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DATE: 22 January 2014

CARE SERVICES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Meeting to be held on Wednesday 22 January 2014

The Chairman to move that the attached reports, not included in the published agenda, be considered as a matter of urgency on the following grounds:

At their meeting on 15th January 2014, the Executive requested that the Committee consider this item in advance of the Executive taking a decision on the matter.

S 20a Procurement Strategy for Tenancy Support Services for Homeless People (Pages 3 - 12)

Copies of the documents referred to above can be obtained from
www.bromley.gov.uk/meetings

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Report No.
CS14019

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Care Services Policy Development and Scrutiny Committee

Date: 22nd January 2013

Decision Type: Non-Urgent Executive Key

Title: **PROCUREMENT STRATEGY FOR TENANCY SUPPORT SERVICES FOR HOMELESS PEOPLE**

Contact Officer: Wendy Norman, Strategic Manager, Procurement and Contract Compliance
Tel: 020 8313 4212 E-mail: wendy.norman@bromley.gov.uk

Chief Officer: Terry Parkin, Executive Director Education Care and Health

Ward: Boroughwide

1. Reason for report

At the Executive meeting on 15th January 2014, a gateway review on tenancy support for homeless people was considered. The Executive agreed that it would be helpful for Care Services PDS Committee to consider the matter before a decision is taken. As such, it was agreed to include the report on this agenda (attached as Appendix 1). Further information is provided on the service for consideration by PDS Committee.

2. **RECOMMENDATION(S)**

Members of the PDS committee are asked to comment on the proposals in the report.

Corporate Policy

1. Policy Status:: Existing policy
 2. BBB Priority: Supporting independence
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Financial

1. Cost of proposal: Est £272k per annum
 2. Ongoing costs: Recurring Cost:
 3. Budget head/performance centre: Supporting people budget 749 3462
 4. Total current budget for this head: £3.1m
 5. Source of funding: ECHS revenue budget
-

Staff

1. Number of staff (current and additional): External provider
 2. If from existing staff resources, number of staff hours: 14 days per annum for contract monitoring
-

Legal

1. Legal Requirement: Non statutory – government guidance
 2. Call-in: Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): A minimum of 49 people benefit from this service at any one time
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments?
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 The attached report sets out a proposal for retendering the current support service for homeless people. During the course of the current contract, Riverside ECHG have improved on their previous performance in successfully moving on homeless people from the hostel provision. Over the first 3 years of the contract, 85% of tenants departing from the scheme moved into permanent accommodation. This performance has increased to 90% during the last year.
- 3.2 Riverside has also made significant improvements at the scheme by offering tenants the opportunity to undertake meaningful activity whilst resident. This can take the form of education, vocational training or volunteering. In addition all tenants are required to take part in life skills training, which includes budgeting, cooking and gardening skills. Provision of this support vastly increases the chances of the users being able to sustain an independent tenancy when they move on from the scheme.
- 3.3 The recipients of this service are amongst the most vulnerable adults who are placed by the Council. They may be experiencing mental ill health or substance misuse problems in addition to their homeless status. This accommodation is selected when available in preference to bed and breakfast as there is an increased risk both to and from the tenant and to other users of the accommodation where there is no supervision or support service in place.
- 3.4 There are a significant number of units occupied by vulnerable tenants on this site. The landlord of the property would have serious reservations about continuing to let this accommodation to the same group of people without support as this could well pose a major risk to the safety and structure of the accommodation.
- 3.5 Although the Council currently has 100% nomination rights to the scheme if it ceased to use these the landlord would need to make up its rental income from other sources and could take nominations from other local authorities. If they did this there is a risk that Bromley would take on the liability of service users with serious on-going social and medical problems from other boroughs.
- 3.6 An alternative option for the Council would be to place the service users in bed and breakfast accommodation. The relative unit costs are £106 per week for this contract, as opposed to at least £186 per week for nightly paid accommodation.

Non-Applicable Sections:	Legal, Financial, Policy, Personnel
Background Documents: (Access via Contact Officer)	CS3051 Procurement strategy for tenancy support services for homeless people. Executive 15 th January 2014

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Decision Maker: Executive

Date: 15th January 2014

Decision Type: Non-Urgent Executive Non-Key

Title: **PROCUREMENT STRATEGY FOR TENANCY SUPPORT SERVICES FOR HOMELESS PEOPLE**

Contact Officer: Wendy Norman, Strategic Manager, Procurement and Contract Compliance
Tel: 020 8313 4212 E-mail: wendy.norman@bromley.gov.uk

Chief Officer: Terry Parkin, Executive Director, Education, Care and Health Services
Department

Ward: Boroughwide

1. Reason for report

1.1 This report seeks agreement to the proposed procurement strategy for tenancy support services to homeless people living in hostel accommodation. This service is currently provided by Riverside ECHG under a contract which expires on 30th June 2014.

2. **RECOMMENDATIONS**

- 2.1 **The Executive is asked to agree that Officers carry out a tendering exercise in order to award a contract for the supply of tenancy support services to single homeless people living in hostel accommodation. The tender exercise will be a mini competition and call off from the Joint Supporting People Framework which was developed with Lewisham, Southwark and Lambeth Councils.**
- 2.2 **The Executive is asked to agree that a contract is awarded for three years with an option to extend for a further two years from 1.7.14 to 30.6.17. The contract will include a break clause which enables the Council to withdraw from the contract earlier should a review of funding be necessary.**
- 2.3 **The Executive is asked to agree that the option to extend the contract should be delegated to the Executive Director of Education, Care and Health Services in consultation with the Portfolio Holder.**

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Supporting Independence.
-

Financial

1. Cost of proposal: Estimated cost £272k per annum
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: Supporting People Budget 749 3462
 4. Total current budget for this head: £3.1m
 5. Source of funding: Education, Care and Health Services Portfolio Budget
-

Staff

1. Number of staff (current and additional): nil - external provider
 2. If from existing staff resources, number of staff hours: 14 days per annum contract monitoring officer
-

Legal

1. Legal Requirement: Non-statutory - Government guidance.
 2. Call-in: Call-in is applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): a minimum of 49 service users may benefit from these services at any one time.
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 The Supporting People programme funds housing related support to people who need assistance to continue to live independently and to enable people to acquire the skills to move into their own tenancies and to sustain them. The programme covers a wide range of client groups, the majority of whom are adults, and is therefore managed through Education, Care and Health services (ECHS).
- 3.2 This service is commissioned to deliver housing related support to vulnerable people for the purpose of developing their capacity to live independently in hostel accommodation or sustaining their capacity to do so. The scheme provides accommodation for up to 2 years. Provision of this service is not a statutory requirement; however service users are vulnerable single homeless people whom the Council has a duty to re-house. This service is an essential tool for the Housing division who make all nominations to the scheme and also have use of 2 emergency overnight beds. The delivery of a high quality support service here helps to avoid further tenancy breakdowns following re-housing and assists greatly in discharging our statutory rehousing duties by ensuring the suitability of accommodation through sustainment of the temporary tenancies. There are currently in excess of 863 households in temporary accommodation and without this service it would be likely that additional households would have to be placed in costly forms of emergency accommodation with a greater level of arrears and abandonments or relapse. The service is fully utilised with a waiting list of applicants requiring this form of supported accommodation.
- 3.3 The current Riverside ECHG contract for tenancy support in the ECHG hostel for homeless people in Bromley was awarded, following a competitive tendering exercise on 1st July 2009. The contract was let for a period of three years with an option to extend for up to a further two years.
- 3.4 The contract was reviewed after three years as part of a gateway review of tenancy support services funded via the Supporting People budget. This gateway review was presented to Executive in January 2012. Before recommending that the option to extend the contract was exercised, Officers negotiated a reduction in price and a commitment from Riverside ECHG to deliver on an undertaking that they had made on contract award to improve the actual accommodation and facilities in the scheme. This option to extend was utilised and the contract now expires on 30th June 2014.
- 3.5 The current weekly cost per unit is £106.91 per unit (based on 49 units, excluding emergency units). There are currently 242.25 hours of support delivered at an hourly rate of £21.63. This unit cost is higher than the average cost of a support hour across the Supporting People services; therefore some savings could be expected as a result of a procurement exercise.
- 3.6 After a considerable delay due to a delay in accessing the required funding Riverside has created a new reception area, training room and large communal training kitchen at the scheme. In response to concerns raised by monitoring officers regarding the poor condition of rooms being re-let a programme of painting void rooms before re-letting has been instigated. The signage throughout the scheme has also been upgraded with bright yellow fire notices and posters advertising activities.
- 3.7 The ECHS contract compliance team has closely monitored service delivery by Riverside. Performance against the targets have improved during the course of the contracts, particularly on
- Achieving planned move on and move on within 2 years.
 - Reducing rent arrears

- Reduction in the number of antisocial behaviour incidents and complaints
- Organising meaningful activity for residents

- 3.8 A negative aspect of performance against this contract has been the inability of the provider to ensure consistent staff at the scheme. There have been 4 changes of area manager and 5 different team leaders during the five years of the contract. Therefore although the overall service has shown some improvement the contract compliance officer and Support and Resettlement Team leader have had to spend a disproportionate amount of time with new Riverside staff ensuring that they understood and properly operated the joint referral procedures and were able to deliver and report appropriately on key performance indicators. Two formal letters seeking urgent service improvements were sent during this contract period. Officers consider that the ability of other providers to provide a consistent service should be tested.
- 3.9 The current contract was awarded before the Supporting People Joint Purchasing Framework was implemented. The procurement approach adopted was that the advert specified the contract price for delivering to our specification. Only 2 contractors submitted compliant tenders indicating a low level of interest by the market in running this service. Initial evaluation of the contract led to an award to another provider on grounds of quality, however this contract award had to be withdrawn as the provider was unable to deliver at the price they had offered. Since the implementation of the Supporting People Framework hourly costs have reduced and there has been more competition amongst providers to acquire new contracts.
- 3.10 Officers have taken into consideration the fact that Riverside owns the properties from which they deliver the service. This poses a risk that the properties may be withdrawn from supported housing if the contract is tendered and another support provider appointed. Preliminary discussions with Riverside about the procurement options open to LBB have taken place and Riverside indicated that should they be unsuccessful in winning a new contract to deliver support they would not change the use of the building.

3.11 The proposed timetable for procurement is:

Advertise contract via Supporting People Framework	January 2014
Evaluation	February 2014
Contract Award	April 2014

4 POLICY IMPLICATIONS

- 4.1 Supporting People services are a key means of delivering the Council's objective of Supporting Independence.

5 FINANCIAL IMPLICATIONS

- 5.1 The current cost of the tenancy service is £272,209 per annum. It is possible that some financial efficiencies will be gained by tendering the contract.
- 5.2 The new contract will come into effect on 1st July 2014; therefore any reductions in price will impact for part of the 2014/15 financial year, with the full effect from 2015/16.

6 LEGAL IMPLICATIONS

- 6.1 This service is considered to be a Part B service under European Legislation. Therefore although the full EU procurement regulations do not have to be followed the Council will shadow the EU regulations in order to ensure that the exercise is conducted in a fair and transparent manner.

7 PERSONNEL IMPLICATIONS

- 7.1 Any TUPE transfers of staff from existing Providers will be carried out in accordance with TUPE 2006 Regulations

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	ACS12009 – Gateway review of Homelessness Services.

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