

Key Decision Report of the Corporate Director of Homes and Neighbourhood

Officer Key Decision	Date: 8 February 2022	Ward(s): All
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SUBJECT: Procurement Strategy report for the provision of a Homeless Outreach Service**1. Synopsis**

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of the Homeless Outreach Service in accordance with Rule 2.8 of the Council's Procurement Rules.
- 1.2 A homeless outreach service is a vital part of the Council's work in supporting individuals rough sleeping to move away from the streets, offering rapid intervention, assessment and support into suitable accommodation.

2. Recommendation

- 2.1 To approve the procurement strategy for the homeless outreach service outlined in this report.

3. Date the decision is to be taken:

8 February 2022.

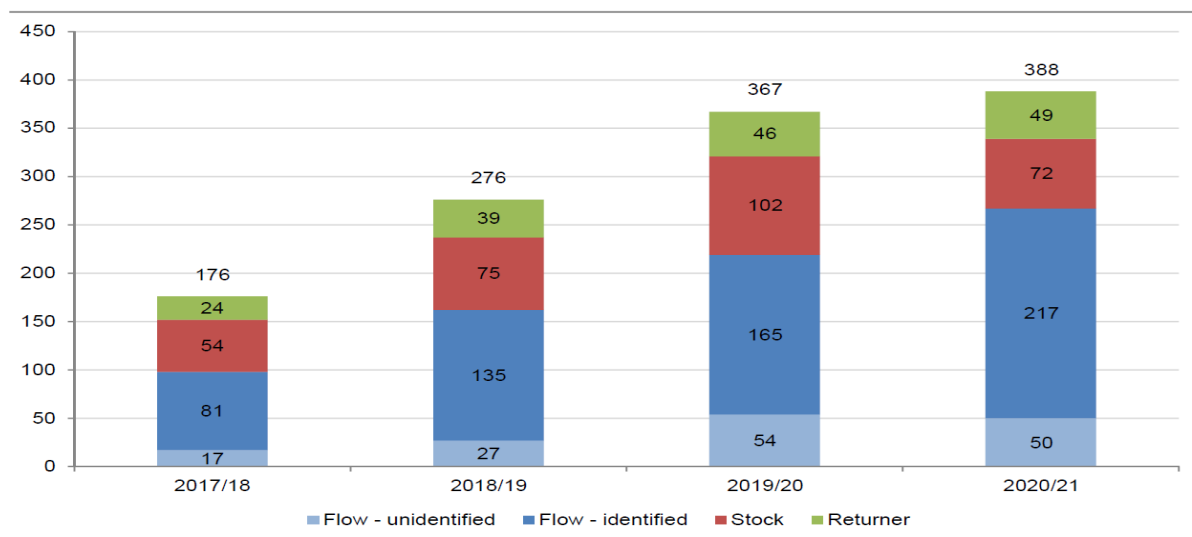
4. Background

- 4.1 Islington has commissioned an outreach service for many years. The current contract ends 31 July 2022. During the life cycle of the current contract, the Council have been able to develop a truly multi-disciplinary approach, from Council growth funding and Central Government Rough Sleeper Initiative funding. This has led to a significant reduction in rough sleeping and increased the support available for people experiencing homelessness.

The annual street count carried out in November 2019, found 51 people rough sleeping in the borough, in comparison to 11 people found in July 2021, equating to a 78% reduction. This decline in numbers has been sustained during the period and is assessed through weekly estimates, where between 8-10 people are now rough sleeping at any one time in the borough.

Despite numbers remaining low, the outreach team are continuing to see new people bedded down, including those for the first time and are also seeing an increase in the flow of cases, and the work to support former rough sleepers to stay off the streets.

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



2017/18 base: 176
 2018/19 base: 276
 2019/20 base: 367
 2020/21 base: 388

The financial impact of Covid-19, coupled with the lifting of the eviction ban suggests that the flow of people rough sleeping is likely to increase. As such, it is essential that there is a homeless outreach service in place, to offer rapid interventions to continue meeting current, and anticipated increased demand.

4.2 Nature of the service

Assertive outreach that engages with those who are sleeping rough to support them into services away from the street is the crucial first stage in getting people into a supportive pathway. This service will adopt features such as outreach shifts that correspond with patterns of rough sleeping in Islington (for example regular early morning sessions) and personalised approaches focussed on client need.

The outreach service will work in a multi-disciplinary approach with specialist teams such as mental health nurse, drug and alcohol service and the police. Islington Council will also gather data from the street and use it to influence the operation of all other services downstream.

The outreach service will ensure the council's commitment to eliminate rough sleeping can take place through a holistic approach to meeting the needs of people who are sleeping on the streets of Islington.

4.3 Estimated Value

The total value of this contract ranges from £115,000 - £215,000 per annum (see table below). Once approval to procure is granted, the intention is to procure a contract for two (2) years, with the option to extend for up to two (2) years, with a further option to extend for up to two (2) years. Any contract extensions will be subject to available funding and the satisfactory performance of the provider.

Islington Council will be requesting funding from Department of Levelling Up, Housing & Communities (DLUHC) via its rough sleeper initiative grant to uplift this contract. Providers bidding for the contract will be required to complete pricing schedules based on the minimum and maximum available budget.

Funding for the service is made up of:

Funding Source	Funding Status	Amount
Mayor's Office (MOPAC) LCPF	Confirmed until 2025	£45,000
Housing Revenue Account	Confirmed until 2025	£25,000
Council Core Funds	Confirmed until 2025	£45,000
Re-application for current DLUHC funded post	Not confirmed – if awarded will be until 2024	£45,000
DLUHC additional funds for contract uplift	Not confirmed – if awarded will be until 2024	£55,000
	Total	£115,000 - £215,000

Although there is relative confidence that the £45,000 and the £55,000 referenced above will be awarded as part of the overall RSI grant, it should be noted that this is not guaranteed. In the event this is not awarded, the minimum value of the contract will be £115,000, which may negatively impact on the number of bids received, resulting in less competition. To deal with the funding risk the service will be procured as a core service to the value of £115,000 p.a. with bidders asked to specify what additional outcomes they could achieve for the £215,000 amount.

4.4 Timetable

Procurement will commence as soon as the relevant governance is in place with the aim of the new contract being in place from 1 August 2022. The anticipated timetable is:

Strategy approved	8 February 2022
Publish invitation to tender	February 2022
Evaluation	March 2022
Award of contract	April 2022
Contract mobilisation	May – July 2022
Contract start	August 2022

4.5 Options appraisal

Option	Benefit	Disadvantage	Recommendation
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Option 1: Competitive Tender	The best 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 service and the staff. This would create employment opportunities in the area, with the benefit of Local Authority benefits and pay structures	An insourcing appraisal was conducted and the cost of insourcing exceeds the budget that we have available. The cost of insourcing per year is estimated to be approximately £450,000. Insourcing the service with the current budget would not allow us to recruit the service we need in order to fulfil our commitment of eliminating rough sleeping from Islington and making it a fairer borough.	Not recommended
Option 3: Framework agreement	Framework already in place. Time savings would be advantageous	This contract is bespoke which needs a specialist service provider and approach. No such framework agreement current exists.	Not recommended
Option 4: Collaboration with another borough	Would spread the risk of the contract. Could potentially reduce issues with cross borough working	Rough sleeping across boroughs is a very complex issue with no two boroughs being the same. Procuring a cross-borough service will mean Islington loses its independence and ability to flex the service to react to trends and increases in demand. Other boroughs are not procuring at the same time as us so we would need to waive our current contract to fall in line with other boroughs procuring timelines. There is not an interest for this amongst neighbouring boroughs.	Not recommended

The preferred procurement route for this contract is a competitive tendering process. Market engagement has been undertaken with a number of providers in the lead up to retendering who all have experience of running outreach services in London.

4.6 Key Considerations

The social benefits of this contract are significant. This service provides a lifeline for individuals who find themselves street homeless, by offering rapid contact, support to access housing and other support services, to move away from the streets.

It is a responsive service, which offers intensive support, including around drug and alcohol and mental health support needs, (through joint outreach with other agencies). Making services accessible in this way is thought to provide cost savings to emergency services through reduced 999 call outs.

It also offers considerable value to local residents, business and communities, as it significantly reduces the formation of encampments and unsanitary conditions, ensuring that everyone has a route away from the street. This reduces resultant anti-social behaviour, which suggests that less complaints will be received by the Council regarding rough sleeping, thus less officer time will be spent in investigating and responding to these complaints.

It is expected that the provider will build capacity of other voluntary and community sector groups, by working collaboratively, in partnership to support people rough sleeping and prevent rough sleeping wherever possible, sharing knowledge and resources.

The visibility of the outreach team on the streets provides re-assurance to members of the public, who can visually see that tangible help is available to people rough sleeping. This provides confidence in the Council's commitment to a fairer Islington, offering support one of the most vulnerable groups.

As part of the tender process there will be a dedicated question on social value with a weighting of 20%. We will want to see that the selected provider has given consideration to the Council's Progressive Procurement Strategy.

In particular we want the winning provider to be able to show that the service benefits not only people rough sleeping, but the wider population and economy of Islington. We would expect job opportunities within the contract to be advertised locally and also look to employ local people with lived experience of using homeless services, this will enhance the prospects of some of our local residents. The London Living Wage will be a condition of this contract where permitted by law.

We will also ensure that they have robust policies and procedures in place to achieve our goal of being carbon neutral by 2030. We will be looking for innovation and growth in partnership working which will add value to the contract and bring the social value through supply chains.

We are expecting this service to play a fundamental part of the Council's ambition of reducing and eliminating rough sleeping in the borough, as outlined in the Homelessness and Rough Sleeping Strategy 2019-2023.

TUPE arrangements would apply in the event of a new provider being awarded the contract.

4.7 Evaluation

The tender will be 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 evaluation award criteria will be based on 90% Quality and 10% Price.

The proposed award criteria are:

- Proposed approach to delivering a homeless outreach service 20%
- Proposed approach to adding social value 20%
- Proposed approach to working with people with multiple and complex needs 10%
- Proposed approach to employee relations 10%
- Proposed approach to tackling homelessness at a strategic level 10%
- Proposed approach to those with no local connections 5%
- Proposed approach to no recourse to public funds 5%
- Proposed approach to partnership working 5%
- Proposed approach to information capture and sharing 5%

4.8 Business Risks

During market engagement exercises, some providers expressed concern that a smaller contract could be a potential barrier to them applying. External funding applications have increased the funding envelope and market engagement has been undertaken to attract a strong field.

- 4.9 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.

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	Homeless Outreach Service See Paragraph 4.1 and 4.2
2 Estimated value	The estimated value per year is dependent on funding from DLUHC and ranges from £148,750 - £215,000 per annum.

	<p>The agreement is proposed to run for a period of two years with two optional extensions of up to two years.</p> <p>See Paragraph 4.3</p>
3 Timetable	<p>As outlined in this report</p> <p>See paragraph 4.4</p>
4 Options appraisal for tender procedure including consideration of collaboration opportunities	<p>As outlined in this report.</p> <p>See paragraph 4.5</p>
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	<p>As outlined in this report</p> <p>See paragraph 4.6</p>
6 Award criteria	<p>90% Quality and 10% Price</p> <p>The award criteria price/quality breakdown is more particularly described within the report.</p> <p>See paragraph 4.7</p>
7 Any business risks associated with entering the contract	<p>As outlined in this report</p> <p>See paragraph 4.8</p>
8 Any other relevant financial, legal or other considerations.	<p>See paragraph 5</p>

5. Implications

5.1 Financial implications:

The total value of this contract ranges from £115,000 - £215,000 per annum. The contract value range reflects the funding available. The funding source and breakdown is as follows:

Funding Source	Funding Status	Amount
Mayor's Office (MOPAC) LCPF	Confirmed until 2025	£45,000
Housing Revenue Account	Confirmed until 2025	£25,000
Council Core Funds	Confirmed until 2025	£45,000
Re-application for current DLUHC funded post (RSI 5)	Not confirmed – if awarded will be until 2024	£45,000

DLUHC additional funds for contract uplift (RSI 5)	Not confirmed – if awarded will be until 2024	£55,000
	Total	£115,000 - £215,000

The maximum contract value is dependent on the Rough Sleepers Initiative 5 Grant (RSI 5) being awarded in full.

If the contract runs for the length of 6 years, the contract costs will range from £690,000 to £1,290,000. Owing to the potential length of the contract, sufficient provision will need to exist to cover the impact of inflation and any service dislocation from Covid.

The funding sources are guaranteed until financial year 2024/25 and 2025/26, not the proposed six years of the contract. The timings of any contract renewals will need to match funding award announcements. The Council will need to ensure that any contract extension does not incur any financial liabilities from renewals continuing in excess of the funding available. As such, provisions need to exist to alter the service according to the funding available.

5.2 Legal Implications:

These services would fall within the 'light touch' regime for the purposes of the Public Contracts Regulations 2015. The threshold for services under such regime from 1st January 2022 is £663,540, unchanged from the previous threshold. The proposed contract values described in this Key Decision Report are comfortably above this threshold.

This Key Decision Report describes a procurement procedure that complies with the Public Contracts Regulations 2015 and the Council's internal procurement rules.

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

An environmental impact assessment has been carried out. This service is predominantly street-based and therefore unlikely to have a negative impact on the environment. Where possible, the service should endeavour to make reductions in its environmental footprint e.g. walking, cycling, using public transport, or vehicles with zero emissions to get around the borough.

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.

An assessment has been carried out using the council's equalities impact assessment screening tool, which indicates that most of the impacts on the protected characteristics would be neutral, with there being a positive impact on people who are homeless.

6. Reasons for the decision:

We are recommending this open tender, as this will secure the provider that is best able to deliver a rapid response outreach service, offering first contact and ongoing, personalised support to people rough sleeping in Islington.

This service will ensure that anyone who finds themselves rough sleeping will have an identified route away from the street, which as a result will ensure that the number of people rough sleeping in Islington does not rise to previous levels.

This service offers direct support to one of the most vulnerable groups in the borough, helping to address health and social inequalities that rough sleepers face, supporting the Council's commitment to a Fairer Islington, where everyone has the chance to thrive and live their best lives.

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:

Corporate Director Homes and
Neighbourhood

Date

Background papers:

- None.

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