



Key Decision Report of the Corporate Director of Housing

Officer Key Decision	Date: 4 March 2020	Ward(s): All
-----------------------------	---------------------------	---------------------

Delete as appropriate		Non-exempt
------------------------------	--	------------

SUBJECT: Procurement Strategy for Somewhere Safe to Stay Hub for Rough Sleepers (SSTS)

1. Synopsis

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of Islington and Camden Somewhere Safe to Stay Rough Sleepers Hub in accordance with Rule 2.7 of the Council's Procurement Rules.
- 1.2 Islington and Camden Councils have submitted a joint grant application for £1m to the Ministry of Housing, Communities and Local Government (MHCLG) rough sleeper initiative fund in order to set the proposed Hub up for 1 year from 1 April 2020 to 31 March 2021. Our request to MHCLG has now been approved and we will receive £1m to fund this project.

2. Recommendations

- 2.1 To approve the procurement strategy for Somewhere Safe to Stay Hub for Rough Sleepers as outlined in this report.

To extend the current arrangements for the temporary winter shelter at the same site using the MHCLG grant funding until the new contract can be put in place.

3. Date the decision is to be taken:

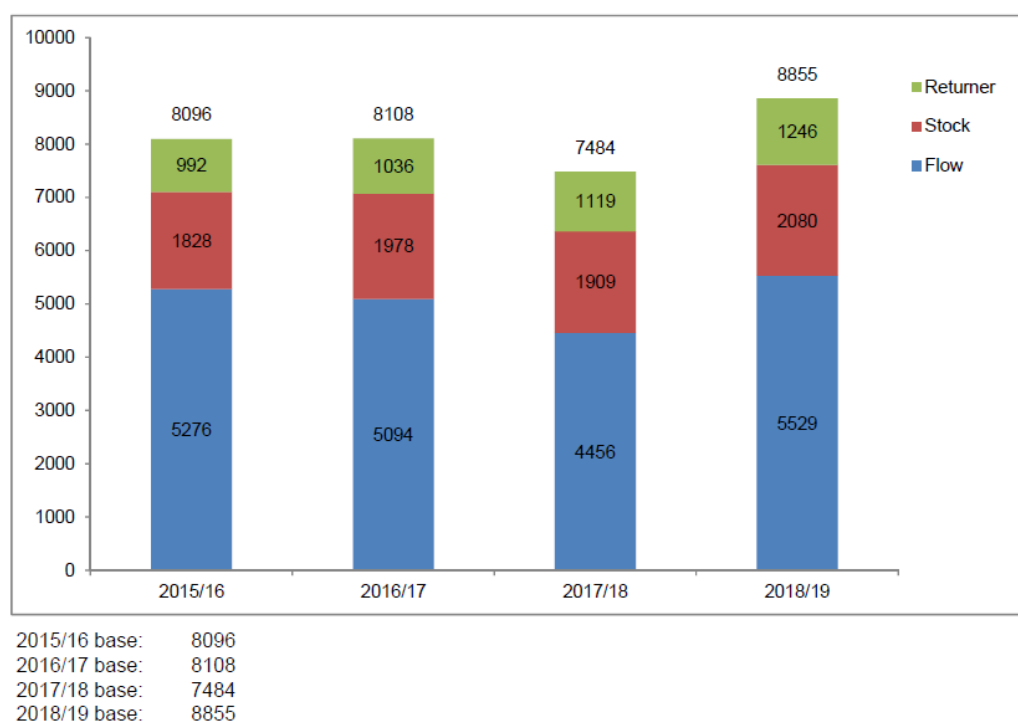
4 March 2020.

4. Background

4.1 Nature of the service

Islington is experiencing an unprecedented rise in rough sleeping at the moment. We have the 5th highest rise in rough sleeping in London. The table below highlights the increase:

People seen rough sleeping in the year, by the flow, stock and returner model.



Islington and Camden Councils have applied for a grant from the Ministry of Housing, Communities and Local Government's rough sleeper initiative fund to create a Somewhere Safe to Stay Hub. Our local provision consists of supported accommodation and temporary accommodation, and there is currently a gap for emergency accommodation for rough sleepers offering an immediate route off the streets. The need for this service has been demonstrated by the fact that we housed 19 rough sleepers in the temporary winter shelter in a three week period.

The Hub will provide vital emergency accommodation to rough sleepers in both boroughs. The service will be able to accommodate those with complex needs and suffering multiple disadvantage. Not only will the Hub provide accommodation it will provide a hot meal a day, benefits and health support and advice, substance misuse support and assistance to move into appropriate longer term accommodation.

The main focus of the hub is to get people off the streets as quickly as possible and offer them a safe place to stay. The other interventions, such as, substance misuse support will be via drop in surgeries in order to offer a service to some of our most entrenched residents who are not accessing services via the traditional front doors. We will have our funded nurse offering health appointments at the shelter. It is hoped in time the Department of Work and Pensions will also be able to provide drop-ins, as well

as housing.

The hub is vastly different from our current in borough provision. The hub operates on a two page risk assessment document being completed by the outreach team which acts as the referral form. If there is a void the person can be admitted at any time of the day or night. The only referral source into the hub will be Islington and Camden's outreach teams.

The building we will be hosting the SSTS hub will be the old visitors' centre at the old Holloway Prison site. Islington and Camden have jointly set up a temporary winter shelter at this venue, so we are in the fortunate position of already having a suitable building for this initiative.

Substantial work was done to bring this disused building back into service in the Autumn of 2019. The building now meets the required building control regulations and change of use planning permission was granted last year up until 31 March 2020. With our now proven track record of providing a service from this site, we are expecting planning permission to be granted again.

Islington Council is now the leaseholder of the site for 18 months (with the option to extend the lease if development work on the site is delayed) having leased the property from Peabody. So we are in a good position to create the Hub and be operational within the desired timetrames.

The proposed service closely aligns to a number of priorities contained within both the Council's Corporate Plan and Housing and Rough Sleeping Strategy. The focus is on preventing homelessness including rough sleeping and creating a place where everyone whatever their background has an opportunity to reach their potential and enjoy a good quality of life. One of our main priorities in the Housing and Rough Sleeping Strategy is to eliminate rough sleeping, this much needed Hub will be one of the ways that we achieve this. The Hub also meets the aims of partnership and collaborative working as it is a joint initiative between Islington, Camden and Peabody. The Hub will also assist with us improving the health and well-being of this vulnerable population group by hosting district nurse and substance misuse surgeries.

4.2 **Estimated Value**

This Hub will be grant funded from the MHCLG's rough sleeper initiative fund. We have applied for £1m for the Hub. Approximately £800,000 will be used for the service contract and the remaining £200,000 will be a building contingency fund which will be held by Islington Council. MHCLG have confirmed that they will be awarding Islington and Camden the grant for this project.

The procurement will be initially for one year (the length of the grant), with the possibility to extend for up to two years (pending confirmation of further funding from MHCLG). The total value of any contract, including all extensions will not exceed £2m.

Given this is a bespoke service which Islington and Camden is creating, it is not possible to benchmark against other similar services in borough. Given the nature and complexity of the residents of the shelter it is a highly skilled area of work and expertise to engage the rough sleepers and support them away from their entrenched

lifestyles is paramount to the success of this service. We have however consulted with the Greater London Authority (GLA) who are operating a similar service in Islington and the sum allocated for the initiative appears to be within scope.

Unfortunately there is not an opportunity for us to share resources with the GLA as their hub has a different remit to the one we are proposing. The GLA hub is for people who have never slept rough and is aimed at preventing them from having to turn to rough sleeping. Our Hub is for complex needs rough sleepers who are entrenched on the streets.

4.3 **Timetable**

The shelter needs to be operational as soon as possible to ensure continuity of service for the temporary winter shelter that was established on the same site in November 2019.

This procurement will be conducted in accordance with the Public Contracts Regulations 2015. The procurement is subject to the light-touch regime under Section 7, Social and Other Specific Services. Under Regulation 76 the Council is free to establish a procedure, provided that procedure is sufficient to ensure compliance with the principles of transparency and equal treatment of economic operators (service providers). In accordance with regulation 27(5), there is an urgent need to enter into a contract with a suitable provider to ensure the temporary shelter stays open, therefore, the time scales for the procurement will be shortened.

Islington is working collaboratively on this project with London Borough of Camden, MHCLG, Peabody, community safety colleagues. As such we have consulted with all these partners.

It is anticipated that the contract notice will be published in March after the strategy has been approved. An accelerated timetable will then be used for the tender process, in order to get a new contract in place as soon as possible.

In order to allow a reasonable and proportionate amount of time for the procurement exercise to be undertaken it is estimated that the new contract will start 1 June 2020. In order that the councils do not suffer reputational damage it is recommended that the current contract is extended until then to ensure continuity of service, and to ensure that we are using the grant as stipulated by the MHCLG.

As part of the planning application process local residents will be asked for their views and comments. Peabody also regularly hold public consultation events about the development of the wider site and feedback from these sessions is that they are pleased the building is being brought back to use for such a service.

4.4 **Options appraisal**

The preferred option is to conduct a procurement exercise based on the open procedure. The rationale for this is that it is a specialist service which requires an organisation with a track record for offering accommodation based services to rough

sleepers, they will be skilled at recruiting professional and experienced staff to run and manage the service.

We have some very good and well established providers of supported accommodation in the borough, and by carrying out a competitive exercise we are hoping to attract both existing and new providers.

We are building on the success of previous collaborations between Islington and Camden Council and entering into a shared initiative with MHCLG. Islington and Camden have a good track record of working together to solve rough sleeping in our boroughs and have a shared aim of halving rough sleeping by 2022 and eradicating it by 2027. This collaboration will go part way in achieving this.

The options below have been consider but not deemed appropriate for this project.

- * **Insourcing** – we do not have the necessary skill set and experience to bring this service in house. The timeframe within which the project has to be set up in-sourcing would not be an appropriate for us to be fully operational by 1 June 2020. Given the staff will be working on a 24 hour shift pattern, this will require significant recruitment to occur and the ability to book agency staff to cover vacant lines in rotas. This service will require a waiver from the usual policies and procedures around agency staff cover. We will need the flexibility to by-pass usual agencies in order to secure people that have the relevant experience in this field. It would also increase the costs of the project thus making it unaffordable to deliver.
- * **Framework agreement** – there is no obvious existing framework agreement that could be utilised, and the commissioning team wishes to go out to the broader market to ensure all potential organisations are given the opportunity to bid for this contract.

4.5 Key Considerations

The social benefits of this project are immense. This service will create an emergency route off the streets for rough sleepers that have very limited options otherwise. This will prevent them from becoming entrenched on the streets and experiencing poor health as a result.

As well as improving the prospects for many rough sleepers, the service is likely to deliver an overall cost saving for other council services too for example Adult Social Care as being off the streets will improve someone's health and enable access to health facilities. It will also enhance the support and assistance available to this cohort.

In terms of sustainability, it is anticipated that we will secure funding for this for the next financial year and we will request funding for it for 2021/22. With the addition of this service (and others) in the borough it is hoped that we will see a significant reduction in rough sleepers in the long term and we will be able to cope with the reduced demand via our commissioned supported accommodation services.

Continuous improvement will be built into the service through shared learning, with the adaptability to engage other local and specialist partners to respond to the needs of the

cohort.

There are no TUPE or pensions implications. The payment of the London Living Wage will be a condition of the contract with the successful provider.

This service will require significant recruitment into the sector by the successful provider this will increase employment opportunities for those in the local community interested in this work.

With the addition of this service we are anticipating a significant reduction in rough sleepers which will relieve the distress of rough sleepers for those experiencing it, but also the wider local population who are concerned about those rough sleeping.

4.6 **Evaluation**

The tender will be conducted in one stage, following the principles of the Open Procedure, as the tender is 'open' to all organisations who express an interest. The Open Procedure includes minimum requirements which organisations must meet before the rest of their tender is evaluated.

The evaluation award criteria will be based on 90% quality and 10% price.

The proposed award criteria are:

- Proposed approach to mobilisation 20%
- Proposed approach to partnership working 20%
- Proposed approach to delivering outcomes with emphasis on positive move on and prevention of rough sleeping 30%
- Proposed approach to service user involvement 10%
- Proposed approach to social value 10%

4.7 **Business Risks**

The business risks are considered to be low. If we are not successful in our application for the grant this service will not be procured.

If we are successful and we can procure and deliver the project again the risks will be minimal. The provider will be an organisation skilled and experienced in delivering this type of project and will have a strong track record in this area.

Evidence from this year's and last year's temporary winter shelter demonstrated the need for this service and the positive outcomes achieved for this vulnerable cohort.

- 4.5 The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to complete an anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations

found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences.

4.6 The following relevant information is required to be specifically approved in accordance with rule 2.8 of the Procurement Rules:

Relevant information	Information/section in report
1 Nature of the service	Somewhere Safe to Stay Rough Sleeper Hub See paragraph 4.1
2 Estimated value	The estimated value per year is £750,000. The agreement is proposed to run for a period of '12 months with an optional extension of 24 months. See paragraph 4.2
3 Timetable	The timetable is outlined in this report See paragraph 4.3
4 Options appraisal for tender procedure including consideration of collaboration opportunities	Contract to be procured in collaboration with Camden See paragraph 4.4
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	As outlined in this report: See paragraph 4.5
6 Award criteria	Quality 90% and Price 10% See paragraph 4.6
7 Any business risks associated with entering the contract	As outlined in this report See paragraph 4.7
8 Any other relevant financial, legal or other considerations.	See paragraph 5

5. Implications

5.1 Financial implications:

This report seeks to ensure that the 'Somewhere Safe to Stay Hub for Rough Sleepers' service continues for another year (01/04/20-31/03/21) based on successfully winning a bid of up to £1,000,000 from MHCLG for the Rough Sleepers Initiative. If the bid is not successful the current service will terminate on the 31/03/20.

Due to delays in the grant award and the need to ensure continuity of service in the light of a possible contract extension, the report seeks to extend the current provision from 01/04/20 to 31/05/20 at a cost of £176,500 while a full tender is completed. Any contract signed for this extension will need to have break clauses to make clear the extension is entirely contingent on successfully receiving the Rough Sleepers Initiative funding for FY20/21.

Following the contract extension, the remaining tender will cover the 10 month period until 31/03/21 up to the remaining grant value of £823,500. This will be less than the current grant provided per month at £88,250.

If the Council does not receive the full grant at £1,000,000 the service will need to be scaled down or potentially cancelled.

If the current provider does not extend the contract and there is an intermission in procuring a new one, there may be significant costs from the disruption of closing down a service and then opening a new one.

Islington will need sufficient clauses in any contract with a new provider to ensure it is not financially liable for non-payment or delays in payment from MHCLG. To minimise risk to Islington, payments will need to be paid to the provider following receipt from MHCLG.

5.2 Legal Implications:

The council has power to provide accommodation and associated support services for rough sleepers (section 9 Housing Act 1985 and section 1 Localism Act 2011). Accommodation, the council may enter into a contract with a service provider to operate and manage the accommodation for rough sleepers at the former visitor's centre, Holloway Prison.

The services being procured are subject to the light touch regime set out in Regulations 74 to 77 of the Public Contracts Regulations 2015 (the Regulations). The threshold for application of this light touch regime is currently £663,540. The value of the proposed contract is above this threshold. It will therefore need to be advertised in the Official Journal of the European Union (OJEU). There are no prescribed procurement processes under the light touch regime. Therefore the council may use its discretion as to how it conducts the procurement process provided that it: discharges its duty to comply with the Treaty principles of equal treatment, non-discrimination and fair competition; conducts the procurement in conformance with the information that it provides in the OJEU advert; and ensures that the time limits that it imposes on service providers, such as for responding to adverts is reasonable and proportionate. Following the procurement a contract award notice is required to be published in OJEU. The council's Procurement Rules require light touch contracts over the value of £500,000 to be subject to competitive tender.

In compliance with the requirements of the light touch regime in the Regulations and the council's Procurement Rules the proposal outlined in the report is to advertise a call for competition in OJEU and procure the service using a competitive tender process, namely the open procedure.

The estimated value of the contract is above the level for a key decision (£500,000 revenue). However, the Corporate Director Housing has delegated authority to award a contract funded from revenue up to a value of £2m (Procurement Rules paragraph 18.1.1). The council may accept a grant from MHCLG to fund the provision of the accommodation /services for rough sleepers (section 1 Localism Act 2011).

5.3 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:

The rough sleepers' hub will have environmental implications including the energy and water used in the building and waste generated by building users. All of these have associated carbon emissions.

The grant funding for this project does not include money to improve the energy efficiency of the building, although we have requested that a new timer be fitted to the boiler to minimise gas consumption and the site will be carefully managed to reduce energy wastage. The lease of the site includes utilities, so we are unable to transfer to a renewable electricity supplier. However, we will engage with Peabody to see whether this is possible. Appropriate waste facilities will be put in place to maximise the amount of waste being sent for recycling.

5.4 Resident Impact Assessment:

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.

A Resident Impact Assessment has been completed, and is attached as appendix 1.

In summary, the proposed service would closely align with the Council's Vision around Early Intervention and Prevention, with a focus on providing a People-Centred Service, through strong partnership working, and making every contact count. Many local residents face both complex and multiple challenges, such as housing, employment, offending, domestic violence, mental health and substance abuse, and so have repeated contact with our services and those of our partners. The Hub will be accessible to all rough sleepers; and will positively impact upon the lives of residents experiencing the worst form of homelessness. In overall terms, the proposed service will have a positive effect on vulnerable adults in Islington.

6. Reasons for the decision:

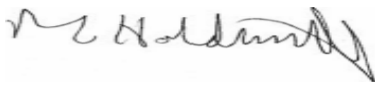
- 6.1 If the application to MHCLG is successful, this will give the opportunity to provide additional shelter and support for rough sleepers in line with the Homelessness and Rough Sleeping Strategy for both councils.

In conducting an open tender, this contract opportunity will reach the broadest number of suitable organisations, and a competitive exercise will ensure best value for the councils.

7. Record of the decision:

- 7.1 I have today decided to take the decision set out in section 2 of this report for the reasons set out above.

Signed by:



Date: 4.03.2020

Appendices

- Appendix 1: Resident Impact Assessment

Background papers: (seek advice from Democratic Services if you are uncertain of the regulations regarding background papers. If a paper used in the development of the report has been published elsewhere there is no need to include it here.)

Report Author: Georgina Earthy
Tel: 020 7527 3360
Email: Georgina.earthy@islington.gov.uk

Financial Implications Author: Thomas Cooksey
Tel: 020 7527 1867
Email: Thomas.cooksey@islington.gov.uk

Legal Implications Author: David Daniels
Tel: 020 7527 3277
Email: David.daniels@islington.gov.uk