



Report for:	Cabinet Procurement Committee – 12 th January 2012	Item number	
Title:	Semi Supported Housing Tender		
Report authorised by :	<i>Libby Blake</i> Libby Blake Director - Children and Young People's Service		
Lead Officer:	Janet Siman Position: Senior Procurement Officer Tel: 020 8489 1950 Janet.siman@haringey.gov.uk		
Ward(s) affected: ALL	Report for Key/Non Key Decision: Key.		

1. Describe the issue under consideration

To obtain the approval of members for the extension for the Semi Supported Housing contracts for six months to conclude the North East London Consortium(NELC) tendering exercise. This extension is in line with CSO's 10.02(b).

2. Cabinet Member Introduction

I am satisfied that the appropriate procedures have been followed. I agree that the administrative cost of using spot purchasing for the remaining period is not good value for money. I am concerned however at the number of times these contracts have been extended and would urge that the tendering process is completed as a matter of urgency.



3. Recommendations

3.1 It is recommended to extend the current provision with the suppliers for six months from 1st Jan. 2012 until 30th June 2012 in order to complete the tendering exercise with the NELC.

- Christopher House, TA Limelight Properties
- Allison Lodge (Formally MG Supported Housing)
- Atlas Properties
- Phoenix Community Care
- Andrew Stevens
- Atlantic Lodge

See Part B Exempt information.

4. Other options considered

4.1 The service considered if making spot purchases in the interim would be an option. However spot purchases made will be at the current market price which is often much higher than the costs secured through the last tender process. In addition, if spot purchases are made as an interim provision we will have to set up individual spot purchase agreements for all existing placements. This would cause extreme pressures on the budget due to spot purchase costs and officer's time.

As a result, this option was discarded.

5. Background information

5.1 In 2009 the service took the decision that on cessation of the contract Haringey would move over to a contract drawn up by Pan London. Semi Independent accommodation is not currently governed by any official body such as Ofsted or CSCI. The responsibility for undertaking monitoring of placements is the sole responsibility of the Local Authority and at a London wide meeting all the boroughs requested that there be one central list for all types of semi independent provision.

5.2 After consulting Pan London with regards to how those on the list are selected (see further on this para. 1, Part B of this Report - Exempt Information), it was agreed that the risk to young people and the council would be too great and that the move across to the Pan London contract would not go ahead.

5.3 The Council's Semi Independent contracts will expire on 31st December 2011. The contract was originally let for three years and extended for a further two years. It was further extended for 18 months on 1st July 2010 through Procurement Committee to enable a tendering



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process to be carried out. This now requires permission from Procurement Committee to extend the contracts further for six months in order to complete the process.

5.4 This provision is currently in the tendering process. The Invitation to Tender went out on 8th November 2011. The process has taken considerably longer than anticipated (previous extension was not long enough to cover the procurement process) due to 6 Boroughs joining the consortium. The Boroughs involved in this process are Barking and Dagenham, Barnet, Havering, Redbridge and Waltham Forest. The award of this framework is envisaged to go for approval to Procurement Committee in May 2012.

5.5 The Council has a statutory duty to provide housing and support for all our young people between the ages of 16 – 18 and young people awaiting permanent council housing up to 21. At present there are six providers who remain on our framework

5.6 The accommodation provided within semi independent provisions are shared accommodations, studios and 1 bedroom flats that are situated within the community. The current providers supply an individual Key working support package to each young person as part of the young person's Pathway Plan/Care Plan to enable the resident to prepare for independent living.

5.7 The tendering process key stages are outlined below:

Stage	Date(s)
Invitation to Tender	Closing date 20 th December 2011
Evaluations, site visits, e-auction	20 th December 2011 – 20 th February 2012
Framework approval award	May 2012
Anticipated start date of framework	July 2012

The approval of this extension is therefore requested to complete the above process to reduce the risk of contracting without a contract in place.

5.8 Contract monitoring is carried out on the current providers for the semi-supported housing provision and will continue during the proposed extension.



6. Comments of the Chief Financial Officer and Financial Implications

Semi independent placements accounts for around 10% of the external placements budget and so is a key area for ensuring the efficient provision of services.

Market testing of the service indicates that the current contract represents good value for money for Haringey. Compared to the 5 other Boroughs in the consortium Haringey is 9% lower than the average for the group for shared accommodation, 18% lower than the average for the group for studio accommodation and 25% lower than the average for the group for 1 bedroom accommodation.

The original contract provided for an annual inflationary uplift in line with the Retail Price Index, but since the 18 month extension prices paid to our preferred suppliers have actually been re-negotiated such that they are now 2.44% below the 2010/11 price; again representing good value for money for Haringey.

The report makes it clear that spot purchasing arrangements are considered to be significantly more expensive than those acquired under the current contract arrangements so it is of concern that around 35% of the current spend is through spot purchasing arrangements. The service should ensure that all steps are taken to ensure that the most economically advantageous service is obtained during the contract extension period; this will need to include working with the existing providers to encourage them to make available additional provision under the terms of the contracts and reduce the use of spot purchasing.

7. Head of Legal Services and Legal Implications

- 7.1 CSO 10.02.2 provides that the Cabinet Procurement Committee may vary or extend a contract provided that to do so is consistent with the Public Contract Regulations 2006 ("PCR 2006") and the Council's Financial Regulations.
- 7.2 As the contracts are for provision of Part B services, the PCR are not applicable to their extension.
- 7.3 The value of these extensions exceeds £250,000. Therefore they may only be approved by the Cabinet Procurement Committee.



7.4 As this is a key decision, it must be and has been included in the Forward Plan.

7.5 The Head of Legal Services sees no legal reasons preventing Members from approving the recommendations in paragraph 3 of the report.

8. Equalities and Community Cohesion Comments

8.1 Equality comments are not relevant at this stage as the Equalities Impact Assessment is being carried out during the re-tendering process on each stage of the process.

9. Head of Procurement Comments

9.1 The recommendation is in line with the Procurement Code of Practise

9.2 The recommendation represents Value for money to the Council as the alternative of spot contracting will increase costs.

9.3 Regular contract monitoring is in place to ensure continued contract compliance through the extension period.

10. Policy Implications

10.1 This service is linked to the Children and Young People Service Business Plan. This service is linked with the following Council Plan Priorities.

- A Safer Haringey
- A Healthy, Caring Haringey
- Delivering High Quality, Efficient Services.

11. Use of Appendices

11.1 See Part B for exempt information.

12. Local Government (Access to Information) Act 1985

12.1 This report contains exempt and non-exempt information. Exempt information is contained in Part B and is not for publication. The information is exempt under the following category (identified in the amended Schedule 12A of the Local Government Act 1972):



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- Information relating to the financial or business affairs of any particular person (including the authority holding that information) (Ground 3).