

**Report of:** Executive Member for Health and Wellbeing

<b>Meeting of:</b>	<b>Date</b>	<b>Ward(s)</b>
Executive	21 April 2016	Clerkenwell & Bunhill
<b>Delete as appropriate</b>	<b>Exempt</b>	<b>Non-exempt</b>

**SUBJECT: Contract award for Single Homeless Supported Accommodation  
Lot 1: Female only accommodation, Lot 2: Accommodation for men  
and women**

## 1. Synopsis

- 1.1 The Procurement strategy for single Homeless services was approved by the Executive in May of 2015. The procurement activity is now concluded. This report seeks approval to award 2 contracts for the provision of Single Homeless Supported Accommodation, Lot 1 Female Only Accommodation service. Lot 2 a service for men and women.

The contracts will be awarded for an initial three (3) year period with the option to extend by a further three (3) years on two (2) occasions (total nine (9) years). The contracts will commence on 1<sup>st</sup> May 2016 (Lot 1) and 1<sup>st</sup> June 2016 (Lot 2).

## 2. Recommendations

- 2.1 a) To award the contract for Lot 1 to Sapphire Independent Housing (formerly known as Irish Centre Housing) to deliver one contract for 60 women in supported accommodation in the Clerkenwell Ward.
- b) To award the contract for Lot 2 to Family Mosaic to deliver one contract for 27 single homeless men and women in supported accommodation in Bunhill Ward.
- 2.2 To note the contract values in the table below, per annum and over the maximum nine year lifetime of the contracts.

Service	Provider	Annual Value	9 Year Value
Lot 1	Sapphire Housing	£228,842	£2,059,578
Lot 2	Family Mosaic	£113,771	£1,023,939
<b>Total</b>		<b>£342,613</b>	<b>£3,083,517</b>

### 3. Background

- 3.1 The aim of the services is to provide short term accommodation and a high quality housing support service for homeless and vulnerable adults 18 to 65 years to enable them to gain the skills to live independently and move on to appropriate accommodation. The service will work with the private rented sector and partner agencies to identify appropriate move-on accommodation.

Lot 1 will deliver flexible on-site support for a minimum of 277.20 hours a week located within one site within the borough. Lot 2 will provide flexible on site support for a minimum of 120 hours per week. Both services will have overnight security in place.

The existing contract for Lot 1 ends on 30<sup>th</sup> April 2016 and the borough will continue to require the provision of supported accommodation for single homeless adults. The new service for Lot 1 will commence on 1<sup>st</sup> May 2016. The existing Contract for Lot 2 will expire on 31<sup>st</sup> May 2016 and the New service for Lot 2 will commence on 1<sup>st</sup> June 2016. People accepted into supported accommodation are either homeless, inappropriately housed or at risk of becoming homeless. For individuals who the council has no statutory duty to house (as is the case with many single homeless service users), supported accommodation is crucial in curtailing rough sleeping and other forms of hidden homelessness, such as 'sofa surfing'.

Many of those placed within these schemes are former rough sleepers who do not meet eligibility criteria for statutory services but may still present with multiple complex needs around poor mental health, substance misuse, domestic violence and a lack of independent living skills. These housing services therefore support those within them to promote independence and help people to move-on to more permanent accommodation as well as reducing anti-social behaviour and supporting community safety.

- 3.2 The total contract values are £342,613p.a. or £3,083,517 over the maximum nine year lifetime of the contracts. The Contracts will be awarded on an initial three (3) year term with the option to extend by a further three (3) years on two (2) occasions. The contracts will commence on 1<sup>st</sup> May 2016 (Lot 1) and 1<sup>st</sup> June 2016 (Lot 2).
- 3.3 Savings have not been sought on these contracts. Commissioners have benchmarked against other similar contracts and are confident that the price being paid is very competitive. The lack of suitably qualified interest in this contract also indicates that there is little room for further savings on these services.
- 3.4 The contract for Single Homeless Supported Accommodation was advertised on OJEU using the restricted procedure. The contract was divided into two lots, and only the current providers responded to each contract notice and submitted a pre-qualification questionnaire (PQQ) for both Lots 1 & 2. The evaluation panel assessed the PQQs (submitted by the current providers) and agreed that the minimum requirements were met.

Due to the lack of competition, in accordance with the Public Contracts Regulations 2015 and the Council's Procurement Rules, the commissioning team sought permission to directly negotiate with the current providers who had successfully passed the PQQ stage.

The tender submissions were evaluated against the award criteria set out in the advertisement for this tender

Cost 40%  
Quality 60%

- 3.5 Following the evaluation, negotiations were conducted with the bidders to ensure all award criteria were met and the bids provided the Most Economically Advantageous Tenders (MEAT) to the council.
- 3.6 As the contract is remaining with the incumbent providers no impacts on staff or service users are anticipated.

## **4. Implications**

### **4.1 Financial implications**

The funding for the provision of Single Homeless supported accommodation services for Lot 1 (female service users) and Lot 2 (male and female service users) is funded from Adult Social Services base budget.

The proposed contract awards for Lot 1 to Sapphire Independent Housing and Lot 2 to Family Mosaic for an initial three year period with the option to extend for a further six years (three years on two occasions) will not result in a budget pressure for the department. The annual value of Lot 1 is £229k and Lot 2 is £114k, and the total value over the maximum nine year contract term is £2,060k (Lot 1) and £1,024k.

Savings have not been identified from this service. Benchmarking has been carried out against similar services to demonstrate that the service being commissioned is providing value for money.

### **4.2 Legal Implications**

Section 11A of the Housing Act 1985 states that a local housing authority may provide in connection with the provision of housing accommodation by them (whether or not under Part 2) such welfare services, that is to say, services for promoting the welfare of the persons for whom the accommodation is so provided, as accord with the needs of those persons. The council may enter into contracts with providers of such services under section 1 of the Local Government (Contracts) Act 1997.

The social care services being procured are subject to the light regime set out in Regulations 74 to 77 of the Public Contracts Regulations 2015 (the Regulations). The threshold for application of this light regime is currently £589,148.00. The value of the proposed contract is above this threshold. The contracts have accordingly been advertised in the Official Journal of the European Union (OJEU). The council's Procurement Rules require contracts over the value of £164,176.00 to be subject to competitive tender.

Each of Lot 1 and Lot 2 only received a single, but separate, tender which met the requirements of the council. Under the light regime Regulation 76 permits the council to determine the procurement procedure that it adopts. Therefore direct negotiations with the tenderers in light of the single responses received for each lot is permitted. The council may proceed to award the Lot 1 contract to Sapphire Independent Housing and the Lot 2 contract to Family Mosaic as recommended in the report.

In deciding whether to award the contract to the recommended service provider the Executive should be satisfied as to the competence of the suppliers to provide the services and that the tender prices represent value for money for the Council.

### **4.3 Environmental Implications**

An environmental impact assessment has been conducted on the proposed contracts and identified no significant impacts. Minor impacts associated with staff travel and office -based work include vehicular emissions, congestion, energy and water usage, procurement and waste generation, all of which should be minimised by the contractors.

### **4.4**

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

The initial screening for a Resident Impact Assessment was completed on 20<sup>th</sup> January 2016 and this

did not identify any negative equality impacts for any protected characteristic or any human rights or safeguarding risks.

A copy of the screening is available from the author upon request.

## 5. Reasons for the recommendations / decision

- 5.1 After a negotiation process Sapphire Independent Housing and Family Mosaic, (who were the only interested bidders in the lots for the contracts) demonstrated they could deliver services that met the quality criteria and deliver the services within the agreed contract price.
- 5.2 The contracts should therefore be awarded to Sapphire Independent Housing Lot 1 and Family Mosaic Lot 2

**Final report clearance:**

**Signed by:**



Executive Member for Health and Wellbeing

Date: 23 March 2016

**Report Author:** Emma Stubbs  
**Tel:** 020 7527 8198  
**Email:** [emma.stubbs@islington.gov.uk](mailto:emma.stubbs@islington.gov.uk)