

**Key Decision Report of the Corporate Director - People**

<b>Officer Key Decision</b>	<b>Date: 10/12/2020</b>	<b>Ward(s): All</b>
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<b>Non-exempt</b>
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**SUBJECT: Contract Award for Supported Housing for Adults with Multiple Needs**

<b>1.</b>	<b>Synopsis</b>																														
1.1	This report summarises the outcome of a procurement process and seeks approval to award four (4) contracts in respect of Supported Housing for Adults with Multiple Needs.																														
1.2	The Council's Executive agreed the procurement strategy in respect of this tender on 29 November 2019. The strategy included delegating authority to award the contracts to the Corporate Director - People.																														
<b>2.</b>	<b>Recommendations</b>																														
2.1	To approve the contract award for Supported Housing for Adults with Multiple Needs as outlined in this report.																														
2.2	To award the following contracts to commence on 1 April 2021, for a period of 24 months with the option of two 24-month extensions: <table border="1" data-bbox="228 1630 1463 1989"> <thead> <tr> <th>Lot</th> <th>Organisation</th> <th>No. of units</th> <th>Annual value</th> <th>Total value incl. extensions</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Single Homeless Project</td> <td>46</td> <td>£864,108</td> <td>£5,184,648</td> </tr> <tr> <td>2</td> <td>Peabody</td> <td>50</td> <td>£348,341</td> <td>£2,090,046</td> </tr> <tr> <td>3</td> <td>St Mungo's</td> <td>75</td> <td>£638,350</td> <td>£3,830,100</td> </tr> <tr> <td>4</td> <td>Sapphire Independent Housing</td> <td>60</td> <td>£269,684</td> <td>£1,618,104</td> </tr> <tr> <td align="right" colspan="3"><b>Totals</b></td> <td><b>£2,120,483</b></td> <td><b>£12,722,898</b></td> </tr> </tbody> </table>	Lot	Organisation	No. of units	Annual value	Total value incl. extensions	1	Single Homeless Project	46	£864,108	£5,184,648	2	Peabody	50	£348,341	£2,090,046	3	St Mungo's	75	£638,350	£3,830,100	4	Sapphire Independent Housing	60	£269,684	£1,618,104	<b>Totals</b>			<b>£2,120,483</b>	<b>£12,722,898</b>
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2.3	To note that all providers to be awarded contracts are incumbent providers.																														

<p><b>3.</b></p>	<p><b>Date the decision is to be taken:</b></p> <p>18 December 2020</p>
<p><b>4.</b></p>	<p><b>Background</b></p>
<p>4.1</p>	<p>The contracts awarded are for Supported Housing for Adults with Multiple Needs.</p> <p>The primary purpose of Supported Housing is for the resident in receipt of the service to develop the skills necessary to manage a tenancy and address their individual vulnerabilities. The eventual aim of Supported Housing is to enable residents to sustain a tenancy of their own in private rented sector or social housing.</p> <p>There are a number of definitions of Multiple Needs, however, for the purposes of these services we use it to describe people who present with any combination of the following needs: homelessness (including rough sleeping); substance misuse; mental ill health and offending history.</p> <p>During the tender process, the Council emphasised its ambitions for strengths-based, psychologically informed, trauma aware and personalised interventions, and sought more opportunities for step-up and step-down support in levels of support according to individual residents' needs.</p> <p>The outcome of this tender process will result in a reconfiguration of our Supported Housing provisions. Part of a suite of changes that we will implement during the mobilisation of these new services include:</p> <ul style="list-style-type: none"> <li>• Removing the segmentation of Supported Housing schemes by perceived primary need (e.g. single homeless, substance misuse, offending histories) recognising that residents' needs are multiple, complex and may include other needs such as domestic abuse, traumatic histories and poor mental health.</li> <li>• Giving our providers more flexibility as to the achievement of outcomes by working collaboratively as a system to create new metrics to measure positive interventions.</li> <li>• Allowing more flexibility as to how staff are allocated and split across Supported Housing schemes to enable services and staff to be more responsive to changing needs and circumstances.</li> <li>• Reducing the number of schemes currently providing lower support provision, as there is evidence that lower support models provide limited benefits to residents and are not the most effective model for supporting progression towards independence.</li> <li>• Focusing our funding toward models of support where there is greater key worker involvement, and embedding on-site specialisms such as health navigators, clinical oversight, employment support and tailored move-on support.</li> <li>• Providing a greater number of emergency bed spaces to move residents away from rough sleeping environments. This includes provisions to be utilised during Severe Winter Emergency Protocols (SWEP).</li> </ul>

	<ul style="list-style-type: none"> <li>Increasing our range of women-only Supported Housing, as well as commissioning a new male-only Supported Housing.</li> </ul>
4.2	<p>The tender process has resulted in each incumbent provider receiving a higher cost-per-unit than in the contracts preceding this procurement.</p> <p>This will increase the financial viability and sustainability of these services, as well as facilitate the embedding of specialist staff (e.g. health navigators, employment specialists) in services to improve the quality and variety of support provided on-site.</p> <p>The tender process has also resulted in budget efficiencies for the Council. These have been generated via the tender through multiple means:</p> <ul style="list-style-type: none"> <li>We have worked with providers and landlords to reduce the number of low support services commissioned by the Council. This follows recommendations from a review of our portfolio of Supported Housing services indicated that numerous visiting support provisions do not provide good value for money due to a variety of factors including low utilisation, inferior outcomes relating to positive move-on, and properties deemed unsuitable for supported housing. In addition, assessments of residents' needs have found that many residents in receipt of these services are able to live independently.</li> <li>A current provider of Supported Housing for ex-offenders did not apply for this re-procurement, which will result in the service closing at the end of March 2021.</li> <li>Several providers bid with pricing beneath the maximum allocated budgets for these services.</li> </ul> <p>We have been working closely with Housing colleagues, support providers and landlords to develop relevant and equitable alternative housing options for residents affected by services ending.</p> <p>While each resident's individual needs will differ and be taken into account, options include the private rented sector, alternative Supported Housing provision, remaining in their current housing with support removed or, in limited cases, council housing.</p> <p>In advance of services ending, each affected resident will have their needs assessed and will be actively involved in the decision regarding their future housing. No resident will be made homeless during this process, and residents' housing options will be tailored to their needs.</p>
4.3	<p>In order to increase competition in the local market, we tendered this provision in four (4) lots. Each Lot specified the indicative amount of units required; other specifications for the property and services provided; and an indicative maximum annual budget.</p>
4.4	<p>The total annual value of the four (4) contracts is £2,120,483. The total value of all four (4) contracts including all extensions is £12,722,898.</p>

4.5	<p>The tender was conducted using the open procedure. Ten (10) providers submitted tender responses. Six (6) organisations met the minimum requirements of the suitability assessment and had their method statement responses evaluated.</p> <p>The tenders submitted were evaluated to determine the Most Economically Advantageous Tender (MEAT) on the basis of 65% quality and 35% cost. The quality evaluation criteria were further broken down into:</p> <table border="1" data-bbox="199 421 1487 660"> <tr> <td>Proposals to meet service outcomes and the aims of the specification</td> <td>20%</td> </tr> <tr> <td>Social Value</td> <td>20%</td> </tr> <tr> <td>Meeting the principles of Trauma Informed Practice and Psychologically Informed Environments</td> <td>10%</td> </tr> <tr> <td>Safeguarding and relationship with risk</td> <td>5%</td> </tr> <tr> <td>Co-production</td> <td>5%</td> </tr> </table>	Proposals to meet service outcomes and the aims of the specification	20%	Social Value	20%	Meeting the principles of Trauma Informed Practice and Psychologically Informed Environments	10%	Safeguarding and relationship with risk	5%	Co-production	5%
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4.6	<p>In accordance with the Council's <a href="#">Progressive Procurement Strategy 2020-27</a>, this procurement emphasised the importance of providers' ability to provide significant Social Value in delivering these services. Examples of Social Value to which providers have committed during this procurement include but are not limited to:</p> <ul style="list-style-type: none"> <li>• Supporting and promoting purchasing from the local supply chain.</li> <li>• Supporting and encouraging the adoption of specific workplace health initiatives, including the provision of clinical case support and reflective practice for staff.</li> <li>• Providing voluntary and employment opportunities within the service for people with a lived experience, including engagement with schools and colleges to discuss homelessness.</li> <li>• Providing voluntary and employment opportunities to local people, including student counselling placements.</li> <li>• Evidencing numerous progression and training opportunities for staff, local recruitment (including via iWork) and the implementation of equality and diversity policies.</li> </ul>										

<b>5.</b>	<b>Implications</b>
5.1	<p><b>Financial implications:</b></p> <p>The Supported Housing for Adults with Multiple Needs Services is part of the Housing Related Support budget, which is within the Adults Social Services base budget.</p> <p>The current annual budget for 2020-21 for the services within this procurement amounts to £2.823m. The proposed annual value will amount to £2.120m. This will generate an efficiency of £0.703m.</p> <p>Of the £0.703m, it is proposed that:</p> <ul style="list-style-type: none"> <li>• £0.350m will fulfil the efficiencies target of ASC03: Recommissioning of Services as part of the agreed Medium Term Financial Strategy (MTFS) for Adults Social Services;</li> <li>• £0.140m will be added to the existing budget to alleviate the budgetary pressure caused by the Housing First contract;</li> <li>• £0.213m will contribute to further efficiencies in the MTFS for Adult Social Services.</li> </ul> <p>As outlined in 4.1, we are working closely with colleagues in Housing, support providers and landlords to ensure that these budget efficiencies are completed in a safe, timely and equitable manner. No resident will be made homeless as a result of this procurement process, and the Council will support residents to move on should they need to.</p> <p>The length of the contract is two years with two optional extensions of two years each, up to a further four years. The total cost of the contract with extensions is £12.720m.</p> <p>London Living Wage is a contract requirement and should not result in any additional costs.</p> <p>There are no TUPE implications that arise from this procurement.</p>
5.2	<p><b>Legal Implications:</b></p> <p>The council may enter into contracts with providers to secure the supply of supported housing services for adults with multiple needs (Care Act 2014 and section 1 of the Local Government (Contracts) Act 1997).</p> <p>The contracts are public services contracts for the purposes of the Public Contracts Regulations 2015 (the Regulations) and are subject to the light touch regime) set out in Regulations 74 to 77. The estimated value of the contracts was above the threshold for light touch services and therefore the provisions of the Regulations applied and the contract was advertised in OJEU and procured using the open procedure.</p> <p>The tenders have been evaluated in accordance with a pre-agreed evaluation model and accordingly the contracts may be awarded to the organisations that received the four highest scores subject to the Corporate Director People being satisfied that their tenders represent value for money for the council. In reaching her decision, the Corporate Director should have regard to the information set out in exempt appendix.</p>

5.3	<p><b>Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:</b></p> <p>The main environmental impacts of this procurement are associated with the management of buildings, including energy used for heating, hot water and appliances, water use and waste generation. Where the sites have garden areas, consideration should also be given to improving biodiversity habitats.</p>
5.4	<p><b>Resident Impact Assessment:</b></p> <p>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).</p> <p>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.</p> <p>An Equalities Impact Assessment for these services was completed in October 2020.</p> <p>The Equalities Impact Assessment identified that there would be no differential impacts on the broad population. The decision was made because the services being re-tendered would have no disproportionate impact on any equality groups accessing Supported Housing for Adults with Multiple Needs or working in the service.</p> <p>Where residents will have to move-on due to budget reductions, they will be supported to do so by providers, landlords and Housing colleagues at the Council, and their move on will be based on their ability to live independently without support. Where applicable the Council will provide financial support to residents to support their moving into independent housing.</p>
6.	<p><b>Reasons for the decision: (summary)</b></p>
6.1	<p>There continues to be a need in Islington for these types of services. The Council has an obligation to meet the needs of those assessed as having eligible care needs under its eligible criteria, which has been specified using the eligibility criteria framework set out in the Care and Support Regulations 2014.</p> <p>The new contracts will start on 1 April 2021.</p> <p>The majority of existing service users will be transitioned to the new services. In cases where residents will have their support removed, they will be supported to either remain in their current home by their current landlord, or be supported to move into social or private sector housing or alternative supported housing depending on their needs and preferences.</p>
7.	<p><b>Record of the decision:</b></p>
7.1	<p>I have today decided to take the decision set out in section 2 of this report for the reasons set out above.</p>

	<b>Signed by:</b>	
	Corporate Director – People	Date

**Appendix:**

- Resident Impact Assessment

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