



## Report of: Executive Member for Housing & Development

Meeting of:	Date:	Ward(s):
Executive	14 <sup>th</sup> October 2021	All

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## **SUBJECT: Contract Award for Stacey St, Somewhere Safe to Stay (SSTS) Hub**

### **1. Synopsis**

- 1.1 This report seeks approval for the award of contract in respect of Stacey St, SSTS Hub in accordance with Rule 2.7 of the Council's Procurement Rules. It also seeks approval to delegate the decision of the contract award to refurbish the property to the Corporate Director of Homes and Neighbourhoods.
- 1.2 The contract is for the provision of 24/7 365 days per year support services at Stacey Street. The support will create a bespoke hub for people experiencing rough sleeping and give them the opportunity to thrive and seek assistance to address any support needs they may have.

### **2. Recommendations**

- 2.1 To approve the contract award for Stacey St, SSTS Hub as outlined in this report to Single Homeless Project (SHP) for 24 months from an estimated start date of November/December 2021 with the option to extend up to a further 24 months subject to satisfactory performance, for the reasons outlined in this report.
- 2.2 To delegate the award of the contract for refurbishment of the property to the Corporate Director of Homes and Neighbourhoods.

### **3. Background**

### 3.1 Nature of the service

Islington Council secured significant capital and revenue funding during autumn of 2020 from the Greater London Authority (GLA) and the Ministry of Housing, Communities and Local Government (MHCLG) to provide supported accommodation for people sleeping rough in Islington. The capital awarded was to purchase and refurbish the premises at No 1 Stacey Street. The revenue awarded was to fund a specialist support provider to run the service over four years.

In December 2020, the Executive took a key decision to approve “the purchase at Stacey Street with the funding received from the Greater London Authority and to procure a service provider to run a specialist supported accommodation service for people experiencing rough sleeping”. The report noted that the award from the GLA included £3,308,874 to procure a support provider and that “A procurement or insourcing exercise will then be conducted to recruit a provider to run the service for the Council for four years. The procurement will be run in collaboration with the Strategy and Commissioning Team”.

The service will provide a high quality housing related support service for adults with multiple needs with the required intensity of support to enable them to gain the skills to live independently, and move-on to appropriate accommodation.

A tender exercise has been conducted in accordance with the Public Contracts Regulations 2015. Bids have been evaluated, and a recommendation to award the contract has been made.

Since 23rd March 2020, the Council has been placing people sleeping rough into first stage emergency temporary accommodation as a result of the Government’s “Everyone In” directive at the start of the country’s first lockdown.

The council currently have 105 people who formerly slept rough in Islington living in first stage emergency temporary accommodation and in addition to these 105 people we continue to see a flow to the streets.

The council will continue to place vulnerable people sleeping rough with a connection to Islington into first stage emergency temporary accommodation and then move these people into void pathway beds as and when available.

First stage emergency temporary accommodation comes at a significant cost to the Council which is currently being part funded by the Rough Sleeper Initiative year 3 grant. The flow of new people sleeping rough on the streets of Islington is still significant and accommodation needs to be available to ensure that these people do not become entrenched rough sleepers.

The addition of Stacey Street to the existing supported accommodation pathway will mean we no longer rely on privately owned emergency accommodation as a means of securing a route off the streets for some of Islington’s most vulnerable residents.

The new accommodation will provide intensive round the clock support to the residents with the objective of enabling them to permanently move away from rough sleeping. The intensive support will include a range of services to support residents’ wellbeing. The service will also be required to liaise closely with the local community to ensure Stacey Street operates as a responsible part of the local community. There will be arrangements in place between the

provider and other services to promote positive behaviour and respond quickly and effectively to any concerns.

Plans to refurbish the building are progressing well; asbestos and site surveys have been completed and the specification of works have been developed, with particular regard to managing the security of the building and wellbeing of local residents and investment in fire safety to modernise the building to current standards.

### 3.2 **Estimated Value**

The project is funded via the Rough Sleeper Accommodation Programme grant which is administered by the GLA and awarded by MHCLG.

The contract is for 24 months with the option to extend up to a further 24 months, a maximum duration of 48 months. The service and costs have been benchmarked against similar services in Islington which have also recently been retendered.

The winning bidder Single Homeless Project submitted a pricing schedule of £691,766.58 per annum (£2,767,066.32 over the maximum four-year duration).

The refurbishment work is being specified and a contract will be awarded according to the council's procurement rules.

### 3.3 **Timetable**

The support provider must be in place for when the project opens after its refurbishment. This is currently anticipated for January or February 2022.

In December 2020, the council took the decision to approve the purchase of Stacey Street for the provision of this service. The Planning Committee considered an application for the building in September 2021.

### 3.4 **Options appraisal**

Options considered were:

Option	Benefit	Disbenefit	Recommendation
Option 1: Competitive Tender	The best specialist provider for the service will be selected	Lengthy process	This is the recommended option

Option 2: insourcing the service	LBI will have direct control over the building, the staff and the service.	This needs to be a high support service 24/7 to engage with our complex needs rough sleepers, and there is a specific specialist market of providers. 24/7 coverage is achieved by providers having a large staff team because of their scale. Were the council to run the service inhouse we would need to develop a workforce and train up a staff team able to offer 24/7 coverage. The timescales and grant conditions for the programme do not allow for this, and the funding would be insufficient to cover costs.	Not recommended
Option 3: Use of a framework agreement	A suitable framework could offer procurement time saving.	Stacey Street is a bespoke rough sleeper service which needs a bespoke service provider and approach. No suitable framework was available	Not recommended

### 3.5 Key Considerations

The successful provider has confirmed that all its staff are paid the London Living Wage as a minimum and will continue to apply to this contract. The successful provider is committed to advertising locally for the staff team and will work with our in-house employment services to achieve this. They are also strong at recruiting staff with lived experience of homelessness which will be an advantage for this service.

TUPE does not apply to this contract as it is a brand new service.

Best Value will continue to be a feature of this project. Regular contract monitoring will be undertaken from the Council and its contract manager, in order to meet the key performance indicators for the project and also to ensure best value throughout the lifetime of the contract.

We will be driven by the outcomes achieved for the residents and the number of people that move through the project into longer term more independent accommodation. We will always be looking for ways to improve the service and ensure that the data captured on local need will be used to inform any service improvements.

Social Value was 20% of the award criteria.

The successful applicant scored 16% out of 20% on social value.

### 3.6 **Evaluation**

The contract was advertised on 21<sup>st</sup> May 2021 with a closing date of 21<sup>st</sup> June. The tender was conducted in one stage, known as 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 award criteria were 10% cost and 90% quality. The award decision was based on the most economically advantageous tender (MEAT).

The quality weighting was as follows:

- 30% proposed approach to delivery outcomes;
- 20% proposed approach to mobilisation;
- 20% proposed approach to social value;
- 20% proposed approach to coproduction.

The weighting represented what is important in this contract to ensure the best provider was selected. We needed to be sure they had experience in this field and able to deliver outcomes. We also needed to ensure they were able to mobilise in a short time frame if needed. The selection criteria reflects the significance of these elements in successfully providing the best service possible in Stacey Street.

Seven tenders were received. Two bidders were eliminated at the suitability stage as they were unable to evidence experience of operating similar services and did not demonstrate the skills and experience required.

To assess the quality criteria, answers to the method statement questions were marked using the following 0 – 5 scale. In order to be awarded a contract, organisations needed to score a minimum of three (3) points for each question.

Score	
0	There is no response to the question
1	An attempt has been made to respond, but does not meet requirements/solution does not cover any essential points
2	The response/solution partially meets requirements (covers some essential points)
3	The response/solution meets requirements (covers all essential points, may have included clear examples)
4	The response/solution exceeds requirements (covers more than the essential points, giving clear examples)
5	The response/solution will add significant value (covers more than the essential points, giving clear thorough examples to illustrate how value will be added)

Single Homeless Project exceeded requirements for delivery outcomes, social value outcomes and coproduction outcomes.

#### Final Scores of Bidders:

	Bidder 1	Bidder 2	Bidder 3	SHP	Bidder 5
Approach to delivering outcomes (weighting 30%)	18	18	18	24	24
Approach to mobilisation (weighting 20%)	16	12	12	12	12
Approach to social value 20%	8	12	12	16	16
Co-production and partnership working (weighting 20%)	12	12	12	16	16
Cost 10%	8.93	8.93	9.32	10	8.95
Total	62.93%	62.93%	63.32%	78%	76.95%

### 3.7 Business Risks

The risks associated with awarding the contract to Single Homeless Project are minimal. They are an experienced provider in the field.

There are other risks associated with the project which have previously been highlighted and they are:

The council has secured funding for four years. The council will review the need for the project and develop a succession plan during the final two years.

There is a risk of the provider not meeting key performance indicators and not performing under the contract. To mitigate this risk, a dedicated contract manager will ensure all KPIs are being met, liaise with the provider and partners and ensure a high performing service.

Rough sleeping in Islington is the lowest for a decade. This success has partly been the result of additional emergency accommodation as a result of "Everyone in". This emergency accommodation is expensive and not sustainable. It is currently only funded until 31<sup>st</sup> March 2022. Stacey Street will ensure that we have sufficient accommodation for people experiencing rough sleeping going into the future. Without enough accommodation we are likely to see higher numbers of people rough sleeping as we are unable to move them into a place of safety quickly enough. They will become entrenched on the streets, their health will suffer as a result. We aim to build a fairer Islington with this service, a place where everyone can thrive.

3.8 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.

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

<b>Relevant information</b>	<b>Information/section in report</b>
1 Nature of the service	Stacey Street Somewhere Safe to Stay Hub.  See paragraph 3.1

2 Estimated value	The estimated value over 48 months was advertised as £3,098,873. The winning bidder Single Homeless Project submitted a pricing schedule of £691,766.58 per annum (£2,767,066.32 over the maximum four-year duration).  See paragraph 3.2
3 Timetable	Tendered: 21 <sup>st</sup> May -21 <sup>st</sup> June 2021 Award: Executive Meeting 14 <sup>th</sup> October 2021  See paragraph 3.3
4 Options appraisal for tender procedure including consideration of collaboration opportunities	Open Tender  See paragraph 3.4
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	As outlined in this report  See paragraph 3.5
6 Award criteria	Quality 90% including 20% social value, and Price 10%  See paragraph 3.6
7 Any business risks associated with entering the contract	As outlined in this report  See paragraph 3.7
8 Any other relevant financial, legal or other considerations.	See paragraph 4

## 4. Implications

### 4.1 Financial implications:

**This proposal seeks to spend £2,767,066** on a contract award to the Single Homeless Project over a period of four years, covering financial years 2021/22 to 2025/26. This will be funded through the Rough Sleeping Accommodation Programme Revenue Grant (provided by the GLA) totalling £3.309m.

Permission has been given from the GLA to carry over the money throughout the financial years to meet the payment timings for the Single Homeless Project.

Contract officers will monitor spend with Single Homeless Project to prevent any overspends. Equally, any KPI failures will be flagged by contract officers to prevent contract failure.

If the GLA grant is reduced or withdrawn, Islington will be able to terminate the contract with the Single Homeless Project with 30 days' notice, limiting any financial liability.

#### **4.2 Legal Implications:**

The services being sought are to procure a service provider to provide supported accommodation for people sleeping rough in Islington. The Homelessness Reduction Act 2017 places various duties on the council in relation to homelessness. In addition the council has power to provide housing support services for young homeless people under the Housing Act 1996, Parts 6 and 7 and the Children Act 1989, sections 17 and 20. The council may enter into contracts for such services under section 1 of the Local Government (Contracts) Act 1997.

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 £663,540.00. The value of the proposed contract is above this threshold and therefore requires advertisement on the Find a Tender Service (FTS) and Contracts Finder. The Council's Procurement Rules require contracts of this value to be subject to competitive tendering. In accordance with the requirements of the Regulations and the Council's Procurement Rules the contract has been procured with advertisement on the Find a Tender Service (FTS) and on Contracts Finder.

Bids were evaluated in accordance with the evaluation model. Seven tenders were received and the contract was awarded based on the most economically advantageous tender (MEAT). Accordingly, the contract may be awarded to Single Homeless Project as recommended in the report. In deciding whether to award the contract as recommended the Corporate Director for Homes and Neighbourhoods should be satisfied as to the competence of the service provider to provide the services and that the tender price represents value for money for the Council.

#### **4.3 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:**

An environment impact assessment has been completed.

The service will use No 1 Stacey Street, a purpose built care home. Environmental impacts from use of the building will include CO<sub>2</sub> and NO<sub>x</sub> emissions from the gas boiler, electricity use, water use and waste generation.

In order to reduce energy consumption, energy efficiency measures will be implemented as far as it possible within the budget. This may include installing light sensors, low energy light bulbs and double glazing. Recycling will be encouraged and good facilities put in place to do so. Residents will be encouraged to participate in coproduction of the project and environmental concerns will be embedded in this work.

#### **4.4 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 was completed on 9<sup>th</sup> July 2021 and the summary is included below.

**The equality impacts of the proposal are:** the scheme will aim to eliminate discrimination, harassment and victimisation by offering accommodation to vulnerable adults and support them to live independently off the streets. Rough sleeping is incredibly harmful to individuals and communities and this project will aim to address the imbalance.

**The safeguarding risks identified are:** the scheme will promote the safety of the individuals and local residents. It will do this by having a skilled staff team available 24/7 365 days per year for the next 4 years, CCTV and other safety measures.

**The potential human right breaches are:** the scheme will not negatively impact upon anyone's human rights and will positively advocate where any inequalities are identified.

Key actions to be taken as a result of this:

Action	Responsible Team/Person	Suggested date of Action
Resident Engagement	Housing Needs, New Build and Community Safety, Communications Team, support providers, ward councillors	On going

## 5. Reason for recommendations

5.1 Seven organisations bid for the contract. Single Homeless Project scored 78%.

Single Homeless Project has a strong reputation in Islington and provide a number of our other support contracts for vulnerable adults across the borough. They are an experienced provider in the field and have knowledge of the local services that will ensure Stacey Street is a success.

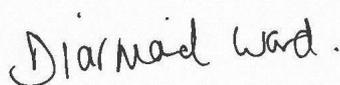
### Appendices

- Resident Impact Assessment

**Background papers:** none.

Final report clearance:

**Signed by:**



30 September 2021

Executive Member for Housing and Development

Date

Report Author: Georgina Earthy  
Tel: 020 7527 3360  
Email: [Georgina.earthy@islington.gov.uk](mailto:Georgina.earthy@islington.gov.uk)

Financial Implications Author: Thomas Cooksey  
Tel: 020 7527 1867  
Email: [Thomas.cooksey@islington.gov.uk](mailto:Thomas.cooksey@islington.gov.uk)

Legal Implications Author: Mark Ferguson  
Tel: 020 7527 3099  
Email: [mark.ferguson@islington.gov.uk](mailto:mark.ferguson@islington.gov.uk)