

	<p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">CABINET</p> <p align="center">13 MAY 2013</p>
<p>APPOINTMENT OF CONTRACTOR TO DELIVER STREET OUTREACH SERVICES IN HAMMERSMITH & FULHAM</p>	
<p>Report of the Deputy Leader (+ Residents Services) – Councillor Greg Smith</p>	
<p>Open report A separate report on the exempt Cabinet agenda provides exempt information about the results of the tender evaluation process.</p>	
<p>Classification - For Decision</p> <p>Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Lyn Carpenter, Executive Director Environment, Leisure and Residents Services</p>	
<p>Report Author: Pat Cosgrave, Community Safety Commissioning & Performance Officer</p>	<p>Contact Details: Tel: 020 8753 2810 E-mail: pat.cosgrave@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1 It is a statutory obligation for local authorities to provide an outreach service to engage with street homeless people and direct them into appropriate services. This service is contracted out to specialist service providers and funded by Housing and Regenerations (HRD) Preventing Homelessness Grant, which is allocated from central government to a level of £200,500 per year.
- 1.2 The existing contract, which expires on 31 May 2013 was awarded to Thames Reach (registered charity) in 2008/09 at an annual cost of £212,404. In the period since the contract was awarded there have been reductions in the allocation received from the HRD Preventing Homelessness Grant across London, as well as a loss of local funding from the Drug & Alcohol Action Team. In Hammersmith & Fulham the

impact of these reductions led to amendments being made to the contract, reducing the value of it from £212,494 in 2008/09 to £159,100 in 2012/13. This resulted in the loss of some functions of the contract including a dedicated mental health/complex needs worker.

- 1.3 The contract has been retendered and the recommendation is that the award should be made to *Broadway Homelessness & Support* (registered charity) at an annual cost of £199,898. The service specification has been amended so that the reconnection of A8 nationals will be carried out as part of the street outreach contract (as opposed to being carried out by the BARKA foundation at an additional cost of £41,400 per annum) and mental health assessment provision is once again built into the service. The consolidation of these provisions have resulted in the overall contract amount increasing from £159,100 to £199,898 per year (this is further detailed in Section 3).
- 1.4 Despite the apparent increase in the overall proposed contract amount, the total cost to the Council to deliver single-person homelessness provisions has reduced by £64,400 since awarding the contract to Thames Reach in 2008/09. The total cost of managing homelessness in Safer Neighbourhoods in 2008/09 was £347,800 compared to £283,400 in 2013/14. By consolidating some of the services delivered and revisiting the service specification for the outreach contract the same service provisions will now be delivered as were in 2008/09.
- 1.5 In order to ensure a continuation in service delivery between the award of the contract and the successful provider being able to commence the service, a request was made to the Cabinet Member for Residents Services to allow us to vary the existing contract on a month by month basis. The variation is for a period of up to six months to allow for any new service provider to have a mobilisation period, although we anticipate that mobilisation will not take as long as six months. This request was agreed by the Cabinet Member on 18 February 2013.

2. RECOMMENDATIONS

- 2.1. That Broadway Homelessness & Support be appointed to deliver street outreach services in Hammersmith & Fulham from June 2013 for a period of four years, with a break clause in the contract whereby the Council can terminate with three months' notice at any time after the second anniversary of the commencement of the contract.
- 2.2. That authority be delegated to the Cabinet Member for Residents Services to extend the contract in line with the options contained in the contract documentation, if it is considered appropriate at the time.
- 2.3. To note that the Cabinet Member for Residents Services has agreed to allow the Council to vary the existing contract with Thames Reach by extending it for a period of up to 6 months on a month by month basis to

allow for negotiations between Thames Reach and Broadway Homelessness & Support in relation to staff transfers (i.e. TUPE) and other matters.

3. FUNDING BACKGROUND

- 3.1. When the street outreach contract was previously retendered in 2008/09, the total spend allocated to Safer Neighbourhoods Division to manage homelessness was £347,800:

2008/09 HRD allocation to SND	Provider	Allocation
Street Population Coordination	LBHF	£ 22,300
Market Lane Day Centre	Broadway	£ 63,096
Street Outreach Services*	Thames Reach	£212,404*
A8 reconnection project	Barka	£50,000
TOTAL		£347,800

**of which £33,000 was allocated for a Mental Health Worker within the Street Outreach Team.*

- 3.2 Owing to reductions in HRD's Preventing Homelessness Grant allocation in 2011/12 and the loss of partnership funding from the DAAT, the overall budget allocated to Safer Neighbourhoods for managing homelessness in LBHF decreased to £283,400:

2011/12 HRD allocation to SND	Provider	Allocation
Street Population Coordination	LBHF	£ 19,800
Market Lane Day Centre	Broadway	£ 63,100
Street Outreach Services*	Thames Reach	£159,100
A8 reconnection project	Barka	£41,400
TOTAL		£283,400

**As a result of the reduced contract amount, Thames Reach's Mental Health Worker post was deleted.*

- 3.3 In 2013/14 HRD's allocation to Safer Neighbourhoods to manage single-person homelessness is £283,400 (see table below). In order to increase the contract amount to allow for those required provisions (i.e. Mental Health and Reconnection functions) other historically funded projects such as Barka's A8 Reconnection project shall no longer be funded and those monies reallocated into the overall street outreach contract.

2013/14 HRD allocation to SND	Provider	Allocation
Street Population Coordination	LBHF	£ 19,800
Market Lane Day Centre	Broadway	£ 63,100
Street Outreach Services	Broadway	£200,500*
TOTAL		£283,400

**This amount reflects HRD's allocation to Safer Neighbourhoods for the Street Outreach Service, not the actual contract amount which is £199,898. The new service specification has built in provision for mental health and complex needs outreach.*

3.4 In summary, whilst the budget for managing homelessness in the Safer Neighbourhoods Division has reduced by £64,400 since 2008/09, we are still able to provide the same breadth of service provision in 2013/14 as we did then. This has been achieved by reviewing the street outreach service specification and consolidating other aspects of the management of homelessness into one contract.

4. AWARD CRITERIA

- 4.1 **Scoring:** Tenders were evaluated on an 80% weighting for quality, and a 20% weighting for cost. The contract was awarded on the basis of the most economically advantageous tender, with a score obtained from adding together marks for cost and quality.
- 4.2 **Price:** The cost score was calculated upon the highest number of annual hours provided for up to the maximum contract value (£200k per year). The highest number of hours achieved the maximum score (20) with other tenderers cost/hours scored in inverse proportion to the tender with the highest number of hours. The methodology is set out in Table 1 below.

Table 1

Maximum score = Highest number of annual staffing hours delivered at a contract value of £200,000 or under				
Each tenderers amount of hours for the contract value will be divided by the highest amount of hours submitted, then multiplied by the price weighting percentage (20) and rounded to two decimal places to give each tenderers price score. (i.e. tenderers hours/highest hours x price weighting) A worked example is shown below based on a fictional submission where the highest annual hours submitted were 9000.				
Tenderer	Column 1 (highest hours)	Column 2 (tenderer hours)	Column 2, divided by column 1, (to be multiplied by price weighting 20)	Price score
A	9000	9000	1	20
B		7500	0.833333	16.66
C		8600	0.955555	19.11
D		8000	0.888888	17.77
E		8250	0.916666	18.33

4.3 Please note that the figures were given by way of example only and were not intended to indicate the range of figures expected from Tenderers.

4.4 **Quality:** The 80% quality mark was evaluated on the basis of the Tenderer's response to the quality criteria (see Table 2), in accordance with the evaluation criteria (see Table 3):

Table 2

<p>1. Service implementation plan and staffing. Please provide a service implementation plan from the award of the contract to the end of the first six months of the contract term. Please describe what staffing arrangements you will provide for the contract including the number of front line staff and manager(s), staff cover arrangements and how staff will be deployed to achieve maximum effect for the support and safety of service users. Your answer should include information relating to the staffing establishment, TUPE, office facilities, service transfer issues, opportunities for identifying new referrals, etc. (500 word maximum. Appendices with service plans of up to 4 sides A4 will not be counted against the overall word count). Score – out of 16</p>
<p>2. Service user focus Demonstrate how service users will be at the centre of your service model and provide one example of innovative service user involvement that you will introduce to the model. (500 words maximum). Score – out of 16</p>
<p>3. Partnership working and intelligence sharing How will you work in partnership with the borough and other agencies to ensure that the needs of service users are met and positive outcomes achieved? Score – out of 8 How will you ensure that the service contributes to the Mayor’s and the boroughs strategic response to rough sleeping. Score - out of 8. (500 words maximum). Total score – out of 16</p>
<p>4. Mental health and substance misuse issues It is likely that most of the service user group will have a range of complex needs. Please demonstrate, giving an example through a case study, how you would work with a client with complex needs and ensure that they remained engaged with the service. (600 words maximum). Score – out of 16.</p>
<p>5. Enforcement and resettlement Please demonstrate how the service will deal with behaviour from service users that causes alarm, distress or harassment to other rough sleepers, members of the outreach team or the wider community. Score – out of 8 Please outline what actions you would undertake to reconnect rough sleepers to their country of origin, where appropriate. Score – out of 8 (600 words maximum). Total score – out of 16.</p>

4.5 Each of questions in the Tenderer’s Proposals were scored out of 5 on the basis set out in Table 3 below. All questions were scored separately by 4 markers (the Tender Assessment Panel) and then the moderated scores, once agreed by the TAP, were multiplied by 3.2 to give a total out of a possible 16 for each criterion.

- 4.6 Tenderers were informed that tenders received by the Council above £200,000 per annum for the services would not be accepted.
- 4.7 Following initial scoring and moderation, further information was requested from tenderers. Non receipt of this information resulted in the tenderer being scored zero for that element of their tender.

Table 3

Excellent	Meets all criteria in a full and comprehensive manner and exceeds some requirements.	5 points
Good	Generally meets the requirements of the criteria to the satisfaction of the Council.	4 points
Satisfactory	Satisfactory, but with aspects which give the Council concern because either the responses are incomplete, or differ from Council on the requirement necessary to meet the criteria.	3 points
Poor	Indications that the response meets some of the requirements but either the Council has serious doubts about aspects of the response, or inadequate information has been provided.	2 points
Unacceptable	The response given is unsatisfactory as it fails to address the question.	1 point
	No information provided.	0 points

5. REASONS FOR DECISION

- 5.1. Service providers were invited to submit a tender to deliver the street outreach service via the London Tenders Portal. The deadline for submission of these tenders was 13 March 2013.
- 5.2. Fourteen expressions of interest were received via the London Tenders Portal. Four of the companies who expressed an interest submitted a tender.
- 5.3. Each response was individually scored by the four members of the tender appraisal panel (TAP). Following this the scores were moderated at a meeting of the members of the TAP where a consensus was reached on the scoring of each key competency.
- 5.4. In terms of ranking providers following moderation (based on their total cost and quality scoring), the results are shown in the table below:

Rank	Tenderer
1 st	Broadway Homelessness & Support
2 nd	St Mungos
3 rd	Thames Reach
4 th	CRI

- 5.5 The full results of the evaluation of the tenders are included in Appendix 1 of this Report.
- 5.6 On the basis of the scores, the TAP recommend that Broadway Homelessness & Support is awarded the contract for a period of up to 4 years (with a break clause where the council can terminate the contract with a notice period of three months at any time after the second anniversary of contract commencement) at an annual cost of £199,898 as it achieved the highest overall score 90.2/100.

6. CONTRACT IMPLEMENTATION

- 6.1 The current street outreach service is delivered by Thames Reach. The contract runs until 31st May 2013.
- 6.2 Any new service provider will require a mobilisation period to commence the service after the contract award is agreed by Cabinet. As such, a report requesting permission to vary the existing contract was submitted to the Cabinet Member of Residents Services. The report requested permission to extend the current contract on a month by month basis (for a period of up to six months). This was agreed on 18 February 2013.
- 6.3 The last time there was a change of contractor for the street outreach service a mobilisation period of three months was required to allow the service provider to undertake all its responsibilities under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) and prepare to deliver the service. We anticipate a similar period will be required in this instance. However, this cannot be confirmed until Cabinet has agreed to the recommendation to award the contract and we can enter into formal discussions with the service provider.
- 6.4 It is the intention of the Council to request that Thames Reach (the incumbent provider) continue to provide the outreach service until such time as Broadway Homelessness & Support is in a position to commence service delivery.
- 6.5 The variation to the contract will be costed pro rata at the current contract level. Payments to the new service provider will not commence until the mobilisation period is finished, meaning there are no negative budgetary implications for the Council.

7. EQUALITY IMPLICATIONS

- 7.1. While it is not possible to give precise numbers due to the fact that people enter and exit homelessness in Hammersmith & Fulham, around 90% of the service user group is male and 42% of the service user group has a mental health condition, which means that they are protected under the Equality Act 2010 as disabled people. This service user group is more likely to comprise of men than women, which means that provision of this service helps to take account of the needs of men who are homeless, as well as the needs of disabled people. Helping these service users, and all in this service user group, may help to advance equality of opportunity.
- 7.2. Implementation of this service will have a positive impact on all groups, especially single homeless people, many of whom will have a disability such as a mental health need. Existing providers were consulted and a subsequent service model designed that was appropriate to those key client groups (male and female single homeless with mental health needs from predominantly British and Central Eastern European [CEE] origins) and specific functions (i.e. Dual Diagnosis and Polish Speaking Reconnection provisions) written into the service specification.

8. LEGAL IMPLICATIONS

- 8.1. The proposed award of the Service Contract would be in the compliance of the Council's Contract Standing Orders and the Public Contracts Regulations.
- 8.2. The recommendations set out in this report will support the Council in complying with its statutory duties. Accordingly the Bi-Borough Director of Law endorses the recommendations in this report.
- 8.3. Legal Services will be available to assist the client department with preparing and completing the necessary contract documentation.
- 8.4. Implications verified/completed by: Kar-Yee Chan, Solicitor, 020 8753 2772.

9. FINANCIAL AND RESOURCES IMPLICATIONS

- 9.1 This contract is funded from the Preventing Homelessness Grant, allocated from central government to a level of £200,000 per year. The existing contract costs £159,100 a year, and the new contract will cost £199,898 a year. Given that the new annual contract value is within the maximum allowable grant that funds it, and that payments to the new service provider will not commence until the mobilisation period is finished, there are no negative budgetary implications for the council.

9.2 Implications verified by: Kellie Gooch, Head of Finance ELRS, 0208 753 2203.

10. PROCUREMENT AND IT STRATEGY IMPLICATIONS

10.1. The Corporate Procurement Team has been involved in the retendering of this service. The Council's Contracts Standing Orders and the Public Contracts Regulations 2006 have been complied with. A contract award notice must be sent to the European Commission once the contract has been awarded.

10.2. The Director supports the recommendations contained in the report.

10.3. Implications verified/completed by: Alan Parry, Procurement Consultant (020 8753 2581)

LOCAL GOVERNMENT ACT 2000

LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Cabinet member decision to vary existing contract (published)	Pat Cosgrave – Ext 2810	ELRS/CSU