



**Haringey** Council

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| <b>Report for:</b> | <b>Cabinet on<br/>16 April 2013</b> | <b>Item<br/>Number:</b> |  |
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| <b>Title:</b> | <b>Award of Contracts for the Provision of Generic Floating Support for Families/Singles and Couples with no children</b> |
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| <b>Report<br/>Authorised by:</b> | <b>Mun Thong Phung, Director of Adult and Housing Services</b> |
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| <b>Ward(s) affected: ALL</b> | <b>Report for: Key Decision</b> |
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**1. Describe the issue under consideration**

Contracts for the provision of generic floating support within the Housing Related Support (HRS) programme are due to expire. This report recommends the award of new contracts in two lots, in line with Contract Standing Order (CSO) 9.07 following a robust tendering process.

**2. Cabinet Member introduction**

- 2.1 Housing Related Support plays a vital role in the prevention of homelessness within the Borough, by helping people to sustain independent living. The achievement of required budget savings in 2013/14 without detriment to the outcomes for vulnerable people is a high priority for the Council, as failure to achieve this could result in more expensive solutions becoming necessary.
- 2.2. I welcome the outcome of the procurement exercise as significant savings will be achieved and a major contribution made to the savings target for the programme. The contracted standards and monitoring will help to ensure that a good quality support service is maintained and that outcomes for vulnerable clients are safeguarded.



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### **3. Recommendations**

- 3.1 To agree the award of contracts to the successful tenderers in accordance with Contract Standing Order (CSO) 9.7.1(d) as follows:

Lot 1 Family Mosaic, to commence 3 June 2013  
Lot 2 One Housing, to commence 1 August 2013

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

- 4.1 The option of extending the existing contracts was not available as these contracts had previously been extended. No other options were considered.

### **5. Background information**

- 5.1 The Housing Related Support (HRS) programme funds support services for vulnerable people in Haringey. There are currently over 60 contracts for support to a wide range of client groups including older people; people with mental health problems or learning disabilities; women fleeing domestic violence; people with substance misuse issues; those at risk of re-offending and those at risk of homelessness.
- 5.3 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'. Typical areas where support is given include help to maximise economic independence by ensuring the correct welfare benefits are claimed for; by helping people into work or training; help to reduce anti-social behaviour; access to relevant health and support services; tenancy issues, help with understanding more formal communications and signposting to relevant agencies.
- 5.4 Support can be delivered through an accommodation based service (short or longer term depending on need) or by floating support whereby support can cease when the service user has resolved their support issues. This floating support is the subject of these contracts and is essential in preventing homelessness.
- 5.5 Haringey's Housing Related Support Commissioning Plan 2012-15, agreed by Cabinet in July 2012 sets out the future commissioning priorities for HRS.
- 5.6 In line with financial and procurement regulations all HRS services need to be tendered for or an agreement to waive contract standing orders to be sought. Most HRS contracts are for between 3 and 5 years depending on the level and size of the contract.
- 5.7 HRS has tendered for two floating support services; one is for families and one for single people or couples without children. These two floating support services



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provide a low level service but have proven outcomes in terms of maintaining independence and supporting people to move to longer term more suitable housing options.

5.8 Service Lot 1 will be for families, teenage parents and a mediation service for young people and their families living in Haringey. The support will be provided for 3 - 6 months for the majority of service users. In exceptional cases where there is a higher and enduring level of need this support may be for up to 1 year. The family mediation service will mediate between families and young people in order to resolve the problems and tensions that lead to young people leaving home. Where resolution is not possible, the mediation service will work with the young person to access appropriate services. This contract provides capacity of **230 units** at any one time as follows:

- The service capacity for families will be **200** at any one time.
- The service capacity for teenage parents will be **20** at any one time.
- The service capacity for the family mediation service will be **10** at any one time.

5.9 Service Lot 2 will be for single people and couples without children living in Haringey. The support will be provided for 3 - 6 months for the majority of service users. In exceptional cases where there is a higher and enduring level of need this support maybe for up to 1 year. The level of support will be low i.e. up to 2 hours per week on average per service user. However, it is expected that need will be greater at the outset so this measure of support hours is flexible to accommodate this. This contract provides capacity for **400** service users at any one time.

5.10 Contract monitoring will be carried out in accordance with key performance indicators set out in the Contract Conditions for these services.

### Procurement Process

5.11 This service is an EU Part B residual service and therefore it was not necessary to advertise this requirement in the Official Journal of the European Union.

5.12 The procurement process started on 12th November 2012 with a Meet the Buyer event to determine if this provision was a specialist requirement. An open process was decided upon for this tendering exercise, with contracts for 3 years with an option to extend for up to one further year.

5.13 An advert was placed on Haringey's website and posted on CompeteFor on 20 December 2012 for tenders from suitably qualified, experienced and financially sound organisations for the provision of housing related support services.

5.14 The Delta Electronic tendering system was used for the Invitation to Tender Open Tender Procedure. The deadline for submitting tenders was 12 February 2013. Four tenders were received. The tenders were evaluated using the Most Economical Advantageous Tender (MEAT) which included a split of 60% Price and 40% Quality.



The table below details the winning tenderers to be awarded for Lot 1 (Family Mosaic) and Lot 2 (One Housing). The evaluation panel of specialist officers for Health and Safety, Environmental, Equalities, Finance, Safeguarding. Service Officers evaluated Quality Method Statements and Finance Officers evaluated price submissions.

**Lot 1** - General floating support for families, teenage parents and a family mediation service.

| Tenderers     | Company Questionnaire | Quality Scores out of 400 points | Price/Cost Scores out of 600 points | Total Scores | Price         |
|---------------|-----------------------|----------------------------------|-------------------------------------|--------------|---------------|
| Family Mosaic | 302                   | 302                              | 600                                 | <b>1204</b>  | £1,707,428    |
| Company A     | 310                   | 383                              | 466                                 | <b>1159</b>  | £2,199,683.20 |

**Lot 2** - Generic floating support for single people and couples without children

| Tenderers   | Company Questionnaire | Quality Scores out of 400 points | Price/Cost Scores out of 600 points | Total Scores | Price      |
|-------------|-----------------------|----------------------------------|-------------------------------------|--------------|------------|
| One Housing | 299                   | 400                              | 600                                 | <b>1299</b>  | £2,435,065 |
| Company A   | 240                   | 347                              | 565                                 | <b>1152</b>  | £2,585,459 |
| Company B   | 310                   | 393                              | 382                                 | <b>1085</b>  | £3,825,536 |

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

6.1 A tendering and evaluation process has been followed in compliance with contract standing orders. The evaluation of the tenders using the Most Economical Advantageous Tender method included a weighting of 60% Price and 40% Quality. This has ensured that value for money will be achieved in delivery of the contracts.

6.2 The phasing of the total contract expenditure will be as follows:-

|                                                |
|------------------------------------------------|
| Generic floating support for Families/ singles |
|------------------------------------------------|



| Household type        | Contract cost per annum |                  |                  |                  |                     |
|-----------------------|-------------------------|------------------|------------------|------------------|---------------------|
|                       | Year 1 (part year)      | Year 2           | Year 3           | Year 4           | Total contract cost |
|                       | £                       | £                | £                | £                | £                   |
| Lot 1                 | 356,767                 | 449,535          | 450,216          | 450,910          | 1,707,428           |
| Lot 2                 | 442,243                 | 664,274          | 664,274          | 664,274          | 2,435,065           |
| <b>Contract costs</b> | <b>799,010</b>          | <b>1,113,809</b> | <b>1,114,490</b> | <b>1,115,184</b> | <b>4,142,493</b>    |
| <b>Existing costs</b> | <b>1,513,825</b>        | <b>2,020,051</b> | <b>2,020,051</b> | <b>2,020,051</b> | <b>7,573,978</b>    |
| <b>Savings</b>        | <b>714,815</b>          | <b>906,242</b>   | <b>905,561</b>   | <b>904,867</b>   | <b>3,431,485</b>    |

6.3 The Housing Related Support budget is required to make base budget savings in the sum of £1.5m in 2013/14. These contracts will deliver savings over the lifetime of the contracts of £3.4m and will make a contribution of £714,815 to the 2013/14 savings target.

## 7. Head of Legal Services and legal implications

7.1 The services in the report are not priority services under the Public Contracts Regulations 2006 so there is no requirement to carry out an EU tendering exercise.

7.2 An open tender exercise was carried out in accordance with CSO 9.01 (all interested tenderers to submit a tender in response to an advertisement).

7.3 Adult and Housing Services Directorate (the Directorate) now wishes to award contracts to the two bidders recommended under para 3.1.

7.4 Because of the value of the contracts, the award needs to be approved by Cabinet in accordance with CSO 9.07.1(d).

7.5 The award of these contracts is a Key Decision and, as such, needs to be included in the Forward Plan in accordance with CSO 3.01 (d). The Directorate has confirmed that this has taken place.

7.6 The Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendations in this report.

## 8. Equalities and Community Cohesion Comments



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- 8.1 Equalities principles were incorporated within the procurement process.
- 8.2 The tenderers' equalities policies and procedures were evaluated by the Council's Equalities Officer.
- 8.3 A Meet the Buyer event was held on 12 November 2012.

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

- 9.1 This recommendation is in line with the procurement Code of Practice.
- 9.2 A full tendering process has been carried out to test the market and to ensure Value for Money.
- 9.3 Contract management has been put in place with Key Performance Indicators to ensure contract compliance and mitigate the risk of poor performance.

## **10. Policy Implication**

- 10.1 These services are linked to the Adult and Housing Service Business Plan and to the following Council Plan Priorities.
  - 10.1.1 A Safer Haringey
  - 10.1.2 A Healthy, Caring Haringey
  - 10.1.3 Delivering High Quality, Efficient Services.
- 10.2 The proposed contract awards support the policy objectives set out in the HRS Commissioning in Plan to sustain independent living and prevent homelessness.
- 10.3 The award of the contracts will provide value for money to the Council by giving a good quality service while achieving identified savings.

## **11. Reasons for Decision**

- 11.1 The contracts for generic floating support were both due to expire this year, on 31 March 2013 for families, teenage parents and a mediation service (Lot 1) and on 31 July 2013 for single people and couples without children (Lot 2). It was therefore necessary to tender this requirement to achieve value for money.
- 11.2 As a result of the procurement process, which has been carried out in line with the Procurement Code of Practice, it is necessary to award the contract to the successful tenderers in accordance with CSO 9.7.1(d).

## **12. Use of Appendices**

Not applicable.



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**13. Local Government (Access to Information) Act 1985**

- 13.1 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).