

Decision Maker: THE EXECUTIVE WITH PRE-DECISION SCRUTINY FROM
RR&H PDS 26.01.22

Date: 9.02.2022

Decision Type: Non-Urgent Executive **Key**

Title: PROCEEDING TO PROCUREMENT - ACCOMMODATION AND
TENANCY SUSTAINMENT SERVICE FOR YOUNG PEOPLE

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Ward: All Wards

1. REASON FOR REPORT

- 1.1. The Council has held a contract since 2016 with DePaul UK Ltd to provide an Accommodation and Tenancy Sustainment Service for young people who are homeless or threatened with homelessness including Care Leavers engaged with the authority. This contract was originally due to expire in September 2021, however due to the Pandemic a further one year extension was granted and therefore the contract will now expire in September 2022.
 - 1.2. This report sets out a summary of performance and outcomes delivered by DePaul UK Ltd over the contract period and the procurement strategy for the future Accommodation and Tenancy Sustainment Service for Young People.
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2. RECOMMENDATIONS

- 2.1 The Executive is recommended to approve proceeding to a competitive tender, via a two stage restricted tender process, for the provision of an Accommodation, Tenancy Sustainment and Support services for young people for a contract period of five years with an option to extend for 2 periods of 2 years .
- 2.2 The proposed contract is estimated at an annual value of £428,400 per annum. The initial five-year contract start date will be 8th September 2022 with an end date of 7th September 2027 at a cost of £2,142,000; the cost of two period of two years at £1,713,600 with an estimated whole life value of £3,855,600.

Impact on Vulnerable Adults and Children

1. Summary of Impact: The provision of this service allows the Council to provide safe accommodation and enhanced support for young people who may be homeless or threatened with homelessness including Care Leavers.
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Corporate Policy

1. Policy Status: Existing Policy.
 2. BBB Priority: Our children thrive and flourish secure into adult, Our families, businesses and communities thrive
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Financial

1. Cost of proposal: £3,856k over maximum 9 year term (excluding any inflationary during extension periods)
 2. Ongoing costs: Recurring Cost: Estimated £428k per annum
 3. Budget head/performance centre: Supporting People
 4. Total current budget for this head: £1,070k (draft 2022/23 budget)
 5. Source of funding: Existing revenue budget
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Personnel

1. Number of staff (current and additional):
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Statutory Requirement :
 2. Call-in: Applicable
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Procurement

1. Summary of Procurement Implications:
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 44 units with a projection to assist up to 100 young people per year.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1. The Supported Accommodation and Tenancy Sustainment Service for young people provides 43 units (including two emergency units) in six buildings located within the borough of Bromley. The service also provides a unit to cater specifically for teenage parents. Services are currently delivered from six buildings which are owned by four Social Landlords: A2 Dominion, Optivo, Look Ahead Housing and L&Q. The main purpose of the service is to provide safe and secure placements which, support service users to thrive on their journey to adulthood and independence.
- 3.2. The commissioned accommodation provision enables the Council to fulfil its statutory duties to meet the housing and support needs of eligible young homeless people and care leavers (aged 16 years and above) and assist Children Looked After on their journey to independence. The prevention of homelessness is a key objective across the Council and its partners and where it is considered safe for a young person to return home, mediation services are also utilised to allow the young person to be reunited with their family, even after a period within the provision.
- 3.2 The contract also delivers a flexible support element, which allows DePaul to assist young people as they transition into their permanent accommodation or if they have issues following resettlement, into permanent accommodation.
- 3.3. To incentivise the service to achieve the best possible outcomes for our young people, the current contract includes the opportunity for the Provider to claim a small incentive payment to reflect achievements for individual young people, who:
- Successfully move on from the service in a planned way without rent arrears and are debt-free.
 - Have been supported to secure employment and/ or a qualification via education or training.
 - Have a history of offending behaviour to manage their tenancy and leave the scheme without re-offending and are debt-free.
- 3.4. Service users are supported to gain the skills needed to manage a tenancy, build self-esteem as they prepare to live independently and safely within the community. In addition, they are assisted to access welfare benefits, education, employment and training, health services and long-term safe housing. The service aims to ensure service users are also supported to gain emotional stability, confidence, and coach them to set goals to improve their life opportunities.
- 3.5. The service is one of the accommodation options available to young people who approach the Council in need of housing assistance. The Homelessness Code of Guidance update 12 October 2021 states that Bed and Breakfast accommodation is not considered suitable accommodation for 16/17 year-olds even in an emergency. The Housing Act 1996 VII, (as amended by the Homeless Reduction Act 2017) places a legal duty on local authorities to provide meaningful help to anyone who is homeless or at risk of homelessness irrespective of their priority need status if they are eligible for assistance. The Children's Act 1989 also places a legal duty on local authorities to ensure that the needs of young people within their area is assessed and services provided to meet identified needs, this includes housing.

4. Summary of Business Case

- 4.1. The Supported Accommodation and Tenancy Sustainment Service for Young People contract has been held by DePaul UK Ltd since October 2016. DePaul in addition has the capacity to provide 112 hours of flexible support hours (per annum) to support care leavers from other semi-independent supported provisions to settle in their new permanent tenancies.
- 4.2. This element of the service has been reviewed and will be remodelled with the new service specification due to low utilisation.
- 4.3. There is an ongoing requirement for the service as it enables the Council to meet its statutory obligations and provide opportunities for young people to thrive as they prepare for adulthood. The current model of accommodation and community-based support is well established in Bromley, since 2011.
- 4.4. Utilisation of the Accommodation and Tenancy Sustainment and Support Services for young people is currently split 60/40 between Children's Services and Housing Needs. This helps both departments in delivering the integrated Young Peoples Pathway and enables us to achieve the Council's key priority to safeguard children and adolescents.
- 4.5. Due to a reconfiguration of the accommodation provision, in the new contract there is an opportunity to add one additional unit within this contract, allowing the proposed contract to have 44, instead of 43 units within the properties currently available.
- 4.6. The scheme operates a step-up/down model which has to date provided the flexibility to meet the fluctuating needs of young people and enabled the council to achieve its objective of zero placements of 16 to 17 year olds in Bed and Breakfast accommodation. This model refers to the level of support required by the young person, and can be increased or decreased according to the presenting needs of the young person. We will consult and benchmark with other authorities as to whether this remains a suitable model for the future.
- 4.7. The financial cost to Children's Services for placing a 16 to 24 year-old in semi-independent accommodation (some of which are out of the borough) is approximately £800 per week. The Tenancy Sustainment Service for young people provides an alternative at an approximate cost of £450 (annual contract value/52/43+£278.32 rent pw) per week. This provides a saving to the council of approximately £18,000 per annum for every placement and demonstrates value for money.
- 4.8. The leading cause of homelessness amongst young people in Bromley and nationally is eviction from the family home. As the Government's Furlough Scheme ends and Universal Credit top-up is withdrawn from households, we envisage this could lead to financial hardship, impacting relationships with a possible increase in youth homelessness. There are limited affordable options for young people in the private rent sector (PRS)
- 4.9. The last contract value was £357,000 per annum; however it is estimated that this could increase by around 20% for the proposed contract. This allows for remodelling of the contract specification following feedback from the stakeholders' event to review staff to service user ratio's, mentoring & coaching (refer to Appendix 1), estimated future increase to staff salaries and other cost and Start-up cost for a potential new provider.
- 4.10. It is proposed to put the service out to competitive tender for a period of 5 years with an option to extend for 2 periods of 2 years at an estimated cost of £428,400 per annum with a total contract value of 3,855,600, for the full nine years.

5. Service Profile / Data Analysis

- 5.1. During the contract period (October 2016 to June 2021), around 197 young people have been referred to this service for accommodation and support. In 2020/21, the average utilisation rate of the 43 units across the year was 99%. This is above the contractual target of 95% and demonstrates the good work to minimise voids and make efficient use of the service to meet the needs of young people. Move-on outputs were not monitored as robustly as they could be, however, Key Performance Indicators (KPI's) around move-on will be specified in the new contract.
- 5.2. Of the 197 referrals made by LBB, 82% (163) were interviewed within 7 days of being referred and 52% (105) signed up within 10 days from the date of referral. However, once interviewed, they would join the waiting list until voids become available. Whilst both outputs were below the agreed contractual targets of 90%, DePaul has highlighted that some young people are chaotic and hard to engage in the process which led to delays.
- 5.3. From October 2016 to June 2021, DePaul has submitted claims for 67 incentive payments for young people. In this same period, 19 were approved by LBB and 17 are still under consideration. They have reported that the £19,000 of the amount claimed was used to enhance their provision around training and for young people in Bromley. The funds were also used to purchase equipment for courses to aid young people in their education, upgrade the IT equipment based at the projects so that service users can upgrade their CV writing skills; complete job applications or prepare for interviews.
- 5.4. Planned move-on from the service is through the Bromley Housing Register. Overall, approximately 151 services users moved-on from the service between October 2016 to June 2021. The data provided over for these periods show that,
- 74% of young people were deemed ready for move on within 2 years.
 - 49% of the young people in the projects were in paid employment at the point of leaving the service.
 - 100% of the service users had a risk assessment and a Support plan in place
 - 39% of service users on average were in training/education/volunteering.
 - The provider reported in decline in numbers because of Covid19.

Overall, the performance of the service has been satisfactory in providing a safe and secure environment for young people .

- 5.5. There were 16 reported incidents in the last four years at the project of which 5 were resolved without involvement from the police. Overall, the provider has effectively reduced the number of Anti-Social Behaviour (ASB) incidents in the area and improved its relationship with neighbours such that complaints are rare.
- 5.6. DePaul conducted a satisfaction survey of the young people earlier this year and 32 of the 43 services users responded. Feedback from the data identified some areas for improvement, however the services users' feedback was positive overall.

- 5.7. The data indicates that of the number (32 service users) that responded:
- 91% agreed that they were satisfied with the service overall.
 - 75% agreed that they were being supported to achieve their goals.
 - 88% agreed that they knew what to do if they were unhappy with something at the schemes.
 - 78% agreed that they felt safe in their accommodation
 - 75% agreed that their accommodation was in a good condition
 - 68% agreed that the communal areas were clean and well maintained.

6. Service Challenges

- 6.1. The provider has highlighted an increase in the number of chaotic and hard to engage young people referred by the Council to their service. This issue will be fully explored through consultation with stakeholders' young people in particularly young people, to gain better insight into how to best remedy this in the future.
- 6.2. Some of the performance indicators within the contract are not easily measured thus affecting the monitoring and reporting. Housing will now consider how best to robustly monitor this contract in the future with greater consideration to the KPI's, agreed with the appointed provider.
- 6.3. Move-on options for this provision is limited to the Housing Register. Given the housing pressures, we will consider other viable permanent move-on housing options.

7. Options Appraisal

7.1. Option 1: - Decommission the service

This option is not recommended as the Council's is required to meet its statutory duties, as laid out in the Housing Act 1996 (as amended by the Homelessness Reduction Act 2017) and the Children's Act 1989. Decommissioning of the service would restrict access and provide meaningful assistance to all young people who are eligible and homeless or threatened with homelessness, due to their priority need status or being a Child in need.

7.2. Option 2: - Tender the contract

Officers recommend option 2 for approval, as this option reflects the best outcome for the Council. Following consultation and stakeholder engagement, a new co-designed specification will be produced to reflect the projected level of need for current and future service users. Due to the limited market the Council has selected a two-stage restricted tender process and would encourage bid submissions from local voluntary sector providers.

The weighting to be applied is 60% price and 40% quality.

8. Preferred Option

- 8.1. **Option 2** is the preferred option as the contract is coming to an end and the Council requires this service to meet its statutory duties.

9. MARKET CONSIDERATIONS

- 9.1. At the last tender, 22 companies expressed an interest in providing this service with 6 providers submitting a compliant bid, 2 opting out and 14 did not respond. This suggests that there is a relatively limited market for this specialist service.
- 9.2. A market testing exercise will be conducted ahead of the tender going live to glean interest from the market and views on how to shape the specification.

10. STAKEHOLDER ENGAGEMENT

- 10.1. The Service recognises the need to have young people involved in the consultation process, including current and former service users.
- 10.2. Following a presentation at the homeless forum held in November 2021 about the service and proposals for the new specification, agencies were invited to attend a stakeholders' event in December 2021. Feedback and outcomes can be seen in appendix 1.
- 10.3. As a result, the specification will be drafted and where possible reflect the views received to shape the new service provision being offered to young people and care leavers.

11. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS

11.1. **Estimated Value of Proposed Action: £3,855,600**

11.2. **Proposed Contract Period:** 5 plus 2 periods of 2 years

11.3. The table below provides an indicative procurement timetable.

Find a Tender and Contracts Finder Notices Issued	21 st March 2022
Closing date for clarification questions	12 Noon on 11 th April 2022
Closing date for Return of Completed SQs	12 Noon on 21 st April 2022
Evaluation commencing for SQ	Commencing 25 th April 2022
Issue of Stage 2 Invitation to Tender Documents	24 th May 2022

Return of Stage 2 documents	23rd June 2022
Potential Clarification Interviews	11 th July to 15 th July 2022
Anticipated date to advise Tenderers	25 th July 2022
Contract Commencement Date	9 th September 2022

12. IMPACT ASSESSMENTS

- 12.1. There is no impact currently identified.

13. POLICY CONSIDERATIONS

- 13.1. Housing Act 1996 (as amended by the Homelessness Reduction Act 2017); the Crime and Disorder Act 1998; The Children's Act 1989; The Domestic Abuse Bill.
- 13.2. The housing objectives are set out in the relevant business plans and the borough's Homelessness Strategy. These objectives are compliant with the statutory framework within which the Council's housing function must operate.
- 13.3. The legislation on homelessness requires appropriate support to be provided to households at risk of homelessness and suitable accommodation and support to those households to whom the Council owes a statutory rehousing duty. These services play a key part in the overall provision of homeless intervention, prevention, and accommodation services.

14. IT AND GDPR CONSIDERATIONS

- 14.1. Any provider will need to demonstrate that they adhere to all current and relevant GDPR and data storing/sharing requirements.

15. PROCUREMENT RULES

- 15.1. This report seeks to proceed to procurement for the provision of Accommodation and Tenancy Sustainment services for Young People for a contract period of 5 years, with the option to extend for 2 periods of 2 years at a total contract value of £3,855,600.
- 15.2. This is an above threshold contract, covered by Schedule 3 of the Public Contracts Regulations 2015. A 2 stage restricted tender process will be used and a timetable is included at section 11.4 of this report.
- 15.3. The Council's specific requirements for authorising proceeding to procurement are covered in Rules 1 and 5 of the Contract Procedure Rules with the need to obtain the formal Agreement of the Portfolio Holder, Assistant Director Governance & Contracts, the Director of Corporate Services, the Director of Finance, the Chief Officer and the

Budget holder for a procurement of this value. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.

- 15.4. In compliance with the Council's Contract Procedure Rules (Rule 3.6.1), this procurement must be carried out using the Council's e-procurement system.
- 15.5. The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

16. FINANCIAL CONSIDERATIONS

- 16.1 The estimated value of the proposed contract is £428k per annum which will be fixed for the initial five year term, with a whole life value of £3,856k over the maximum 9 year term (excluding any inflationary increases during the extension period(s)).
- 16.2 Although this is a significant increase above the current contract, it should be noted that the value of that contract has been fixed for 5 years and that providers will price in future inflationary pressures, as well as additional costs as referred to in paragraph 4.9.
- 16.3 This estimated increase can be contained within the existing Supporting People budget which is £1,070k (draft 2022/23 budget).
- 16.4 As set out in paragraph 4.2, the service will continue to deliver significant savings compared to arranging alternative accommodation, so ceasing the contract would result in the Council incurring significantly higher costs in other budgets.

17. PERSONNEL CONSIDERATIONS

- 17.1. There are no direct personnel considerations for LBB; but in the event of award to a new provider then TUPE may apply. Management of TUPE is the responsibility of the incoming and outgoing contractors; but all professional advice will be sought in assisting TUPE and this will be incorporated into any mobilisation plan for the contract.

18. LEGAL CONSIDERATIONS

- 18.1 The Council has the power to receive and spend any Government Grant as outlined in this report. The Council has various legal/statutory duties and powers for the provision of homeless intervention, prevention and accommodation services. This is also echoed generally under 'The Housing Act 1996 VII (as amended by the Homeless Reduction Act 2017), the 'Homelessness Code/Guidance update dated 12.10.21' the Crime and Disorder Act 1998', and the Domestic Abuse Bill'. In addition to this, the 'Children Act 1989' touches upon young people's needs being met and assessed and then services provided accordingly to meet housing requirements. In furtherance of these powers, the Council has the legal power to enter into a Contract with DePaul UK and the Council may provide and commission through a contract the services outlined in this report.

- 18.2 This Report seeks approval to proceed to procurement (via competitive tender and a two-stage restricted process) for the provision of Accommodation and Tenancy Sustainment Service for young people who are homeless or threatened with homelessness including care leavers engaged with the Authority. The Council held a Contract with DePaul UK since 2016 and the Contract was originally due to expire in September 2021. A further extension year was granted due to the Pandemic and the Contract is due to expire in September 2022. The proposed Contract period is for a period of five years with the option to extend for two periods of two years and commences from 08.09.22 till 07.09.27 (at a cost of £2,142,000 and a cost of £1,713.600 for the two year period). The annual value of the proposed Contract is £428,400. The contract's overall whole life cost over the whole life (i.e., total cumulative spend for the full nine years, excluding any inflationary increases during the extension periods) is £3,855.600
- 18.3 This is a public services Contract within the meaning of the Public Contracts Regulations 2015 whereby the value of the Contract is above the relevant threshold and falls within the services outlined in Schedule 3 of the Public Contracts Regulations (PCR's) 2015.
- 18.4 Under the Council's Contract Procedure Rules, the Councils requirement for Proceeding to Procurement is in accordance to CPR 1 and 5, where advice should be sought from the Procurement Team, Legal Services (Contracts) and the relevant Head of Finance for any procurement with a value of £5k or over. Advice should also be sought from Human Resources, Information Technology and Strategic Property as required. Furthermore, the agreement of the Budget Holder, Chief Officer, Assistant Director Governance & Contracts, Director of Corporate Services, Director of Finance, Portfolio Holder and approval of the Executive must also be sought for a Contract of this value. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.
- 18.5 In accordance to 3.6.1 of the Council's Contract Procedure Rules, all Officers are required to make use of the Council's eProcurement System when carrying out any Contracting activity which has an estimated value of £5,000 and above, unless otherwise agreed with the Head of Procurement.
- 18.6 The Contracts can be awarded in accordance with the Council's Contract Procedure Rules and the Public Procurement Regulations 2015. Officers should ensure they comply with all Grant conditions

Non-Applicable Sections:	[List non-applicable sections here]
Background Documents: (Access via Contact Officer)	[Title of document and date]

An on-line stakeholder engagement event was held in December 2021 to glean interest from the market and views on how to shape the specification. 22 active attendees, from the following partner organisations:

Housing Department (London Borough of Bromley)
Children's Services (London Borough of Bromley)
Homeless Link
Department for Works and Pensions
ThamesReach
St Mungos
Bromley Homeless Shelter
DePaul UK (Current staff/management and ex-service user)
Portfolio Holder for Housing (London Borough of Bromley)
New Horizon Youth Centre.

The interactive session allowed participants to provide their views to a series of questions, the responses are being used to shape the specification of the new service contract for the young people.

The key findings and outcomes arising from the consultation event are detailed below:

- Review the different levels of support delivery in relation to staff and service-user ratio to ensure those who need it can
- Include a greater focus on young people gaining key independent living skills i.e. cooking, undertaking laundry, debt management, decision making etc
- More support from staff to motivate and encourage young people to access to education, employment, and training
- Use creative and appropriate methods to highlight the dangers of drug misuse and knife crime i.e. visuals i.e. posters, videos within premises
- Address issues around loneliness for those moving into permanent accommodation and missing the family environment of the pathway
- Access to Resilience building training and support for young people whilst at the project and post move-on – providing young people with life skills including, self-care, undertaking domestic chores, forming positive relationships, making effective decisions, tenancy sustainment etc
- Permanent staff, who can provide consistent and continued support
- Effective handover when service users are stepping up or down to minimise disruption for young people
- Flexible approach to placements and placement management, often young people prefer the stability of one placement, rather than being moved from high, medium to low. However, this could reduce access for those with high needs. Consideration to be given to the models available and any good practice models, this will help to identify the best option for the service.
- Must be able to cater for the transitioning needs – whether moving on from welfare benefits to employment, adulthood etc

- Mentoring and coaching – role models, peer mentors
- Resilience modelling – up skilling young with skills around cooking, self-care, form positive relationships, making effective decisions, tenancy sustainment
- Access to specialist support service – mental health, drug and alcohol, exiting gang life, debt and money advice etc
- Support for young people, where English is not the first language
- Information and support for those exploring their sexual orientation.