

Decision Maker: PORTFOLIO HOLDER FOR CARE SERVICES

Date: For Pre-Decision Scrutiny by the Care Services Policy Development and Scrutiny Committee on Thursday 13th October 2016

Decision Type: Non-Urgent Executive Non-Key

Title: GATE REPORT - NEW FRAMEWORK AGREEMENT FOR THE PROVISION OF ESSENTIAL HOUSEHOLD GOODS

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Chief Officer: Sara Bowrey, Assistant Director, Housing

Ward: Borough-wide

1. Reason for report

- 1.1 This report sets out the reasons for establishing a new Framework Agreement for the provision of essential household items needed to meet the basic requirements of homeless people leaving temporary accommodation and moving into settled accommodation.
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2. RECOMMENDATION

- 2.1 Subject to the views of the Care Services PDS Committee, the Portfolio Holder for Care Services is asked to agree:

To proceed to procurement to establish a new Framework Agreement for the provision of essential household goods. The new Framework to commence on 1 April 2017 for a period of FOUR YEARS

Corporate Policy

1. Policy Status: Existing policy. Existing Policy Context/Statements
 2. BBB Priority: Supporting Independence.
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Financial

1. Cost of proposal: Estimated cost £656,000
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: Bromley Welfare Fund
 4. Total current budget for this head: £970k
 5. Source of funding: Government programme funding including underspend agreed to be carried forward from 14/15 Will need to include the budget for CSC setting up home allowance..
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Staff

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours:
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Legal

1. Legal Requirement: Statutory requirement. Care leavers setting up home allowance is a statutory requirement. The welfare fund is not a statutory requirement but assists in fulfilling statutory rehousing duties.
 2. Call-in: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Approximately 6,000 households approach each year at risk of homelessness. There are currently nearly 1300 households placed in temporary accommodation to whom the Council has a statutory rehousing duty under the homelessness legislation. This number is currently rising by between 12 and 15 households per month. Around 550 families are assisted to move into settled accommodation each year. Need to include number of care leavers and average number assisting through SUHA per year.
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Ward Councillor Views

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

3. COMMENTARY

- 3.1 The Welfare Reform Act (2012) ended the provision of Community Care Grants and Crisis Loans under the Discretionary Social Fund for living expenses provided by the Department for Work and Pensions. Funding was transferred to Local Authorities from 1 April 2013. Whilst there is no statutory duty requiring Local Authorities to deliver a specific scheme to administer this funding, the Council considers it in the best interests of the community to run such a scheme and in July 2014 the Resources Portfolio Holder approved the adoption of a white goods and furniture welfare scheme from 2015/16. The scheme replaced The Bromley Welfare Fund following the government decision to withdraw ongoing funding. The fund has primarily been used to award furniture and white goods to people leaving temporary accommodation or an institution.
- 3.2 It was agreed that the scheme would be restricted both in terms of eligibility criteria and goods available (cookers, fridges, freezers and beds) which have been identified as the minimum items required for the Council to meet its statutory duty to provide suitable settled accommodation for statutory homeless households. Framework Agreement consisting of two lots was tendered in early 2015:
- Lot 1: Supply and fit of specified white goods
 - Lot 2: Supply of specified beds
 - Lot 3: Supply of household goods
- 3.3 Members approved three companies to be appointed to the Framework. At the time of appointment it was recognised that the limited number of companies could, potentially, limit options for the smooth delivery of the service but as the Council would not be bound solely to the use of the Framework it would be able to go back out to the market under a separate tendering exercise if required.
- 3.4 The services purchased through the current framework have on the whole been satisfactory, except some problems with one Provider regarding health and safety with gas cooker installation. This has now been rectified satisfactorily, however, it highlighted the risk of having so few providers on the Framework. We have reason to believe that there would be more interest from the market on a refresh of this framework. A number of other Local Authorities are using similar schemes were able to attract more companies and this extra supply could provide a decrease in prices. We would also ensure that relevant suppliers were made aware of the tender opportunity in order to attract more suppliers and increase competition.
- 3.5 The initial Framework Agreement was put in place for two years with a possible extension of two years. However, given the limited number of suppliers as mentioned above, Commissioners are of the opinion that the establishment of a new Framework Agreement would allow a significant increase in providers to be appointed to the Framework due to changes in the market.
- 3.6 Whilst reviewing the service it was identified that the that Children's Social Care, Leaving Care Team regularly purchase a number of comparable items. Under the Children (Leaving Care) Act, care leavers are entitled to a setting up home allowance to ensure that they have the essential household items needed to set up a new home. Currently the Leaving Care Team are purchasing these essential living items on an ad hoc basis which does not ensure best value for money. Analysis of expenditure over the last year has confirmed that the white goods and beds could have been purchased more economically using the framework and with faster delivery times. Any delays in moving into Care Leavers into independent living result in additional placement costs

- 3.7 It is proposed that the Children’s Leaving Care Team access this framework to purchase essential household items. We also propose that Social Services use the existing framework to with immediate effect.
- 3.8 It is proposed to tender for a new Framework Agreement to begin 1 April 2017 when the original Framework is due to expire. This will include provision for goods purchased for care leavers under the setting up home allowance. The Framework will be for a period of four years. 3.9 An additional lot will be introduced and in addition to the items we are already able to provide to clients, this will may also include the following items;
- wardrobe
 - washing machine
 - sofa
 - chest of drawers
 - dining table/chairs
 - bedding
 - curtain
 - hoover
 - television
- 3.10 In the interim the Children’s Leaving Care Team will use the existing framework for the purchase of essential living items included within existing lots for care leavers.

4. SERVICE PROFILE / DATA ANALYSIS

4.1 Figure 1 below shows the expenditure authorised under the setting up home allowance for essential living items required by care leavers to set up their new home in 2015/16.

Leaving Care Team – setting up home allowance expenditure 2015/2016	
Total cost for the year	£63,826.94
Minor setting up home allowance	£12,765.38
Estimated Costs on White Goods & Furniture	£51,061.55

- 4.2 There are currently 169 care leavers, all of whom will require access to the Setting Up Home grant at some point.
- 4.3 All applications to the Welfare Fund are quality checked to ensure compliance before and award is agreed. Figure 2 shows the total number of items authorised in 2015/16.

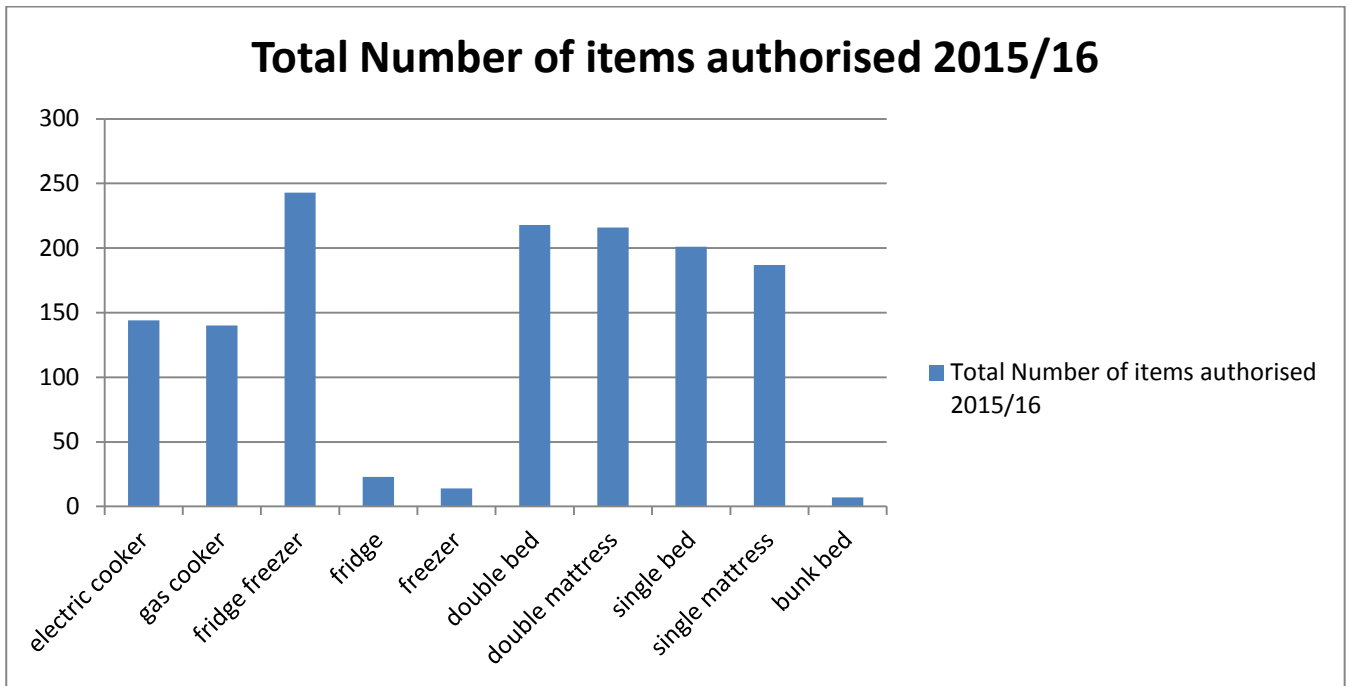


Figure 2

5 CUSTOMER PROFILE

- 5.1 Recipients of the scheme are some of the most vulnerable members of the community with high representation from particular equality groups; in particular vulnerable due to disability, mental health, pregnancy or young children and people including those leaving care.
- 5.2 With the removal of the national funding streams set out in paragraph 3.1 of this report and in light of wider welfare reform, such households have reduced access to funds to assist in move on to settled accommodation without access to the welfare fund for the provision of essential; living items these households would not have the financial means to gain essential household goods resulting increased time and cost in the provision of temporary and emergency housing.
- 5.3 The number of households requiring assistance is currently increasing with nearly 1300 households currently living in temporary accommodation pending move-on. This figure is increasing by around 12 to 15 households per month.

6. MARKET CONSIDERATIONS

- 6.1 Nine months after boroughs began operating these schemes, the Government revealed in the 2013 Autumn Statement that the dedicated funding stream for local welfare provision – worth £178m annually – would be abolished from 2015-16.
- 6.2 The table below shows figures from Bromley Welfare Fund provision from 2015

Bromley Welfare Fund 2015-2016 – highlights

- Total Spend: £110,120.17
- 453 applications during the last financial year
- 226 households awarded item(s)
- £487.25 – average spend per household
- £9,176.68 – average spend per month
- Report shows that majority of households are requiring all items offered in scheme

7. STAKEHOLDER CONSULTATION

- 7.1 Commissioners are consulting with current providers as well as other Local Authorities operating similar schemes to ensure that as many providers as possible are aware of the Council's intentions
- 7.2 Consultation was undertaken with stakeholders including third sector agencies and support providers at the onset of the scheme with regular updates to ensure that the scheme continues to operate effectively to target those most in need.

8. SUSTAINABILITY / IMPACT ASSESSMENTS

- 8.1 The continuation of this scheme will prevent an increased cost in other service areas. The highest numbers of people assisted are those leaving temporary accommodation and institutions.
- 8.2 Requests will be directed by the Council to a designated team which will prevent client/customer conflict, inequality in decision making and lessen the pressure on individual service budgets.
- 8.3 Applications are made through a referring agent for example: social workers, support workers, housing officer, probation officer etc.
- 8.4 Sufficient contingency has been built into the budget to cover any sudden fluctuations in demand and in addition the policy explains the limitations of the scheme which are discretionary and limited.
- 8.5 Ongoing use of a the scheme ensures that households can be moved on more quickly minimising time spent in costly temporary accommodation and reduces the risk of non-recovery of costs of such accommodation.
- 8.6 By offering the service in this way, there has been an reduction in administration costs as well as the opportunity to coordinate different forms of support to individuals.
- 8.7 Inclusion of the care leavers setting up home allowance items, would ensure the provision of equipment and household items to ensure young care leavers have the appropriate equipment and household items to set up a safe, secure and stable home.

9. OUTLINE PROCUREMENT STRATEGY & CONTRACTING PROPOSALS

- 9.1 **Estimated Contract Value:** £608,000 over 4 years (£400,000 welfare fund and £208,000 leaving care setting up home allowance)
- 9.2 **Proposed Contract Period:** FOUR YEARS – NO POINT IN ANYTHING LESS – YOU DON'T HAVE TO USE IT.
- 9.3 **Proposed Lots on Framework:** The Framework will be divided into 3 lots:

Lot 1: Supply and fit of specified white goods

Lot 2: Supply of specified beds

Lot 3: Supply of specified household furniture

- 9.3 **Indicative Timescales:**

Potential PROVIDERS WILL BE CONTACTED DURING OCTOBER 16. The opportunity will be published through the London Tenders Portal (Due North) at the end of October with a deadline

for submissions at the end of November. Evaluation and contract award will take place in December 2016 /January 2017 with the new Agreement starting on 1 April 2017.

PROJECT TITLE:

Framework for Essential Household Goods (Move-on Packs)

EVENT	NOTE	COMMENTS [input]	DATE [input]	DAYS [auto]	EU/COUNCIL MINIMUM *
Documents finalised			Monday, 17-Oct-16	7	
Publication of advertisement	<i>Contracts Finder/OJEU</i>		Monday, 24-Oct-16	32	35 days **
Tenders returned	<i>Evaluation</i>		Friday, 25-Nov-16	10	
Clarification Interviews	<i>Venue availability</i>	If required	Monday, 5-Dec-16	37	
Contract Award	<i>Comm Board/Committee/minutes</i>		Wednesday, 11-Jan-17	14	
Successful/Unsuccessful bidders notified	<i>Standstill</i>		Wednesday, 25-Jan-17	12	10 days
Contract effective from	<i>Lead-in period</i>		Monday, 6-Feb-17	56	
Contract start	<i>Service commencement/On site</i>		Monday, 3-Apr-17		

** If covered by Light Touch regime, EU minimum timescales do not apply*

*** less 5 days if submitted electronically*

9.4 **Service Review:** The service specification will be reviewed to take into account changes to the service and uploaded as part of the suite of tender documents.

9.5 **Proposed Evaluation Methodology:** Evaluation will be based on the methodology recommended by the Chartered Institute of Public Finance & Accountancy (CIPFA). Tenders will be evaluated based on 60% Price and 40% Quality. The overall weightings for this contract evaluation have been set to identify the Most Economically Advantageous Tender (MEAT) and deliver the best possible combination of whole-life cost and quality to meet the Council's requirements. Evaluation of the following proposed evaluation criteria will be undertaken by members of the Housing Team.

Service Delivery
Quality Assurance
Service Consistency
Social Value
Financial Sustainability

10. POLICY CONSIDERATIONS

10.1 The objective of this service assists in achieving the targets set out in Building a Better Bromley and the Homelessness Strategy to promote independence and reduce homelessness and minimise the use and length of stay in emergency accommodation for vulnerable people and families.

10.2 Although the welfare fund is not a statutory service, we are asking for the authority to continue this scheme also helps to ensure that the Council meets its statutory rehousing duties for homeless people. The provision of essential household goods for eligible households can assist

in offering suitable long term housing, by assisting clients to move on from costly temporary accommodation. By re-procuring, we aim to deliver a better service and increased efficiencies.

11. COMMISSIONING & PROCUREMENT CONSIDERATIONS

11.1 Health, social and related services are covered by Schedule 3 of the Public Contracts Regulations 2015, and thus any tender would be subject to the application of the “Light Touch” regime (LTR) under those regulations. Authorities have the flexibility to use any process or procedure they choose to run the procurement, as long as it respects the following obligations:

- i) The tender must be advertised in OJEU.
- ii) A Contract Award Notice must be published in OJEU at the end of the procurement.
- iii) The procurement must comply with Treaty principles of transparency and equal treatment.
- iv) The procurement must conform with the information provided in the OJEU advert regarding: any conditions for participation; time limits for contacting/responding to the authority; and the award procedure to be applied.
- v) Time limits imposed, such as for responding to adverts and tenders, must be reasonable and proportionate. There are no stipulated minimum time periods in the LTR rules, so contracting authorities should use their discretion and judgement on a case by case basis.

11.2 In conducting the procurement process in accordance with the Council’s Contract Procedure Rules and the indicative timetable in paragraph 9.4, these obligations will be met.

12. FINANCIAL CONSIDERATIONS

12.1 On the 24th March 2015 the Executive agreed the Executive are requested to approve the creation of a Welfare Fund earmarked reserve which currently stands at £970k.

12.2 The implementation of universal credit combined with loss of government funding for the welfare fund and reductions in discretionary housing payments funding whilst the national welfare reforms continue create a significant financial risk to the Council. On that basis, Executive agreed to create a Welfare Fund reserve to help mitigate against such financial risks over the next few years as the welfare reforms continue.

12.3 The estimated expenditure is around £100k p.a. The estimated spend over the four year contract period is containable within the current resources of the reserve.

12.4 The use of a framework to meet the requirements of the service allows for a great deal of flexibility in expenditure because it makes no guarantee to successful tenderers regarding the volume of activity. This will enable service levels to be increased or reduced in line with activity, statutory requirements, budget pressures and Member priorities.

12.5 The provision of essential living items ensures homeless households are able to move into settled accommodation as soon as possible thus avoiding extended stays in costly types of temporary accommodation.

12.6 The leaving care team has various budgets that are used to provide support to care leavers, and it is expected that these costs will be containable within the overall budgets. The framework will ensure best value for items required to be purchased under this provision.

13. LEGAL CONSIDERATIONS

- 13.1 This report seeks the approval of the Care Services PDS Committee to procure a framework agreement for the provision of essential household goods for a period of 2 years with an option to extend for a period or periods up to two years and an estimated total value of £400,000.
- 13.2 For the purposes of the Public Contracts Regulations 2015 this contract which falls under the light touch regime and is under the financial threshold for that regime so the procurement procedures under Part 2 of the Regulations do not apply.
- 13.3 The report author will need to consult with the Legal Department regarding the terms and conditions of the framework agreement and the call-off contract.
- 13.4 Update required from legal in respect of the leaving care element.

Non-Applicable Sections:	Personnel
Background Documents: (Access via Contact Officer)	CS15010 Bromley Welfare Fund/ Essential Household Goods Service. Appendices to be Included