

London Borough of Hammersmith & Fulham

Report to: Cabinet

Date: 03/02/2020

Subject: Rough Sleeping Services Procurement Strategy

Report of: Cllr Fennimore – Deputy Leader of the Council
Cllr Coleman – Cabinet Member for Health & Social Care
Cllr Homan – Cabinet Member for Housing

Responsible Director(s): Lisa Redfern Strategic Director of Social Care
Jo Rowlands Strategic Director of the Economy

Appendix 2 is not for publication on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).

Summary

H&F is determined in its aim to end rough sleeping and the harm it causes to individuals and the community. To help us achieve our goal, an independent Rough Sleeping Commission was established in 2017. We have accepted all the findings and have used the Commission's recommendations, the views of people with lived experience of homelessness and best practice to develop this procurement strategy. The strategy will play a significant role in delivering the Council's policy of ending rough sleeping and reducing the social exclusion and inequality experienced by rough sleepers. The strategy will enable us to:

- Build on our already impressive response to rough sleeping;
- Continue to identify ways of increasing investment in local services;
- Further strengthen our partnerships that are integral to delivering our vision;
- Deliver on our commitment to high quality services, good outcomes and value for money.

Eight existing service contracts for rough sleepers and people with a history of homelessness expire in 2020, as set out in Appendix 1. These services are key to our strategy to ending rough sleeping; improving the health and well-being of vulnerable, socially excluded residents and diverting residents from more intensive health and social care settings.

Approval is sought for the procurement strategy set out in Appendix 1 which proposes to procure three new contracts for rough sleepers to replace eight of the nine existing contracts

By issuing a tender with a fixed envelope for the lifetime of the contracts, we are ensuring contracts are delivered in line with available budgets. This means the successful bidder(s) will be expected to accommodate London Living Wage (LLW), which is not a current contractual requirement and deliver efficiencies to accommodate any LLW uplifts over the proposed duration of the contract in line with our objective to be ruthlessly financial efficient.

1.0 Recommendations

That the Cabinet approves

1.1 In accordance with the Council’s Contracts Standing Order (CSO) (18.1), the Business Case & Procurement Strategy for the procurement of three new Rough Sleeping Services contracts as set out in Appendix 1 attached.

Wards Affected: All

H&F Priorities

Please state how the outcome will contribute to our priorities – delete those priorities which are not appropriate

Our Priorities	Summary of how this report aligns to the H&F Priorities
<ul style="list-style-type: none"> Creating a compassionate council 	<p>As a compassionate H&F is committed to ending rough sleeping and the harm it causes to individuals and communities. New services will contribute to better outcomes for homeless people.</p>
<ul style="list-style-type: none"> Doing things with local residents, not to them 	<p>The views of over 100 hundred homeless people have been taken into consideration in developing the recommendations in the Rough Sleeping Procurement Strategy. Tenderers approaches to co-production will be assessed.</p>
<ul style="list-style-type: none"> Being ruthlessly financially efficient 	<p>By issuing a tender with a fixed envelope for the lifetime of the contracts, we are ensuring contracts are delivered in line with available budgets. This means the successful bidder will be expected to accommodate LLW and deliver efficiencies to accommodate any uplifts to LLW over the proposed duration of the contract.</p>

Financial Impact

The recommendations in paragraph 1.0 above to undertake a procurement strategy which would reduce eight existing rough sleeping contracts down to three via the most Economically Advantageous Tenderer, will return at a later stage following the

procurement process in the form of an award report. Finance comments will be provided at that time.

Implications completed by Prakash Daryanani, Head of Finance Social Care, Financial Planning & Integration Team, Tel. 020 8753 2523

Implications verified by Tel. 020 873 2501 or Emily Hill – Assistant Director (Corporate Finance), Tel. 020 873 3145

Legal Implications

- The proposed contracts relating to supported housing (Contract 1), street outreach/Housing First (Contract 2) and homeless health inclusion (Contract 3) services fall under the category of “Social and other Specific Services” under the Public Contracts Regulations 2015 (PCR). This is known as the “Light Touch Regime” as it has more flexible procedural requirements than the standard requirements. The existing EU threshold for such contracts under the PCR is £615,278. As the value of the three proposed contracts exceeds this threshold the Light Touch Regime provisions under the PCR apply in full. In the absence of a suitable framework agreement, a procurement exercise must be undertaken in order to comply with the PCR. However, under the `Light Touch Regime` regulations 74-76 of the PCR only requires that a contract notice is placed and that some form of competitive exercise is undertaken which follows the principles of fairness and transparency.
- In practice it is often the case that in order to demonstrate fairness and transparency, it is easiest to adopt one of the standard procedures that apply to contracts not covered by the Light Touch Regime. The PCR require some sort of competitive award process to be undertaken, here it is proposed to adopt a process which mirrors the competitive procedure with negotiation for Contract 1 and the restricted procedure for Contracts 2 and 3. This complies with the PCR. Two separate contract notices will be published in the Official Journal of the European Union prior to the procurement process followed by two contract award notices at the conclusion of the procurement process. The justification for treating Contract 1 differently is set out in the Strategy at Appendix 1.
- The proposal is to amalgamate Contracts 2 and 3 services into one procurement in the form of two separate lots in accordance with Regulation 46 of the PCR. This is considered in Appendix 1 at Paragraph 3.2.

Implications completed by Hannah Ismail, Solicitor, Sharpe Pritchard LLP, external legal advisers seconded to the Council tel 0207 405 4600

Contact Officer(s):

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Background Papers Used in Preparing This Report

NONE

DETAILED ANALYSIS

1. Proposals and Analysis of Options

1.1 A Service Review Team has undertaken a comprehensive service review of existing rough sleeping services in accordance with CSO 17.2.

1.2 It is proposed to procure three new contracts as follows:

Contract	Type of service	Procurement method
Contract 1 – five plus two years with an annual contract value as set out in the exempt part of the agenda	110 Units of high quality, high support accommodation for rough sleepers and other vulnerable homeless people	Competitive procedure with negotiation
Contract 2 – three plus two years with an annual contract value as set out in the exempt part of the agenda	Rough sleeper street outreach support and Housing First ¹ services.	Restricted procedure. Amalgamate contracts 2 and 3 into the same procurement in the form of two lots.
Contract 3 – three plus two years with an annual contract value as set out on the exempt part of the agenda	Homeless health inclusion services including peer support/co-production, screening, information and advice services to improve health & well-being outcomes.	Restricted procedure. Amalgamate contracts 2 and 3 into the same procurement in the form of two lots.

1.3 All the relevant factors and options are set out in detail at sections 1.3 to 1.20 and 3.1 to 3.2 in Appendix 1, including the business case and procurement options.

2. Reasons for Decision

2.1 A robust procurement strategy is necessary to ensure an effective use of council resources and the delivery of strategic priorities and objectives. The aim of the Rough Sleeping Services Procurement Strategy is to deliver better outcomes and value for money and contribute significantly to the delivery of the Council's policy objective of ending rough sleeping in the borough.

¹ Housing First is an internationally recognised innovative service for rough sleepers with multiple and complex needs. Evidence indicates the model achieves good outcomes and potential savings from other public service budgets.

3. Equality Implications

- 3.1 An Equality Impact Assessment indicates there will no negative impact on protected groups resulting from the recommendations in the report. The new provider of Contract 1 is expected to demonstrate how they will organise local services to better meet the needs of vulnerable women which is expected to have a positive impact.
- 3.2 The completed Equality Impact Assessment is detailed in Appendix 3.
- 3.3 Implications verified by Fawad Bhatti Social Inclusion and Policy Manager Tel: 07500103617

4. Risk Management Implications

- 4.1. Being ruthlessly financially efficient means the Council must review the effectiveness of contracts regularly to ensure objectives are being delivered to the highest quality for service users and taxpayers. Regular review of the procurement strategy helps to shape future policy thus ensuring the service continues to meet its objective of creating a compassionate council. All contracts must be monitored both for value for money and quality of service delivery throughout. These are consistent with the corporate risk register entries, specifically commercial contract management and procurement risks, rules, outcomes, social value, management of spend and performance of contractors.
- 4.2. Implications verified by: Michael Sloniowski, Risk Manager, 020 8753 2587

5. Commercial and Procurement Implications

- 5.1 The author of the report is requesting Cabinet approval of the Business Case and Procurement Strategy for Rough Sleeping Services, including the procurement of three contracts (referred to as Contracts 1, 2 and 3) to replace eight existing services.
- 5.2 H&F CSO's require that all procurements involving a revenue funded contract with a value above £181,302 are the subject of a full Business Case and Procurement Strategy. Where a contract has a value over £5 million the Business Case and Procurement Strategy must be approved by Cabinet.
- 5.3 The services to be provided under the proposed contract fall under the category of social and other specific services as defined by the Regulations. CSO 19.1 requires that above threshold (currently £615,278) contracts for this category of services are procured through an existing Framework or DPS or in accordance with Regulations 74 to 77. There are no appropriate Frameworks or DPS's which could be utilised for the proposed procurement.
- 5.4 The author of the report is proposing that the procurement of Contract 1 is conducted using the competitive procedure with negotiation as provided by Regulation 29. This procedure is not commonly used by the Council but has been identified as providing the opportunity for the market to help shape the final service to be delivered and stimulate innovation. This procedure requires

more time than the more commonly used Open and Restricted procedures and the Project Team will need to ensure the procurement timetable is strictly adhered to so as to prevent any slippage which could prevent the new service from starting on 1st November 2020.

- 5.5 It is proposed the procurement of Contracts 2 and 3 will be conducted using the two stage Restricted procedure. This will ensure only tenderers with recent appropriate experience and of a sufficient size will be invited to submit a tender.
- 5.6 All three contracts will be awarded on the basis of the Most Economically Advantageous Tender (“MEAT”) using a quality price matrix of 80:20.
- 5.7 All three contracts will be awarded on the basis of fixed predetermined values. The commercial evaluation of bids will therefore be based on tendered input hours/service volumes.
- 5.8 The Public Services (Social Value) Act 2012 places a duty on local authorities to consider social value when letting contracts. All three proposed procurements will require tenderers to answer a question regarding the added social value which they would provide if awarded a contract. Their submissions should be assessed against the digital social value assessment tool operated by officers of the Corporate Procurement Team.
- 5.9 The author of the report has fully addressed the questions (including those relating to “being ruthlessly financially efficient”) raised by CSO 4 and justified the need to conduct the proposed procurement.
- 5.10 Implications completed by: Tim Lothian, Procurement Officer, 07795 127346

6 Consultation

- 6.1 Full details of all the stakeholders consulted is included at paragraphs 1.19 to 1.22 in Appendix 1.

7. Local Business Implications

- 7.1 Having efficient rough sleeping and single homelessness services will contribute to a better environment in the borough, including for local businesses. The service could also explore any opportunities to work with local businesses on any relevant issues and solutions. Providers will be encouraged to work with the Work Matters team to identify local residents who could take up any vacancies.

- 7.2 Implications verified by Albena Karameros Programme Manager 07739 316957

8 ICT Implications

- 8.1 No IT implications are considered to arise from this report as it seeks approval for a commissioning and procurement plan for homelessness services.

- 8.2 IM implications: a Privacy Impact Assessment(s) should be carried out to ensure that all the potential data protection risks (e.g. in sharing service user data with providers) arising from this model are properly assessed with mitigating actions agreed and implemented – for example, ensuring that any IT suppliers to any providers have completed (Cloud) Supplier Security Checklists to ensure the systems used by the providers comply with H&F's regulatory and information security requirements.
- 8.3 Any contracts arising from this report will need to include H&F's data protection and processing schedule. This is compliant with the General Data Protection Regulation (GDPR) enacted from 25 May 2018.
- 8.4 Any suppliers appointed as a result of this model will be expected to have a Data Protection policy in place and all staff will be expected to have received Data Protection training.
- 8.5 Implications verified/completed by: Tina Akpogheneta, Interim Head of Strategy and Strategic Relationship Manager, IT Services, tel 0208 753 5748.

9. HR IMPLICATIONS

- 9.1 It is considered that TUPE (Transfer of Undertakings, Protection of Employment) will apply, in terms of existing staff transferring to a new provider (if the incumbent provider is not the successful tenderer) but this does not involve any council staff or staff with council terms and conditions.

List of Appendices:

- Appendix 1 - Rough Sleeping Services Procurement Strategy
- Appendix 2 – Exempt Information
- Appendix 3 – Equality Impact Assessment

Procurement strategy - Contracts for Rough Sleeping Services

1. PROCUREMENT SCOPE – WHY THE PROCUREMENT IS NEEDED

Procurement Scope

1.1 We are proposing to procure three new contracts to deliver a range of rough sleeping services; these contracts will replace eight existing contracts outlined below at section 1.7. The three new contracts will deliver the following services:

Contract 1 – five plus two years with an annual contract value as set out in paragraph 1.0 in the exempt part of the agenda	110 Units of high quality, high support accommodation for rough sleepers and other vulnerable homeless people
Contract 2 – three plus two years with an annual contract value as set out in paragraph 1.0 in the exempt part of the agenda	Rough sleeper street outreach support and Housing First ² services.
Contract 3 – three plus two years with an annual contract value as set out in paragraph 1.0 on the exempt part of the agenda	Homeless health inclusion services including peer support/co-production, screening, information and advice services to improve health & well-being outcomes.

1.2 The contracts are intended to benefit the Council and residents in the following ways:

- achieve better outcomes for rough sleepers and those at risk of rough sleeping;
- improve the health and well-being of vulnerable residents;
- increase social inclusion and engagement;
- promote independence and reduce demand for more intensive health and social services;
- provide added and social value;
- contribute to the policy objective to end rough sleeping in the borough;
- a consolidation of services to reduce management overheads and transactional costs and re-direct resources into front-line services;
- stimulate the market to develop innovative solutions to rough sleeping;
- ensure a ruthlessly efficient use of financial resources; and
- meet homeless people’s aspirations.

² Housing First is an internationally recognised innovative service for rough sleepers with multiple and complex needs. Evidence indicates the model achieves good outcomes and potential savings from other public service budgets.

Business case – why the procurement is needed

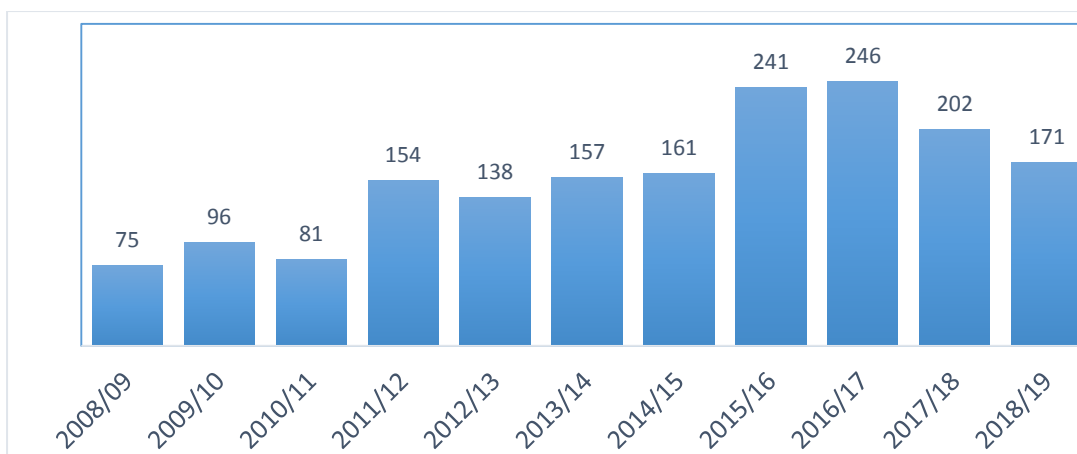
- 1.3 On 3.12.18, Cabinet approved the policy direction for reforming specialist housing. The report set out how a transformed supported housing offer can contribute to the Council’s strategic priorities as set out below. This procurement strategy is aligned with the policy framework approved by Cabinet in December 2018.

Creating a compassionate council	Doing things with residents, not to them	Being ruthlessly financial efficient
Further enhancing our independent living offer giving people greater choice and control over their lives.	Co-producing new models of support and embedding this in delivery.	Changing how we invest, shifting towards greater prevention.

The Policy Drivers

- 1.4 H&F is determined to end rough sleeping in the borough and address the harm it causes to individuals and communities; this procurement strategy aims to improve local services to meet the needs of vulnerable homeless people; improve health and well-being and to contribute to the Council’s strategic priorities.
- 1.5 In 2017-18, an independent Rough Sleeping Commission was established to review local services and make recommendations to help the council deliver our policy objective of zero rough sleeping. A Rough Sleeping Partnership Board, involving residents with lived experience of homelessness, and statutory and voluntary agencies acts as a critical friend to the Council. The Commission’s recommendations and the Partnership Board’s views are incorporated into the procurement strategy.
- 1.6 Rough Sleeping continues to rise in London; 8,855 rough sleepers were seen by outreach workers in London during 2018-19, an **18% increase** compared to 2017. There is evidence our strategy is having an effect in H&F as rough sleeping in the borough reduced by 15% in 2018-19 compared to 2017-18 and a 30% reduction since 2016-17.

**No. people seen rough sleeping in Hammersmith & Fulham 2008/09 to 2018/19
CHAIN DATA – Table 1**



- 1.7 Currently, the council commissions eight contracts for rough sleepers and people with a history of homelessness and complex health and social needs as described in Table 2-4; all eight contracts expire in 2020. A service review has demonstrated the importance of these services to the Council's response to rough sleeping; reducing health inequalities and improving social inclusion and well-being of vulnerable residents.

Table 2 Supported Housing

No.	Contract Name	Provider	Type of services
1	The Old Theatre	St Mungo's	Very high support accommodation for 12 men and women with multiple & complex needs
2	Edith Rd	St Mungo's	High support accommodation for 24 men with a range of needs including offending, substance use, mental health
3	Hope Gardens	St Mungo's	High support accommodation for 31 men and women with a range of needs including offending, substance use, mental health.
4	Assessment Centre	Look Ahead	High support accommodation for 27 men and women with a range of needs including offending, substance use, mental health.
5	Shepherds House	London Cyrenians	High support accommodation for 10 men and women with a range of needs including offending, substance use, mental health.

Table 3 Rough Sleeper Street Outreach Service

No.	Contract Name	Provider	Type of services
6	Street Outreach Services	St Mungo's	Shifts at night/early morning to respond to sightings of rough sleepers and to support people to find a route off the streets. Team has good knowledge of individuals, hotspots and works in partnership with multiple agencies.

Table 4 Homeless Health Inclusion services

No.	Contract Name	Provider	Type of services
7	Homeless Health Peer Support	Groundswell	Peer support to access health services, peer advocacy, co-production
8	Health & Homelessness	St Mungo's	Health screening, information and health promotional events

Project		
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Demand

1.8 Demand for all existing services is high.

Supported Housing

Period	Supported housing occupancy levels
2017-18	97.8%
2018-19	97.2%

1.9 In the last two years, occupancy of the supported housing services has exceeded the contract key performance target of 95%. In 2018-19, 155 people were accommodated in the 110 bedspaces in 2018-19.

1.10 At July 2019, there are over twenty people in temporary accommodation waiting for a place in supported housing. We want new services to help us reduce the need to place people into temporary accommodation and reduce the length of time people have to spend in temporary accommodation waiting for supported housing. Without supported housing services there would be significant pressures on temporary accommodation, health and social care services, including extra care and residential placements and the numbers of rough sleepers in the borough would increase significantly.

Added Value/Best Practice

1.11 In addition to providing accommodation and an immediate relief from rough sleeping, the supported housing services listed in Table 2 above provide a range of person-centred interventions, support and other activities promoting social inclusion, independence and reducing risk. These include:

- asset-based support planning focusing on people’s strengths not deficits.
- co-produced support plans and risk assessments. Residents are encouraged to identify their risk triggers and how they can reduce risks and manage stressful situations.
- tailored independent living skills programmes including managing a tenancy, budgeting on a low income; being a good neighbour; where to go for help.
- signposting to health, social care, social inclusion and other services.
- support to access volunteering, education and employment opportunities.
- health and well-being programmes providing in-reach activities for example, smoking cessation, health eating; podiatry; acupuncture; substance use.
- managing risks to individuals and the community. Developing personalized harm-minimization strategies.

Outcomes

1.12 Outcomes are measured for every resident at the point of leaving the supported housing services in table 2 above. Table 5 below shows the positive outcome rates for residents requiring help with the selected outcome domains.

Table 5

	2017-18	2018-19
Outcome domain	% of positive outcomes achieved	% of positive outcomes achieved
Managing mental health better	69%	84%
Managing substance use better	61%	50%
Has avoided harm to others	86%	86%
Managing physical health better	67%	70%
Established contact with friends/families	93%	92%
Secured settled accommodation	56%	66%

- 1.13 **Street Outreach Service** - the street outreach team provides a statutory service. The current team consists of outreach workers and a manager and is considered to be relatively small for an inner London council. Any reduction in staff would significantly compromise the service's ability to respond to the needs of rough sleepers. While the number of rough sleepers has reduced in H&F in the last two years, the demand for the street outreach team services remains high. In 2018-19, they supported 171 verified³ rough sleepers, and the team worked with an additional 50-60 people.

Health & Well-being and Inclusion

- 1.14 There is strong evidence that people who have a history of homelessness have significantly higher levels of premature mortality and poor physical and mental health than the general population⁴. Our own needs assessment of people living in supported housing at July 2019 indicates the following levels of needs.

Domain	Prevalence rate
Poor physical health	62%
Poor mental health	80%
Harmful Alcohol use	59%
Harmful substance use	78%

Case studies in the exempt Appendix 3 further highlight the complexity of need of rough sleepers and people living in supported housing and the importance of these services in addressing their needs.

- 1.15 H&F has been at the forefront of developing innovative services to reduce health inequalities. It is challenging for supported housing and outreach staff to assist homeless people to move from entrenched and chaotic lifestyles to

³ MHCLG defines rough sleeping as "People sleeping, about to bed down (sitting on/in or standing next to their bedding) or actually bedded down, in the open air (such as on the streets, in tents, in doorways, parks, bus shelters, ore encampments). People in buildings or other places not designed for habitation".

⁴ Homelessness it makes you sick. St Mungo's 2008

less risky behaviours and lifestyles to improve their health outcomes in relatively short timescales. The challenges include:

- Staff are not qualified specialist mental health or substance use professionals; there is a high turnover of frontline staff in the sector generally.
- Residents with personality disorders and substance use issues may have very disturbed behaviour but do not meet the threshold or criteria for detention under the Mental Health Act and/or may not be willing to engage in the treatment or management that health services can provide. Many of these individuals are in hostels and experience cycles of homelessness, prison and hospital; we need to improve outcomes for this cohort.
- The nature of the mental health issues experienced by many homeless people often means there is not a clear pathway into clinical treatment, and this can lead to inappropriate referrals to statutory services which are inefficient and costly.

1.16 While it is difficult to attribute direct causation to a specific service, our service review of the homeless health inclusion services indicates their high value. In 2017-18, a joint review with HF CCG demonstrated the services were delivering the following positive outcomes:

- reduced use of emergency/crisis services;
- reduction in health inequalities;
- increased resident engagement;
- reduction in missed health appointments; and
- improved self-care and self-esteem.

1.17 The full details of recent supported housing resident engagement are included in section 1.20 below, but overall residents are very satisfied with the services they are getting. However, there are areas for improvements in some of the services which will be addressed in the future service specifications, contract performance indicators and monitoring.

Summary

1.18 The review of existing services has demonstrated the following issues to be addressed in the procurement strategy:

Strengths	Weaknesses
<ul style="list-style-type: none"> • High demand for services • High levels of resident engagement in many services • Good partnerships in place • Good move-on resources • Residents greatly value the support they receive in most services • Most residents feel safe • Strength-based and trauma-informed support models work well 	<ul style="list-style-type: none"> • Health outcomes to be improved • Gap for women with complex needs • Throughput to be increased • Turnover of staff in some services is very high and this adversely affects service continuity • Providers face recruitment challenges • Residents are concerned about the slowness of landlord repair services and lack of feedback they get.

<ul style="list-style-type: none"> • where they are embedded • Services divert people from more intensive health and social care settings 	
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Stakeholder Consultation

1.19 A range of stakeholders' views have been sought and their feedback has been central to the development of the strategy. These include:

Residents - Over the last two years, we have undertaken three separate engagement projects with residents and homeless people. In 2017-18 as part of the Rough Sleeping Commission, 108 residents with experience of rough sleeping were interviewed by peer researchers. Residents told us:

- No one wanted to sleep rough
- For some people living in hostels can be challenging
- People wanted more support
- The benefits system is perpetuating homelessness

In 2018, Groundswell carried out a peer research project with supported housing residents. The main conclusions were:

- | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Quality of staff is paramount. • Residents value stable staff teams; frequent turnover of staff can disrupt the continuity of support. • Residents value the opportunity to get involved in activities that help develop their daily living skills e.g. cooking and budgeting. • Well-maintained supported housing buildings are important to residents and help encourage people to take better care of their living environment. • Hostels can be noisy, difficult places to live and residents would like to see staff dealing effectively with other residents' behaviour when it affects other residents. • Most residents want to move on and live independently. • There is considerable anxiety about the impact of Welfare Reform on day to day experiences and ability to budget. |
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In July 2019, officers sought the views of current residents about their services. 49 residents (47%) completed a questionnaire and/or attended one of five focus groups. We received detailed, qualitative feedback from residents which will greatly assist the service specification development and how we monitor and involve residents in the future. The headlines are:

- 63% of residents find their accommodation to be good or excellent; 33% rated it satisfactory; 2% poor and 2% very poor;
- 67% of residents rate the quality of the support they receive as either excellent or good; 25% find it to be satisfactory and 8% poor;
- 39% of residents reported they always feel safe; 61% feel they are mostly safe; no residents reported feeling unsafe.
- residents do not always feel they kept informed by support staff and landlords about repairs;

- residents report a decline in quality of the repairs' services;
- residents greatly value the support they receive.

Existing Providers

1.20 All existing providers have been consulted on the proposed tender timetables.

Landlords

1.21 All the landlords of the supported housing buildings have been consulted on the proposed tender timescales. All have confirmed their willingness for the properties to continue to be used. Feedback from residents has been provided to the landlords about the need to improve their responsive repairs performance. Their performance will be monitored in future contracts.

1.22 The Rough Sleeping Partnership Board is sighted on the main recommendations in this report and is supportive of the proposals.

2 MARKET ANALYSIS

2.1 The supplier markets are different for each of the proposed three contracts. A market engagement event in July 2019 was attended by 21 people from twelve organisations. There was considerable interest in bidding for services in H&F and some potential interest in partnership bids.

2.2 **Contract 1 - supported housing.** Currently there are four provider organisations delivering accommodation and support services to single homeless people with complex needs and rough sleepers in H&F. An analysis of organisations delivering similar services in neighbouring boroughs indicates an additional seven providers delivering similar services. An H&F tender in 2018 attracted twelve expressions of interest. We estimate between 10 to 15 provider organisations may express an interest in delivering the services. However, by consolidating contracts, the proposed new contract will be relatively large and therefore some of the interested organisations may not meet the required financial thresholds.

2.3 **Contract 2 – Housing First & Outreach Services.** There are fewer organisations delivering these types of services compared to Contract 1; most also deliver contract 1 services. A market analysis indicates there are between 5 -7 providers who are likely to tender for contract 2. While 24 London councils have a commissioned street outreach team, fewer commission Housing First services. However, at least two other local authorities have also combined the services into one contract with good effect; the rationale being; a pooled resource enables cover for Housing First outside of office hours; both services work with people with very complex needs and individuals are often known to both services and a reduction in management overheads.

2.4 **Contract 3 – Homeless Health Inclusion Services.** Fewer councils commission peer support and health inclusion services. The supplier market is smaller than for contracts 2 and 3 but we anticipate interest from up to approximately five organisations.

Market Trends

- 2.5 Through our market analysis and engagement we have learned:
- the number of organizations providing the types of services we are looking to deliver has reduced considerably in the last five years. Causal factors include: organizational financial sustainability; fewer commissioned contracts; service decommissioning;
 - most organizations are experiencing front-line staff recruitment and retention issues in London, and inner London areas especially;
 - an increased focus on individuals with complex and multiple needs which presents resourcing, risk, and reputational issues;
 - partnership working is critical to the delivery of successful services;
 - providers are concerned about the impact of shrinking budgets on their ability to deliver good outcomes and quality services within the available resources;
 - providers welcome the fixed financial envelope pricing element as it helps provide clarity about costs;
 - longer contracts provide continuity of service but there are some provider concerns about the implications of longer contracts with no provision for cost of living increases;
 - providers understood the rationale for the competitive procedure with negotiation for contract 1;
 - there is significant market concern about the impact of Welfare Reform on the demand for supported housing services but also its affordability for vulnerable people;
 - the general upkeep and maintenance of supported housing buildings by landlords (mostly Housing Associations) is under focus, as this impacts on residents' well-being – this was borne out in our engagement with residents.
 - The importance of these types of services in the wider health and social care system is becoming more widely understood but NHS investment in services for homeless people is generally very low or non-existent and we need to explore the opportunities for NHS investment to ensure the future sustainability of these services, as outlined in the Rough Sleeping Commission's recommendations.

3 PROCUREMENT ROUTE OPTIONS AND CONSIDERATIONS

- 3.1 The Service Review Team considers the Council doesn't have the experience of directly delivering these services itself and because there are well-established markets in place, it is recommended we externally source these services. There are several procurement options available to the Council for the provision of the future contracts.

Procurement Options

- A. Do nothing – allow existing contracts to expire.
- B. Procure fewer services.
- C. Establish a multi – provider Framework Agreement to enable the Council to call off contracts.

- D. A two-stage Restricted Tender, with an initial qualification stage to shortlist a pre-determined number of organizations to proceed to the second stage of the evaluation process.
- E. An Open Tender for the future contract.
- F. Competitive Procedure with Negotiation.

3.2 There are different market and business considerations for each contract. These differences are reflected in the options appraisals below.

Option	Advantages	Disadvantages/Risks	Recommended YES/NO
A	<ul style="list-style-type: none"> • Significant savings will be delivered 	<ul style="list-style-type: none"> • Considerable risks to policy objective of ending rough sleeping. • Alternative accommodation and support will need to be found for 110 residents, many of whom have been assessed as not able to live in general needs housing. • Cost transfer to other council budgets. • Increased risk to individuals and the community. 	NO
B	<ul style="list-style-type: none"> • Savings will be achieved 	<ul style="list-style-type: none"> • The number of units of accommodation has reduced over recent years and it is assessed any further reduction at this stage will adversely impact on rough sleeping numbers. 	NO
C	<ul style="list-style-type: none"> • ASC has experience of using Frameworks. • Services can be divided up into Lots. • Universal specification requirements supplemented at call-off to meet individual service requirements. • Streamlines procurement effort and processes for Council and providers. 	<ul style="list-style-type: none"> • A Framework is likely to take 3-4 months longer to establish and it is unlikely new contracts will be in place in time. • Frameworks are time limited so are only beneficial if there are several procurements required in a 4-year period. • Can be unwieldy for smaller providers. • Would require the same procurement approach for each contract which is unlikely to suit our requirements. 	NO
D	<ul style="list-style-type: none"> • The Council can restrict the number of 	<ul style="list-style-type: none"> • By restricting the number of Tenders, the Council may 	YES, for contracts 2

	<p>organizations it wants to shortlist, while ensuring enough quality bids</p> <ul style="list-style-type: none"> • Services can be divided up into lots • Reduces the Council's transactional costs associated with the evaluation of many tenders. 	limit competition.	and 3
E	<ul style="list-style-type: none"> • Increases competition and maximizes the number of tenders available to be assessed. • Services can be divided up into lots. 	<ul style="list-style-type: none"> • A burden on providers that are not able to meet the requirements of the specification who waste time submitting tenders. • Evaluation of a significant number of full tenders will not necessarily produce a better outcome. 	NO
F	<ul style="list-style-type: none"> • Beneficial where the specification cannot be established with sufficient precision. • Can stimulate innovation. • Enables a more informed submission to meet the Council's requirements. 	<ul style="list-style-type: none"> • Increases the length of the tender for the Council and tenderers. • Unsuitable for smaller contracts where the full specification requirements are known. 	YES, for Contract 1

4 RISK ASSESSMENT AND PROPOSED MITIGATIONS

Issue	Risk	Proposed Mitigations
Contract values	Significant area of expenditure. Value for money critical.	Fixed envelope to ensure costs remain within the available budget envelope. Robust contract monitoring to ensure contract outcomes and requirements are met. Contract provisions to withhold payments if KPI's not achieved.
No growth in available budget for future services	Existing services are already financially lean. There will be cost pressures from the requirement to pay London Living Way; inflation and additional Will contractors be able to deliver the services for the available budgets?	Proposed consolidation of contracts to reduce managerial and transactional costs to divert to front line services.
Ruthless Financial Efficiency	While significant savings	Prices will be held at current

	<p>have been delivered from the existing services, it is not proposed to reduce the available budget any further at the outset of the contract.</p>	<p>levels. The successful bidder will be expected to accommodate LLW and deliver efficiencies to accommodate any uplifts to LLW over the proposed duration of the contract.</p> <p>The contracts will be robustly monitored throughout the contract terms. Modification and break clauses will enable the council to vary the contract terms including price as required.</p> <p>It is anticipated that as the impact of the new services and other initiatives are felt there may be an opportunity to review whether we need the same volume of services throughout the duration of the contracts.</p>
Proposed procurement approach	<p>It is proposed to use the competition with negotiation option for contract 1. This is a relatively new procurement option and is more resource intensive than other options.</p>	<p>Advice and guidance will be provided by a procurement officer throughout the procurement process. Additional time has been built into the procurement timetable for contract 1.</p>
Length of contracts	<p>A change to H&F's strategic and operational requirements during lifetime of the contracts.</p>	<p>Each contract will include a 6-month no-fault break clause and the option to modify the terms if required.</p>
Consolidation of supported housing contracts	<p>Significant impact of provider failure and less choice.</p>	<p>Robust KPI's and contract monitoring. Person centred service delivery. Contract break clause and default provisions.</p>

5 **FINANCIAL INFORMATION**

- 5.1 The financial information is provided on the exempt part of the agenda in Appendix 3.

6 COMPETITION PROCESS TIMETABLE

Indicative Timetable

What	When
Phase 1 – Determine Commissioning Requirements	
Service Review	Jan-July 2019
Resident and stakeholder engagement	Nov 2017-July 2019
Market engagement	July/September 2019
Phase 2 – Governance All Contracts	
Senior Leadership Team	27.11.19
Cabinet Member Briefings	December 2019
Political Cabinet	6 Jan 2020
Cabinet Approval of Procurement Strategy	3 Feb 2020
Phase 3 – Procurement Contracts 2 and 3	
Contract documentation drafted	December 2019
Launch Tender – Stage 1	Mid -February 2020
Submission Deadline	Mid - March 2020
Tender Evaluation – Stage 1	End March 2020
Issue Stage 2 Tender	April 2020
Submission Deadline	End April 2020
Tender Evaluation - Stage 2	May 2020
Governance	May 2020
Award Contract	June 2020
Phase 4 – Contract Implementation	
Mobilisation	June-July 2020
Service Commencement	August 2020

Phase 3 – Procurement Contract 1	
Contract documentation drafted	December 2019
Launch Tender – Stage 1	Mid-February 2019
Submission Deadline	Mid - March 2020
Tender Evaluation – Stage 1	End March 2020
Issue Stage 2 Tender	April 2020
Submission Deadline	End April 2020
Tender Evaluation - Stage 2	Mid May 2020
Stage 3 Negotiation	June 2020
Evaluation	July 2020
Governance	July 2020
Award Contract	July 2020
Phase 4 – Contract Implementation	
Mobilisation	August- October 2020
Service Commencement	1 November 2020

7 SELECTION AND AWARD CRITERIA

CONTRACT AWARD CRITERIA

Price: Quality Ratio

7.1 It is proposed all three contracts will be awarded to the Most Economically Advantageous Tender based on a Price: Quality ratio of 20:80. The rationale for this ratio is that the quality of the service is critical to delivering the necessary outcomes. Quality will be assessed on the responses to set questions. For the price element tenderers will be invited to submit proposals for the number of hours or other service volumes they can deliver for the fixed price. By setting a financial envelope the Council can control expenditure within the allocated budget while ensuring value for money is secured by evaluating which bid provides the Most Economically Advantageous Tender in terms of volume of hours, hence why we are recommending a 20:80 ratio.

7.2 A minimum number of hours will be set to ensure safety of services and value for money.

Quality

7.3 All technical submissions will be marked individually by the designated tender evaluators using a scoring mechanism/matrix of 0 to 5. The evaluators will then attend a moderation meeting to agree a consensus score for each tender’s technical submissions. For contract 1, there will be a further negotiation status to refine tenderers’ proposals to get the best outcomes for residents.

7.4 Supported Housing Quality Criteria

Indicative

Locality and community relations
Quality & Outcomes
Psychologically Informed Environment (PIE) Approach
Staffing
Safeguarding and approach to risk
Added/social value
Involving residents
Total

7.5 Housing First and Street Outreach Quality Criteria

Indicative

Locality and community relations
Case study
Partnership working
Quality & outcomes
Staffing
Safeguarding and managing risk
Social Value
Personal budgets
Involving residents
TOTAL

7.6 Homeless Health Inclusion Quality Services

Indicative

Peer support
Health promotion

Partnership working
Staffing
Social value
Involving residents
TOTAL

Price

7.7 A maximum of 20% will be available for Price for all three contracts. The Tender with the highest number of hours/or other service volumes will automatically score 20%. The other tenders will be scored based on the proximity of their submitted hours/volumes to those submitted by the highest scoring tender

Social Value

7.8 Due to the specialist nature of the services to be delivered, it will be difficult to stipulate specific local social and economic contribution requirements in the contract e.g. offering an apprenticeship or a % of local residents to be employed. It is anticipated the successful provider(s) will be a community or voluntary sector organization.

7.9 As part of the tender, for each contract the tenderers will be asked to demonstrate their contribution to local general social and economic benefits, including;

- Local supply chain benefits.
- The potential opportunity for the employment of local housing staff.
- Volunteering & employment opportunities for residents.
- Enhanced opportunities for partnerships between the successful provider and local voluntary and community organizations to provide social inclusion and leisure opportunities.
- Improved health and well-being and social inclusion;
- Reduced rough sleeping and the negative impact on individuals and the community.

8 CONTRACT PACKAGE, LENGTH AND SPECIFICATION

Contract length

8.1 We are proposing different lengths for the three contracts due to different market and service conditions and requirements.

8.2 We propose to include a 6-month break clause in each contract to be activated by either party at any point in the contract. Although six months is not very long to put in place new service arrangements in the eventuality of a supplier issuing notice, in line with standard business continuity practice in the sector, officers would negotiate short-term provision of the services from another recognised provider pending tendering a new contract. It is considered that overall there is a benefit to the Council of being able to terminate a contract that is not meeting the needs of residents within a 6-month period.

Contract	Proposed Length	Rationale
One	Five years plus 2 X 12- month periods	Consolidating 5 contracts into one will require complex TUPE and building issues that take time to bed in. A longer contract will enable continuity of service provision; stimulate provider financial investment into local services and enable officers to assess savings opportunities in the lifetime of the contract.
Two	Three years plus 2 X 12 months	Sufficient time is required to bed-in the contracts but contract 2 is not as complex as contract 1. However, anything less than a 3-year contract is likely to reduce interest in the contract and may increase costs as tenderers seek to spread the higher costs in the earlier party of a contract over a shorter period.
Three	Three years plus 2 X 12 months	The same reasons as contract 2.

Service Specifications/Outcomes/Performance Measures

8.3 New specifications setting out key performance required and outcomes to be achieved will help drive up quality. Each specification will include the following outcome domains:

Service Aims	Outcomes
CONTRACT ONE	
<ul style="list-style-type: none"> • Reduce rough sleeping. • Increase ability to maintain a tenancy. • Maximize social inclusion and reduce social isolation • Improve health & well-being • Increase access to education, training, employment. • Minimize risk of self-harm to self and others. • Promote recovery and move-on. • Reduce the use of emergency and crisis services. • Co-production. 	<p>Improved economic well-being through:</p> <ul style="list-style-type: none"> • Maximizing income • Reducing debt • Obtaining paid work <p>Improved enjoyment and achievement through:</p> <ul style="list-style-type: none"> • Participating in training and/or education • Participating in cultural, leisure and faith activities • Participating in work-like activities • Establishing contact with external service groups, friends, and/or family <p>Improved health through:</p> <ul style="list-style-type: none"> • Better managing physical health • Better managing mental health • Better managing substance misuse • Use of assistive technology and aids <p>Improved safety through:</p> <ul style="list-style-type: none"> • Maintaining accommodation and avoiding eviction • Complying with statutory orders • Better managing self-harm

	<ul style="list-style-type: none"> • Avoiding harm to others • Minimising harm/risk from others <p>Increased positive contribution through:</p> <ul style="list-style-type: none"> • More confidence and ability to have a greater choice and/or control and/or involvement.
CONTRACT TWO	
<ul style="list-style-type: none"> • Reduce rough sleeping • Support rough sleepers to find a safe, sustainable route of the streets. • Prevent a return to rough sleeping. • Improve outcomes for people with complex needs. • Co-production. 	<ul style="list-style-type: none"> • Reduction in number of rough sleepers • Housing First tenancy sustainment rates • Improved health outcomes • Reduced ASB
CONTRACT THREE	
<ul style="list-style-type: none"> • Reduce health inequalities • Provide information, training and advice on improving access to health services • Peer support • Capacity building of staff to improve health outcomes. • Co-production. 	<ul style="list-style-type: none"> • Increased engagement and attendance of health appointments • Reduction in use of emergency and crisis services • Volunteer opportunities for people with a history of homelessness

Residents' Priorities

8.4 Over the last two years we have undertaken three separate engagement projects with homeless people as set out in more detail at section 1.19 above.

9 CONTRACT MANAGEMENT

9.1 The contract(s) will be managed from within the Economy Department and Adult Social Care commissioning team using robust contract management and supplier relationship tools and techniques. The role of the contract manager will include:

- Managing expectations and relationships between stakeholders.
- Ensure residents' views are sought and are fed into the contract management process at all stages of the contract.
- Ensuring the obligations of all parties are met.
- Managing commercial and operational risk (including financial stability, ethical performance, and quality control).
- Managing change and ensuring due governance is undertaken.
- Aligning contract delivery to residents' needs and the commercial and operational objectives of the Council.
- Performance management and reporting.
- Seeking opportunities for increased and added value and fostering innovation.

- 9.2 In the pre-award phase of the contract during the procurement process, evaluation will focus on bidders' technical expertise and experience of providing and managing the same or similar services. This will include the appraisal of bidders' experience of developing and implementing successful mobilisation plans and risk management. Post award of contract, the successful provider will be required to produce a robust mobilisation plan for approval and monitoring by the contract management team.
- 9.3 The performance management framework and accompanying key performance indicators will be aligned to ensure delivery of the commissioning objectives and outcomes and have been developed alongside the service specification and contract documents. It will be a requirement for the successful provider(s) to produce regular management reports, submit the key performance indicators and engage in contract performance meetings to appraise performance and success of the contract. The frequency of these meetings will be determined following evaluation of the providers' ability, expertise, and experience during the procurement process, through risk-based contract classification and from regular reporting on performance to the Specialist Housing Board and established reporting to Members.

H&F Equality Impact Analysis Tool

Conducting an Equality Impact Analysis

An EqlA is an improvement process which helps to determine whether our policies, practices, or new proposals will impact on, or affect different groups or communities. It enables officers to assess whether the impacts are positive, negative, or unlikely to have a significant impact on each of the protected characteristic groups.

The tool has been updated to reflect the new public sector equality duty (PSED). The Duty highlights three areas in which public bodies must show compliance. It states that a public authority must, in the exercise of its functions, have due regard to the need to:

1. **Eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited under this Act;**
2. **Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;**
3. **Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.**

Whilst working on your Equality Impact Assessment, you must analyse your proposal against the three tenets of the Equality Duty.

General points

1. In the case of matters such as service closures or reductions, considerable thought will need to be given to any potential equality impacts. Case law has established that due regard cannot be demonstrated after the decision has been taken. Your EIA should be considered at the outset and throughout the development of your proposal, it should demonstrably inform the decision, and be made available when the decision is recommended.

2. Wherever appropriate, the outcome of the EIA should be summarised in the Cabinet/Cabinet Member report and equalities issues dealt with and cross referenced as appropriate within the report.
3. Equalities duties are fertile ground for litigation and a failure to deal with them properly can result in considerable delay, expense, and reputational damage.
4. Where dealing with obvious equalities issues e.g. changing services to disabled people/children, take care not to lose sight of other less obvious issues for other protected groups.
5. If you already know that your decision is likely to be of high relevance to equality and/or be of high public interest, you should contact the Policy & Strategy team for support.
6. Further advice and guidance can be accessed from the separate guidance document (on the intranet) or [ACAS - EIA](#). Or you can contact the relevant officer (see below).

Fawad Bhatti (Policy & Strategy)
Fawad.bhatti@lbhf.gov.uk
07500 103617

H&F Equality Impact Analysis Tool

Overall Information	Details of Full Equality Impact Analysis
Financial Year and Quarter	2019/20 QTR 3
Name and details of policy, strategy, function, project, activity, or programme	<p>Title of EIA: Rough Sleeping Services Procurement</p> <p>Short summary: Eight existing services for rough sleepers are expiring in 2020. In line with the Council's CSO's a robust procurement strategy is required to ensure an effective use of resources and to deliver good items for residents.</p> <p>Approval is sought to procure three new contracts for rough sleepers to replace the eight existing contracts. As a compassionate council, H&F is committed to ending rough sleeping. The aim of the strategy is to improve service quality, outcomes, and value for money; to contribute to the Council's ambition to reduce rough sleeping in H&F to zero; provide added and social value; deliver best practice and to manage demand for more intensive health and care settings. The strategy supports the policy principles for specialist housing approved by Cabinet in December 2018.</p>
Lead Officer	<p>Name: Julia Copeland</p> <p>Position: Strategic Commissioner</p> <p>Email: Julia.Copeland@lbhf.gov.uk</p> <p>Telephone No: 020 8753 1203</p>
Date of completion of final EIA	1/10/2019

Section 02	Scoping of Full EIA
Plan for completion	<p>Timing: 2020-21</p> <p>Resources: Julia Copeland – Strategic Commissioner; Tim Lothian – Procurement Officer</p>
Analyse the impact of the policy, strategy, function, project, activity, or programme	<p>Analyse the impact of the policy on the protected characteristics (including where people / groups may appear in more than one protected characteristic). You should use this to determine whether the policy will have a positive, neutral, or negative impact on equality, giving due regard to relevance and proportionality.</p>

	Protected characteristic	Analysis							Impact: Positive, Negative, Neutral	
	Age	The services for rough sleepers are for adults aged 18 years. 65% of residents accessing the services in 2018-19 were aged 35-65 years.							Neutral	
	Disability	25% of residents accessing the services in 2018-19 have physical health issues affecting their mobility. New services will be expected to ensure needs assessments take into consideration a person's disability; appropriate referrals are made to relevant OT and social services; residents to be provided information in a form of communication they understand;							Neutral	
	Gender reassignment	There are no identified impacts for gender re-assignment							Neutral	
	Marriage and Civil Partnership	There are no identified impacts for marriage and civil partnerships. Accommodation services are for single people.							Neutral	
	Pregnancy and maternity	There are no identified impacts for pregnancy and maternity. The services are for single women. If a woman does become pregnant the new service providers will be expected to ensure appropriate referrals to relevant services to meet their needs of individual women.							Neutral	
	Race	White British	Black British	Black African	Black Caribbean	White other	Asian	Black other	Mixed W/B Caribbean	Neutral
		50%	13.2%	9.2%	7.2%	10.5%	3%	2%	2.6%	
	The table above outlines the race of residents using the rough sleeping services in 2018-19. New services will be expected to ensure equality of access and treatment for all residents; provide culturally sensitive services and deal robustly with all incidents of racially motivation harassment, violence and/or abuse.									

	Religion/belief (including non-belief)	There are no identified impacts for religion/belief. All new services will be expected to support residents to practice their beliefs, is appropriate.	Neutral
	Sex	Approximately 20% of residents using the rough sleeping services are women, The new services provider for the accommodation contract is expected to develop a new service for women with complex needs. This will improve outcomes for vulnerable women and therefore the Rough Sleeping Services Procurement Strategy is anticipated to have a positive impact for women.	Positive
	Sexual Orientation	There are no negative impacts for sexual orientation. New services will be expected to ensure equality of access and treatment for all residents; provide sensitive services and deal robustly with all incidents of homophobic harassment, violence and/or abuse.	Neutral
<p>Human Rights or Children's Rights If your decision has the potential to affect Human Rights or Children's Rights, please contact your Equality Lead for advice None Will it affect Human Rights, as defined by the Human Rights Act 1998? No Will it affect Children's Rights, as defined by the UNCRC (1992)? No</p>			

Section 03	Analysis of relevant data Examples of data can range from census data to customer satisfaction surveys. Data should involve specialist data and information and where possible, be disaggregated by different equality strands.
Documents and data reviewed	Council data it holds for the purpose of monitoring the use and effectiveness of the services.
New research	Not applicable

Section 04	Consultation
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