

ITEM 7(c)

Title: Re-tendering Exercise –
Homelessness Prevention Services
and Supporting Socially Excluded
Customers to Move Towards
Independent Living

North Tyneside Council Report to Cabinet Date: 14 March 2016

Portfolio(s): Adult Social Care
Health and Wellbeing

Cabinet Member(s): Councillor Alison
Waggott-Fairley
Councillor Lesley
Spillard

Report from Service

Area: Health, Education, Care and Safeguarding

Responsible Officer: Jacqui Old (Tel: (0191) 643
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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 two new supported accommodation services. The services will include a mix of supported housing and community based support, which will seek to prevent homelessness for vulnerable and socially excluded individuals within the borough.

The new services are proposed following a review of North Tyneside Council's ('the Authority's') existing provision, and will replace the Authority's existing contractual relationships with a range of providers. The proposed service model replaces a 'one size fits all' model with a more flexible service which can provide targeted support to those who need it the most, at the most critical times in their lives.

The introduction of a new 'tiered' service, based on an individual's levels of support needs will ensure that the proposed service model reflects the core principles of the Authority's Target Operating Model (TOM). The proposed model creates clear pathways towards an individual achieving independence and allows them to reduce their support needs. This will reduce an individual's requirements for gateway services and will encourage individuals to access more 'universal services'.

It is proposed that the contract start date will be September 2016. Contracts will be procured through an open and transparent process, in accordance with the Public Contracts Regulation 2006 and will be conducted through the NEPO portal.

The contracts for the current service provision expired on 31st March 2015 and have not been formally extended ('Existing Contractual Provisions'), although work has been ongoing since that time with all supported housing providers to secure efficiencies as detailed in 1.5.1, and the services have continued to be delivered. It is proposed that these contracts are regularised to extend them from 1st April 2015 until 31st August 2016, to bring them to the date the proposed new services will commence. The value of the proposed extension covering that 17 month period is anticipated to be around £1.3m. In order to comply with CSO in relation to the extension of the existing services, a Waiver is being sought to waive Contract Standing Orders (CSO) in respect of the necessary extension. Once approved, formal letters of variation to the existing contracts will be entered into between the Authority and the respective providers to regularise the contractual arrangement.

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 and the Head of Finance to:

- a) undertake a competitive procurement exercise to procure a provider(s) to deliver the proposed new service, as outlined in section 1.5.3.

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 4 January 2016.

1.4 Council Plan and Policy Framework

1.4.1 This report relates to the following priorities contained within the 2014 - 18, Our North Tyneside Plan:

- (a) Our People will be listened to by services that respond better and faster to their needs
- (b) Our People will be supported to achieve their full potential, especially our children and young people
- (c) Our People will be supported to live healthier and longer lives
- (d) Our People will be cared for and kept safe if they become vulnerable
- (e) Our Economy will have local people that have the skills which businesses need

1.4.2 This report relates to following plans and strategies in the Policy Framework:

The North Tyneside Homelessness Prevention Strategy 2013 – 2018 sets out four priorities supported by objectives to reduce homelessness. The vision from this strategy is 'Everyone has a place to call home and receives support when needed to prevent homelessness'

1.4.3 Delivery of the services set out in this specification will contribute to:

- (a) Priority One: widen housing choice
- (b) Priority Two: support people to secure and sustain a home

(c) Delivery of services that proactively work to prevent homelessness.

1.4.4 The new service will also contribute to the achievement of the Creating a Brighter Future Programme priorities of:

- (a) Cared for, safeguarded and healthy
- (b) Ready for work and life

1.4.5 In addition, the service will specifically contribute positively towards the outcomes of:

- (a) Encouraging our customers to be more independent; and
- (b) Better managing demand for services so people access the right services at the right time.

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:
 - Are or may become homeless; or
 - Have been homeless and need support to prevent them becoming homeless again.

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, the services have been subject to successive cuts to their overall contract values but have not been subject to a comprehensive review.

The annual value of the Authority's currently commissioned services for socially excluded clients is £953,959 per annum.

There is a range of research available that demonstrates the effectiveness of services which seek to reduce homeless and social exclusion and quantifies the overall savings to the public purse by having such services in place, as roughly £2 for every £1 of expenditure.

Over the last two years the Authority has undertaken substantial work with all housing related support providers, including those for socially excluded individuals. This work has resulted in the identification of efficiencies in existing contractual relationships across the whole service area, in particular it has identified opportunities for improved value for money through obtaining greater economies of scale and reducing potential overlaps between services. An efficiency of £500k for 2016/17 has been identified and is included within Business Case 10 – Effective Housing solutions.

The current services provide housing related support to vulnerable individuals 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.

Not all commissioned supported accommodation services in North Tyneside are age specific and as such it is recognised that some clients currently access services which are not age appropriate.

1.5.2 Existing Service Model

The Authority's current service model for supported accommodation services does not differentiate between different levels of need, and reflects an outdated service model. Currently, referrals into supported accommodation take into account the support needs of an individual which are identified through an initial assessment. Although a placement within a supported accommodation service reflects those specific support needs, it does not provide an expectation of the level of support required. Providing clearer guidance to providers on the relative intensity of individuals' support needs will allow providers to more specifically target staffing resources to those clients who need it the most which will create a more efficient service.

1.5.3 New Service Model

The Authority has set out two services for structuring its homelessness prevention support. Each service includes a range of practical responses in order to respond flexibly to individuals' needs.

The first service will provide support for homeless people over the age of 25 years, including those with multiple needs (such as, but not limited to, those with problematic drug and alcohol use, offending behaviour, mental health problems, learning disabilities, physical disabilities and veterans). The service will consist of supported accommodation which includes provision for needs which are low, medium and complex. It will be a requirement that the service includes at least one emergency bed.

The second service will provide support for young people aged 16-24 at risk of homelessness, including care leavers plus those with chaotic lives and young Lesbian, Gay, Bisexual and Transgender (LGBT) people. 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 complex. It will be a requirement of the service will also provide at least one crisis bed (see 1.5.5 below).

The overall budget for the service as a whole will be split between the two separate services. The basis for the split of resource will be based upon the number of units required within each of the two services, and the demand the service will have placed upon it. The number of units requested through the tender documentation will be based upon evidenced levels of need and projected demand.

The proposed new 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.

This approach has been informed by learning gained from three separate 'Housing First' pilots which were undertaken in 2015/16. Although all three pilots are different, the commonality between them is the service principles of placing an individual whose complex needs have not been successfully met through existing provision, into their own tenancy with intensive levels of support over a short time frame. The aim of the pilots was to provide intensive support to stabilise an individual with complex needs, so when their support is reduced, they are able to maintain their own tenancy and live more independently.

It is anticipated that the clear age distinction between the services within the new model will help to ensure that clients are accessing age appropriate services.

The new service model provides a flexible service which provides a tailored package of support based upon the needs of an individual accessing the service. This replaces the current model where support is effectively tied to specific buildings.

The new service also 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 proposed service model provides a choice of whether a vulnerable individual receives support in a 'centre based' setting or a 'dispersed' 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.

1.5.4 Links to the TOM

The Authority's Target Operating Model suggests that there are three distinct tiers of services accessed by the population of North Tyneside. The new service model for supported accommodation reflects this approach. It is anticipated that individuals referred into these services will fall under the category of 'Tier 3' or 'Tier 2'. In relation to the new service model 'Tier 3' individuals will be classed as 'high level support needs', whilst 'Tier 2' individuals will be classed as 'medium level support needs'. Within the Authority's Specification for the service, clear definitions of the characteristics of these different levels of support needs will be provided. The service model will serve to support all individuals to access Universal Services (Tier 1). The services will adopt a support planning methodology to provide a clear pathway to living independently. Referral processes into these services will follow these guidelines and services will be performance monitored against how well clients have been supported to progress towards independent living.

1.5.5 Crisis Bed Provision

The accommodation requirements for both the 16-25 contract and the over 25 contract includes the provision of at least one crisis bed (for individuals in immediate need of an emergency placement). Currently within North Tyneside there is no crisis bed provision. The provision of a crisis bed requires bespoke arrangements in relation to staffing and security but acts as a critical 'safety net' for individuals who otherwise, may end up rough sleeping. The requirement for crisis beds within this service model builds upon the needs analysis recently carried out by North Tyneside Homelessness Prevention Forum.

1.5.6 Collaborative approach

North Tyneside has a strong history of partnership working, particularly around supporting vulnerable individuals at risk of social exclusion. The new service model 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 each of the two parts of the service will be provided by a collaboration of service providers. Recent regional tenders for similar services have adopted this approach and it is hoped that the approach can assist providers to remove historical organisational barriers which can often hinder partnership working. Collaborative working of this nature is not a requirement of the procurement process and it may be that the successful providers deliver the provision independently.

1.5.7 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 new 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.

1.5.8 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. The tender process employed to choose an appropriate provider to deliver the service will assess this ability specifically.

1.5.9 Indicative Timeline

Should Cabinet approval be received, the new service model will be procured by tendering both services at once, but in two separate lots. Following tender evaluation the open tender process will culminate in a contract award stage. It is anticipated that both contracts will be in place to commence on the 1st of September 2016. The contract duration for both contracts will be for 24 months with an option for the Authority to extend for a further 24 months (the Authority will have the option to exercise this as one or two 12 month periods). Prior to the expiration of the initial contracts the services will be subject to a review to assess their relative 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 and put the new service in place.
- (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 and inappropriate 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:

The names, titles and contact numbers of the key officer who has contributed to the report and other relevant officers should be set out here in the following format:

Craig Nicholson, Commissioning Manager, People Based Commissioning,
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Sheila Watson, Strategic Commissioning Manager, People Based Commissioning,
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Roslynn Leggett, MEAM Co-ordinator, Social Fund, Tel. (0191) 643 6055

Russell Pilling, Safeguarding Operations Manager, Children & Family Services,
Tel. (0191) 643 7314

Alison Campbell, Senior Business Partner, Finance, Tel. (0191) 643 7038

Judith Robson, Category Manager, ENGIE, Tel. (0191) 643 5660

1.10 Background information:

None.

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

Any procurement exercise will need to take account of the introduction of the National Living wage from 1 April 2016. The 2016/17 Budget, approved by Council on the 18 February 2016 includes some contingency for the pressures that the National Living Wage will bring. It is anticipated that the new contract will deliver the £0.500m savings in Business Case 10, Effective Housing Solutions, approved as part of the 2016/17 Financial Planning and Budget process. If this is not the case a report will be brought back to Cabinet / Council, as appropriate for a decision before any expenditure is incurred.

The costs incurred during the contract extension to August 2016 can be met within existing budgets.

2.2 Legal

As detailed within 1.5.1 of this report, the Authority has statutory duties relating to homelessness which this contract helps the Authority to discharge.

In order to comply with CSO in relation to the extension of the existing services, a Waiver is being sought to waive Contract Standing Orders (CSO) in respect of the necessary extension. Once approved, formal letters of variation to the existing contracts will be entered into between the Authority and the respective providers to regularise the contractual arrangement.

The Authority will also be required to comply with the provisions of the Public Contracts Regulations 2015 and the Authority Contract Standards Orders when procuring the new service, and for this purpose an open procurement process in accordance with the Procurement Regulations 2015 is recommended.

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: 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 January 2016 a significant provider event was held by the Authority to consult with both current and prospective providers. This event was widely publicised through the NEPO portal to ensure a wide range of providers (both current and prospective) were given the opportunity to attend. At the event the new service model was presented and attendees were given the opportunity to discuss the proposed model. In order to assure transparency, all questions at the event, along with responses were published on the NEPO portal.

In addition, specific consultation has been carried out with young people who are currently accessing supported accommodation services.

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.

An Equality Impact Assessment was undertaken when preparing business case 10 and this has helped to inform the service specification for the service, e.g. in terms of disabled access and the division of the contract into age appropriate service lots. 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

These services are likely to lead to a reduction in crime and disorder within North Tyneside. 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

- Deputy Chief Executive x
- Head(s) of Service x
- Mayor/Cabinet Member(s) x
- Chief Finance Officer x
- Monitoring Officer x
- Head of Corporate Strategy x