

HOUSING FIRST SERVICE CONTRACT AWARD REPORT

Key Decision No. CACH Q11

<p>CPC MEETING DATE</p> <p>7th October 2019</p>	<p>CLASSIFICATION:</p> <p>Open with Exempt Appendix</p> <p>By Virtue of Paragraph(s) 3, Part 1 of schedule 12A of the Local Government Act 1972 appendix A is exempt because it contains Information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>
<p>WARDS AFFECTED:</p> <p>All</p>	
<p>CABINET MEMBER:</p> <p>Councillor Feryal Clark Health, Social Care, Transport and Parks</p>	

KEY DECISION: Yes

REASON: Affects more than one ward.

CORPORATE DIRECTOR:

Anne Canning, Group Director Children, Adults and Community Health

1. CABINET MEMBER'S INTRODUCTION

- 1.1 As agreed by the Committee in September 2018, the procurement of a Housing First service represents a significant enhancement to the homelessness reduction offer. The service will support entrenched rough sleepers, who have multiple and complex needs that include mental ill health, offending behaviour, substance misuse and personality disorders, achieve social inclusion. This service is designed to support people who have not thrived in traditional hostel accommodation, live independently.
- 1.2 Jointly developed by commissioners at LB Hackney, the City of London and City and Hackney CCG, non-recurring prioritisation funding from the CCG provides for initial start-up and delivery costs. This will allow us to develop the local evidence base to support a business case for permanent funding as part of the wider Supported Housing provision being delivered following integrated commissioning principles. In addition, this service represents a platform for partnership working across the organisations, overcome initial set-up and implementation barriers and allows us to utilise a supply of social housing that will otherwise be turned over to general needs accommodation.
- 1.3 The Housing First model addresses the health and housing needs of those that place high demands on services, whilst adding value and delivering potential savings across the local health and care system. By supporting people into stable accommodation and enabling them to address their health issues, this service will reduce levels of need across a marginalised and vulnerable group. This also enables the Local Authority to discharge its duty under the Care Act 2014 to provide preventative services and increase the wellbeing of residents.

2. GROUP DIRECTOR'S INTRODUCTION

- 2.1 This report seeks approval to award a contract for an integrated housing-related support service in the London Borough of Hackney and City of London.
- 2.2 The service delivers support to people with multiple and complex needs associated with entrenched street homelessness (rough sleeping), including mental ill health, offending behaviour, substance misuse and personality disorders. The procurement process has ensured that the service will be innovative, efficient and fit for the future, promoting independence, increasing quality of life and helping people re-engage in their local communities.
- 2.3 The contract is due to commence in January 2020 and will be delivered for one year with the option to extend for one plus one years.

3. RECOMMENDATION(S)

3.1 Cabinet Procurement Committee is recommended to award the contract for the City & Hackney Housing First Service to Provider A. The provision will cost a total amount of £214,338 for a period of one (1) year with an option to extend for a further two (2) years (1 + 1 + 1 years), representing a whole contract value of £656,544.

4. RELATED DECISIONS

4.1 Cabinet Procurement Committee agreed to the procurement of this service on 12th September 2018. A reference to the Business Case can be found at the link:

Re-tendering of Housing Related Support Contracts - Key Decision No. CACH P9

<http://mginternet.hackney.gov.uk/mgAi.aspx?ID=32105>

5. REASONS FOR DECISION/OPTIONS APPRAISAL.

5.1 The purpose of the service described in this report is to deliver intensive, wraparound, person-centred, housing-related support to 20 entrenched rough sleepers enabling them to move away from marginalised and chaotic lifestyles. By providing access to stable, independent housing to a cohort traditionally excluded from this type of accommodation, service users will have the opportunity to address their support needs, thus reducing pressure on the Council's homeless services.

5.2 Traditional homeless hostels deliver support that is transactional; using a support plan that is jointly agreed with their support worker, service users move towards stability and independence by engaging with interventions that help them achieve their personal goals. This model delivers successful outcomes for the majority of service users, who eventually move into their own home after completing their support journey. There is, however, a cohort for whom this approach is unsuccessful. Housing First inverts the journey from street homeless to stably housed by delivering accommodation before support needs have been addressed.

5.3 Housing First provides self-contained, independent housing with access to high levels of person-centred housing related support as required. Placing an emphasis on tenancy sustainment, service users will experience a support journey that is self-directed, enabling them to address their support issues at their own pace, without fear of being penalised for not following a prescribed support journey.

- 5.4 A relatively new model, this service is an alternative for those with a history of entrenched rough sleeping/homelessness and complex needs, those who typically 'revolve' through services without achieving positive outcomes.
- 5.5 City & Hackney Housing First also represents real collaboration between City & Hackney CCG, London Borough of Hackney and the City of London, demonstrating the partner's commitment to integrating Health and Local Authority services.
- 5.6 An evaluation of existing Housing First services in the UK has found that they deliver better outcomes than other support options and are more cost effective than special hostels or general needs shared accommodation¹. The model also has the potential to deliver significant savings to health and other public services.

6. PROJECT PROGRESS

6.1 Housing First Developments since the Business Case approval

- 6.1.1 Housing First represents one of five recommendations presented in the business case. Progress on the other projects is set out below:
- 6.1.2 A new integrated floating support contract for five years with an option to extend for a further two years was granted in March 2019. The service launch date is 31st October 2019.
- 6.1.3 Approval to award a new contract for mental health accommodation based support services for five years with an option to extend for a further two years will be submitted to the Cabinet Procurement Committee 7th October 2019.
- 6.1.4 Direct negotiation of a contract for a single homeless pathway is ongoing, and a report will be submitted to CPC later this year for approval.
- 6.1.5 Direct negotiation of a contract for Older Adults services is ongoing, a report will be submitted to CPC later this year for approval.

6.2 Whole Life Costing/Budgets:

- 6.2.1 Non-recurring funding for year one is obtained from the 'Big Ticket Item' fund, secured by the Planned Care Workstream. Commissioners have identified

1

https://hfe.homeless.org.uk/sites/default/files/attachments/Evaluation%20of%20nine%20services%20in%20England_0.pdf

potential funding for the extension period (years two and three), through central government's Rough Sleeping Initiative Fund. LB Hackney will submit a bid when the third tranche of the fund is released in Q2/Q3 2019/20.

6.2.2 The price stated below is fully inclusive of staffing, office accommodation, all expenses (including travel) and recognises the annual inflationary pressures over the lifetime of the contract:

Housing Related Support Provision	1 Year investment £K	1 + 1 Estimated Investment £K	Whole Life Investment £K
Housing First	214,338	442,206	656,544

6.3 SAVINGS

6.3.1 This service will not deliver immediate, quantifiable savings, however, research indicates that the model has the potential to deliver significant savings to health and other public services.

7. SUSTAINABILITY ISSUES

7.1 Procuring Fair Delivery

7.1.1 A full Equality Impact Assessment (EIA) has been completed in June 2018 and was attached to the business case report:

<http://mginternet.hackney.gov.uk/documents/s62080/120918%20Final%20CA%20M95%20HRS%20Appendix%204.pdf>

7.2 Procuring Green

7.2.1 Our own assessments showed that the biggest impact for this service would be the transport needs of staff and service users when viewing potential properties and staff who will be visiting service users in their own homes. Providers were asked to have in place an environmental impact reduction policy which will include supporting staff to choose more environmentally friendly methods of travel. The preferred provider promotes access to a Bike to Work scheme to all employees. The preferred provider also offers a horticultural training initiative which, in addition to improving the environment, enables participants to acquire gardening skills.

7.3 Procuring for a Better Society

- 7.3.1 The PRIMAS highlighted the positive impact these contracts will have on the local economy. It provides safe and appropriate housing for Hackney residents. The proposed bidder states that they will generate meaningful employment for people using their services, and specifically, training to empower and engage clients in work-related activities.
- 7.3.2 The preferred provider is an 'Investing in Volunteers' accredited organisation with a dedicated Volunteer Services team. This team set clear support structures for volunteers across the organisation and implement innovative models of volunteering. One such model is the client volunteer pathways. This provides clear routes for service users and the wider community to get involved in volunteering, thus enabling them to acquire skills that will prepare them for work.

8. TENDER EVALUATION

- 8.1 These services are classed as Schedule 3 services under the Public Contracts Regulations 2015, and therefore come under the *Light Touch Regime* (LTR).
- 8.2 A single-stage procurement process comprising of two parts was used for this tender. There were two separate sections contained in the same tender, an SQ (Selection Questionnaire) and Method Statement questions. Bidders had to return responses to both sections and pass all questions under the SQ in order to be considered for the tender. No bidder was disqualified based on the SQ information provided.
- 8.3 A full specification and set of tender documents were available with the advert, following an OJEU notice being published. CPC approved the Business Case and granted permission to go out to tender in September 2018. An advert was placed on the Council website and additionally the *Contracts Finder* website in January 2019.
- 8.5 One submission was received in total. Following a full assessment of the SQ, this one submission passed all the related questions. The SQ also assessed technical ability, financial standing, and insurance criteria, in line with the Crown Commercial Service format of the SQ.
- 8.6 There were six core members of the tender panel who evaluated all of the questions (excluding the financial scoring) from City & Hackney CCG, LBH commissioning, LBH adult services and City of London commissioning.

Tender Evaluation Core Panel:

Director of Planned Care - Integrated Commissioning (CCG)

*Senior Commissioning Manager - City of London
--

*Rough Sleeping Coordinator - City of London
**Pause and Multiple Needs Service Practice Lead - LBH
Strategic Commissioner Mental Health & Prevention - LBH
**Pause and Multiple Needs Service Manager - LBH

*Joint evaluators **Joint evaluators

- 8.7 'Experts by experience' joined the core panel to critique a response given by the bidder to the question: "Tell us what the service hopes to do and how you will involve service users" in a 15 minute presentation.
- 8.8 The evaluation panel was supervised by a Senior Procurement Officer.
- 8.9 The tender was evaluated on the following criteria.

Scoring Criteria	Score	Broken down into:
Quality	70%	
Equality & Partnership Working (part 1)		10%
Equality & Partnership Working (part 2)		10%
Service User Involvement (part 1)		10%
Service User Involvement (part 2)		10%
Service Delivery and Quality (part 1)		5%
Service Delivery and Quality (part 2)		10%
Service Delivery and Quality (part 3)		5%
Service Delivery and Quality (part 4)		5%
Service Delivery and Quality (part 5)		5%
Mobilisation and Transition		10%
Availability and suitability of Property to meet requirements of the specification		10%
Social Value		10%
Price	30%	

- 8.10 Responses to method statements were scored using the following scoring mechanism:

Score	Rating	Criteria for Awarding Score
0	Unacceptable	No response to the question or the response is highly inaccurate

1	Poor	Limited response provided or a response that is inadequate, substantially irrelevant, inaccurate or misleading
2	Below expectations	Response only partially addresses the question
3	Satisfactory	An acceptable response submitted in terms of level of detail, accuracy and relevance. The response is good but there are either some omissions of important factors or negative indications that reduce the extent to which the project aims will be achieved
4	Good	A comprehensive response submitted in terms of detail and relevance and clearly meets the project aims with no negative indicators or inconsistencies
5	Excellent	A more than comprehensive response submitted in terms of detail and relevance with no negative indications or inconsistencies

8.11 The price score was evaluated on the average annual cost of the contract over the initial 3 year period. The Annual Tender Price is within the annual resource limit of £225,000 in each of the 3 years and the bid therefore met the criteria of the tender evaluation.

8.12 Recommendation:

8.12.1 The tender panel recommends that **Provider A** is awarded the contract for Housing First. Provider A demonstrated that they would be able to meet the full requirements of the specification and that they understood the model.

8.12.2 While there was only one bidder, the panel scored the quality bid and the panel acknowledged that this was a reflection of the challenges in procuring suitable accommodation.

8.12.3 The bidder demonstrated high levels of awareness of the needs of a Housing First client, highlighting their experience of delivering the model in other London boroughs, and showcasing the success they have achieved in supporting clients to obtain positive outcomes and sustain tenancies.

8.12.4 The preferred provider submitted a bid that includes suitable independent accommodation which is crucial to successful delivery of the model, but also a challenge in London where we are experiencing a severe housing shortage.

8.12.5 The bidder presented a detailed and relevant mobilisation plan alongside a realistic risk assessment with moderations, giving the commissioners reassurance that this provider will be able to manage the significant service model and their obligations to this contract.

	Quality	Price	Total
Supplier / Provider A	50%	30%	80%

9. CONTRACT MANAGEMENT ARRANGEMENTS

9.1 Resources and Project Management (Roles and Responsibilities):

9.1.2 The contract will be managed by the Strategic Commissioner for Mental Health and Prevention, a role that sits within the Adult Services Commissioning Team.

9.1.3 Contract performance meetings will be held at least once per quarter. The Adult Services Commissioning Team has systems for performance monitoring, data collection, analysis, reporting and invoicing; these systems, led by the Quality Assurance Team, will all be set up as standard for this contract.

9.1.4 Taking account of the innovative nature of this service, an evaluation of the first year's performance will be completed, thus ensuring a sound evidence base is established, demonstrating impact, sustainability and alignment to strategic commissioning objectives.

9.1.5 This service will also be steered by the multi-agency Housing First Partnership Board with referrals overseen by the Housing First Referral Panel:

Housing First Partnership Board - Membership

Workstream Director, Integrated Commissioning (Chair), City & Hackney CCG
Senior Procurement Officer, LB Hackney
Strategic Commissioner MH and Prevention, LB Hackney
Commissioning Officer Mental Health & Prevention, LB Hackney
Service Manager, Pause, LB Hackney
Head of Homelessness Prevention & Rough Sleeping, City of London Corporation
Operations Manager, Benefits & Housing Needs, LB Hackney
Project Manager, City and Hackney CCG
Commissioning Manager, City of London Corporation
Public Health Head of Service, LB Hackney
Rough Sleeping Coordinator, City of London Corporation
Transformation Support Officer, Integrated Commissioning Programme, LB Hackney

Housing First Referral Panel - Membership

City and Hackney CCG
 The Provider (when appointed)
 City of London Corporation Homelessness Prevention & Rough Sleeping
 LBH Strategic Commissioning for MH & Prevention
 LBH Housing Advice and Homelessness Team
 LBH Adult Social Care
 LBH Public Health
 LBH Substance Misuse
 PAUSE
 STEPS (Multiple Needs)
 City & Hackney Rehabilitation & Recovery Service (ELFT)
 LBH Enforcement
 Homerton Specialist Midwife Service (Substances and Alcohol)
 London Probation/CRC
 Open Doors

9.2 Key Performance Indicators:

Main KPI Targets Set	Monitoring
1. Service Utilisation - 100%	<ul style="list-style-type: none"> ● Quarterly performance workbook ● Quarterly contract monitoring meeting
2. Economic Well-Being <ul style="list-style-type: none"> ● Clients claiming correct benefits within the first two months - 100% ● Clients have set up a bank account within the first two months - 100% ● Evictions due to rent arrears - Nil ● Clients have an email address - 100% 	<ul style="list-style-type: none"> ● Quarterly performance workbook ● Quarterly contract monitoring meeting

<p>3. Enjoy & Achieve</p> <ul style="list-style-type: none"> • Clients taking part in meaningful activity (e.g. employment, training, education, volunteering, etc) within 18 months - 100% 	<ul style="list-style-type: none"> • Quarterly performance workbook • Quarterly contract monitoring meeting
<p>4. Be Healthy</p> <ul style="list-style-type: none"> • Clients registered with GP - 100% • Clients engaging with health services - 100% • Clients with an identified need attending community drug services - 70% • Clients requiring occupational therapy receive an assessment within first 6 months in tenancy - 100% 	<ul style="list-style-type: none"> • Quarterly performance workbook • Quarterly contract monitoring meeting
<p>5. Stay Safe</p> <ul style="list-style-type: none"> • Clients have comprehensive risk assessment - 100% • Tenancy management - 100% • Evictions due to rent arrears - Nil 	<ul style="list-style-type: none"> • Quarterly performance workbook • Quarterly contract monitoring meeting

10.0 COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

10.1 The recommendation of the report is to award the contract for the City and Hackney Housing First Contract to Provider A. The cost of the service will be £214,338 for a period of one year with the option to extend for a further two years (1+1+1). The total value over the maximum life of the contract is £656,544.

10.2 Funding for the initial year of the service has been awarded through the Prioritisation and Investment Committee (PIC), and this funding has been

passed over to the local authority from City and Hackney Clinical Commissioning Group. For the extended period (years two and 3), Commissioners have identified potential funding through the Central Government Rough Sleeper's Initiative Fund. The Council will submit a bid in Quarter 3 of the contract. If funding cannot be secured through the Rough Sleeper's Initiative Fund, then alternative funding will need to be identified to ensure that the contract can be extended and does not result in a budget pressure for the Council.

11. COMMENTS OF THE DIRECTOR, LEGAL AND GOVERNANCE SERVICES

- 11.1 The Business Case for the service in this Report was approved by Cabinet Procurement Committee on 12th September 2018 and therefore this Report is being submitted to Cabinet Procurement Committee for contract award under paragraph 2.7.10 of Contract Standing Orders.
- 11.2 Details of the procurement process undertaken by officers are set out in this Report. The proposed award to Provider A follows a procurement process in respect of services which are classified as Social and other Specific Services under Schedule 3 of the Public Contracts Regulations 2015. Notwithstanding that the Council received only one bid in response to the tender, officers are satisfied in respect of the quality and price offered for the service.

12. COMMENTS OF THE PROCUREMENT CATEGORY LEAD

- 12.1 The contract recommended for award in this report, is to be awarded for one year, with the possibility of up to two further years of renewal. Ensuring further funding will be key to ensuring support plans for the intended cohort are not disrupted. This is something the service area are working on currently and the new provider is aware of the funding situation.
- 12.2 The lack of bidders is disappointing and is likely, in part, to be reflective of the short term nature of the contract. Market engagement was undertaken and there were a number of expressions of interest but this resulted in only one bid submission. Feedback sought from bidders is also included in the Exempt Appendix. The model being used for this service is based on a national model, with a few modifications to KPIs tailored to City and Hackney requirements. However, the tender panel are confident that the winning bidder will be a good partner with whom to develop the Housing First model in Hackney and the City.
- 12.3 The price maximum set for this tender was based on benchmarking information carried out by the project group and the commissioning team is confident that this is a reasonable price.

12.4 The tender documentation included the requirement to pay staff at least the London Living Wage.

APPENDICES

Appendix A - Exempt

EXEMPT

Exempt Appendix A: Shortlist, Longlist and Scoring Tables

By Virtue of Paragraph(s) 3 Part 1 of schedule 12A of the Local Government Act 1972 this report and/or appendix is exempt because it contains Information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

CONFIDENTIAL

No

BACKGROUND PAPERS

In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required

Description of document (or None)

None.

Report Author	Beverley Gachette - Tel:(020) 8356 7759 Senior Commissioner Beverley.Gachette@hackney.gov.uk
Comments for and on behalf of the Group Director of Finance and Corporate Resources	Naeem Ahmed – Tel: 020 8356 7759 Head of Finance Naeem.Ahmed@hackney.gov.uk

Comments for and on behalf of the Director, Legal and Governance Services	Patrick Rodger - Tel: (020) 8356 6187 Senior Lawyer, Legal Services Patrick.Rodger@hackney.gov.uk
Comments of Procurement Category Lead	<u>Zainab.Jalil@hackney.gov.uk</u> Tel: 020 8356 3590