works across the various services for people experiencing mental health problems, so there is continuity in the service provision if tenants move between services.

2.0 Recommendations

- 2.1. That Cabinet award the contract for Generic Floating Housing Related Support service to Thames Reach for a period of 4 years with an option to extend by a further year.
- 2.2. That Cabinet award the contract for Learning Disabilities Care and Housing Related Support to Look Ahead Housing and Care for a period of 4 years with an option to extend by a further year.
- 2.3. That Cabinet award the contract for Mental Health Housing Related Support to Look Ahead Housing and Care for a period of 4 years with an option to extend by a further year.

- 2.4. That Cabinet award the contract for Older Persons and Handy Persons Housing Related Support to Elders Voice for a period of 4 years with an option to extend by a further year.
- 2.5. That Cabinet award the contract for Multiple Needs Housing Related Support to Look Ahead Housing and Care for a period of 4 years with an option to extend by a further year.
- 2.6. That Cabinet award the contract for Women, Families & Young People Housing Related Support to Depaul UK for a period of 4 years with an option to extend by a further year.

3.0 Background

- 3.1. Under Brent's transformation agenda the Council was tasked to address three key areas; improving health and wellbeing, improving quality of care and tackling the financial gap.
- 3.2. In order that new services are aligned to these key areas the organisations Sitra and RedQuadrant were commissioned in 2015 to carry out a strategic reviews of Supporting People Services (now known as Housing Related Support). Housing Related Support ("HRS") covers a range of tasks or activities (but does not include domestic or personal care) which focuses on helping individuals to sustain a tenancy of their own. HRS may be provided in the short, medium or long term but aims to help individuals to learn or develop the skills necessary to sustain a tenancy. Support can be provided in a person's own home (known as floating support) to address identified issues/needs or in specialist accommodation (known as accommodation based support) where an individual may need to receive a service for a longer period to cover a greater range of needs.
- 3.3. The outcomes from the strategic review of Supporting People services highlighted future services would need to focus on 'outcomes' rather than 'inputs'. Red Quadrant recommendation was the following commissioning principles should be applied when procuring new services:

When seeking further savings the Council should prioritise:

- Services should support people to whom the council HAS a statutory duty to
- Services should support people to whom the council WOULD have a statutory duty to if the service did not exist
- Services should continuing to support people who are ALREADY in services to enable them to exit services wherever possible
- Services should ensure that current accommodation is retained for use by vulnerable people including provision of support where needed
- Services should be developed by a focusing on innovation, co-production and clear measurable outcomes for service users

- Contracts should seeking economies of scale/use of alternative funding where possible

The review also found support provision needed to promote independence and be less reliant on statutory services.

- 3.4. In January 2016 Commissioners carried out a cost efficiency review, focusing on the number of voids across services, the length of time residents were remaining within services and the types of interventions made by providers. As a result savings of £1.9m were achieved within the budget without removing or reducing services from anyone that needed them. Instead, those people who no longer required support were discharged from services and supported to move into long term accommodation of their own.
- 3.5. In May 2016 the Council conducted an in-depth accommodation based service review consulting with service users, service providers, landlords and key stakeholders. The consultation process reviewed existing services, addressing current service delivery difficulties and developed possible models for future services.
- 3.6. The findings from the review found;
 - 86% of those in services under were under the age of 35
 - a large number of service users in accommodation based services no longer required support and remained in services due to difficulties accessing general needs accommodation.

The re-designed service model takes into account the above key findings and has addressed this by ensuring new services deliver clear pathways into and out of services and more joined up working with community services to encourage reintegration to address service users' needs in a holistic way. We have also identified innovative solutions to successfully support and work with younger people (those under 35) who are over represented in services. Providers will be required to deliver positive outcomes in the following areas;

- Gang related activity
- Habitual behaviour
- Relationship breakdown with family
- Life style choices

The findings from the review also informed the Vulnerable People Outcome Based Review as part of the Homelessness Prevention agenda, by aligning services to the Single Homeless Pathway.

- 3.7. The reviews formed the platform to develop an HRS Strategy and re-model services so that they enhance the prevention agenda; promote wellbeing and

reduce the number and extent of the needs of people requiring statutory services.

- 3.8. The new model takes into consideration both the HRS and the OBR reviews; it also focuses on re-alignment of existing services in order to deliver more cost efficiencies. The new model will focus on providing services for those most in need of support whilst addressing issues of homelessness and directing those identified as only having a housing need to more appropriate services. The new way of delivering services will also focus on those identified as requiring long term support beyond what is currently delivered via Housing Related Support services. This will ensure those who fall below the threshold for statutory services will continue to receive support for as long as they require it, and will reduce the number of people coming back into services in crisis.
- 3.9. There will be one entry point into services and this will sit within the Housing Options Team under the Single Homeless Pathway, ensuring the service offers a transparent and consistent service to anyone who approaches the Council and is identified as vulnerable, in need of support and have a housing need.
- 3.10. This will be achieved by:
 - 3.10.1. The services will be have smarter outcome identified that are in line with the wider Council's objectives.
 - 3.10.2. Integrating the new services with the Council's 'Single Homeless Pathway' dedicating support worker/s to deliver housing related support services within the Housing Options service to ensure residents get a service at the point of approaching us rather than waiting for a referral to be actioned.
 - 3.10.3. Services will focus on different levels of need and vulnerability; ensuring that services are delivered to those who need it the most in order that the system is not silted up with those who no longer have support needs and only require housing.
 - 3.10.4. The flexible model of care and support allows for the individual to receive services from one provider, offering continuity of services thus allowing for better outcomes and better value for money when purchasing support packages.
 - 3.10.5. A service model within the Learning Disabilities Contracts which supports those identified as having long-term needs yet do not meet statutory requirements, with a service which has no time limit providing this client group with more stability.

4.0 Market Position Statement

- 4.1 The new contracts will ensure they are aligned with the objectives set out in the Brent Market Position Statement (MPS) 2014 whose main principal is to ensure that future Social Care and Support services will be delivered by providers who have experience in maximising individual choice and control through flexible delivery of services. The Council welcomed consortium bids in order to open up the market to small providers, four of the six service contracts recommended for award will be delivered by a consortium.

5.0 The Tender and Evaluation Process

- 5.1 A market engagement event was held on 20th October 2016. This event was intended to communicate and share information with potential providers to help them understand commissioning intentions and offer opportunities to network and forge partnerships.
- 5.2 Potential providers were encouraged to apply to join the Dynamic Purchasing System (DPS) for Accommodation Plus Services via the London Tenders Portal. This DPS was established by the council in 2016 and consists of 5 Lots.
- 5.3 The Lots recommended for award fall into the following Lots under the DPS.
- Lot 4.1 Care and Support
 - Lot 5 Housing Related Support
- 5.4 Tendering of HRS contracts commenced on the 15th November 2016 and was due to end on the 5th December 2016. Due to a number of issues arising it was agreed that the tender process was to cease, potential bidders were informed on the 9th December 2016 via the portal of the tender cancellation and provided with dates of a new tender invite.

The rationale for withdrawing the tender was due to the following issues:

- Providers reported they had not received confirmation that they had been accepted onto the DPS following a PQQ submission.
- Providers notified Commissioning that Provider details were disclosed within Provider Q&A responses via the portal.
- Providers requested information on Housing Management agreements, which they felt had they been disclosed providers would be able to provide more competitive tender submissions.
- Incorrect information had been loaded onto the portal.
- Procurement documents were missing within the provider tender packs.
- Providers had issues with details within method statements and pricing schedules.

The second tender invite commenced on the 19th of December 2016, closing on the 9th January 2017. The tenders were evaluated and scored with successful providers identified and recommended in the 13th February Cabinet report for award. Before the award was discussed at the Cabinet,

commissioning were notified by a potential bidder that they had not been informed via the tender portal that the revised tender documents had been released, as a result an internal investigation was conducted and it was found that there were inconsistencies in the procurement process which left the Council open to challenge. As a result it was agreed that the Council was unable to confirm that all providers had equal access to the revised HRS tender documents and therefore this could result in a potential legal challenge.

- 5.5 In order to go out to the market again a forensic review of the DPS system was carried out by Procurement, and all the issues identified were corrected. This led to a new version of the DPS being set up and tested to ensure it operated within Procurement Regulations and produced correct and consistent communication to suppliers.
- 5.6 The mini competition for each Lot was derived automatically using further functionality from the development of the new version of the DPS with the third tender commencing on the 24th April 2017 ending on the 19th May 2017.
- 5.7 The quality element of the evaluation consisted of 40% of the overall 100% score with cost being 60% and evaluation was carried out by a panel of officers from the ASC Commissioning team.
- 5.8 Officers carried out an initial evaluation of bids independently of each other. The panel, alongside the ASC Category Manager, then met on the 26th May 2017 and the 1st June 2017 to moderate the allocated scores and agree an overall quality result. Following this, the cost element was scored by the ASC Category Manager, overseen by the Lead Commissioning Manager Accommodation, Commissioning and Quality, where the lowest cost received the maximum 60% score and the remainder a proportion of the 60% dependent on their difference to the lowest. This was based on the bidder's proposed annual costings.
- 5.9 The names of the tenderers are contained in Appendix 1. The scores received by the tenderers are included in Appendix 2. It will be noted that the following Tenderers gained the highest scores and Officers therefore recommend the award for the 6 HRS contracts as follows:

Lots	Recommend Provider
ASC001 Lot 5 Generic Floating Support HRS	Thames Reach
ASC002 Lot 4.1 Learning Disabilities Care & Support HRS	Look Ahead Housing and Care
ASC003 Lot 5 Mental Health Support Services HRS	Look Ahead Housing and Care
ASC004 Lot 5 Older Persons & Handy Person Service HRS	Elders Voice

ASC005 Lot 5 Multiple Needs HRS	Look Ahead Housing and Care
ASC006 Lot 5 Women, Families & Young People Services HRS	Depaul UK

6.0 Financial Implications

- 6.1 The Council's Contract Standing Orders state that contracts for supplies, services and works exceeding £500k shall be referred to the Cabinet for approval of the award of the contract.
- 6.2 The cost of the contracts is outlined in the table below. The recommendation is for the 6 contracts to be awarded for 4 years with the option of a further year extension which is included in the overall costings.

Lot	Cost Per annum (£m's)	Total cost of contract (4+1 years) (£m's)
ASC001 Lot 5 Generic Floating Support HRS	0.64	3.20
ASC002 Lot 4.1 Learning Disabilities Care & Support HRS	0.37	1.85
ASC003 Lot 5 Mental Health Support Services HRS	1.00	5.00
ASC004 Lot 5 Older Persons & Handy Person Service HRS	0.47	2.35
ASC005 Lot 5 Multiple Needs HRS	0.99	4.95
ASC006 Lot 5 Women, Families & Young People Services HRS	0.44	2.15
Totals	3.90	19.50

- 6.3 The costs are within the estimations of between £4m and £4.3m at the start of the tender process and fall within the budget allocation for this service.
- 6.4 The new contracts will formally crystallise the savings achieved in 2016/17 of £1.9m and deliver a further £0.4m against the Housing related support service savings plan as agreed in the 2016/17 budget.
- 6.6 It should be noted that the intention to block purchase runs the risk of void payment being made if the units are not fully utilised. Voids may occur during the turnaround of a vacancy, this may be due to repair works being carried out or during the assessment process of a potential tenant. The possible impact having voids is less vulnerable people may be allocated the accommodation but this is unlikely given the increase in demand for HRS accommodation.

6.7 The cost of this contract is inclusive of London Living Wage (LLW). The inclusion of LLW adds an additional cost of £230k pa when compared to a sustainable non LLW compliant rate for HRS.

7.0 Legal Implications

7.1 The estimated values over their lifetime of all six contracts are in excess of the EU threshold for Schedule 3 Services under the Public Procurement Regulations 2015 (the "EU Regulations"). Consequently, the award of the contracts is governed by the EU Regulations. The award is subject to the Council's own Standing Orders in respect of High Value contracts and Financial Regulations and as such Cabinet approval is required to award contracts 1-6.

7.2 Whilst there is no strict legal requirement for the council to observe a minimum 10 calendar day standstill period between tenderers being notified of the contract award decision and the actual award of the contract where a DPS is used, such period is recommended in order to protect against possible post-contractual ineffectiveness claims. Therefore once Cabinet has determined whether to award contracts all tenderers will be issued with written notification of the contract award decision and a minimum 10 calendar day standstill period will then be observed before the contract is awarded.

7.3 The Transfer of Employment (Protection of Employment) Regulations 2006 ("TUPE") applies to the award of all six contracts. Subject to the right of employees to object to transferring, the employees' contract of employment will transfer to any new provider of contract.

7.4 It is understood that one member of staff currently employed in connection with the Mental Health service and one member of staff currently employed in connection with the Older People/Handyperson service are former council employees and retain access to the Local Government Pension Scheme ("LGPS"). Although pension rights do not transfer under TUPE, the Council is under a legal obligation to secure pension rights for its staff or former staff who previously transferred to a contractor pursuant to TUPE, either through continued access to the LGPS or through pension arrangements that are broadly comparable to the LGPS. All providers tendering for these 2 contracts did so on the basis that they would apply for admitted body status thus allowing affected staff continued access to the LGPS.

7.5 An admitted body under the LGPS will generally bear liability for any pensions' deficit that may accrue. It was not considered to be in the council's interest to place 100% of all pensions' risks on the provider as the provider has no real control over such risks. Where the provider has to bear full pensions risks, its bid will ordinarily be more expensive. In the circumstances, officers sought bids on the basis that a pensions' risk share agreement will be offered, with the standard form of pensions risk share agreement, agreed by the General Purposes Committee, issued when inviting bids.

8.0 Equality Implications

8.1 The proposed contracts will require the provider to deliver services which are:

- Culturally sensitive by providing cultural awareness training for all staff, matching specific language requirements where possible, and;
- Able to provide training for all staff in areas that will raise awareness of issues faced by vulnerable people from different ethnic backgrounds.

8.2 The provider will be monitored to ensure they are complying with these requirements through checking of their records, regular review of services provided to individual service users where feedback will be sought from service users, monthly monitoring meetings and provision of quarterly performance information to the Council.

8.3 In view of the fact that this procurement represents a change to the model of service delivery for some service users it is necessary for the Cabinet, as decision-making body, to consider the equalities implications which are contained within the Equalities Impact Assessment in Appendix 3. In accordance with the Equality Act 2010 officers believe that there are no adverse diversity implications.

9.0 Staffing & Accommodation Implications

9.1 These contracts are currently delivered by external contractors, and are requested to be awarded to external contractors. There are therefore no implications for Council staff arising from the award of this contract.

9.2 Where a new provider has been selected then staff assigned to the contracts who are eligible to transfer pursuant to TUPE, will transfer from the current providers to the new providers save in the circumstances described in paragraph 7.3.

10.0 Public Services (Social Value) Act 2012

10.1 It should be noted that the nature of the services being procured naturally align themselves to the requirements of the Public Services (Social Value) Act 2012 as they are aimed at supporting and improving the lives of some of the most vulnerable and deprived sections of the local community. In procuring the procurement process itself, Officers had regard to social value, with providers invited to describe how they would advance social value as part of the bid and their responses evaluated against social value criteria.

11.0 Background Papers

Housing Related Support Strategy 2016.

Contract Officers

Susan Joseph
Commissioning Manager
Email: Susan.Joseph@brent.gov.uk
Tel: 020 8937 4139

Mouna Marhi
ASC Senior Category Manager
Email: Mouna.Marhi@brent.gov.uk
Tel: 020 8937 1594

PHIL PORTER
Strategic Director of Community and Wellbeing