


London Borough of Hammersmith & Fulham CABINET 2 NOVEMBER 2015		
THE DIRECT AWARD OF A CONTRACT FOR THE PROVISION OF SUPPORTED HOUSING SERVICES FOR HOMELESS PEOPLE WITH COMPLEX NEEDS AT 229 KING STREET TO ST MUNGO'S BROADWAY		
Report of the Cabinet Member for Health and Adult Social Care (Councillor Vivienne Lukey) and Cabinet Member for Social Inclusion (Councillor Sue Fennimore)		
Open Report A separate report on the exempt part of the Cabinet agenda provides exempt financial information.		
Classification - For Decision Key Decision: YES		
Wards Affected: Hammersmith Broadway		
Accountable Executive Director: Liz Bruce - Executive Director of Adult Social Care and Health		
Report Author: Julia Copeland Senior Commissioner Adult Social Care	Contact Details: Tel: 020 8753 1203 E-mail: julia.copeland@lbhf.gov.uk	

1. EXECUTIVE SUMMARY

- 1.1 This report seeks retrospective approval for a waiver from the Council's Contract Standing Orders of the requirement to seek competitive bids and approval for the direct award of a contract to the recommended organisation for the period 5 January 2016 to 30 September 2017. The contract provides strategically important services to homeless people with complex and multiple needs and is due to expire in January 2016; there are no further provisions to extend the contract.
- 1.2 The Council is currently reviewing future service models for rough sleeper services including options to pilot an innovative service called Housing First in the borough. Officers consider that an immediate procurement of the future 229 King Street service would not benefit from the learning of any pilot with the associated risk of not achieving the optimum service configuration or best value for money.

- 1.3 A recent review of the 229 King Street has concluded the service is achieving good outcomes for a service user group with very complex needs and often challenging behaviour. In addition, the service provider has implemented a robust and effective plan to manage the impact of the service in the local area which is essential for this type of service.

2. RECOMMENDATIONS

- 2.1 That retrospective approval be granted for a waiver from the Council's Contract Standing Orders (CSO's) of the requirement to seek competitive tenders and approve the direct award of the 229 King Street contract to the recommended organisation identified in the exempt report from 5 January 2016 to 30 September 2017.

3. REASONS FOR DECISION

- 3.1 It is in the Council's interest to waive the Contract Standing Orders of the requirement for competitive bids because a direct award of a contract will allow officers time to pilot new rough sleeper service models to improve future outcomes and value for money. A tender for the St Mungo's Broadway service at this stage would not benefit from the learning of any pilot and there would be a risk the Council does not achieve optimum service improvements or best value for money.

4. BACKGROUND

- 4.1 The 229 King Street service works with homeless people with complex and multiple needs including substance misuse; poor physical and mental health; dual diagnosis; offending histories and non-engagement with services. Many residents present with challenging behaviour and risks to themselves and other people. All referrals to the service are from the Council's Housing Options team.
- 4.2 The service requires 24 staffing with a minimum of two staff in the building at all times; for the majority of the time there are up to 4 staff onsite. A robust and effective approach to managing the impact of the service in the locality is essential.

5. PROPOSAL AND ISSUES

- 5.1 Following a service review it is recommended it is in the Council's interest to waive the Contract Standing Orders of the requirement to seek competitive tenders and make a direct award of a contract to the recommended organisation for the reasons set out below.

Pilot Innovative New Service Model

- 5.2 Officers are currently reviewing future service models for rough sleepers and are exploring piloting a service model called Housing First to inform future commissioning intentions for the 229 King Street and other homeless services.
- 5.3 The timetable for a future procurement of 229 King Street is as follows:

Task	Date
Implementation of new service models for homeless contracts	April 2016
Pilot Housing First Model	Dec 2015 –Sept 2016
Review Housing First Model	April – Sept 2016
229 King St re-let strategy agreed	Oct 2016
Prepare ITT documents	Nov 2016
Issue ITT	Jan 2017
Evaluation	Feb/March 2017
Governance	April-May 2017
Award	June 2017
Implementation	July-Sept 2017

Service Quality and Outcomes

5.4 The contract is achieving very good outcomes and delivers innovative services to very vulnerable and often challenging residents. The main objectives of the service are to prevent rough sleeping; improve residents' physical and mental health; reduce reoffending and custodial sentences and assist people to develop the skills to live more independently. Some of the positive outcomes include:

- A resident with severe behavioural issues who was the perpetrator of 112 incidents of anti-social behaviour in 2011 managed to sustain his accommodation and positively moved on to second stage accommodation in 2014.
- 100% of clients registered and actively engaged with GP practices over the last 5 years.
- 1 resident who moved in 2009 had 31 A&E presentations in 2008; only had 5 in 2010.
- In the last 18 months no resident has received a custodial sentence.
- Increased engagement with substance use treatment services.

5.5 Key stakeholders, including Community Safety, the Police and Housing Options have all commended the work of the service and value the contribution it makes to reducing rough sleeping and street based anti-social behaviour and improving the health and well-being of homeless people.

Innovation

5.6 The service is recognised regionally and nationally for its innovative approaches and is visited regularly by other care and support commissioning authorities to learn from the service.

6 OPTIONS AND ANALYSIS

Do Nothing

6.1 There is not an option to do nothing as the 229 King Street contract expires on 4 January 2016 and there will be a risk to vulnerable residents if the service ends before alternative arrangements are in place. Therefore this option is not recommended.

Make a Direct Award of a Contract to Recommended Organisation to Continue Existing Services to 30 September 2017

- 6.2 For the reasons set out in section five it is recommended the Council waives the Contract Standing Orders and makes a direct award of the contract for 229 King Street to the recommended organisation. This option will enable the Council to maintain service quality and continuity while other services for homeless people are reconfigured and procured in 2015/16 and to test potential future service models to inform the future 229 King Street service specification.

7. PROCUREMENT IMPLICATIONS

- 7.1 It's a requirement of the Council's CSOs for officers to seek prior approval to waive their requirements where, for whatever reason, they cannot be met. Given the estimated value of this award approval should have been sought from the Leader and the Cabinet Member for Health and Adult Social Care and Cabinet Member for Social Inclusion. Due to a misunderstanding in the advice given at the time a prior approval was not sought. Officers from the Corporate Procurement Team are working with colleagues in all departments to ensure that the provisions of CSOs are clearly understood.
- 7.2 The Interim Head of Procurement agrees with the recommendations contained in this report, including the one relating to a retrospective authorisation for to waive the provisions of the CSOs to seek competitive tenders.

Procurement Implications completed by: Joanna Angelides, Procurement Consultant, Tel: 0208 753 2586

8 CONSULTATION

- 8.1 No formal consultation has been carried out regarding the recommendations in the report. Residents' views on the services have been sought and have been taken into account in the report's recommendations.
- 8.2 Key stakeholders are in favour of the proposals contained in the report.

9 EQUALITY IMPLICATIONS

- 9.1 There are no adverse equality implications for protected groups arising from the recommendations contained in the report. Overall the impact on vulnerable groups is adjudged as neutral or positive as service continuity will be maintained.

10. MARKET IMPLICATIONS

- 10.1 The recommended organisation has been delivering high quality, innovative services to homeless people in LB Hammersmith & Fulham for over 30 years and is a key strategic partner of the Council. The recommendations in the report will enable the continued partnership between the recommended organisation and the Council to deliver excellent services for local vulnerable people.

11. RISKS

- 11.1 As set out in the main report.

Implications verified by Michael Sloniowski, Shared Services Risk Manager, telephone 020 8753 2587.

12. LEGAL IMPLICATIONS

- 12.1 The purpose of this Report is to recommend waiving the tendering requirements of LBHF Contract Standing Orders (CSOs) to make a direct award to the recommended organisation from 5 January 2016 to 30 September 2017.
- 12.2 Under the Public Contracts Regulations 2015 (“the 2015 Regulations”), service contracts for certain health and social services (which tend to be of lower interest to cross-border competition) are governed by a new light-touch regime (LTR). The full list of services to which the LTR applies is set out in Schedule 3 of the 2015 Regulations and includes the services covered by this report.
- 12.3 A threshold of £625,050 applies and LTR contracts below this threshold are not required to be advertised in OJEU and this would apply to the proposed contract to the recommended organisation which is sub-threshold.
- 12.4 Justification exists for grant of waiver of the CSOs as the proposed award is to permit continuity and good standards of an essential service with value for money whilst a review, consultation and competitive procurement is undertaken.

Implications completed by Babul Mukherjee, Senior Solicitor (Contracts), Shared Legal Services 02073613410.

13. FINANCIAL AND RESOURCES IMPLICATIONS

- 13.1 As set out in the main report

Financial & resources implications completed by: Cheryl Anglin-Thompson, Principal Accountant, Planning & Integration Team LBHF (ASC) x 4022

Local Government Act 1972 (as amended) – Background papers used in the preparation of this report

None

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