

Alan Adams, Interim Executive Director Adults and Health	Ref No: OKD26 20/21
August 2020	Key Decision: Yes
Procurement of Housing Related Support	Part I
Report by Catherine Galvin, Head of Health and Social Care Commissioning	Electoral Division(s): All
<p>Summary</p> <p>Following the decision to reduce expenditure on Housing Related Support (HRS), the council has been working with the district and borough councils as part of a task and finish group to identify a way of ensuring that services are still able to meet the needs of vulnerable people.</p> <p>Services considered high priority for continued investment were re-procured on the 1st October 2019.</p> <p>In addition, the three accommodation based 'Resettlement' services identified as a medium priority for continued investment were extended for 6 months to 30th September 2020 to allow time to maximise the funding opportunities available. The Council's district and borough council partners have agreed to match fund our investment in each area, thus making the procurement of the remodelled services viable with a combined budget of £700,000 pa.</p> <p>Due to the COVID-19 crisis these three contracts are being extended for a further 6 months to 31st March 2021. These extensions will be co-funded by our district and borough council partners.</p> <p>This report seeks approval to commence a competitive tender for these jointly funded services commencing in October 2020, with new contracts start dates of 1st April 2021. The contracts will have an initial term of 2 years with the option to extend for up to a further 2 years.</p>	
<p>West Sussex Plan: Policy Impact and Context</p> <p>Housing Related Support contributes to the West Sussex Plan's objectives for Independence in Later Life, Stronger Communities and Start of Life. This proposal ensures that the HRS services in question are stabilised, whilst making the necessary savings to the budget.</p>	
<p>Financial Impact</p> <p>The proposal ensures that the spend on these services remain within the available HRS budget.</p>	

Recommendations

The Interim Executive Director for Adults and Health is asked to;

1. Approve the commencement of a competitive tender process for the delivery of Housing Support Services as detailed in paragraph 2 of the report; and
2. Make arrangements for a further decision to award contracts to start on 1st April 2021 with a contract duration of 2 years, plus provision for extension for up to two years, and will be subject to a further officer key decision.

Proposal

1. Background and Context

- 1.1. In December 2018 the decision was made to reduce expenditure on Housing Related Support to £2.3million by 2020/21. The reduction was to be implemented over the financial year 2019/20, allowing time to remodel services and explore impact mitigation with providers, District & Borough Councils and other partner organisations. This work was supported by a task and finish group of partners from the districts and borough councils, chaired by the Chief Executive of Crawley Borough Council.
- 1.2. To aid the process, the council rated the services using a RAG rating indicating the strategic fit with the County Council's statutory duties and to focus on interventions which assist in the prevention of other service demand:
 - Services rated red did not meet this strategic fit and these services have now ended.
 - Services rated green met the strategic fit for prevention or a statutory duty, were a high priority for continued funding and have been re-procured and new contracts in place since 1st October 2019, with a total annual contract value of £1.99m.
 - Services rated amber were those services that were not statutory requirements but supported the Council's prevention agenda. £0.35m of funding was allocated towards these services, to be match funded by our District and Borough partners.
- 1.3 This report deals with the procurement of the amber rated services.

2. Proposal Details

Amber Services

- 2.1 The Housing Related Support services categorised as Amber are those that help provide a clear pathway from homelessness or potential homelessness into independent living by working with customers and other agencies to develop or sustain their ability to live independently and prevent loss of accommodation. By avoiding preventable homelessness, they will divert demand from more intensive services and so support the Council's prevention agenda.

- 2.2. The services will form part of a holistic approach to homelessness prevention and successful bidders will be expected to work in close partnership with stakeholders, landlords and commissioners
- 2.3 The support will be delivered flexibly to vulnerable people in a variety of settings and will be person centred and build on customer strengths. It is expected that the majority of customers will be single people, but the service can be delivered to couples and/or those with children where appropriate.2.4 During the extension period to the existing services, a re-procurement of the Amber services through a competitive tender is proposed, with new contracts to start from 1st April 2021. For this, there will be an HRS budget of £0.35m per annum. This equates to £0.05m per district or borough area.
- 2.5 Each district and borough partner has committed to match fund this £0.05m bringing the total funds available for re-procurement across the county to £0.7m per annum. As previously stated, this match funding will start on 1st October 2020 to enable the extensions of the current services to be viable.
- 2.6 It is proposed that the competitive tender will have 6 lots and bidders will be able to bid for one or more lots. The values of these lots are to be found in Figure 1.
- 2.7 In Adur/Worthing, Chichester, Crawley and Horsham, the services will be based on a floating support model and will have the flexibility to be delivered to Customers wherever they may be living, whether this be in privately rented accommodation, social housing or owner-occupied accommodation.
- 2.8 In Arun, the service will be mainly accommodation based and bidders must be able to provide at least 10 units of accommodation. These units can be self-contained or shared, owned, leased or managed by the bidder or be allocated in partnership with the relevant District Council.
- 2.9 In Mid Sussex, the service will be mainly accommodation based and bidders will be expected to provide support and housing management services into properties owned by MOAT and Clarion Housing.

Figure 1

Lot area	Annual Lot Value	Maximum Contract Value including any extensions
Adur/Worthing	£200,000	£800,000
Arun	£100,000	£400,000
Chichester	£100,000	£400,000
Crawley	£100,000	£400,000
Horsham	£100,000	£400,000
Mid Sussex	£100,000	£400,000
Total	£700,000	£2,800,000

- 2.10 Although the procurement will be run by West Sussex County Council, our district and borough partners will be closely involved in the tender process and will form part of the tender evaluation panel. They will also have significant input into the management of the contracts through quarterly joint contract meetings.

- 2.11 The contracts will be issued for an initial term of 2 years with the option to extend for up to a further 2 years.

3. Factors taken into account

Consultation

- 3.1 The Council has worked in partnership to profile the funding available for services and develop a set of design principles with partners. This has been steered through a task and finish group led by the Chief Executive of Crawley Borough Council and consisting of nominated officers across the partnerships.
- 3.2 A series of stakeholder workshops was held throughout April and May 2019 with partners, stakeholders, providers and service users. This work informed a senior executive workshop held on 30th May 2019 to decide on future commissioning intentions. The council will continue to work with partners to develop and procure the new services, making sure that any additional funding opportunities are maximised.

4. Financial (revenue and capital) and Resource Implications

- 4.1 A breakdown of the investment over the maximum life of the contracts is described in the table below:

	Year 1 2021-22 £m	Year 2 2022-23 £m	Year 3 2023-24 £m	Year 4 2024-25 £m	
WSCC Funding	0.35	0.35	0.35	0.35	
D&B Funding	0.35	0.35	0.35	0.35	
Spend on 'Amber' services	0.7	0.7	0.7	0.7	
Balance Remaining	0	0	0	0	

- 4.2 The proposal ensures that the HRS services in question are viable post April 2021, whilst still ensuring the spend on these services is within the HRS budget.

5. Legal Implications

- 5.1 The Council proposes to follow the Open procedure in relation to all of the contracts so that the contract opportunity will be available to the whole market to bid for. Liability under the contract will be spread according to the funding by the authorities
- 5.2 Transfer of employment rights rules may apply should the services be won by a different provider to those currently providing the services. Procurement arrangements will provide for this.

6. Risk Implications and Mitigations

Risk	Mitigating Action (in place or planned)
'Amber' services become destabilised whilst re-procurement is in progress	Further 6-month extensions agreed for existing 'Amber' service contracts, at the lower annual contract value. Have worked with existing providers to ensure that the services can still be delivered during this period.
No Market interest.	Market Engagement event held on 20 th Jan 2020. Event was extremely well attended which indicated a good level of interest in the tender. Existing providers have indicated that they will be bidding for services. By delaying the competitive tender by 6 months, we hope that potential bidders will have more capacity to tender.

7. Other Options Considered

- 7.1 Single tenders for the 'Amber' services were considered. However, the county council, along with its co-funders at the district and borough councils, felt that this was an opportunity to re-model and tender for services that really met current need. It was also felt that there were other providers in the marketplace that should be given the chance to tender for the services.

8. Equality and Human Rights Assessment

- 8.1 A detailed impact assessment was undertaken as part of the budget consultation. The work planned to develop future service priorities and how they can best be met will continue the approach which takes fully into account the council's duty to have regard to its public sector equality duties.

9. Social Value and Sustainability Assessment

- 9.1 This proposal takes into account the social value that the commissioned services deliver for the people of West Sussex. The particular elements of the council's Social Value Policy to be included in the implementation of the proposals, were detailed as part of the impact assessment completed during the consultation period.

10. Crime and Disorder Reduction Assessment

- 10.1 Several commissioned services contribute to the council's role in reducing crime and anti-social behaviour. Stakeholders from the criminal justice sector have been encouraged to participate in this process so that this is properly recognised. The relevant statutory duties are included in the summary of responsibilities provided in appendix three.

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Background papers

None