

Report of Strategy & Commissioning

Report to Director of Environment & Housing

Date: May 2016

Subject: To seek approval to:

a) waive Contracts Procedure Rule 15.2 to amend the quality threshold for the Intensive and Dispersed Supported Accommodation tendering exercise to 70% quality 30% price

b) extend the term of the above contract to include an extension of up to 3 years

Are specific electoral wards affected? If relevant, name(s) of ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. A detailed review of the commissioned housing related support services has been undertaken. The review considered future need and demand to inform the commissioning of a new effective service model for the city which is holistic, flexible and responsive.
2. Key findings from the review have resulted in the recommendation to commission a new housing related support model, which includes intensive and dispersed supported accommodation alongside a single adult visiting support service.
3. Approval is sought to waive Contracts Procedure Rule 15.2 in order to amend the quality threshold for the intensive and dispersed supported accommodation tendering exercise to 70% quality 30% price split. The Contract Procedure Rules state that approval must be sought to utilise a weighting above 60 per cent for quality.
4. The reason for this request is to ensure that future commissioned services are delivered to a high quality standard as the services provide support to people who are particularly vulnerable. In addition the price differential between the upper and lower thresholds is relatively narrow, and as such there is less scope for prospective tenderers to provide efficiency savings through the tender process. Therefore only allowing 300 points for price evaluation ensures that the council can place more emphasis on the qualitative element of the service. Furthermore,

approval was given in March 2016 to apply this ratio to the visiting support tender assessment, and therefore this approval would ensure consistency across the housing related support programme.

5. In addition, approval is sought to extend the term of the above contracts to include an extension of up to 3 years.

Recommendations

1. It is recommended that the Director of Environment & Housing:–
 - 1.1 i) Waives Contracts Procedure Rule 15.2 in order that the tenders for the Intensive and Dispersed Supported Accommodation service can be evaluated based on a 70% quality 30% price split.
 - 1.2 ii) Approve the provision for an extension of up to 3 years on the 5 year contract for the Intensive and Dispersed Supported Accommodation service.

2 Purpose of this report

- 2.1 The purpose of this report is to seek authorisation to waive Contracts Procedure Rule 15.2 so that the tenders for the Intensive and Dispersed Supported Accommodation service can be evaluated based on a 70% quality 30% price split.
- 2.2 The report also seeks approval for changes to the proposed contract and extension lengths for the new service.

3 Background information

- 3.1 The Housing Related Support (HRS) Programme comprises of a number of contracts for accommodation based and floating support services, which enable people to achieve and maintain independent living. It supports people who have a range of support needs including those who are experiencing homelessness, mental health and drug and alcohol addiction.
- 3.2 The HRS Programme was reviewed during 2015 in order to improve access and pathways, identify any gaps in services, provide a renewed focus on prevention and early intervention and support people to sustain independent living, underpinned by collaborative joint working practices. The review and subsequent procurement processes provide an opportunity to ensure that services in Leeds are able to deliver and respond effectively to changes in need and demand.
- 3.3 Key findings and outcomes from the HRS review were approved at Executive Board in October 2015, including approval for the Director of Environment & Housing to use his delegated authority to make subsequent decisions in relation to the commissioning of the services. The report included a new HRS model including remodelled accommodation services and a single adult visiting support service. The Intensive and Dispersed Supported Accommodation element of the service will go out to tender in June 2016.

4 Main issues

- 4.1 In order to ensure that the authority procures high quality services to meet the identified support needs of vulnerable clients, it is proposed that the quality threshold for the Intensive and Dispersed Supported Accommodation tendering exercise is amended to 70% quality 30% price. The tender evaluation guidance states that approval must be sought to utilise a weighting above 60 per cent for quality.
- 4.2 The reason for the request to waive contract procedure rule 15.2 is to ensure that the authority procures high quality services to meet the identified support needs of vulnerable clients. The tender is for a complex contract where specialist expertise and knowledge are required in order to deliver the services. Tender submissions are considered based upon the quality/quantity that is offered within a given budget range.
- 4.3 The financial modelling of the new service is based on determining the costs associated with the new service model. This has been informed by a detailed analysis of the costs and staffing ratios of the current services. The budget differential between the upper and lower range to deliver the HRS services is fairly limited, and therefore there is less scope for tenderers to provide efficiency savings through the tender process. As a result the evaluation score separation between the two ranges is narrow. Therefore only allowing 300 points for price evaluation ensures that the council can place more emphasis on the qualitative elements of the service through the tender process.
- 4.4 The strategy and commissioning team is confident that the right models will be commissioned and had in mind the model will last for 5 years with the option to extend for up to an additional 3 years. The extension period would be optional, as would the amount of time up to the 3 year limit to be used, allowing a flexible approach to continuing the service, reviewing the effectiveness of the model or to undertake a new tender exercise, as required.
- 4.5 The contract Break Clauses included in the Terms & Conditions and annual price reviews to minimise risk, will ensure that the services remain efficient and effective and allow the contract to be reflective of future budget restrictions.

5 Corporate considerations

5.1 Consultation and engagement

- 5.1.1 Extensive and inclusive consultation has been undertaken with a wide range of clients, stakeholders, staff and service providers as part of the HRS review. This included a range of questionnaires, meetings, forums, outcomes based accountability sessions and workshops. The feedback from the consultation has been used to inform service design and future commissioning of a new housing related support model.
- 5.1.2 A Project Board and Project Team were established as part of the review process including representation from Strategy and Commissioning, Housing Management, Housing Options, Children's Services, Adult Social Care and Projects Programmes & Procurement Unit. The Board has been consulted regarding the findings of the reviews and are supportive of recommendations in this report.
- 5.1.3 Providers of services are aware of the plans to commission the new model of housing related support.

5.2 Equality and diversity / cohesion and integration

- 5.2.1 An Equality, Diversity, Cohesion and Integration screening paper has been completed and included as background information to this report. The screening tool indicates that at this time a full assessment is not required because the recommendations will not involve any changes which would impact negatively on service users, staff or stakeholders.
- 5.2.2 A full Equality, Diversity, Cohesion and Integration assessment has been completed for the new service and any subsequent procurement in order to consider the impact of any changes on clients, staff and stakeholders and inform the specification.
- 5.2.3 Consortium bids will be welcomed, to ensure that smaller organisations can be involved in the delivery of the service.

5.3 Council policies and best council plan

- 5.3.1 The Housing Related Support programme directly contributes to the delivery of key outcomes within the Best Council Plan 2015-20, specifically the 2015/16 objective of 'supporting communities and tackling poverty'.
- 5.3.2 The commissioning of housing related support services directly supports the council's renewed ambition for Leeds to be a compassionate and caring city. It also supports the 'Vision for Leeds 2011-2030' and the delivery of wider outcomes for the Council and its partners including those related to community safety, health and well-being, poverty and debt, social inclusion and employment and training.
- 5.3.3 The effective and robust management of the services, including the undertaking of strategic reviews and performance management reviews, also contributes towards becoming an 'Efficient and Enterprising Council'.

5.4 Resources and value for money

- 5.4.1 Changes to the quality evaluation criterion will ensure service users will receive quality services.
- 5.4.2 The option to extend the contracts will be made through the delegated decision process at the time and based on budget availability.

5.5 Legal Implications, access to information and call In

- 5.5.1 This is a significant operational decision and is therefore not subject to call in. This report does not contain any exempt or confidential information under the Access to Information Rules.
- 5.5.2 Although there is no overriding legal obstacle preventing the waiver of CPR 15.2, the above comments should be noted. In making their final decision, the Director of Environment & Housing should be satisfied that the course of action chosen will represent best value for money to the Council.

5.6 Risk management

- 5.6.1 The current contracts will be in place until the end of the review period, in order to ensure continuity of service.

- 5.6.2 A risk register relating to the review and commissioning was established and any significant risks will continue to be reported through to the Housing Related Support Programme Board which meets on a 6-weekly basis.

6 Conclusions

- 6.1 Approval to change the quality evaluation criterion will allow the emphasis to be placed on the council commissioning quality services delivered to a high standard.
- 6.2 Approval to include an option to extend the contracts will allow the council to take a flexible approach to continuing, reviewing or re-tendering the service at the end of the contract period.

7 Recommendations

- 7.1 It is recommended that the Director of Environment & Housing:–
- i) Waives Contracts Procedure Rule 15.2 in order that the tenders for the Intensive and Dispersed Supported Accommodation service can be evaluated based on a 70% quality 30% price split.
 - ii) Approve the provision for an extension of up to 3 years on the 5 year contract for the Intensive and Dispersed Supported Accommodation service.

8 Background documents¹

- 8.1 Equality Impact Assessment screening tool.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.