



Executive Director of Community Services

Report title: Care Leavers Medium Supported Housing Approval to Award

Date 01 August 2023

Key decision: Yes

Class: Part 1

Ward(s) affected: All

Contributors: Commissioning Manager Supported Housing, Commissioning Officer Supported Housing, Finance Business Partner and Senior Lawyer

Outline and recommendations

This report recommends that the Executive Director of Community Services approves the selection of the preferred provider, following the tender process agreed by Mayor and Cabinet, of the Care Leavers Medium to High Support Supported Housing Contract. The preferred provider is Peabody Trust for a period of 3 years with the option to extend for a further 2 years at a yearly value of £380,000 - £1.14m for 3 years and £1.9m for 5 years. The contract will commence on 4th December 2023. Following the process Peabody Trust scored highest on the combined price and quality scores.

Timeline of engagement and decision-making

2021 – CYP carry out an assessment of semi-independent accommodation and propose an expansion of the Young Persons Supported Housing Pathway by twenty units.

23rd of February 2021 - Expressions of Interest for new buildings advertised via the London Portal.

January to April 2021 – The Young Persons Supported Housing Pathway is expanded by nine units via a contract variation.

August 2022 – Desktop review of pathway buildings.

February 23rd – Market warming and call for buildings from providers.

8th March – Mayor and Cabinet give permission to procure 10 to 20 units of supported housing for Care Leavers.

25th of April to 9th of June – Tender is live on ProContract.

29th of June – Moderation Panel.

1. Summary

- 1.1 The Prevention, Inclusion and Public Health Commissioning Team (PIPHCT) commissions a range of floating & accommodation based support services to meet the needs of homeless service users who require support to manage and maintain their accommodation.
- 1.2 PIPHCT works to align services with the ambitions of Lewisham Council working in partnership with other directorates such as Housing, Children's Social Care, Adult Social Care as well as Southeast London Integrated Care Board to improve access to the supported accommodation & floating support services to maximize effectiveness and strategic use of these services.
- 1.3 On the 8th March 2023 Mayor and Cabinet gave permission to procure and award a contract for 10 to 20 additional units of supported housing for Care Leavers. This followed a 2021 business case from CYP to procure additional units of supported housing. Mayor and Cabinet also delegated authority to the Executive Director for Community Services (in consultation with Director of Law and Corporate Governance and the Executive Director for Children and Young People) to select the preferred service provider in accordance with the award criteria published in the tender documentation and agree final form of contract provided the contract value is within the authorised limits.
- 1.4 Following an open procurement process Peabody Trust received the highest overall score. The total value for the 3 year contract will be £1,140,000, and £1,900,000 if the contract is extended to 5 years. This will bring on 16 units of supported housing across 2 buildings located within Lewisham.

2. Recommendations

- 2.1 It is recommended that Executive Director of Community Services agrees the selection

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of the preferred provider, Peabody Trust, the Care Leavers Medium to High Support Supported Housing Contract for a period of 3 years with an option to extend for up to a further 2 years at a yearly value of £380,000, equating to £1,900,00 for five years. The contract value is within the limits set out in the Mayor & Cabinet report. The contract will commence 4th December 2023.

3. Policy Context

- 3.1 The Prevention, Inclusion and Public Health Commissioning Team's (PIPHCT) supported housing funding is an important strand in the delivery of many government priorities. It plays a key role in delivering national strategies such as; the Reducing Reoffending National Plan, the new National Drugs Strategy, and 'Sustainable Communities: Settled Homes Changing Lives'.
- 3.2 The proposed lease extensions to support these services meets the corporate strategy 2022/25 as follows:
- 3.3 Children and Young People. The supported housing provision procured and monitored by the PIPHC Team contributes to ensuring the most vulnerable children and young people are protected from harm. Supported housing gives options for supporting young people leaving care.
- 3.4 Quality Housing. The recommendations in this report will support improvement of supported housing provision procured and monitored by the PIPHC Team, which gives people with support needs safe, comfortable accommodation that they can be proud of and happy living in. This increases the offer of safe and comfortable accommodation to more of Lewisham's residents.
- 3.5 Safer Communities. The services commissioned by the PIPHC Team work to prevent people entering the criminal justice system, including young people. Supported housing services work as part of the Safer Lewisham Partnership's Public Health approach to youth violence, aiming to reduce knife crime and sexual exploitation.
- 3.6 Health and Wellbeing. Recommendations in this report will support improvement of services commissioned by the PIPHC Team, in particular their work to improve health outcomes through supporting young people holistically with the wider determinants of health, through the provision of psychologically informed environments and through improved access to health services.

4. Background

- 4.1 In 2021 an assessment was undertaken of spend on Semi Independent Accommodation (SIL) for Care Leavers. On average the spend per week was £1,106 per person. The average spend for each unit in the Lewisham Young Persons Supported Housing Pathway is £240 per week. A difference of £866 per week per unit.
- 4.2 Based on this assessment CSC agreed a business plan to increase the Young Persons Supported Housing Pathway by 20 units. In 2022 the PIPHCT expanded a contract in the Supported Housing Pathway by a 9 bed building. This left a mandate to find an additional 11 units of supported housing for Care Leavers.
- 4.3 The 8th March 2023 Mayor & Cabinet gave permission for officers to take to market a procurement for additional supported housing, asking for tenders to bring buildings. Given the buildings used for the contract could not be determined before the tenders,

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Mayor & Cabinet agreed to commission a range of additional units, 10 to 20. A funding cap was put on tenders of £380,000 per year.

- 4.4 Mayor & Cabinet also approved the subsequent award of contract to the preferred service provider, provided the contract value is within authorised limits set out in 2.1
- 4.5 Mayor & Cabinet also delegated authority to the Executive director for Community Services (in consultation with the Director of Law and Corporate Governance and the Executive Director for Children and Young People) to select the preferred service provider in accordance with the award criteria published in the tender documentation and agreed final form of contract.

5. Procurement Arrangements

- 5.1 A market warming event was held on 23rd February, where the new service was presented to a host of providers. During the market warming the tender process was explained.
- 5.2 The procurement was advertised via the Council's online e-tendering system (Procontract) publishing the opportunity into Contracts Finder and Find a Tender service.
- 5.3 This procurement asked for tenders to submit a bid along with suitable buildings.
- 5.4 The tender went live on 26th April 2023 and closed on 9th June 2023. A total of 5 bids were received on time. Two out of the five did not pass the SSQ and one bidder failed to supply the correct tender documentation and therefore resulted in invalid submissions.
- 5.5 Two bids were evaluated at panel. Both providers submitted full tender documentation. Therefore, two organisations went through to the evaluation process.
- 5.6 After the tender period closed, the submissions were shared with the evaluation panel members who were instructed to separately evaluate all complete tenders. Each member's scores were shared with the Council's Procurement team ahead of a virtual meeting (known as a moderation meeting) which was held to discuss and agree consensus scores for each tender.
- 5.7 The moderation meeting was held on the 29th June 2023. To ensure representation of interests the panel was made up of Commissioning Officers, a Children's Social Care operational Officer, and a service user.
- 5.5 The service user on the panel was supported by the PIPHCT Involvement and Engagement Officer. The service user scored 2 out of 7 method statement questions, MS1b and MS4.
- 5.6 Tenders were asked to submit a pricing schedule, arrangements are to blocked fund the service at a set yearly value. A price cap of £380,000 was set. 45% of the overall score was determined by pricing schedule. The price score was calculated by the following formula;

Price Score = (lowest Annual Support Contract price/tendered Annual Support Contract price) x 45

This means that the lowest price submitted would receive the highest score for the financial element of the evaluation.

- 5.7 The qualitative assessment was based on the tendering provider's responses to the

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method statements included in the Invitation to Tender. These were used to test tenderers' understanding of service requirements. The following criteria were assessed during the quality evaluation:

- Financial 45%
- Service Delivery and Mobilisation 32%
- Project Management 6%
- Partnership Working 6%
- Equality, Diversity & Access 6%
- Social Value 5%

- 5.8 The Method Statements were assessed under the non-financial criteria and those provided by the successful tenderers will form part of the Contract documentation against which their performance will be monitored. Full details of the method statement questions can be found in the attached document in Section 14.
- 5.9 The scoring for quality was awarded on a scale of 0 – 10, 0 being non-existent and 10 being perfect. Criteria marked with an asterisk (*) in the list below, required a minimum quality score of 7 to be considered valid. Criteria not marked with an asterisk (*) were required to achieve a minimum quality score of 5. Any Tender which failed to attain these minimum scores would be deemed invalid. The table below provides a description of each score:

Score	Level	Standard
0	Non-existent	Proposal absent
1	Inadequate	Proposal contains significant shortcomings and/or is inconsistent or in conflict with other proposals
2	Very poor	Proposal contains many shortcomings and/or is inconsistent or in conflict with other proposals
3	Poor	Proposal falls well short of achieving expected standard in a number of identifiable respects
4	Weak	Proposal falls just short of achieving expected standard in a number of identifiable respects
5	Barely adequate	Proposal just meets the required standards in nearly all major aspects, but is lacking or inconsistent in others

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6	Adequate	Proposal meets the required standards in nearly all major aspects, but is lacking or inconsistent in others
7	Good	Proposal meets the required standard in all major material respects
8	Very good	Proposal meets the required standard in all major material respects and in a few of the minor requirements
9	Excellent	Proposal meets the required standards in all major material respects and nearly all of the minor requirements
10	Perfect	Proposal meets the required standards in all major material respects and all of the minor requirements

5.10 The pricing schedule used to assess the financial aspects of the bids can be found in the attached document in Section 14.

6. Synopsis and Evaluation of Bids Received

6.1 The table below shows the scoring given to the providers. Tenderer 1 did not meet the minimum scoring thresholds. The tender was rejected on this basis as set out in the Invitation to Tender.

6.2 The overall quality scores are on the table below - scores are out of a possible 55:

Name of tenderer	Peabody Trust	Company A
Minimum scores met?	yes	No
Quality score	41.80	Invalid tender
Quality ranking	1	N/A

6.3 For further details on the tender evaluation please see the corresponding part 2 report, section 6.

6.4 Peabody Trust had the highest combined cost and quality score overall and it is recommended that they are awarded the contract.

6.5 The overall bid provided a detailed and comprehensive proposal on how they would continue to deliver the contract. They demonstrated good examples of service provision throughout their proposal.

7 Financial implications

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- 7.1 The report notes the request to award this contract to Peabody trust at a value of £380k per annum (total contract value of £1.14m for 3 years, and £1.9m for 5 years) with 3-year agreement and a potential to extend by a further 2 years.
- 7.2 The contract is for 16 units at a cost of £23,750 per unit per year, assuming full occupancy.
- 7.3 The average cost of a care leaver in a semi-independent accommodation is estimated at circa £55k-60k per annum.
- 7.4 Occupancy would need to be in the region of 7-8 units, anything above this would contribute towards an overall cost reduction to the service.

8 Legal implications

- 8.1 This report proposes that the Executive Director for Community Services (in consultation with Director of Law and Corporate Governance and the Executive Director for Children and Young People) approves the selection of Peabody Trust for a period of 3 years with the option to extend for a further 2 years.
- 8.2 The report sets out the process undertaken and the reasons for selecting the preferred service provider and that the price submitted by the selected service provider is within the authorised limits as approved by the Mayor and Cabinet on 8th March 2023.
- 8.3 This decision is not a key decision.

9 Equalities implications

- 9.1 Equality Analysis Assessments have been completed for the Mental Health & Single Adults Pathway, and for the Young Persons. These assessments have been completed using the methodology and approach set out in Lewisham Corporate Equalities policy in line with the Equalities Act 2010.
- 9.2 It assessed the proposals in line with the Equality Act 2010 and considered the potential impact on all of the nine protected characteristics.
- 9.3 One of the key quality criteria measured during any framework commissioning process is "Processes for addressing equality and diversity". The criteria will continue to be measured for all future commissioning.
- 9.4 All the services contained in this report will be specified to record and report demographic data to better monitor trends and gaps in supported housing service provision.
- 9.5 This service will accommodate and support Care Leavers who are in need of housing and have experienced some element of trauma within their lives. The service users will be supported to progress in their lives holistically and to improve their situation in a number of areas, with focus on move on and independence living skills and employment, training and education engagement.

10 Climate change and environmental implications

- 10.1 The Council has made a commitment to making the borough carbon neutral by 2030.

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- 10.2 The extension to the supported housing contracts listed in this report will not have any negative impact on the rate of energy consumption or increase of carbon admissions.
- 10.3 Supported housing service buildings are maintained by various landlords. The energy efficiency of services etc. will be discussed in contract monitoring meetings and assessed during Quality Assurance visits.
- 10.4 Recycling should be proactively promoted in supported housing services and will be monitored during scheme visits and will be discussed with residents.

11 **Crime and disorder implications**

- 11.1 Provision of suitable supported accommodation links directly to the delivery of section 17 of the Crime and Disorder Act. Section 17 of the Act recognises that there are key stakeholder groups who have responsibility for the provision of a wide and varied range of support services to and within the community. In carrying out these functions, section 17 places a duty on partners to do all they can to reasonably prevent crime and disorder in their area.
- 11.2 The purpose of section 17 is simple: the level of crime and its impact is influenced by the decisions and activities taken in the day-to-day of local bodies and organisations. The responsible authorities are required to provide a range of services in their community. Section 17 is aimed at giving the vital work of crime and disorder reduction a focus across the wide range of local services and putting it at the heart of local decision-making.
- 11.3 Research by the Home Office has shown that stable housing is a significant factor in reducing the likelihood of people re-offending. For example, stable accommodation reduces the potential for committing further crime by offenders within the community by about 20%. The Supporting People Framework Agreement, which has been used to procure services, reduces risk to offenders and the community and therefore benefits community safety and cohesion.

12 **Health and wellbeing implications**

- 12.1 Extension of the supported housing services detailed in this report will have a positive impact on health, mental health, and wellbeing by providing housing with support to homeless vulnerable service users within the borough.
- 12.2 The supported housing services will have a positive impact on social, economic and environmental living conditions that indirectly affect health by providing good quality accommodation with support to address health issues early on and to ensure wrap around services are in place.

13 **Social Value**

- 13.1 The services listed are delivering support to vulnerable residents within the borough independently of local authority funding, promoting a range of social value within the borough. Further the delivery of the Council's wider Social Value forms 5% of the tender scoring.
- 13.2 The Council is an officially accredited London Living Wage (LLW) Employer and is

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committed to ensuring that, where appropriate, contractors and subcontractors engaged by the Council to provide works or services within Lewisham, pay their staff at a minimum rate equivalent to the LLW rate. Successful contractors will be expected to meet LLW requirements and contract conditions requiring the payment of LLW will be included in the service specification and contract documents.

13.3 The incorporation of Social Value into Lewisham contracts will significantly help the Council to deliver on its strategic corporate and Mayoral priorities and deliver added value for the borough as a whole.

13.4 Once contracts have been awarded officers will agree social value aims and KPI's with these providers as a condition of the contract.

14. Background papers



Pricing Schedule -
Care Leavers Support



Method Statements
Care Leavers Support



MC%208%203%202
Care Leavers Support3%20Care%20Leaver

15. Contract Management

15.1 In accordance with the Council's contract management framework this contract is a tier 1 contract. Contract Management meetings will be held on a quarterly basis and the key performance indicators (KPIs) on the contract management dashboard will be monitored and reported on accordingly.

16. Report author(s) and contact

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16.2 Comments for and on behalf of the Executive Director for Corporate Resources

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16.3 Comments for and on behalf of the Director of Law

Mia Agnew, Senior Lawyer

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17 Decision

Acting in accordance with Standing Orders (clause 13 of Section I), I hereby give approval to the recommendations of this report.

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Signed: 

Date: 18/08/23

Tom Brown, Executive Director for Community Services

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