

FORM B**COMMISSIONING REPORT**

To be attached to Approval to Proceed to Tender (Form A) for service contracts above £75,000 and works contracts above £499,999 or Cabinet Report (if over £750,000)

PS/2015/065

Homeless Supported Accommodation and Crisis Intervention

1 INTRODUCTION AND BACKGROUND TO THE PROPOSED COMMISSIONING EXERCISE/TENDER

The Housing Directorate are required to meet their statutory duty to provide temporary accommodation to homeless individuals and households where a priority need is identified. At any time there are on average around 70 households in need of temporary accommodation within the borough although this can fluctuate up and down.

In order to help meet this need the Council uses two buildings in Grays

1. Charles Street - accommodates 29 people/households including provision for 5 young people under 18 years)

2. Clarence Road - accommodates 18 single people including provision for 4 move on spaces for young people leaving care aged 18 to 25 years

The accommodation is close to public transport and other facilities including support agencies such as Grays Hall, and other health care professionals.

Accommodation includes cooking and laundry facilities, along with communal areas. The current providers offer support programmes such as IT skills, cooking and money/debt management.

Without this accommodation the Council would increase its use of bed and breakfast (B & B) accommodation; this represents an increased financial cost to the General Fund which is not subsidised through Housing Benefit.

B & B is universally recognised as inadequate accommodation and is strongly discouraged from being used, having been heavily criticised by the Courts and the Local Government Ombudsman.

The Council has signed up to not using B & B for 16 & 17 year olds, or for households with children except in an emergency for a very short period of time.

Charles Street and Clarence Road accommodation clearly provide superior accommodation to B & B but due to the nature and vulnerability of customers living there, an intensive housing management and support service is required, since many of the customers are vulnerable and have failed to maintain tenancies, jobs/ training or relationships with family members/friends/landlords who have evicted them.

The proposed commissioning is for support services within the two buildings, including specific additional support for 16 & 17 year olds and young people leaving care. Alongside this will be provision of a floating support service for Council tenants to prevent homelessness

2 **BUSINESS CASE**

Prior to April 2015, support for vulnerable clients at Charles Street was funded by Adult Social Care at a cost of around £300k per year. The contract also included support for a 10 room smaller building at Brooke House. Both contracts were held by Family Mosaic - a Registered Provider of social housing, care and support services.

When the existing funding from Adult Social Care was withdrawn as part of the Council's funding reductions in April 2015, the Housing Directorate took responsibility for the support contract for Charles Street along with support for a new 18 room accommodation in Clarence Road, but Brooke House was closed.

Under an interim one year contract, Family Mosaic have continued to run the two buildings at a reduced cost. This represented a saving to the Council plus an increase in the number of units available.

The interim contract requires Family Mosaic to provide the housing management function and support to residents. They are also required to lease the two buildings from the Council, insure, maintain and furnish them.

The interim contract was for a period of one year; subsequently the Housing Directorate must now procure future services from April 2016.

Alongside the support contract are two extra contracts to support young vulnerable people:

- 5 spaces for 16 & 17 year old homeless people in Charles Street
- 4 move on flats for care leavers in Clarence Road

Extra support is required because of the age and vulnerability of these young people who are living away from usual family support networks. The contracts are funded through Children's Services and the service is also currently provided by Family Mosaic with contracts which both end on 31st March 2016.

It is envisaged that there will be an increase in the number of flats used for move on - up to 9 to be made available to Children's services.

Using this type of accommodation instead of fully supported, foster or residential accommodation for this group offers potential savings up to £1.29m per year

As part of the Council's commitment to preventing homelessness, the Council also provides two floating support services - one for Council tenants and one for non-Council tenants at risk of homelessness due to high levels of support needs including issues such as rent arrears, debt, anti-social behaviour, drug and alcohol issues, mental health and other vulnerabilities. The services aim to work with households in crisis to initially prevent homelessness from occurring and also to provide ongoing support to enable them to reduce debts, increase income and address the issues that have led to their current situation, thereby preventing the risk of homelessness from re-occurring.

Historically the floating support services and the accommodation services have been delivered under separate contracts, but it is anticipated that these can be delivered under a single contract out of Charles Street. This will provide a seamless service and will enable support workers to work more generically across all areas, offering a more viable proposition to potential providers.

A three year contract would be offered along with the option to extend for a further 12 months.

A formal competitive tendering process will be used including notice published in the Official Journal of the European Union (OJEU) since the total contract will be in excess of the EU threshold. Cabinet approval will be sought.

Provision of all support services will enable residents to address issues which could lead or have led to their homelessness. This could improve their chances of employment, education or training and encourage better money/debt management which could subsequently improve their social and economic well being.

INSERT DETAILS OF CONSIDERATION TO ECONOMIC, SOCIAL OR ENVIRONMENTAL WELLBEING DURING PRE-PROCUREMENT STAGE.

PLEASE SET OUT BRIEFLY HOW ANY SERVICES PROCURED MIGHT IMPROVE THE ECONOMIC, SOCIAL AND ENVIRONMENTAL WELLBEING OF THE AREA OVER WHICH THEY HAVE RESPONSIBILITY AND HOW THE COUNCIL WILL CONDUCT THE PROCESS OF PROCUREMENT APPROPRIATELY TO SECURE THE BENEFITS IDENTIFIED.

Insert details of the estimated previous spend on this Service. Information relating to estimated future financial spend on this Service will be contained in the exempt part of this report to ensure parties to the tender process provide an unbiased estimate of their fees therefore ensuring the council achieves Best Value.

Note – Officers should contact Finance for details of an appropriate Business Case format.

Financial Summary:

2.1 Details of previous spend

Contract for services for one year from April 1st 2015:

Accommodation management & support	£146,000
Crisis Intervention	£72,000
Support for 16 & 17 year olds	£20,512
Care leavers move on	£89,000
Homeless early intervention	£22,064
Total	£349,576

2.2 Details of Estimated Contract Cost

See Exempt Schedule 1

3 DRAFT SPECIFICATION

• Thurrock homeless accommodation

The hostels provide a total of 47 rooms for temporary accommodation (29 in Charles Street and 18 in Clarence Road). Single households and families are accommodated in a variety of different sized rooms.

Referrals are made through the Council's homeless department to meet the statutory duty to provide temporary accommodation where a person is homeless, eligible for assistance and believed to be in priority need. Typically this means families with children or pregnant household members, or single people with vulnerability, for example: mental health, learning disability, old age.

The provider will be expected to sign a fully repairing and insuring lease for the rental of the two buildings and to cover all building & utility expenses for the full contract period. The total lease cost will be £80,000 per year.

The provider will be expected to provide all housing management functions for the accommodation including rent collection, arrears management, evictions and health & safety requirements

The provider will be expected to charge residents for the accommodation in order to meet the lease and service charge costs - rents will attract Housing Benefit subsidy.

This contract includes the provision of additional support services which are not covered by the Housing Benefit subsidy.

The move on rooms for care leavers will be offered directly via the Children's services who will pay the rent on the properties since the young people may not be entitled to Housing benefit.

- Crisis Intervention

The scheme accepts referrals from Thurrock Council rent department, other agencies and self referrals. The aim of the service is to prevent homelessness occurring by dealing with the most urgent issues that are contributing to the threat of eviction.

The service will provide intense support to assist customer to reduce their debts and increase their income where possible. However in the longer term, it is expected that ongoing support will be provided to families to ensure that they are supported to:

- Address longer-term issues;
- Provide training in debt management;
- Provide employment help via training and other support;
- Provide social interaction via groups and social activities
- Continue to sustain independent living in the local community.

These will be met by referring on to other service to free up spaces for the new referrals with immediate risk of eviction.

There is an expectation that the provider will engage with and work with statutory and voluntary agencies in order to provide a holistic approach and to work to government strategies such as the Early Offer of Help Strategy.

The provider should also support customers to access grants and bursaries which assist customers who are facing real financial difficulty.

The focus of the scheme will be the prevention of homelessness and the on going provision of housing-related support to promote independent living skills.

- The Council is therefore seeking to appoint an organisation that:

a) Can evidence experience in successfully delivering similar housing management and support services

b) Can evidence innovation in service user engagement and service delivery

c) Can evidence how it will be able to deliver support to achieve the outcome and meet the Service Standards as detailed in the Service Specification

4 DRAFT TIMELINE

KEY EVENT	DATE
Publication of Contract Notice	16/11/15
Issue PQQs <i>[Omit if not applicable]</i>	N/A
Evaluation of PQQs <i>[Omit if not applicable]</i>	N/A
Issue of Invitation to Tender	16/11/15
Pre-Submission Clarification Meetings <i>[Omit if not applicable]</i>	N/A
Closing date for Tender submissions	14/12/15
Post-Submission Clarification Meetings <i>[Omit if not applicable]</i>	N/A
Interviews <i>[Omit if not applicable]</i>	04/01/16
Notification of result of evaluation	25/01/16
Standstill period	26/01/16 to 08/02/16
Expected date of award of Contract	09/02/16
Contract Commencement	01/04/16

The proposed timetable above is in draft form only; it is subject to change and is provided by way of guidance only. The Council's Responsible Officer will be updating and developing this working with Procurement Services.

The timetable is driven by the need to procure a new service provider for when the current interim contract ends on 31st March 2016.

5 PROJECT MANAGEMENT ARRANGEMENTS

5.1 Users/Stakeholders involvement and Communication Plans

Service users change on a daily basis i.e. people moving in or out of the accommodation, people requiring assistance with homeless prevention will change according to needs. However, current service users at the time of procurement will be advised of the procurement timetable.

5.2 Risk and Opportunity Assessment and Register

See Exempt Schedule 3

5.3 Contingency Plans

See Exempt Schedule 3

5.4 Project Management Record Keeping Procedures (which must comply with the Council's documentation retention policy)

Records of all tender documentation and project related emails will be kept and maintained by the Procurement team

6 CONTRACT MANAGEMENT ARRANGEMENTS

6.1 Users/Stakeholders involvement and Communications Plans

Due to the nature of the contract there will be ongoing communication with service users throughout its life, and they will have the opportunity to feedback to officers/managers any concerns and/or dissatisfaction with the service. In addition, the housing directorate carry out a survey of all newly housed Council tenants and questions about the temporary accommodation (where appropriate) are included.

6.2 Risk and Opportunity Assessment/Register

See Exempt Schedule 4

6.3 Contingency Plans (including Civil Contingency Plans)

See Exempt Schedule 4

6.4 Proposed Arrangements for Post Contract evaluation

The contract will be jointly managed and evaluated by the Housing Strategy team and Childrens Commissioning services with input from operational officers from the Housing and Childrens directorates

6.5 Proposed Contract Management (including Monitoring arrangements)

The contractor will be measured against identified KPIs. Monitoring of the KPIs and regular visits to the accommodation will also inform the contract management. Where the contractor does not meet these levels, an improvement plan will be agreed with a realistic timetable.

6.6 Contract Management Record Keeping Procedures

The full set of KPIs will be agreed with the contractor at the start of the contract and acceptable service standards identified.

7 Procurement Implications

Procurement

Implications verified by:	k mason
Telephone	01375 652243
email	kmason@thurrock.gov.uk

This contract exceeds the EU threshold for services, so it is recommended that a full OJEU tender process is conducted. As per the Public Contract Regulations 2015, the services being procured fall within the Light Touch Regime so there is some flexibility in the Council's approach to the procurement process. In this case, the Open procedure will be followed and award will be based on

MEAT (Most Economically Advantageous Tender), taking both Quality and Price into consideration.

SCHEDULE 1

8 Financial Summary

Estimated Total Cost:		£1,859,048			
Recommended Tenderer :					
<u>Breakdown of Estimated Contract Cost</u>	14/15 £000's	15/16 £000's	16/17 £000's	Later £000's	Total £000's
Contract			464.762	1,394.286	1,859.048
Fees					
Other (Specify)					
Total Cost			464.762	1,394.286	1,859.048
Is the proposed Tender budgeted In the current Approved Capital and Revenue programme? <input type="checkbox"/> Yes <input type="checkbox"/> No					
<u>Funding Identified</u>	14/15 £000's	15/16 £000's	16/17 £000's	Later £000's	Total £000's
1. Revenue Budget					
HR4152104			72	216	288
HG2502104			150	450	600
CA064			200.250	600.75	801
CA066			20.512	61,536	82.048
HG352 2600			22	66	88
2. Capital Budget					
Supported Borrowing					
Unsupported Borrowing (see note below)					
Grant (Specify)					
Capital Receipts					
Other (Specify)					
Total			464.762	1,394.286	1,859.048
<p><i>Note: If supported borrowing is to be used, please show under other financial implications how revenue savings can be made to fund the financing costs.</i></p> <p><u>Other Financial Implications:</u> Soft market testing has indicated that this level of funding is required to enable service provision at the level expected</p>					

SCHEDULE 2

9 DRAFT EVALUATION CRITERIA

Quality 60% Price 40%

The Quality evaluation criteria is likely to include the following sub-criteria

Skills, Knowledge and Experience

Evidence of innovation in service user engagement and delivery

Start-up of Service

Meeting Outcomes

Please note that the above evaluation criteria is in draft form only; it is subject to change and is provided by way of guidance only. The Council's Responsible Officer will be amending and developing the evaluation criteria in conjunction with Procurement Services as the tendering exercise progresses.

SCHEDULE 3

10 RISK AND OPPORTUNITY ASSESSMENT AND REGISTER
Relating to the proposed tendering exercise

Risk	Likelihood	Impact	Level of Risk. High or Lower	Potential Negative Impact	Management and Mitigation of Risk
	A. Very High B.High C.Significant D.Low E.Very Low F.Almost Impossible	I. Critical II. Significant III. Marginal IV. Negligible	High – AI,BI,AII,BI,BII, CII Lower = Other		
There will be no providers who tender for the contract	E. very low	Significant	CII	No contract in place on 1 st April 2016 when the current interim contract ends	Should there be insufficient interest a reassessment of funding and contract requirements would need to be undertaken to determine the best way forward

Contingency Plans

If no service provider was procured then initially the current provider would be asked to continue for an interim period.

If the current provider would not continue then the housing management of the buildings would need to be undertaken by the Councils temporary accommodation team i.e. managing current staff providing the service, until a new provider could be found.

Similarly provision of support could be purchased on a temporary basis from another support provider for a temporary period.

SCHEDULE 4

11 RISK AND OPPORTUNITY ASSESSMENT AND REGISTER
Relating to the ongoing provision of works/services under the contract

Risk	Likelihood A. Very High B.High C.Significant D.Low E.Very Low F.Almost Impossible	Impact I. Critical II..Significant III.Marginal IV.Negligible	Level of Risk. High or Lower High – AI, BI, AII, BI, BII, CII Lower = Other	Potential Negative Impact	Management and Mitigation of Risk
Failure of provider to continue to provide service	E. very low	Significant	CII	Breakdown of service would have a negative impact on residents support needs and could result in a breakdown of the residency e.g. non payment of rent, anti-social behaviour	Consistant and regular monitoring of contract and dicussions with provider


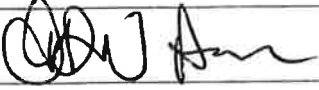
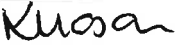
Contingency Plans

If the service provider were unable to continue with the service then the housing management of the buildings would need to be undertaken by the Councils temporary accommodation team i.e. managing current staff providing the service, until a new provider could be found.

Similarly provison of support could be purchased on a temporary basis from another support provider for a temporary period.

SCHEDULE 5

12 CONFIRMATION FROM LEGAL, FINANCE AND PROCUREMENT


Commissioning Report (Responsible Officer should sign section 13 below, and then pass to Legal, Procurement and Finance services to sign off below that they have been consulted and agree with the Commissioning Report insofar as it relates to their respective areas)	
Confirmed by Legal insofar as it relates to Legal implications	
<u>Officers Name</u> Ann Osbourne	Date
<u>Signature</u> 	23/10/15.
Confirmed by Finance insofar as it relates to Finance implications	
<u>Officers Name</u> JONATHAN WILSON	Date
<u>Signature</u> 	21/10/15
Confirmed by Procurement Services insofar as it relates to Procurement implications	
<u>Officers Name</u> Kiri Mason	Date 21/10/15 .
<u>Signature</u> 	

SCHEDULE 6

13 CONFIRMATION BY THE RESPONSIBLE OFFICER THAT RULE 5 OF THE CONTRACT PROCEDURE RULES HAS BEEN/WILL BE MET

The Responsible Officer Dawn Shepherd confirms that Homeless Supported Accommodation & Crisis intervention has been carried out in accordance with Rule 5 of the Councils Contract Procedure Rules (Chapter 9, Part 2 of the Constitution) and in particular the following duties have been/will (as appropriate) be met by the Responsible Officer

<p>The Responsible Officer has or will ensure duties have been met (Re 5.3 of the Contract Procedure Rules)</p>	<p><i>Responsible officer must tick this box and sign below to confirm compliance</i></p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>If no, please explain here</i></p>
<p>IN PARTICULAR:</p>		
<p>Compliance will occur with all regulatory or statutory provisions and the Councils decision making requirements</p>		<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>If no, please explain here</i></p>
<p>Inclusion on Council's Contract Register</p>	<p><i>Responsible Officer must inform Procurement Services of the contract so that Procurement Services can update the Register</i></p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Value for Money will be achieved</p>	<p><i>Give details eg most economically advantageous tender awarded?</i></p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>The provider meeting the specification with the best economic advantage will be awarded</i></p>
<p>Advice has or will be sought from Director of Finance & Corporate Governance as to appropriate security (bond/guarantee) required</p>	<p><i>Please provide details of any bond/guarantee required</i></p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><i>If no, please explain here</i></p>
<p>Document Retention Policy has/will be complied with</p>	<p><i>Council's Document Retention Policy (ie for tender and contract documents) is available on in-</i></p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

	<i>form</i>	
Financial evaluation will be made of the proposed tenderers including the winning tenderer/proposed contractor	<i>Required for all tenders over £75,000</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Advice has been and will be sought and followed from Procurement, Finance and Legal Services	<i>If no, this request will require reconsideration</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
The Responsible Officer confirms that this project will be carried out in accordance with Rule 5 of the Councils Contract Procedure Rules (Chapter 9, Part 2 of the Constitution) and in particular the above duties have been/will (as appropriate) be met by the Responsible Officer	<i>Responsible Officer</i> <i>(Responsible Officer should sign here and then pass to Legal, Finance and Procurement to sign it off in section 6 above)</i>	Name Dawn Shepherd Signature  Date 21/10/15