
Decision Maker: EXECUTIVE WITH PRE DECISION SCRUTINY FROM
RENEWAL, RECREATION & HOUSING POLICY
DEVELOPMENT & SCRUTINY COMMITTEE

Date: 30 March 2022

Decision Type: Non-Urgent Executive Key

Title: GATEWAY FOR PROCEEDING TO PROCUREMENT FOR
ACCOMMODATION, SUPPORT AND TENANCY SUSTAINMENT
SERVICES

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Ward: Wards

1. REASON FOR REPORT

- 1.1 The Council currently provides floating support and specialist accommodation-based support for ex-offenders. The specialist accommodation service has been provided by Hestia since 1 October 2016, offering supported accommodation for up to 9 ex-offenders and floating support for (up to) 100 tenants.
- 1.2 The 3 year contract at the value of £195k per annum was due to expire on 30 September 2019, however the Council enacted its option to extend the contract with the Provider for a further year, with an expiry date of 30 September 2020. The total contract value for the 4 years equated to approximately £780k.
- 1.3 In January 2020, the Renewal, Recreation and Housing PDS Committee approved a 6 month extension beyond term to 31 March 2021 be authorised for the Hestia contract, via exemption from competitive tendering, to enable the services to be amalgamated with Evolve Housing and put out to tender. However due to service pressures because of Covid, the tender was delayed. In September 2021, the Renewal, Recreation and Housing PDS Committee agreed to the Hestia contract being extended for a further 12 months and with Hestia's agreement, the contract was extended to September 2022. The total contract value for the 5.5 years equates to £1,072K.

- 1.4 A counter proposal in respect of the Evolve Housing contract was incidentally received and accepted by the Council in August 2021. Therefore the plan to amalgamate the respective Evolve and Hestia service contracts was curtailed.

This report is requesting authorisation to proceed to tender for the Accommodation, Support and Tenancy Sustainment Service.

2. RECOMMENDATION(S)

- 2.1 The Renewal, Recreation and Housing PDS Committee are asked to note and comment on the contents and recommendations contained within this report.
- 2.2 The Portfolio Holder and Executive is recommended to approve proceeding to a competitive tender, via a single stage, open procurement process, for the provision of accommodation, support, and tenancy sustainment services to vulnerable people. It is proposed the contract will be for a period of five years, with the option to extend for a further two periods, of two years each.
- 2.3 The estimated cost will be £234k per annum with a total contract value of £ 1,170k for the initial five year contract period and £2,106k for the full nine year period. The initial costs will be fixed for 5 years, but any further extensions will be subject to additional costs with an annual inflation rise in line with CPI, for the maximum period of 4 years.
- 2.4 Approval is also sought to extend the current contact for a further period of up to 6 months, should it be required, in the event that it is not possible to conclude award of contract and any mobilisation required prior to the end of the current contract. An extension of up to 6 months would be an estimated value of £95.5k, a cumulative whole life value of £1,170k.

Impact on Vulnerable Adults and Children

1. Summary of Impact: The Floating support service ensures that tenants are able to access early intervention in order to sustain their tenancy and avoid becoming homeless in the future. The Ex-offender service reduces the risk of re-offending and enables residents to transition successfully from supported into general needs accommodation.
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Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Supporting Independence:
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Financial

1. Cost of proposal: Estimated Cost: £ 1,170k for the 5 year contract period and £2,106k for the full nine year period. With fixed costs for first five years and then subject to annual inflationary increases at the rate of CPI, during any extension periods agreed by the Council, for up to four years.
 2. Ongoing costs: Estimated Cost: £234k per annum
 3. Budget head/performance centre: Supporting People
 4. Total current budget for this head: £1,070k per annum
 5. Source of funding: Draft 2022/23 budget
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Personnel

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
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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): The contract will provide accommodation and support to 9 ex-offenders and floating support for (at least) 100 tenants who have been identified as vulnerable and requiring support to maintain existing temporary accommodation and social tenancies, reducing the pressure on housing services and helping to ensure that the number of presentations from households losing their tenancies remains low.
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Ward Councillor Views

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

Councillor Ryan Thomson, Ward Councillor for Crystal Palace is supportive of the re-tendering of this service and passionately agrees that the housing provision should be available within the borough to support vulnerable people and assist in reducing offending, including gang related offences and the prevention of homelessness. Councillor Angela Wilkins, also Ward Councillor for Crystal Palace has declared an interest in the project and therefore is unable to provide any comment.

3. COMMENTARY

- 3.1 The Housing Act 1996 (as amended by the Homelessness Reduction Act 2017) places a legal duty on Councils to provide advice and assistance to those who are homeless or at risk of homelessness. For those to whom the Council owes a statutory rehousing duty, the legislation also sets out clear criteria on the provision and suitability of accommodation and also the support that must be provided to enable households to sustain that accommodation.
- 3.2 The accommodation provided by the Home Group has been in place since 1st October 2016 and offers support and accommodation for up to 9 ex-offenders (mixed gender). Support staff are based at the scheme during the day with a concierge/security service overnight. Ex-offenders are assessed through the Options and Support Service, often prior to release from prison.
- 3.3 Being able to provide stable accommodation to ex-offenders reduces the potential of them returning to crime and reduces offending, without this accommodation there is the potential that those released from prison will drift towards rough sleeping. Often rough sleepers are marginalised by society and excluded from accommodation services, employment and therefore support and rehabilitation is required to reduce rough sleeping and vagrancy and also to allow access to substance misuse and mental health services.
- 3.4 The owner of the property in which the scheme is located is The Home Group who are a registered provider (RP). This accommodation is used as a direct alternative to nightly paid temporary accommodation specifically for ex-offenders, as part of the Housing Departments, Single Homelessness Pathway. The Home Group has provided confirmation of availability and utilisation of the property for new tender period, and agreement to enter into a new contract with the successful provider.
- 3.5 The floating support element of the new service contract is scoped to avoid tenants in temporary accommodation and general needs social housing losing their existing tenancies. This has a positive impact on reducing the pressure on housing services and ensuring that the number of presentations from households losing their tenancies remains low. The current service provision is not a frontline homelessness service, however short-term advice and support is offered to intervene prior to crisis in order to resolve problems and prevent escalation.
- 3.6 Under the terms of the current contract, Hestia are required to support up to 100 tenants at any one time. Following the impact of the pandemic, and other socio-economic factors it is envisaged an increased level of support will be required for vulnerable people/households across the borough.
- 3.7 The contract enables the Council to fulfil its statutory obligation to meet the needs of eligible vulnerable adults with regard to their housing. The contract is relatively low value and bolsters the early intervention work of the Housing Options and Support service to prevent homelessness.

4. SERVICE PROFILE/DATA ANALYSIS

- 4.1 55% of those who approach the Council between April 2021-December were single, of which 535 went onto make applications for housing. 61 of the 535 were ex-offenders and the Council accepted a housing duty to 8. The Options and Support Service were able to find a re-housing option for a further 29, which includes placements in Orwell House, managed by Hestia.

4.2 This provision reduces the reliance on insecure forms of costly nightly paid accommodation. There are currently approximately 1,692 households in temporary accommodation of which approximately 1161 households are in nightly paid.

4.3 The services are monitored and reviewed via the Council's Contract Compliance and Monitoring service annually. Contracts are scored in accordance with an A-D rating, A being high. The majority of areas reviewed for the contracts being awarded a B grading or above. The conclusions of the most recent monitoring report were as follows:

"Hestia: (the Manager) and his team are doing a good job and are adhering to the development and delivery of the service. They scored well on the QAF and they are ensuring that the service is carried out in compliance with all relevant legislation."

4.4 The Supported Accommodation Service at Orwell House

- I. Over the lifetime of the contract the provision has generally been at full capacity. There have been short periods where for example, a service user may have returned to custody or needed inpatient mental health treatment, where this has impacted on the figures. However, outside of this the provision is fully utilised.
- II. The move on numbers from the provision has been lower than expected over the last 3 years. In 2019/20, the average stay for a service user was over two years, the Pandemic has been a contributory factor to this. Hestia has also advised that social housing providers are more likely to reject nominations for high risk offenders, leaving them to reside in Orwell House, for longer periods. In 2021/22 (Q1-Q3) the move on rate increased with 55% of residents moving on to independent living.
- III. Move on rates and other KPI's will be closely monitored in the new contract to ensure the provision has a fluid move on system and maximises the access and opportunities for those vulnerable people who need this support.
- IV. Hestia deliver a range of activities and support for residents including:
 - Access to drug rehabilitation project
 - Hosting Black history month events - where all the staff and residents participate
 - Move on to permanent housing
 - Newly decorated hallways and lounge - colours/fixtures picked and decorated by residents
 - Service continuity plans and risk assessments completed during Covid
 - Food parcels, PPE and emergency funding available during Covid
 - Communal House meetings
 - Staff training on the new case management system, coaching and the Hestia Approach
 - 'You Said We Did' Initiative - residents feedback feeds into service development
 - Volunteering programmes.

4.5 The Floating Support Service

The number of households utilising the service has been generally good across the lifetime of the contract, however, incidentally has decreased to 75%, in the current year 2021/22 (Q1-Q3).

Whilst initial feedback records the Pandemic as a possible cause, this moves the Housing Division to widen the scope of the referrers and referral criteria to maximise referrals going forward. Between April 2019 and Dec 2021, 72% of service users were reported to be living independently after being engaged with the Floating Support Service.

- 4.6 Both elements of the service represent value for money when compared to alternative nightly paid accommodation and contribute to the low rates of repeat homelessness and repeat offending. The Floating Support Service provides early intervention, which in turn reduces repeat homelessness, allowing Bromley residents to settle and retain their accommodation.
- 4.7 New key performance indicators and service outcomes for users will be introduced into the new contract, along with review and scoping of the service specification. This will track the impact and outcomes of the person-centred approach enlisted for all service users.

5) SUMMARY OF BUSINESS CASE

- 5.1 It is proposed to put the service out to a competitive tender for a contract of five years and the option to extend the contract for a further 2 periods of two years each at an estimated cost of £234k per annum with a total contract value of £2,106k. This represents an estimated 20% uplift on the last contract price, which accounts for salary increases, caters for modifications to the service specification and other increases in service delivery costs.
- 5.2 Key elements and modifications of the new service will include:
 - Increase access to re-housing options and permanent accommodation for ex-offenders
 - Robust move-on rates
 - Increase engagement and access to employment, training and volunteering opportunities
 - Deliver life skills and tenancy sustainment training
 - Meaningful use of time of residents
 - Money and debt management
 - Support for households placed in temporary accommodation.
- 5.3 The revolving door of homelessness places a greater cost on public services. The Floating Support Service element of the contract is pivotal to preventing tenancy breakdown, and supporting households to maintain their accommodation. Reducing rent arrears and providing links to local advice/ support agencies reduces evictions and the impact on health and well being of residents. The Floating Support service helps the Council in fulfilling its statutory role in supporting vulnerable families across the borough.

6. MARKET CONSIDERATIONS

- 6.1 The contract is going out to tender as a two stage restricted process.
- 6.2 A soft market test exercise will be undertaken, with results available at the beginning of March.

7. SOCIAL VALUE AND LOCAL / NATIONAL PRIORITIES

- 7.1 The new service assists the Council in its plans to meet key government priorities E.g., Ending rough sleeping by 2025 and to protect those fleeing domestic abuse as set out in the Domestic Abuse Bill 2021. The provision of offender accommodation and associated support services, helps to build safer communities for local residents.
- 7.2 In accordance with the Homelessness Reduction Act 2017, the Housing Department is developing a single homelessness pathway to ensure person-centered help and assistance is available to support people to secure and sustain accommodation.
- 7.3 The Council has participated in the Department of Levelling Up and Homes and Communities (DLUHC) - Accommodation for ex-offender programme and has found it very difficult to re-house offenders into the private rented accommodation. The process is not as swift as we would have hoped. Therefore, this accommodation is a much-needed resource to assist with the placement and rehabilitation of offenders whilst they wait for a permanent accommodation.

8 OPTIONS APPRAISAL

8.1 Option 1:- Decommission the service

This option is not recommended as the service meets the Council's legislative duties to access and provide more meaningful assistance to all people who are eligible and homeless or threatened with homelessness, due to their priority need status.

8.2 Option 2:- Conduct a competitive procurement exercise

This would provide the opportunity to carry out a competitive procurement exercise and establish value for money along with any efficiencies in service delivery. A single stage, open procurement route is proposed, this is due to the market being limited and also with the aim to encourage local and voluntary sector providers. The weighting to be applied is 60% price and 40% quality.

8.3 PREFERRED OPTION

The preferred option is Option 2 as the service is required and the contract is coming to an end.

9. STAKEHOLDER ENGAGEMENT

- 9.1 Consultation is currently underway through the Bromley Homelessness Forum and internal colleagues.
- 9.2 Hestia conduct annual resident surveys and the feedback is also being included in the development the new service specification, to ensure the voice of the service user is taken into consideration.

10. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS

10.1 **Proposed Procurement Action:** Compliant tender through an two stage restricted tender process

10.2 **Estimated Value of Proposed Action:** £234k per annum with an estimated whole life value of £2,106k

The proposed evaluation ratio is 60% price and 40% quality. The proposed quality evaluation criteria and weightings are set out in the table below:

Criteria	Weighting
Financial	5%
General Data Protection Regulations (GDPR) & Information Governance	5%
Service Delivery	25%
Support to Service Users	20%
Implementation	15%
Innovation	5%
Quality Assurance	20%
Social Value	5%

10.3 Other Associated Costs:

There are currently no other costs associated with this contract.

10.4 Proposed Contract Period:

10.5 The initial contract period of 5 years will run from September 2022 to September 2027. However, with the option for the Council to extend for a further 2 periods of upto 2 years each.

10.6 The table below provides an indicative procurement timetable

Find a Tender and Contracts Finder Notices Issued	31 st March 2022
Closing date for clarification questions	12 Noon on 20 th April 2022
Closing date for return of tenders (responses to both SQ & ITT)	12 Noon on 28 th April 2022
Evaluation of submitted tenders	Commencing 2 nd May 2022
Potential Clarification Interviews	23 rd May - 26 th May 2022
Anticipated date to advise Tenderers	30 th May 2022

11. IMPACT ASSESSMENTS

- 11.1 Any changes to the specification are intended to improve the outcomes for ex-offenders accessing the service. The new Provider would be engaged with local support services and have committed to improving life skills and personal outcomes for individuals. There would be no foreseen impact for those with protected characteristics.

12. POLICY CONSIDERATIONS

- 12.1 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 Act 2021.
- 12.2 The housing objectives are set out in the Council's relevant business plans and Housing and Homelessness strategies. These objectives are compliant with the statutory framework within which the Council's housing function must operate.
- 12.3 The legislation pertaining to homelessness requires appropriate advice and 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 within the overall provision of homeless intervention, prevention, and accommodation services.

13. IT AND GDPR CONSIDERATIONS

- 13.1 A Data Privacy Impact Assessment will be completed as a part of the procurement process Any Provider will need to demonstrate they adhere to all current GPR and data storing requirements.

14. STRATEGIC PROPERTY

- 14.1 N/A

15. PROCUREMENT RULES

- 15.1 This report seeks to proceed to procurement for the provision of Accommodation, Support & Tenancy Sustainment for a contract period of 5 years, with the option to extend for 2 periods of 2 years at a total contract value of £2,106k.
- 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 10.6 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 Approval of the Executive with Agreement from the Portfolio Holder, Assistant Director Governance & Contracts, the Director of Corporate Services, the Director of Finance and the Chief Officer for

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

- 15.5 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.
- 15.6 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.
- 15.7 The report additionally seeks a variation to extend the current contract beyond the contract term of up to a further 6 months, in the event it is not possible to conclude award of contract and any mobilisation in the time available. The value of the proposed variation being an estimated £95.5k with a total cumulative spend of £1,17k.
- 15.8 This was originally procured as an above-threshold contract following a competitive tendering process. The variation stated above can be completed in compliance with Regulation 72 of the Public Contract Regulations which allows modifications within certain parameters and limits.
- 15.9 The Council's requirements for authorising a variation are covered in CPR 23.7 and 13.1. For a contract of this value, Executive Approval with formal Agreement of the Portfolio Holder, Assistant Director Governance & Contracts, the Director of Corporate Services, the Director of Finance and the Chief Officer must be obtained. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.
- 15.10 Following Approval, the variation must be applied via a suitable Change Control Notice, or similar, agreed with the Provider.
- 15.11 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 cost of the proposed contract is £234k per annum with a whole life value of £2,106k over the maximum 9 year period. With fixed costs for first five years and then subject to annual inflationary increases at the rate of CPI, during any extension periods agreed by the Council, for up to four years.
- 16.2 Although this is a significant increase over the current contract cost of £195k per annum, 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 inline with CPI, as well as additional costs as referred to in paragraph 5.1.
- 16.3 This estimated increase can be contained within the existing Supporting People budget which is £1,070k (draft 2022/23 budget).

17. PERSONNEL CONSIDERATIONS

- 17.1 TUPE is likely to apply if there is a service provision change at the commencement and/or at the cessation of any of the services.

18. LEGAL CONSIDERATIONS

- 18.1 This Gateway Report demonstrates a legally compliant procurement procedure. This procurement exercise may be conducted under the 'light touch' regime under the Public Contracts Regulations 2015.
- 18.2 The relevant officer has worked with Legal Services to prepare appropriate terms and conditions for this proposed procurement exercise.

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