

London Borough of Hammersmith & Fulham CABINET 4 SEPTEMBER 2017		
SINGLE HOMELESS SERVICES PROCUREMENT STRATEGY		
Report of the Cabinet Member for Health and Adult Social Care: Councillor Ben Coleman and the Deputy Leader of Council: Councillor Sue Fennimore		
OPEN REPORT A separate report on the exempt part of the agenda provides exempt information in connection with this report		
Classification - For Decision Key Decision: YES		
Wards Affected: Munster and North End		
Accountable Director: Sue Redmond Interim Executive Director of Adult Social Care & Health		
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1. EXECUTIVE SUMMARY

- 1.1 This report seeks approval for the procurement strategy for supported accommodation services for single homeless people in three buildings in LB Hammersmith & Fulham. The aim of the strategy is to improve service quality, outcomes, and value for money and to contribute to the Council's ambition to reduce rough sleeping in Hammersmith and Fulham to zero.
- 1.2 The current contract for 25 homeless people expires on 31 March 2018. It is recommended the Council undertakes a Restricted Tender for the provision of supported accommodation services at the properties set out in Table 1. It is proposed to invite Tenderers to bid for services at a fixed annual price for a five-year contract, with the option to extend for two periods of 12 months each.
- 1.3 The notification of the award of the new contract is expected to be on 1 March 2018; to ensure continued provision of the services during the mobilization period, a modification to the existing contract is recommended to continue services to no later than 30 September 2018.

Table 1

Building	Landlord	Total Units
Lillie Rd, SW6	Stonham (Home Group)	13
Talgarth Rd, W14	Metropolitan	6
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2. RECOMMENDATIONS

- 2.1 That the Lillie Rd & Talgarth Rd Procurement Strategy, as set out on the exempt part of the agenda, be approved
- 2.2 That a five-year contract award with the option to extend for two periods of 12 months each will be made to the Most Economically Advantageous Tender.
- 2.3 That a contract modification in accordance with section 20.3.2 of the Council's Contract Standing Orders to continue provision by the incumbent provider until contract award and implementation is completed until no later than 30th September 2018.

3. REASONS FOR DECISION

- 3.1 A procurement strategy is required to maximise the outcomes of future services at Lillie Rd and Talgarth Rd. A new specification is required to meet the increasingly complex needs of homeless people in Hammersmith & Fulham.
- 3.2 While award of contract can be achieved prior to the end of the current contract on 31 March 2018, the mobilization period will run beyond this. Sufficient time is required to resolve TUPE, property issues and to ensure appropriate support is in place for vulnerable people. A modification to the existing contract is therefore required to ensure service continuity during the mobilization period.

4. PROPOSALS AND ISSUES

- 4.1 The Council is committed to reducing rough sleeping to zero and addressing the harm it causes to individuals and communities. Supported housing services such as those at Lillie Rd and Talgarth Rd are vital to addressing rough sleeping.
- 4.2 Currently there is lone working for substantial parts of the rota in all three services and there is no staff cover at the weekends, evenings or overnight at the Talgarth Rd properties. Officers consider that 24-hour staffing is required in all three services to reduce evictions and serious incidents and to improve residents' outcomes.
- 4.3 Increased levels of staffing will enable the Council to refer people with multiple and complex needs; result in fewer failed placements; reduce serious incidents and increase throughput to benefit more homeless people. This will improve the overall value for money of the contract and contribute to the strategic goal of reducing rough sleeping to zero.

- 4.4 A new service specification will set out the Council's expectations of the service provider as set out in Appendix A on the exempt part on the agenda.

Procurement Timetable

- 4.5 If the strategy is approved, the procurement of the new contract will commence in October 2017 and the notification of the award of the contract will be on 1 March 2018. The new service is expected to commence on 1 June 2017.

5. OPTIONS AND ANALYSIS OF OPTIONS

Allow Existing Contract to Expire on 31 March 2018

- 5.1 The contract provides 25 units of supported accommodation and a loss of these units would place considerable pressures on other accommodation services and would likely lead to an increase in homelessness. For this reason, this option is not recommended.
- 5.2 Option Two as set out on the exempt part of the agenda. This option is not recommended.
- 5.3 Option three as set out on the exempt part of the agenda. This option is not recommended.

Undertake a procurement of a new contract with an increase in resources

- 5.4 Local supported housing services are critical in the Council's strategy to reduce rough sleeping to zero and to support homeless people. The procurement strategy set out in Appendix A on the exempt part of the agenda is intended to ensure high quality, outcome-focussed services are secured.
- 5.5 A revised service specification setting out the Council's requirements will improve outcomes for homeless people and ensure safe services for residents, staff, and the local community. 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. For these reasons this option is recommended.

6. CONSULTATION

- 6.1 Consultation with a range of stakeholders, including customers and suppliers has been undertaken and their views have been incorporated into the procurement strategy. Further engagement with residents and suppliers will be undertaken as part of the procurement and service implementation processes.

7.0 EQUALITY IMPLICATIONS

- 7.1 We do not consider there will be any adverse equality implications for protected groups because of the proposals in this report. Overall the impact on vulnerable

people is adjudged as neutral or positive as service improvements and service continuity will be secured.

8.0 LEGAL IMPLICATIONS

8.1 As set out on the exempt part of the agenda.

9.0 FINANCIAL AND RESOURCES IMPLICATIONS

9.1 As set out on the exempt part of the agenda.

10.0 IMPLICATIONS FOR BUSINESS

10.1 The project will identify and engage with all relevant local organisations and businesses to support delivery. During the procurement process, bidders will be assessed as part of the procurement plan for evidence of delivering added value in the borough, including:

- extensive use of local volunteers;
- local employment opportunities; and
- opportunities for partnerships between the successful provider and local voluntary and community organizations to provide social inclusion and leisure opportunities.

10.2 Business Implications verified by Mark Brayford Head of Development & Regeneration

11.0 RISK MANAGEMENT

11.1 Meeting local needs, including anticipating future need, should form the basis of all commissioning decisions to ensure a strategic and long-term approach. Customers, service users and suppliers should be a part of this discussion. Understanding current levels of service provision, spend and patterns of demand and use over time is also vital to making a decision over what service should be delivered in the future.

11.2 The strategy, together with a range of options available for consideration by Members, contributes positively to the management of procurement risk. It provides transparency to Members of the options available and better outcomes for local people.

11.3 Managing corporate and service spending efficiently through a structured approach to commissioning and procurement offers potential to improve financial performance through: competition between all parties; accountability in the spending of public money; transparency in the decision making process; and value for money.

11.4 Risk Management implications verified by Michael Sloniowski, Risk Manager, telephone 020 8753 2587.

12.0 PROCUREMENT COMMENTS

12.1 As set out on the exempt part of the agenda.

13.0 SOCIAL VALUE

13.1 Due to the size of the contract and 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 will be a community or voluntary sector organization.

13.2 It is possible to state however, that a future supported accommodation contract will provide the following local general social and economic benefits:

- The potential opportunity for the employment of local housing staff.
- Volunteering opportunities for residents.
- Enhanced opportunities for partnerships between the successful provider and local voluntary and community organizations to provide social inclusion and leisure opportunities.
- Reduced rough sleeping and the negative impact on individuals and the community.

14.0 HUMAN RESOURCES IMPLICATIONS

14.1 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.

15.0 PRIVACY IMPACT ASSESSMENT

15.1 An initial Privacy Impact Assessment (PIA) has been undertaken. There will be a full PIA undertaken prior to the procurement as there may be a new provider to hold or share information about individuals.

BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
	None		

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