

North Tyneside Council

Report to Cabinet

Date: 30 March 2020

Title: Procurement of Supported Accommodation services to reduce homelessness

Portfolio(s):	Adult Social Care Children, Young People and Learning Finance and Resources Housing	Cabinet Member(s):	Councillor Gary Bell Councillor Peter Earley Councillor Ray Glindon Councillor Steve Cox
Report from Service Area:	Health, Education, Care and Safeguarding		
Responsible Officer:	Jacqui Old, Head of Health, Education, Care and Safeguarding	(Tel: (0191) 643 7317	
	Mark Longstaff, Head of Commissioning and Asset Management	(Tel: (0191) 643 8089	
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Wards affected:	All wards		

PART 1

1.1 Executive Summary:

The purpose of the report is to seek Cabinet approval to undertake a competitive procurement exercise for a new supported accommodation service. In January 2020 Cabinet agreed the updated North Tyneside Homelessness Prevention and Rough Sleeping Strategy 2019 – 2021. This service forms a key part of the Authorities approach to addressing homelessness in North Tyneside.

The service will include a range of accommodation settings and community-based support, which will seek to prevent homelessness for vulnerable and socially excluded people within the borough.

In March 2016 and 2017 Cabinet approved a procurement exercise to secure supported accommodation services in two categories, one for the 16-24 age group and a second for the over 25's.

The service is proposed following a further review of the Authority's existing provision and will replace the existing contractual relationships. The proposed service model will

provide a flexible service which can provide targeted support to those who need it the most, at one of the most critical times in their lives. Although the existing contracts have improved partnership working and made a huge difference to some of the Authorities most socially excluded residents, the new services allow an opportunity to improve the unit cost of the service whilst maintaining the quality of the service delivered.

It is proposed that the contract will start in October 2020. The initial contract duration will be for twenty-four months, with an option to extend for a further twenty-four months. The contract will be procured through an open and transparent process, in accordance with the Public Contracts Regulations 2015 and will be conducted through the NEPO portal.

1.2 Recommendation(s):

It is recommended that Cabinet authorise the Head of Health, Education, Care and Safeguarding, in consultation with the Head of Law and Governance, the Head of Resources and the Cabinet Member for Finance and Resources to:

- (1) undertake a competitive procurement exercise to procure a provider(s) to deliver the proposed new service, as outlined in section 1.5; and
- (2) award and enter into two separate contracts with the preferred bidders following the procurement exercise.

1.3 Forward Plan:

Twenty-eight days' notice of this report has been given and it first appeared on the Forward Plan that was published on 12th March 2020.

1.4 Council Plan and Policy Framework

1.4.1 This report relates to the following priorities contained within Our North Tyneside Plan 2020 - 2024:

- Be listened to so that their experience helps the council work better for residents.
- Be ready for work and life – with the right skills and abilities to achieve their full potential, economic independence and meet business needs.
- Be healthy and well – with the information, skills and opportunities to maintain and improve their health, well-being and independence, especially if they are carers.
- Be cared for, protected and supported if they become vulnerable including if they become homeless.
- Be encouraged and enabled to, whenever possible, be more independent

1.4.2 This report relates to the North Tyneside Homelessness Prevention and Rough Sleeping Strategy 2019 – 2021 which sets out a number of priorities which aim to effectively use our resources to reduce homelessness within North Tyneside.

1.4.2 Delivery of the service set out in the service specification will contribute to:

- a) Priority Two: meeting local housing need
- b) Priority Three: supporting households to secure and sustain an affordable home
- c) Priority Four: effective communication and robust partnership working.

1.5 Information:

1.5.1 Background

The Homelessness Act 2002 created a statutory duty for local authorities to work to:

- a) prevent homelessness in their district;
- b) ensure that sufficient accommodation is and will be available for people in their district who are or who may become homeless; and
- c) secure the satisfactory provision of support for people in their district who:
 - o Are or may become homeless; or
 - o Have been homeless and need support to prevent them becoming homeless again.

The Homelessness Reduction Act 2017 places new responsibilities on local authorities in England to provide advice and assistance to prevent homelessness, regardless of priority need, at an earlier stage.

A range of supported accommodation services have been in existence in the borough since 2003. These services were funded through the previously ring-fenced Supporting People Grant but have more recently been funded through the Authority's mainstream budgets. Since the contracts were awarded, they were subject to a comprehensive review in 2016. This review led to the creation of two age-specific supported accommodation contracts, one for 16-24-year olds and one for 25 years and over.

The annual value of the Authority's currently commissioned services for 16-24-year olds clients is £592,500 per annum. The annual value of the service for 25 and overs is £625,565.

Over the last three years the Authority has undertaken work with all housing related support providers, including those for socially excluded individuals. This work has resulted in the securing of efficiencies through existing contractual relationships has also identified opportunities for improved value for money through obtaining greater economies of scale and reducing potential overlaps between services.

The current services provide housing related support to vulnerable people who are at risk of homelessness. Housing-related support services are defined as services that aim to develop or sustain an individual's capacity to live independently in accommodation. Housing-related support services are not general health, social care or statutory personal care services, but rather services whose aim is to support more independent living arrangements.

1.5.2 Service Model

The service will provide support for vulnerable people at risk of homelessness, including those with chaotic lives.

This service will be provided through borough wide supported accommodation, resettlement support and crisis responses which include provision for needs which are low, medium and high and very high. It will be a requirement that the service will also provide at least four crisis beds. The number of units requested through the tender

documentation will be based upon evidenced levels of need and projected demand over the term of the contract period.

The service model provides services for a range of categories of need. These categories of need will have clear definitions at the outset of the contract. Each level of support need will also have an expected number of hours of support. The purpose of the range of these categories is an acknowledgement that different clients require differing levels of support. The new service model will allow a more flexible approach to take place. In practice this will mean that those who require a more intensive service for a period of time can receive this in order to stabilise individuals who may, at a later date, present with complex needs. The model also acknowledges that many individuals require a lower level of support but need support to prevent relapse.

The service model provides a flexible service which provides a tailored package of support based upon the needs of an individual accessing the service.

The service differentiates between different types of supported accommodation settings. At an operational level it is understood that some vulnerable individuals are better suited to receiving support in a less densely populated environment. As such, the service provides a choice of whether a vulnerable individual receives support in a 'centre based' setting or a 'dispersed' (or community) setting. The centre based setting will have higher levels of staffing and will provide a larger number of units of accommodation, often on one site. Dispersed settings will operate using lower levels of staffing and will contain a smaller number of units of accommodation per site, such as a community house (containing 2-4 units) or a 'home' type placement.

1.5.3 Collaborative approach

North Tyneside has a strong history of partnership working, particularly around supporting vulnerable individuals at risk of social exclusion. The service seeks to build upon this ethos of collaboration by encouraging the service to be delivered through a formal partnership of providers. It is anticipated through the tender process that the service will be provided by a collaboration of service providers. In the case of a collaboration of providers, a lead provider will be named. Collaborative working of this nature is not a requirement of the procurement process and the successful provider may deliver the provision independently.

1.5.4 Early Intervention / Prevention

The provision of clear categories of support needs alongside a referral process which supports this model ensures that individuals can be referred to services which more closely reflect their support needs. As the new service model also provides a range of accommodation with support options it will also be possible to ensure that the environment in which individuals are receiving services are most conducive to each individual's specific needs.

The service model includes the provision for support to be provided to individuals who have moved on to independent living arrangements (i.e. their own tenancy). This very low-level support is not resource intensive but is known to be a powerful preventative tool as evidence suggests that these clients can often represent as homeless with very high support needs.

1.5.5 Social Value

The Public Services (Social Value) Act 2012 requires public bodies to consider how the services they commission and procure might improve the economic, social and environmental well-being of the area. It is a requirement of the service that providers will evidence how they will deliver social value through the delivery of these services. This will be specified within the tender documentation and will be evaluated as part of the tender process.

1.5.6 Indicative Timeline

The new service model will be procured through a competitive tendering exercise. Following tender evaluation, the open tender process will culminate in a contract award stage. The contract will be in place to commence on the 1st of October 2020. The contract duration for the contract will be for 24 months with an option for the Authority to extend for a further 24 months. Prior to the expiration of the initial two-year contract the service will be subject to a review to assess the contracts effectiveness.

1.6 **Decision options:**

The following decision options are available for consideration by Cabinet:

Option 1

Agree the recommendations set out at section 1.2.

Option 2

Not agree the recommendations set out at section 1.2.

Option 1 is the recommended option.

1.7 **Reasons for recommended option:**

Option 1 is recommended for the following reasons:

- a) Current contracts have expired and in order to comply with procurement regulations, the Authority must undertake a competitive procurement exercise to secure a new service.
- b) The adoption of an overall project cost ensures the proposed new service provides a stable platform to develop new services.
- c) The new service model will replace an outdated service model.
- d) The new service will provide a flexible service which provides the right level of support to those who need it the most.
- e) The adoption of a collaborative approach to service provision is likely to produce more seamless services to vulnerable individuals who often have very chaotic lives.

1.8 **Appendices:**

None.

1.9 **Contact officers:**

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Tel. (0191) 643 7082
David Dunford, Senior Business Partner, Finance matters, (0191) 643 7027

1.10 Background information:

None.

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

It is anticipated that the costs associated with a new contract can be met within existing budget provision, if this is not the case a report will be brought back to Cabinet / Council for a decision before a decision is made.

2.2 Legal

As detailed within 1.5 of this report, the Authority has statutory duties relating to homelessness under the Homelessness Act 2002 and the Homelessness Reduction Act 2017 which this contract helps the Authority to discharge.

The duty on the Authority contained in the homelessness legislation listed above, must be considered alongside the Authority's obligations as a public authority under the Public Contracts Regulations 2015 to achieve best value for money.

As the value of the contract as a whole exceeds the threshold of £500,000 this procurement exercise requires Cabinet approval to be compliant with the Authority's standing orders as well as the relevant UK and European Union Public Procurement Legislation. Following a compliant tender exercise, the contract should be awarded to the winning bid to ensure the Authority is following its statutory obligations.

A future procurement process will be undertaken in accordance within the Authority's Contract Standing Orders, EU, and UK public procurement legislation.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

The process of establishing a detailed specification for this service has been done in close conjunction with key colleagues within: Children's Social Care; Adult Social Care; Housing Strategy; and Making Every Adult Matter (MEAM). The process of evaluating tenders will be carried out with colleagues with specialist knowledge from the aforementioned sections of the Authority.

2.3.2 External Consultation/Engagement

In April 2020 a significant provider event will be held by the Authority to consult with both current and prospective providers. This event will be widely publicised through the NEPO portal to ensure a wide range of providers (both current and prospective) are given the opportunity to attend. At the event the service model will be presented, and attendees will be given the opportunity to discuss the service model. In order to assure transparency, all questions at the event, along with responses will be published on the NEPO portal.

2.4 Human rights

The proposals contained in this report relate to the following human rights:

- Right to liberty and security
- Right to respect for private and family life
- Freedom of thought, belief and religion
- Freedom of expression
- Protection from discrimination

2.5 Equalities and diversity

The Contract stipulates that the Provider will ensure compliance with the 2010 Equality Act and Public Sector Equality Duty and therefore will not unlawfully discriminate against employees or service users with particular protected characteristics. The contract also stipulates that the Provider must ensure that its workforce receives appropriate training in order to understand their roles and responsibilities in implementing Equal Opportunity requirements, and to promote equality and prevent discrimination.

The procurement process and on-going performance monitoring against the requirements set out in the service specification, which requires providers to provide demographic data, including relevant protected characteristics, will be used to assess and monitor the values and practices of providers in relation to equal opportunities.

2.6 Risk management

Risks have been considered and evaluated. Actions that could be taken to mitigate identified risks have been identified. During the process of contracting, risks will be discussed, evaluated and actioned as appropriate.

Any risks associated with the process of putting new contracts in place have been mitigated through the employment of the NEPO portal as the mechanism to ensure that an open and transparent procurement process is in place.

2.7 Crime and disorder

The new approach outlined in the report aims to contribute to improving crime and disorder. It is anticipated that this will be achieved through engaging vulnerable clients into activities designed to increase their independent living skills and encouraging clients away from activities such as substance misuse and crime.

2.8 Environment and sustainability

The evaluation framework for this procurement will include scoring on the grounds of environmental sustainability.

PART 3 - SIGN OFF

- Chief Executive X
- Head(s) of Service X
- Mayor/Cabinet Member(s) X
- Chief Finance Officer X
- Monitoring Officer X
- Head of Corporate Strategy and Customer Service X