



**Haringey Council**

## Part A – For Publication

<b>Report for:</b>	<b>Cabinet – 15<sup>th</sup> September 2015</b>	<b>Item Number:</b>	
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<b>Title:</b>	<b>Award of Housing Related Support Contracts – Mental Health - Pathway of Short Term Supported Housing - Phase 3</b>
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<b>Report Authorised by:</b>	<b>Lyn Garner, Director for Regeneration Planning and Development</b>
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<b>Lead Officer:</b>	<b>Mustafa Ibrahim, Head of Housing Commissioning, Investment &amp; Sites</b>
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<b>Ward(s) affected: All</b>	<b>Report Non Key Decisions: Key Decision</b>
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### **1. Describe the issue under consideration**

- 1.1 This report details the outcome of an open tender process for the award of contracts to provide Mental Health Accommodation Based and Floating Support Services. New contracts will be awarded in 5 lots, in line with Contract Standing Order (CSO) 9.06.1(d) following a robust tendering process.

### **2. Cabinet Member Introduction**

- 2.1 Housing Related Support (HRS) services play a vital role in the prevention of homelessness within the Borough, by helping people to sustain independent living.
- 2.2 I am pleased to recommend the award of Phase 3 Pathway contracts for Mental Health housing related support delivering increased capacity, improvements in quality and value for money with savings of £446,386.25 per annum.

### **3. Recommendations**



- 3.1 To agree the award of contracts to the successful tenderers in accordance with Contract Standing Order (CSO) 9.07.1(d), each for an initial term of 4 years with an option to extend for a further period of two years.
- 3.2 The table below shows the successful tenderers for each lot:

<b>Lot</b>	<b>Successful Tenderer</b>
<b>Lot 1</b> – Accommodation Based with forensic provision ( Ref: 4400001059)	Sanctuary Housing Association
<b>Lot 2</b> – Accommodation Based with 24 hour and visiting support (1) (Ref:4400001060)	Centra Support (Registered as Circle Care & Support Limited)
<b>Lot 3</b> – Accommodation Based with 24 hour and visiting support (2) (Ref:4400001061)	St Mungo Community Housing Association
<b>Lot 4</b> – Floating support – East and Central (Ref: 4400001063)	One Housing Group
<b>Lot 5</b> – Floating Support – West (Ref: 4400001065)	The Richmond Fellowship Limited

#### **4. Alternative options considered**

- 4.1 The option of extending the existing contracts was not available beyond March 2016 as the contracts had previously been extended. No other options were available that maintained service provision.

#### **5. Background**

- 5.1 The HRS programme funds support services for vulnerable people in Haringey. There are currently over 60 contracts delivering support to a wide range of client groups including: older people; people with mental health problems; learning and physical disabilities; young people; women fleeing domestic violence; people with substance misuse issues; those at risk of re-offending and those at risk of homelessness.
- 5.2 The purpose of HRS is to enable individuals and families to maintain independence and not to lose their housing and then require higher level interventions. Support is low level and is not care, therefore it can be deemed as 'hands off not hands on'.
- 5.3 Support in the Mental Health contracts is delivered through accommodation based services of between 6 months to 2 years, or by floating support services of between 6 to 18 months depending on need.



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- 5.4 The Housing Related Support (HRS) Commissioning Plan 2012-15 sets out the Council's commissioning priorities and details in particular the increased demand for mental health services, especially for service users with higher levels of needs, within the development of a Pathway.
- 5.5 The Council commissioned 3 Mental Health contracts for five years from 2009 to 2014, with the option to extend for two years. The East, West and Central contracts were awarded to Metropolitan, St. Mungo's Broadway and the Rite Consortium respectively.
- 5.6 An extension to the Mental Health contracts from 2014 to 2016 was agreed by the Director as a delegated decision in November 2013 to enable phased implementation of the Pathway. Savings of £110,380 were negotiated to the extended contracts.
- 5.7 The Pathway procurement has been commissioned in three phases. Phase One and Two in January and April 2015; and the final Phase Three in April 2016.
- 5.8 The Pathway model is a tried and tested approach and is known to make the best use of resources available by providing a coordinated approach to different levels of targeted support, resulting in fluid movement through services, avoiding duplication, freeing up higher support provision for those in the greatest need, reducing the use of temporary accommodation and preventing homelessness.
- 5.9 The Pathway has robust processes and procedures to ensure that services users understand the model and have realistic expectations regarding move on, and that voids times reduce and referrals include a high quality of information.
- 5.10 The Pathway is overseen by a Pathway Manager and is arranged in 4 levels, in which service users move between levels in relation to progression to independence, or their fluctuating needs:-
  - 5.10.1 The Assessment Service provides fast access short term (up to 12 weeks) intensive support to identify the service users' needs so that an appropriate placement can be made.
  - 5.10.2 The Specialist Services provide high levels of support. Service users may stay in this level for up to 18 months. There is a higher proportion of specialist support accommodation in the new Pathway compared with existing provision.
  - 5.10.3 The Engaged and Planning Service which is for service users who have engaged with the Specialist or Assessment services and are ready to move to a low to medium support level, demonstrating stable engagement with statutory services and readiness to work on their long term plans for independence. Service users may stay in this level for up to 12 months.



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5.10.4 The Move Through Service focuses on the skills required to sustain a tenancy and live independently in the community. Service users may stay in this level for up to 12 months.

#### 5.11 **Mental Health Contracts**

5.12 The contract term for all lots is four years plus a potential two year extension. Services in Lots 1, 2 & 3 of this tender will provide short term accommodation with support. Services in Lots 4 & 5 will provide short term floating support which is designed to support service users with medium to high support needs to sustain their independence. The number of floating support units in the new service has increased from 86 to 100 units and accommodation based units from 105 to 120; altogether an additional 29 units.

5.13 The services will provide targeted support to improve mental health, health, economic wellbeing, safety and security, independent living skills, access to education and training and ensure that residents are involved in their immediate and wider community. Service users who receive both support and care will be able to access this through one provider.

#### 5.14 **The Procurement Process**

5.14.1 A 'Meet the Buyer' event was held on 18<sup>th</sup> February 2015. This event was intended to communicate and share information with potential providers to help them understand commissioning intentions and offer opportunities to network and forge partnerships.

5.14.2 The 'Meet the Buyer' event indicated that these are specialist services and the nature of the market for this type of service is limited. Therefore, the 'Open' tendering process was selected as the most efficient route to market.

5.14.3 Extensive stakeholder and service user consultation was undertaken with feedback integrated into the tendering process.

5.14.4 The procurement process started with the placing of a competitive contract notice advert on Haringey's website, Delta CompeteFor portal, on 9<sup>th</sup> February 2015. In addition the advert was circulated by Haringey Association of Voluntary and Community Organisations (HAVCO) by email to its membership, approximately 750 contacts representing 500 voluntary and community groups in the Borough.

5.14.5 The Invitation to Tender (ITT) and supporting documents were uploaded on Delta (e-tendering portal) where following a registration, the potential tenderers can access the tender documents and submit their tenders electronically.



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5.14.6 The closing date for submitting tenders was 6<sup>th</sup> May 2015 and by the deadline twenty four (24) tenders were received. Tenderers who submitted a tender are listed in Part-B (Exempt Information) of this report.

5.14.7 The tenderers were evaluated using the Most Economical Advantageous Tender (MEAT) with a split of 45% quality and 55% price. The tender evaluation criteria and weighting were set out in the tender documents and clarified during the tendering process.

5.14.8 The table below details total scores for each Tenderer and successful tenderer for the respective lots.

**Lot 1 – Accommodation Based with forensic provision**

<b>Tenderers</b>	<b>Quality Scores (out of 450 points)</b>	<b>Price Scores (out of 550 points)</b>	<b>Total scores (out of 1000 points)</b>	<b>Contract price for 4 years</b>
Sanctuary Housing Association	361	542	903	£1,263,736
Tenderer B	274	402	676	£1,705,944
Tenderer C	376	493	869	£1,389,659
Tenderer D	415	370	785	£1,849,708

**Lot 2 – Accommodation Based with 24 hour and visiting support (1)**

<b>Tenderers</b>	<b>Quality Scores (out of 450 points)</b>	<b>Price Scores (out of 550 points)</b>	<b>Total scores (out of 1000 points)</b>	<b>Contract price for 4 years</b>
Centra Support (Registered as Circle Care & Support Ltd)	379	550	929	£435,493
Tenderer B	361	451	812	£530,840
Tenderer C	380	499	879	£480,000



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**Lot 3 – Accommodation Based with 24 hour and visiting support (2)**

<b>Tenderers</b>	<b>Quality Scores (out of 450 points)</b>	<b>Price Scores (out of 550 points)</b>	<b>Total scores (out of 1000 points)</b>	<b>Contract price for 4 years</b>
St Mungo Community Housing Association	415	550	965	1,926,524

**Lot 4 – Floating support – East and Central**

<b>Tenderers</b>	<b>Quality Scores (out of 450 points)</b>	<b>Price Scores (out of 550 points)</b>	<b>Total scores (out of 1000 points)</b>	<b>Contract price for 4 years</b>
One Housing Group	406	536	942	£911,590
Tenderer B	277	521	798	£936,720
Tenderer C	386	528	914	£924,952
Tenderer D	371	458	829	£1,065,820
Tenderer E	425	491	916	£993,600
Tenderer F	389	473	862	£1,032,953
Tenderer G	380	550	930	£887,880
Tenderer H	326	382	708	£1,276,771

**Lot 5 - Floating Support – West**

<b>Tenderers</b>	<b>Quality Scores (out of 450 points)</b>	<b>Price Scores (out of 550 points)</b>	<b>Total scores (out of 1000 points)</b>	<b>Contract price for 4 years</b>
The Richmond Fellowship Limited	380	550	930	£799,288
Tenderer B	277	469	746	£936,720
Tenderer C	392	475	867	£924,952
Tenderer D	374	415	789	£1,060,236
Tenderer E	425	442	867	£993,600
Tenderer F	389	426	815	£1,032,953
Tenderer G	406	436	842	£1,008,141
Tenderer H	326	344	670	£1,276,771



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5.14.9 The total cost of four year contracts for Lots 1 to 5 amounts to £5,336,631 The annual cost for the contracts amounts to £1,334,157.75 thereby achieving a saving of £446,386.25 per annum compared to current contract costs.

### **5.15 Transition and Contract Management**

5.15.1 Contract management will be incorporated into the contract. Key Performance Indicators and methods of measurement are integrated within the service specification and will be monitored through contract monitoring meetings and reports.

5.15.2 Monitoring meetings will be held monthly for the first six months and quarterly thereafter. The purpose of monthly monitoring meetings will be to examine the implementation of the service, monitor delivery of the service at an operational level and to foster partnership working to facilitate early resolution.

5.15.3 A series of Pathway provider meetings will also be facilitated to ensure agreement on the Pathway processes and procedures.

### **6. Comments of the Chief Finance Officer and financial implications**

6.1 The tenders for Lots One to Five of the Mental Health Pathway have been evaluated using the Most Economically Advantageous Tender method. The scoring has been evaluated at 45% based on quality and 55% based on price. The proposed contracts will run for a period of four years with an option to extend for a further period of two years.

6.2 If the contracts are approved then the total cost of four year contracts for Lots One to Five will amount to £5,336,631.00. The annual cost for the contracts will amount to £1,334,157.75, a saving of £446,386.25 per annum compared to current contract costs.

6.3 Full financial provision exists for these contracts within the Housing Related Support budget.

### **7. Comments of the Assistant Director of Corporate Governance and legal implications**

7.1 The contracts which this report relates to were procured before the Public Contracts Regulations 2015 came into force. Therefore it was not necessary to undertake an OJEU procurement process.

7.2 The Service has confirmed this has been included on the Forward Plan.

7.3 The Assistant Director of Corporate Governance is not aware of any legal reasons preventing Cabinet from approving the recommendations in the report.



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## **8. Equalities and Community Cohesion Comments**

8.1 The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

- tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- advance equality of opportunity between people who share those protected characteristics and people who do not;
- foster good relations between people who share those characteristics and people who do not.

8.2 Equalities principles were incorporated within the procurement process and the bidders' equalities policies and procedures have been evaluated and deemed sufficiently thorough.

8.3 A detailed equalities impact assessment, based on service use data and covering the protected characteristics, was carried out for the development of the Housing Related Support Commissioning Plan. The Commissioning Plan directed the development of the new Pathway Model and the specification for the Mental Health Accommodation Based and Floating Support Services contracts.

8.4 Service users were consulted with prior to the tendering process, and the results were analysed to identify whether any equalities issues were raised. No equalities issues were noted.

8.5 Equalities monitoring are incorporated as a requirement of the contract and the contract also states that access to the service must be available to the diverse community of the borough and any imbalances must be addressed.

## **9. Head of Procurement Comments**

9.1 The recommendation is in line with the Procurement Code of Practice.

9.2 This procurement is phase 3 of a three phase strategy and will deliver savings and increased provision.

9.3 Contract management has been put in place to ensure contract compliance and ensure quality outcomes.

## **10. Policy Implications**





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- 10.1 This service is linked to the Corporate Plan, Building a Stronger Haringey Together 2015- 18, in particular; Priority 5 - creating homes and communities where people choose to live and are able to thrive, and Objective 2, prevent homelessness and support residents to lead fulfilling lives.
  - 10.2 The Mental Health Scrutiny Committee Annual Report 2013 – 14 recommended that mental health service users should be able to access appropriate and good quality accommodation at the right time. HRS Mental Health contracts will contribute to this outcome by providing 120 units of accommodation and 100 units floating support services for service users with mental health needs.
- 11. Any other considerations**
- 11.1 None
- 12. Reasons for Decision**
- 12.1 The contracts for our established services are due to expire and there is no facility to extend beyond March 2016. It was therefore necessary to tender to continue to provide services to vulnerable service users and to achieve the aim of developing an HRS Pathway.
  - 12.2 As a result of the procurement exercise, which has been carried out in accordance with the Council's Contract Standing Orders and the Procurement Code of Practice, it is necessary to award the contract to the successful tenderer in accordance outlined in 3.1 and 3.2 in accordance with CSO 9.07.1(d).
- 13. Use of Appendices/background documents**
- 13.1 Part B, Exempt Information.
- 14. Local Government (Access to Information) Act 1985**
- 14.1 This report contains exempt and non exempt information. Exempt information is contained in Part B and is not for publication. The exempt information is under the following category: (identified in the amended schedule 12 A of the Local Government Act 1972 (3)) information in relation to financial or the business affairs of any particular person (including the authority holding that information).



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