1. SUMMARY

1.1 In October 2015, Cabinet approved recommendations arising from the Council’s 2015 strategic review of the support services it offers to the single vulnerable homeless. Cabinet delegated authority to award new contracts to the Director of Housing and Growth in consultation with the Portfolio Lead Member for Housing, based on the contract arrangements detailed in Table 1 attached to this report.

1.2 In line with the Cabinet decision and following a competitive tender process this report seeks approval to award 2 contracts for the Provision of Support Services for the Single Homeless. The new contractual arrangements are due to come into effect 1st July 2016 for
an initial period of three years, with the option to extend for an additional one year.

1.3 Supports services for the single homeless were tendered in two lots:
Lot 1: Homeless Support Services Hub Centre and Outreach
Lot 2: Support Services to Homeless Young People

1.4 The new contracts and services will replace the services detailed in Table 2. The contracts covering these services expire on the 30th June 2016.

2. RECOMMENDATIONS:

2.1 For the reasons set out in the report, the Director of Housing and Growth, in consultation with the Portfolio Lead Member for Housing is recommended to agree the award:

**Contract 1:** 3 Year Contract (with the option of a 1 year extension) from 1st July 2016 for Homeless Support Services Hub Centre and Outreach Contract to **St Mungo Community Housing Association**. The value of this contract over 4 years is £1,700,000.

**Contract 2:** 3 Year Contract (with the option of a 1 year extension) from 1st July 2016 for Support Services to Homeless Young People to **Chapter 1 Charity Ltd.** The value of this contract over 4 years is £600,000.

3. PROPOSALS:

Service Design

3.1 There was an extensive engagement programme following the Cabinet decision, which was used to develop the service principles and specifications for both contracts. The engagement programme included:

- A supplier engagement workshop including both existing and potential suppliers.
- Design workshops involving senior officers and managers from the following statutory and non-statutory agencies:
  - The Council’s Adult Social Care and Children and Young People services
  - The Council’s Housing Service
  - The Probation Service
  - NELFT (NHS Mental Health Trust)
  - No Second Night Out
  - The Youth Offending Service
Focus groups of homeless households, former rough sleepers and young people supported by the current services were also used to determine the key design features and principles for the proposed new contracts and services.

In summary the following features arising from the engagement process detailed in 3.1 and 3.2 have been incorporated into the service design and specifications for Lot 1 and Lot 2:

**Core Design Principles**

- Support workers that are flexible, passionate, highly experienced and qualified to offer consistent and effective information and advice across areas such as housing and welfare rights.
- Support providers demonstrating delivery against personal outcomes and improving well-being.
- Greater focus on homeless prevention and successful tenancy sustainment for those already housed.
- Multi-disciplinary responses and skills aimed at people with more complex needs.

**Lot 1 – Homeless Support Services Hub Centre**

- Assessment, advice and support hubs offering immediate support and access to health; housing and welfare rights advice and support with accessing employment.
- Support pathways that quickly support homeless people into their own homes backed by effective rent deposit and landlord relationship schemes.

**Lot 2 – Support Services to Homeless Young People**

- Small scale and safe accommodation based services with consistent onsite support that are homely but which enable young people to have their own space.
- Support pathways that support young people into their own homes and which are clear to young people.
- Support workers that are trusted offering effective mentoring; who facilitate peer support but who also enable independence
The service design (particularly with regard to Lot 1) was partly developed based on an evaluation of the findings of a London wide project\(^1\) involving London Council’s, the Greater London Authority and several London boroughs that aimed to improve the outcomes achieved for rough sleepers and homeless single people with complex needs. A key feature that forms part of the service specification for both lots and which is a key contract commitment, is paying providers partly based on the outcomes and related performance targets they achieve.

**Procurement Approach**

3.5 The tender was advertised as an open tender in the Official Journal of the European Union and on the London Tenders Portal on the 17\(^{th}\) March 2016.

3.6 The services were tendered in two lots:

- Lot 1 - Homeless Support Services Hub Centre and Outreach Contract with a total value of £1.7million over 4 years.
- Lot 2 – Support Services to Homeless Young People with a total value of £600,000 over 4 years.

3.7 Providers were permitted to apply for one or both lots. Both contracts are for a three year period with the option to extend by a further year, subject to annual review.

3.8 The competitive tendering process secured 35 expressions of interest at the initial proposal stage. At the submission return deadline (3rd May 2016) the Council received 2 bids (one for each lot). Both tenders met the minimum standards and were evaluated against the published criteria.

3.9 All tenders were evaluated using the criteria 70% for quality and 30% for price. The price criteria included 10% for a payment model based on outcomes.

The assessment included:

**Lot 1 - Homeless Support Services Hub Centre and Outreach Contract**

- Staff Resources
- Design and implementation of an Outcome Driven and Payment by Results (PbR) Delivery Framework

\(^1\) DCLG: Qualitative Evaluation of the London Homelessness Social Impact Bond
• Design, Sourcing and Implementation of a Hub resource centre for homeless people and those threatened with homelessness
• Multi Agency and Partner Buy In
• Robust Implementation and Transition Planning
• Single Homeless Scenario 1 – rough sleeper
• Single Homeless Scenario 2 – hostel resident
• Social Value

Lot 2 - Support Services to Homeless Young People
• Staff Resources
• Design and implementation of an Outcome Driven and Payment by Results (PbR) Delivery Framework
• Design and Implementation
• Multi Agency and Partner Buy In
• Robust Implementation and Transition Planning
• Homeless Young Person Scenario 1
• Homeless Young Person Scenario 2
• Social Value

3.10 Based on the evaluation scores it is recommended that St Mungo Community Housing Association be awarded Lot 1 – Homeless Support Services Hub Centre and Outreach contract. See Appendix 1 for a detailed breakdown of the evaluation.

3.11 Based on the evaluation scores it is recommended that Chapter 1 Charity Ltd be awarded Lot 2 – Support Services to Homeless Young People contract. See Appendix 2 for a detailed breakdown of the evaluation.

4 OPTIONS & ALTERNATIVES CONSIDERED:

4.1 The October 2015 Cabinet report explored the following alternative options:
   - Renewing the existing contracts without change in services or funding levels
   - Withdrawing funding altogether for support services for the single homeless.

4.2 Both options were rejected based on:
   - The Council’s need to find significant savings to address reductions in central Government funding
   - The outcome of the Council’s strategic review identifying the important preventative role of support services for vulnerable homeless people and reducing future demand and cost pressures on key Council services
However, the same review concluding that service change is needed to achieve improved outcomes and best value against Council investment.

The Council has the option of not awarding the contracts and retendering. However, this option is not recommended as the current contracts expire on 30 June and service provision from 1 July is required. Officers are satisfied that tenders received meet the necessary standards and that the contracts should be awarded.

5 SUSTAINABLE COMMUNITY STRATEGY PRIORITIES (AND OTHER NATIONAL OR LOCAL POLICIES OR STRATEGIES)

5.1 The new services covered by the proposed contracts detailed in this report will contribute to the Council’s Priorities for 2015-2018 in the following ways:

- ‘We will keep your neighbourhood clean and safe’ – the new contract will support people with a history of offending to build a positive future.
- ‘We will help build a strong local economy and thriving town centres’ – the schemes support vulnerable people to learn new life skills and potentially to access work opportunities.
- ‘We will help all of our residents to enjoy a good quality of life’ - this priority is met since the new service will give housing related support to vulnerable people so that they can live independently in the future.

5.2 It should be noted that the Government is considering introducing a new duty on councils to prevent homelessness and to offer services that prevent individuals threatened with homelessness from losing their homes. The Hub Resource Centre and Outreach Support Service is specifically configured to offer accessible and high quality support and advice to vulnerable single people threatened with homelessness. The service will also provide support workers with highly a developed knowledge of housing legislations and rights as well as the London housing sector across all tenure types. These features are linked to an outcome and payment by result framework that strongly emphasises the prevention of homelessness. Therefore, the proposed contracts detailed in this report put the Council in a strong position to effectively respond to a new legal duty to prevent homelessness.

6 CONSULTATION:

6.1 In addition to the engagement detailed in 3.1 to 3.4 of this report that supported the design of the services covered by Lot 1 and Lot 2, there has been extensive consultation and engagement across statutory and
non-statutory stakeholders, including existing suppliers and focus groups of service users (as part of the strategic review that informed the October 2015 cabinet report).

7 IMPLICATIONS:

7.1 Finance, Value for Money and Risk

7.1.1 The value of the Lot 1 – Homeless Support Services Hub Centre and Outreach contract over 4 years is £1,700,000. The configuration of the contract value is:

- Year 1 - £425,000
- Year 2 - £425,000
- Year 3 - £425,000
- Year 4 - £425,000 (subject to extension)

7.1.2 The value of the Lot 2 – Support Services to Homeless Young People contract over 4 years is £600,000. The configuration of the contract value is:

- Year 1 - £150,000
- Year 2 - £150,000
- Year 3 - £150,000
- Year 4 - £150,000 (subject to extension)

7.1.3 The previous service cost £1,571,654 per annum. The new service will cost £575,000 per annum, generating a saving of £996,654 per annum. The costs of the new contracts will be met from existing budgets.

7.2 Legal

7.2.1 The Council has duties in respect of homelessness under Part VII of the Housing Act 1996 as amended by the Homelessness Act 2002. Under section 182 of the 1996 Act the Council must have regard to the Homelessness Code of Guidance for Local Authorities issued by the Secretary of State. Under section 3 of the 2002 Act the Council’s homelessness strategy must include securing support services.

7.2.2 The Council has the power to enter into both contracts (Lot 1 & Lot 2) by virtue of the general power of competence set out under Section 1(1) of the Localism Act 2011.

7.2.3 The open procedure used for this procurement is one of the procedures set out in the Public Contracts Regulations 2015 for the award of public service contracts.
7.2.4 Under Section 3(1) of the Local Government Act 1999 (‘the Act’) the Council has a duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness (‘the Best Value Duty’). The Council needs to be content that the award of the contracts and the value of each shall discharge this duty. In discharging it’s best value duty the Council has a duty to consult in accordance with Section 3(2) of the Act. The extent of the Council’s consultation is laid out in paragraphs 3.1 – 3.3 above (Service Design).

7.2.5 The contracts to be entered into must be in writing and in a form approved by the Head of Legal and Democratic Services.

7.3 Equalities and Diversity

7.3.1 An Equalities Analysis was completed for the original cabinet report. This identified some adjustments that have been designed into the service. A contract manager will be allocated to ensure the performance of the contract is managed throughout the life of the contract.

7.4 Sustainability (including climate change, health, crime and disorder)

7.4.1 A key feature of the support services covered by both Lot 1 and Lot 2 is that they will be co-located with existing hostel services aimed at homeless people. Modest redesign of the existing hostel facilities is planned to accommodate the key features of each contract lot. However, the co-location of the two services with existing provision will significantly mitigate and avoid increased energy usage that may occur if the two services acquire and establish new office space. It should also be noted that it is an inherent feature of the design of the new services that the other health, support and advice services homeless people need will also be co-located at one site, reducing the need for homeless people to travel between a number of sites.

7.4.2 A requirement was included in the service specification that the services and hub resource centre are located very near to major public transport hubs. This has been achieved with providers intending to provide the services at sites very near to major bus hubs and routes and both services are within easy walking distance of Central Walthamstow station and shopping centre. This has the dual benefit of enabling homeless people easy access to the hub centre and support service and allows support staff easy access to a range of public transport options.
7.4.3 The features set out under paragraphs 7.4.1 and 7.4.2 of this report contribute to reducing the carbon footprint of the services covered by the proposed contracts and critically promote the easy access of vulnerable homeless people to the support and advice services they need.

7.4.4 For Contract 1, the Provider has committed to source non statutory, good quality and affordable accommodation through a variety of housing providers, which can cater for a range of housing needs and which takes account of the implications of welfare benefit reforms, particularly with regard to Local Housing Allowance/HB and the introduction of Universal Credit.

7.4.5 This will be through their Waltham Forest Recovery College; approaching East London Credit Union to create a saving scheme; using Clearing House for those with complex needs; providing realistic options through the Move on Support Team; and utilising the services of Peer Advice Link, Real Lettings, accommodation in East London YMCA, East London Lettings Agency, Paradigm Housing and Waltham Forest Housing First.

7.4.6 For Contract 2, the Provider has committed to:

- run a job club for all clients and community which will cover CVs, career advice, mock interviews, applications and placements.
- in partnership with local apprenticeship agencies such as Princes Trust & Centre Point, host workshops/courses to support clients into apprenticeships which lead to meaningful employment.
- build links with local businesses/agencies that can offer clients skilled apprenticeships/training placements.
- set up partnerships with local colleges/Job Centre to offer work experience/apprenticeships in administration at Stephen House, Central Office and other Chapter 1’s services.
- ensure training, volunteer and Peer Mentoring programmes facilitate pre-employment skills/experience
- develop an intergenerational volunteer programme that will utilise the skills, wisdom and experience of elders from all backgrounds within the community to foster greater understanding, enhance neighbourhood cohesion and mentor/befriend our young people.
- offer an NHS non-smoking service which offers the local community 1:1 support through an 8-week programme. Service staff are training as qualified Level 2 Smoking Cessation Advisors.
- provide In-house sports, health and wellbeing programmes
provide In-house Tenancy Training & Healthy Relationships Programmes.

Provide a verification centre for community wishing to have their universal credits evidence checked.

7.5 Council Infrastructure

7.5.1 These contracts will be managed with the Council’s existing resources.

BACKGROUND INFORMATION (as defined by Local Government (Access to Information) Act 1985)

None