



Mayor and Cabinet

Supported housing and floating support - permissions to award contracts

Date: 3rd November 2021

Key decision: Yes.

Class: Part 1

Ward(s) affected: All

Contributors: Sarah Miran – Commissioning Manager (Supported Housing)

Executive Director of Corporate Resources and Prevention, Inclusion, and Public Health Commissioning team

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Timeline and Engagement

July – April 2020	Project groups established for each accommodation pathway & floating support service
July – August 2020	Joint Prevention, Inclusion and Public Health Commissioning Team (PIPHCT) / SLAM review of mental health supported accommodation pathway completed
September - December 2020	YP Pathway review completed by PIPHCT
September 2020 – March 2021	Focus groups with key stakeholders
February 2021	Expressions of Interest for new buildings advertised via the London Portal
March 2021	Key Stakeholder Online consultation
May 2021	Market Warming Event
September 2020 – March 2021	Service User feedback sought via 1:1 meetings and service user feedback questionnaire.
9 th June 2021	Permission to Procure report to Mayor and Cabinet
November 2021	Permission to Award report to Mayor and Cabinet
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Outline and recommendations

Mayor and Cabinet are recommended to award contracts to providers as set out below to deliver supported accommodation services and a tenancy sustainment & resettlement service.

- 1) Hestia to deliver a male only high needs mental health supported housing service. The contract will be for an initial period of 3 years, commencing on 1st April 2022, with an option to extend for a further 1 + 1 years up to a maximum contract value of £2,097,035
- 2) Single Homeless Project to deliver a Young Persons Assessment Centre and Next Steps Care Leaver Service for an initial period of 4 years, commencing on 1st April 2022 with an option to extend for a further 1 + 1 years up to a maximum contract value of £2,124,683
- 3) Single Homeless Project to deliver a Single Adults Community Recovery & Re-integration service for an initial period of 4 years, commencing on 1st April 2022 with option to extend for a further 1 + 1 years up to a maximum contract value of £2,329,560
- 4) Thames Reach to deliver a Tenancy Sustainment & Resettlement service for singles for an initial period of 3 years, commencing on 1st April 2022 with an option to extend for a further 1 + 1 years up to a maximum contract value of £1,399,468

Mayor and Cabinet are also recommended to approve direct negotiations following a failed procurement and delegate authority to the Executive Director to award the contract following negotiations.

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 including Housing, Children's Social Care, Adult Social Care & Southeast London Clinical Commissioning Group to improve access to supported accommodation & floating support services and to maximize effectiveness and strategic use of these services.
- 1.3 The supported accommodation & floating support contracts detailed in table 1 are due to expire in March 2022. Permission to procure these services via an open tender process was agreed by Mayor & Cabinet on 9th June 2021.

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Table 1:

Client group	Service description	Current Supplier	Annual Contract Value	Contract end date
Mental Health	12 bed 24 hour sleeping night service	Hexagon	£433,809	31/03/2022
Mental Health	16 bed medium support service	Family Action	£110,998 *	31/03/2022
Mental Health	13 Bed 24 hour waking night service	Certitude	£457,243	31/03/2022
Mental Health	8 bed male only 9-9 service	Peabody	£122,774	31/03/2022
Single Adults with Support Needs	63 bed high / medium / low support service	Single Homeless Project	£385,060.	31/03/2022
Young People age 16-21	24 bed assessment centre	Single Homeless Project	£361,140	31/03/2022
Floating support service Single adults 18 +	Floating support service managing caseload of 150	One Support	£282,196	31/03/2022
	TOTAL		£2,153,220	

*The Family Action contract is part funded by LB Lewisham £61,675 and part funded by direct payment to Family Action from SlaM.

- 1.4 Officers have undertaken a full review of the current provision to develop proposals to better meet need for supported housing services.
- 1.5 The proposals include amalgamating the Hexagon, Family Action, and Certitude contracts as listed above into one larger contract to provide a more integrated community recovery service, and to re-purpose funding from these mental health contracts to enhance the male only provision currently being hosted by Peabody to develop a high needs 24 hour male only service.
- 1.6 This report summarises the work undertaken and procurement approach utilised to recommend the award of 3 Supported Housing Services, and 1 Tenancy Sustainment and Resettlement Services.

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2. Recommendations

2.1 Mayor and Cabinet are recommended to award contracts to:

- 1) Hestia to deliver a male only high needs mental health supported housing service. The contract will be for an initial period of 3 years, commencing on 1st April 2022, with an option to extend for up to a further 2 years up to a maximum contract value of £2,097,035 - £419,407 pa.
- 2) Single Homeless Project to deliver a Young Persons Assessment Centre and Next Steps Care Leaver Service for an initial period of 4 years, commencing on 1st April 2022 with an option to extend for up to a further 2 years up to a maximum contract value of £2,124,683 - £354,113 pa.
- 3) Single Homeless Project to deliver a Single Adults Community Recovery & Re-integration service for an initial period of 4 years, commencing on 1st April 2022, with option to extend for up to a further 2 years up to a maximum contract value of £2,329,560 - £388,260 pa.
- 4) Thames Reach to deliver a Tenancy Sustainment & Resettlement service for singles for an initial period of 3 years, commencing on 1st April 2022 with an option to extend for up to a further 2 years up to a maximum contract value of £1,399,468 - £279,866 pa.

2.2 Mayor and Cabinet are recommended to:

- 5) Approve entering into direct negotiations with a supplier following a failed tender exercise for a Mental Health Community Recovery service.
- 6) delegate the award of this contract to the Executive Director of Community Services once direct negotiations have concluded on the advice of the Director of Law, Corporate Governance and Elections.

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, Tackling Drugs to Build a Better Britain and 'Sustainable Communities: Settled Homes Changing Lives'.

3.2 The proposed award of the contracts detailed in this report meets the Corporate Strategy 2018/22 as follows:

Priority 3, *Giving Children and Young People the best start in life*; the Young Persons Assessment Centre & Next Steps Care Leaver Service will provide supported housing options for young people aged 16 - 21 including young people leaving care. This service will support young people with their own personal circumstances including how to maintain independent accommodation.

Priority 5, *Delivering and Defending: Health Care and Support*; the services detailed in this report will provide support to access assessments and support for physical and mental health needs and where appropriate refer to primary and secondary NHS services. There will be a strong emphasis on education, training and leisure activities to

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support service users' self-improvement and assist with re integration into the community

Priority 7, *Building safer communities*; the services listed in this report will support the work within the partnership to combat anti-social behaviour linked to alcohol and drug misuse homelessness and rough sleeping.

4. Background

- 4.1 The services listed in table 1 of this report were awarded by Mayor and Cabinet, and permitted extensions approved as detailed in the Permission To Procure report included in the 'Background Report' section of this document. In most cases, contracts were initially let over 3 years with an option to extend for up to a further 2 years.
- 4.2 The majority of the contracts listed in Table 2 are legacy 'Supporting People' services. Austerity measures have seen a significant reduction to the funding allocated to supported accommodation and floating support services, with the budget of £13,901,015 in 2010 reduced to £5,647.028 in 2021. Funding for the contracts listed in table 2 has been retained by LB Lewisham and managed by PIPHCT.
- 4.3 As described in section 3 of this report, supported housing and floating support services play a vital role in ensuring key elements of the corporate strategy are delivered and that appropriate accommodation support services are in place to meet the needs of the most vulnerable homeless residents in the borough.
- 4.4 The mental health supported housing services delivered by Hexagon, Certitude, Family Action are joint funded via LB Lewisham and South East London CCG.
- 4.5 The majority of these services were procured via tendering directly from a joint Framework agreement with LB Southwark. This Framework agreement went live in August 2015 and ended in August 2019 and has not been renewed. Therefore services listed in table 2 have been subject to an open tender process.
- 4.6 A comprehensive review of current provision was undertaken by officers across 2020 / 2021 to inform the procurement approach for these services, which was agreed by the Mayor and Cabinet on 9th June 2021.

5. Procurement Arrangements

- 5.1 Given that the LB Lewisham Framework for supported housing services expired in 2019, and that supported housing and floating support services require specialist providers, it was felt that the best procurement route would be the 'open' procedure whereby all organisations expressing an interest are invited to tender.
- 5.2 Officers used the Pro Contract system to advertise the following contracts:
 - 1) Male only High Needs Mental Health Accommodation service – L1.
 - 2) Community Recovery Mental Health Accommodation – L2
 - 3) Yong Persons Assessment Centre & Next Step Care Leaver Service – L3
 - 4) Community Recovery Single Adults Accommodation – L4
 - 5) Tenancy Sustainment & Resettlement Service – L5.
- 5.3 Tenders for L1 and L2 went live on the 23rd July 2021; the tenders for L3 and L4 went live on the 26th July 2021. L2 to L4 closed on the 1st September 2021. The closing date for L1 was extended to 15th September 2021 to allow suppliers to respond to

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updated housing management information. L5 opened on the 30th July 2021 and closed on the 8th September 2021.

5.4 The following criteria were assessed during the evaluation process:

Financial	50%
Service Delivery and Mobilisation	12%
Project Management	8%
Communication	7%
Continuous Improvement	7%
Equality, Diversity & Access	6%
Health and Safety	5%
Social Value	5%

5.5 In accordance with 'Best Value' the specification produced for the contract was 'output based'. Tenderers were asked to submit a description of their proposals in the form of Method Statements, in order to test tenderers' understanding of service requirements. These included proposals for assisting the Council in delivering continuous improvement.

5.6 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. An example of the information required by the method statements is given in **Appendix 1** for supported Housing Services and **Appendix 2** for tenancy sustainment and resettlement service.

5.7 The pricing schedule used to assess the financial aspects of the bids are shown in **Appendix 3** for supported housing services and **Appendix 4** for tenancy sustainment and resettlement services.

5.8 **Male only High Needs Mental Health Accommodation Service - L1.**

- Following the placement of an 'open' advertisement in Pro-Contract for this service, 11 organisations expressed an interest in providing this service.
- Out of these 11 organisations, 4 did not submit full tender documentation. Therefore 7 organisations went through to the evaluation process.

5.9 **Community Recovery Mental Health Accommodation Service – L2**

- Following the placement of an 'open' advertisement in Pro-Contract for this service, 1 organisation expressed an interest in providing this service, however that organisation did not submit a full tender.
- There were no submissions for this service and the tender process failed to attract a suitable supplier.
- Officers sought feedback from suppliers who had raised clarifications on the service during the tender process to establish reasons they had not submitted bids for the service. Providers fed back a range of issues including; risks associated with taking on

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a leasehold, the amount of tenders that had been advertised at the same time with providers focusing on retaining existing contracts and lacking capacity to bid for additional services, corporate decisions not to take on housing management responsibilities for buildings not owned by the provider, as well as overall capacity issues and organisational mergers.

- Discussions with suppliers identified that the service specification put forward is deliverable within the funding envelope for the service, and suppliers indicated interest in pursuing direct negotiations to deliver this service.
- It is therefore recommended that the Mayor & Cabinet approve direct negotiations with a supplier to deliver this contract, and to delegate authority to award this contract to the Executive Director for Integrated Care and Commissioning.

5.10 Young Persons Assessment Centre and Next Steps Care Leaver Service – L3

- Following the placement of an ‘open’ advertisement in Pro-Contract for this service, 2 organisations expressed an interest in providing this service and both bids were evaluated.

5.11 Community Recovery Single Adults Accommodation Service – L4

- Following the placement of an ‘open’ advertisement in Due North (Pro-Contract) for this service, 9 organisations expressed an interest in providing this service.
- Out of these 9 organisations, 3 did not submit full tender documentation therefore 6 organisations went through to the evaluation process.

5.12 Tenancy Sustainment & Resettlement Service

- Following the placement of an ‘open’ advertisement in Pro-Contract for this service, 7 organisations expressed an interest in providing this service.
- Out of these 7 organisations, one did not submit full tender documentation. Therefore 6 organisations went through to the evaluation process:

6. Synopsis of the bids received.

- 6.1 Full synopsis of the bids received are set out in section 6 of the Part 2 report.

7. Financial implications

- 7.1 The awarded service contract values listed below at 7.3 are for block contracts, and are all contained within current core General Fund budgets. Service contracts allow for flexibility and variation in future years in response to any change in income or changes to the Council’s Medium Term Financial Strategy.
- 7.2 The existing contract with Family Action includes a direct contract payment of £49,323 made by South London and Maudsley Trust (SLaM). SLaM have committed to continue this funding contribution, which will form part of the contract value for Lot 2-MH - Complex needs Community Recovery Service.

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7.3 Contract values and duration

Service	Published Annual Value	Awarded Annual contract value	Length of contract	Total contract value
<u>Lot 1 –contract award.</u>				
MH Male only Complex needs	£437,760	£419,407	3+2	£2,097,035
YP - Young Persons Assessment Centre & Move through service	£361,140	£354,113	4+2	£2,124,678
SA - Single Adults Recovery & Re-integration service	£385,060	£388,260	4+2	£2,329,560
Tenancy Sustainment & Resettlement Service	£282,196	£279,866	3+2	£1,399,330
Sub-total	1,466,156	1,441,646		7,950,603
<u>Lot 2 -contract award subject to direct negotiation (see para 5.9)</u>				
MH - Complex needs Community Recovery Service	£687,065	DIRECT NEGOTIATION (see 5.9)	5+2	£4,510,576
Total	£2,153,221	-		£12,461,179

8. Legal implications

- 8.1 The Council's Constitution contains requirements about how to procure and manage contracts. These are in the Contract Procedure Rules (Constitution Part IV). Some of the requirements in those Rules are based on the procurement Regulations (PCR 2015) with which the Council must comply. These contracts fall under the Light Touch Regime under PCR 2015, which relates to services such as health, social and related services. As such, while the requirements are less onerous than those for other contracts to which PCR 2015 applies, the obligations still require compliance with principles of equal treatment, transparency and non-discrimination.
- 8.2 The report proposes the award of four contracts as set out in paragraph 2.1 of this report. The value of the individual contracts exceed £500,000, which means that all of the contracts are classed as Category A contracts for the purposes of the Council's Contract Procedure Rules and they are to be awarded by Mayor and Cabinet.
- 8.3 These contracts have been externally and openly advertised as required by PCR 2015

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and the Council's Constitution. If the proposal to award contracts is approved, award notices must be published on Contracts Finder in the prescribed form.

- 8.4 Procedures for tendering are to be determined by contracting authorities in accordance with PCR 2015 (regulation 76). These require procedures to be transparent and ensure equal treatment of suppliers. Time limits must also be reasonable and proportionate.
- 8.5 The report explains the evaluation approach and process applied to the bid and the reasons for recommending the successful bid for approval. The Invitation to Tender set out that bidders who failed to achieve a minimum score for certain Method Statements would be rejected and not considered further.
- 8.6 The report also requests approval for officers to negotiate directly with a provider following a failed procurement. In accordance with Regulation 32 of the Public Contracts Regulations 2015, where no suitable tenders have been submitted in response to an open procedure, provided that the initial conditions of the contract are not substantially altered, a contracting authority may negotiate directly with one company. The conditions of Regulation 32 are met, therefore officers are able to enter into direct negotiations, subject to Mayor and Cabinet approval.
- 8.7 The report also asks for approval to delegate authority to the Executive Director on the advice of the Director of Law, Corporate Governance and Elections to approve the award of contract for Community Recovery Mental Health Accommodation Service following negotiations.
- 8.8 The decisions to award the four contracts are key decisions and therefore need to be included in the key decision plan.
- 8.9 The Council has a public sector equality duty (under the Equality Act 2010 (the Act)). It covers nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 8.10 In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.
- 8.11 The duty is a "have regard duty", and the weight to be attached to it is a matter for the decision maker, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.
- 8.12 The Equality and Human Rights Commission has issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled "Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice". The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at: <http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>.

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- 8.13 The Equality and Human Rights Commission (EHRC) has issued guides for public authorities in England giving advice on the equality duty. The 'Essential' guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at: <http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>

9. Equalities implications

- 9.1 The supported housing and floating support contracts provide services for adults who require accommodation based support, or floating support in the community. Each service is required to abide by equality legislation. The service specifications for the new services will focus on reducing barriers to accessing accommodation and support for all underrepresented groups in line with the Equality Act 2010, and have considered the potential impact on all of the nine protected characteristics.
- 9.2 The Council's Equalities objectives are addressed in the contract documentation and were part of the tender evaluation criteria.

10. Climate change and environmental implications

- 10.1 The Council's Environmental objectives are addressed in the contract documentation and are part of the tender evaluation criteria.

11. Crime and disorder implications

- 11.1 The supported housing and floating support services detailed in this report relates to the provision of specialist accommodation based support services for vulnerable homeless Lewisham residents. This will therefore make an important contribution to the work of the Safer Lewisham Partnership and link in directly with the Safer, Stronger Communities outcome to 'minimise harm caused by homelessness and rough sleeping.

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 in 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.

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13. Social Value

- 13.1 The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the wellbeing of the local area can be secured.
- 13.2 Bidders were therefore asked to submit a method statement that has a weighted score of 5% Bidders needed to demonstrate how the service will contribute to the key social value outcomes, including how the organisation works with local employers and training organisations to remove stigma and barriers to support individuals in returning to employment, training and/or education
- 13.3 The council is an officially accredited London Living Wage (LLW) Employer and is 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 tender documents.
- 13.4 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.
- 13.5 Once contracts have been awarded the Social value delivery and monitoring be formally reported on the KPI Performance report.

14. Background papers

- 14.1 Permission to Procure Report for Mayor and Cabinet



Supported Housing
Permission to Procure

15. Glossary



Glossary.pdf

16. Report author and contact

- 16.1 Sarah Miran - Commissioning Manager (Prevention, Inclusion & Public Health Commissioning)
- 16.3 **Comments for and on behalf of the Executive Director for Corporate Resources**
- 16.4 Abdul Kayoum
- 16.5 **Comments for and on behalf of the Director of Law, Governance and HR**
- 16.6 Mia Agnew

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