



<b>Report for:</b>	<b>The Leader</b>	<b>Item Number:</b>	
<b>Title:</b>	<b>Contracting out of the Homelessness Review Function</b>		
<b>Report Authorised by:</b>	<b>Signed:</b> <b>Tracie Evans, Chief Operating Officer</b> <b>Date:</b>		
<b>Lead Officer:</b>	<b>Perry Singh, 4890, <a href="mailto:perry.singh@haringey.gov.uk">perry.singh@haringey.gov.uk</a></b>		
<b>Ward(s) affected:</b> <b>N/A</b>	<b>Report for Non Key Decisions</b> <b>For decision</b>		

## **1. Describe the issue under consideration**

1.1 Homeless households have a statutory right to a review of certain decisions made by the Council. The process for conducting such reviews is set out in legislation and requires that reviews are conducted by someone independent of the original decision and sufficiently senior to the person making the original decision.

1.2 This service has been contracted out from 2012. The existing contract ends on the 30<sup>th</sup> April 2014. A tendering exercise has been conducted and a contractor is recommended for approval. Although this is a low-value contract and not a key decision, approval needs to be given by the Leader or Cabinet as it relates to an executive function of the Council.

## **2. Cabinet Member introduction**

2.1 Our aim is to provide value for money services. Contracting out of the decision review function will provide a cost effective solution to the Council.



### **3. Recommendations**

3.1 The Leader is asked to approve the contracting out of the statutory homelessness review function to Housing Reviews Limited with effect from 1<sup>st</sup> May 2014 until 30<sup>th</sup> April 2016.

### **4. Options considered**

4.1 The only alternative to contracting out the function is to have a specialist Housing Review Officer on a senior grade, with additional administrative support. However, given the number of reviews this is not the best option in terms of value for money, neither is it sufficiently responsive to the peaks and troughs in the workload. Contracting out the reviews enables the Council to pay only for work done. The contracted service is estimated to provide savings of around 50% compared to the equivalent in-house service.

### **5. Background information**

5.1 The duties of local housing authorities to a person who applies as homeless is governed by Part 7, Housing Act 1996, as amended by the Homelessness Act 2002. The authority must make such inquiries as are necessary to satisfy themselves whether the applicant is eligible for assistance and what, if any, duty is owed to them. The applicant has the right to request a review of any such decision and decisions relating to the suitability of accommodation offered to them in discharge of the duty owed. If the applicant is dissatisfied with the decision on review, they may appeal to the county court on a point of law. The review of the decision must be conducted by someone who is independent of the original decision and senior in terms of rank or grade to the officer making the original decision.

5.2 The Council previously had a dedicated officer on a PO4 grade to carry out these reviews. As part of budget savings in 2012/13 one of the posts that was deleted from the staffing structure was that of the Housing Reviews and Service Improvement Officer. The Corporate Committee Report advised that deletion of the post would provide a significant saving and that Community Housing Services would use the provisions of an external provider to undertake some of the statutory reviews, whilst others would be absorbed into the service using existing resources.

5.3 The Local Authorities (Contracting out of Allocation of Housing and Homelessness Functions) Order 1996 enables Local Authorities to contract out a number of its housing and homelessness functions; section 3 of the same confirms that any decision to do so would require the approval of the Council. Under Part Two Article 11.06 of the Council's Constitution, the Council specifies



how such authority for contracting out functions pursuant to the Act will be granted. The Constitution states that the Leader, or the Cabinet with the Leader's agreement will need to approve the contracting out of any executive function.

5.4 The service was contracted out from 1<sup>st</sup> May 2012. The contract ends on the 30<sup>th</sup> April 2014. A tendering exercise has been conducted supported by the Procurement Team.

5.5 This is not a fixed price contract. The price will depend on: the number of reviews conducted in the year; the complexity of the cases; oral hearings; and court appearances. We have also asked contractors to price for training, so that we can embed learning from reviews into the service. We also need to make some further allowance for increased reviews as homeless demand increases and private sector supply comes under pressure. The contract is expected to cost in the region of £50k over the two year period of the contract.

5.6 Contract Standing Orders requires that the Head of Procurement leads where the contract amount is likely to be over £50k. Requests for Quotation were sent to 3 independent review providers. There is limited choice as this is a very specialised area. We have received only one response. The one bid received was from Housing Reviews Limited – the existing provider. All the quality criteria are met. A price comparison is not possible, given the absence of other bids. However, compared to the original contract with the company savings have been made. The cost per case is reduced by 3.5%. Other savings are also offered, for instance the cost of a court appearances is reduced by 20%. Therefore the bid from Housing Reviews Limited provides value for money not only when compared to in-house provision, but also against the earlier contract with the company.

5.7 The contract will be monitored and managed by the Housing Assessments and Lettings Manager.

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

6.1 A tendering exercise has been carried out and only one contractor has tendered for the works required over two years. The service estimates that the cost of the contract will not exceed £50,000 over two years. The cost of carrying out the function within the Council would be approximately £50,000 per annum. Employing the external provider is therefore estimated to deliver savings of £50,000 over two years. The external provider does however charge on a per case basis, and caseloads have been increasing each year. There is a risk that if caseloads continue to increase, there may be a time when it is better value for money to revert to internal provision of the function. If this tender is accepted, a



comprehensive re-appraisal of the Value for Money position should be carried out at the end of the contract.

6.2 There is financial provision for the cost of the Housing Reviews contract within the Community Housing Services direct budget.

6.3 The delivery of good quality reviews for the council will save significant sums that may otherwise get awarded against the council in judicial review cases.

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

7.1 The Assistant Director of Corporate Governance has been consulted in the preparation of this report.

7.2 The Deregulation and Contracting Out Act 1994 enables Councils to contract out certain of their functions that are carried out by officers, provided that there is an Order enabling that function to be carried out by a third party.

7.3 Under the Local Authorities (Contracting Out of Allocation of Housing and Homelessness Functions) Order 1996 (the Order) Councils have been given express authority to contract out their homelessness functions and the homelessness review function comes within the remit of the Order.

7.4 The homelessness review function is an executive function and in accordance with Part 2, Section 11.06 of the Council's Constitution its contracting out requires the approval of the Leader, or the Cabinet with the Leader's agreement.

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

8.1 There are no equalities implications.

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

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

9.2 The service is charged for on a per case basis, If caseloads continue to increase, It will be necessary to continue to monitor the level of caseloads to ensure Value for Money is still achieved.

9.3 Contract management arrangements have been put in place to monitor the level of service provided and the volume of work.



**Haringey** Council

9.4 The service has been benchmarked against previous service delivery models and represents Value for Money

## **10. Policy Implication**

10.1 Contracting out the homelessness review function delivers the best value for money outcome. It is estimated that the contracting out process will save at least 50% compared to providing an in-house service over the first two years.

## **11. Reasons for Decision**

11.1 To approve the award of the contract.

## **12. Use of Appendices**

12.1 Request for Quotation attached at appendix 1.

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

Contract Standing Orders (Part 4 Section J):

[http://www.haringey.gov.uk/index/council/how\\_the\\_council\\_works/constitution.htm](http://www.haringey.gov.uk/index/council/how_the_council_works/constitution.htm)

**Appendix 1**

**London Borough of Haringey**

**Request for Quotation**

**Provision of Housing Decision Reviews and Appeals**

**1. Background**

- 1.1 Haringey Council’s Community Housing Service manages all applications for housing made to Haringey Council. There are three primary routes into the service: homelessness; tenants seeking a transfer; and other applicants seeking social housing. All applicants are assessed and prioritised for housing through the Housing Allocations Policy 2011 and lettings are made via the Choice Based Lettings Scheme, Home Connections.
- 1.2 Haringey Council receives approximately 1,000 applications per year from people seeking assistance under Part VII (Homelessness) of the Housing Act 1996 (as amended by the Homelessness Act 2002). Under section 202 of the above Act, applicants can request a review of certain decisions. This includes decisions made about the eligibility for assistance, whether the applicant has a priority need for housing and whether they are owed a full or limited duty under the homelessness legislation.
- 1.3 The number of homeless applications to the service has remained fairly steady during the last five years and this can be attributed to the increased emphasis on homelessness prevention. Cases are filtered via an Advice and Options Team before being referred to the specialist Homelessness Assessment Team. Whilst numbers have remained static, the profile of cases has changed dramatically as a result of Welfare Reform and the single highest reason for homelessness is now eviction from the private sector.
- 1.4 The table below illustrates the number of approaches and acceptances to Haringey Council over the last 5 years, along with numbers of section 202 review requests:

<b>YEAR</b>	<b>HOMELESS APPROACHES</b>	<b>No. OF PART VII s202 REVIEW REQUESTS</b>
2011/12	996	96
2012/13	1040	63
2013/14 *estimate	1100*	80*

- 1.5 The Local Authorities (Contracting out of Allocation of Housing and Homelessness
- Page 6 of 12



Functions) Order 1996 (SI 1996 no.3125) ("the Order") and the Homelessness Code of Guidance for Local Authorities provides the statutory framework allowing the Council to contract the Review Function to an independent external party.

## **2. Defining the need**

2.1 Haringey Council is seeking an experienced and suitably qualified contractor to undertake its review function, offering an impartial and objective service which is robust and does not bring the Council into disrepute.

2.2 Key objectives for the contractor will be:

- To carry out all homelessness reviews on behalf of the Council within the statutory time limit of 56 days from the date that review is requested by the Applicant and should include time for a draft decision letter to be provided to the Council to allow for dialogue before the final decision letter is dispatched.
- To agree and produce a written procedure for determining Homelessness Reviews within 28 days of award of contract.
- To issue 'minded to find' letters to Applicants where applicable.
- To attend bi-monthly contract monitoring meetings.
- Where the review process needs to be extended beyond the 56 day period, to request an extension directly with the Applicant or their representative giving reasons why and to inform the Council of all cases where an extension has been agreed, within 7 days of agreement.
- To make a recommendation to the Council as to whether or not the decision should be upheld or overturned and to draft a letter setting out the reasons for that decision.
- To ensure that the Housing Assessment and Lettings Manager receives feedback on the reasons for the review and any improvements that could be made in regard to investigations /casework.
- To monitor customer satisfaction with the review process.
- To liaise with the Community Housing Services and Haringey Council's Legal Services Team when necessary to defend any cases where a decision becomes subject to a section 204 appeal. This would include provision of written statement where required.
- To engage the services of a translator/interpreter where necessary. Fees for translation or for the services of translator may be reclaimed from Haringey Council only where prior written approval is received from the Authorised Officer.
- To sign an undertaking of confidentiality.
- To ensure that it has the capacity to undertake up to 50 reviews per month if required.
- To provide monitoring information to the Council on a quarterly basis.
- To achieve a 90% success rate for cases escalated to section 204 appeals.

2.3 Key objectives for the Council will be:

- To advise the Applicant of their right to review a negative homelessness decision and the timescale in which submissions must be received.



- To log the Applicant's request for a review after checking that the requirements for conducting a review are met and send the acknowledgement letter to the Applicant (as required by the Regulations).
- To dispatch to the Contractor a copy of the Applicant's request for review, a copy of the housing application and a copy of the case file including all associated documentation.
- To update and maintain IT systems, databases and spreadsheets relating to the Applicant.
- To refer cases for medical assessment as requested by the contractor and to incur charges for the same.
- To determine whether the Applicant should be provided with temporary accommodation pending the outcome of the review.

### **3. Specification**

- 3.1 The successful contractor will need to demonstrate knowledge and experience in the following areas:
- Housing and Homelessness Law (in particular must have extensive knowledge of Part VII of the Housing Act as amended by the Homelessness Act 2002, and the relevant Code of Guidance).
  - Relevant case law.
  - Experience in carrying out section 202 reviews for Local Authorities.
  - Providing training/feedback to homelessness assessment officers on best practice in the field of homelessness legislation and by providing learning points on each review overturned.
- 3.2 The successful contractor will be registered with the Information Commissioners Office in accordance with the Data Protection Act 1998 as data controllers handling personal information.
- 3.3 The successful contractor will need to have the following insurance cover;
- Public Liability - £5 million
- Employers Liability (where applicable) - £10 million
- Professional Indemnity £1,000,000



#### **4. Evaluation**

##### **4.1 Quality**

The successful contractor will commit to complying with all the requirements listed in the specification. Failure to do so will result in exclusion from the evaluation process.

<b>Requirement</b>	<b>Score available</b>	<b>%</b>
a) % of reviews that were successfully defended at s204 Appeal	15%	
b) % of reviews completed within statutory time limit	15%	

The quality aspect of evaluation will count for 30% of the overall assessment, and will be marked as per 4.3.

##### **4.2 Price**

Assuming all quality requirements are met, the successful contractor will provide the costs for the following and these will attract 70% of the overall score:

<b>Requirement</b>	<b>Weighting</b>	<b>Price excluding VAT (£)</b>	<b>Weighted Price (weighting x price)</b>
a) Price per case reviewed within 56 days (inclusive of collection of files, telephone and shredding costs)*  *20% reduction in price if review is not determined within 56 days unless an extension has been agreed between	70%		



all parties			
b) Price per Court appearance (all inclusive fee).	10%		
c) Hourly rate for any oral hearing requested by applicant and agreed with the authorised Officer.	10%		
d) Hourly rate for any provision of agreed training for Council staff, including materials and expenses.	5%		
e) Hourly rate for any additional work outside the scope of a -d above and agreed with the authorised Officer.	5%		
		Total	

#### **4.3 Evaluation Mechanism**

Submissions will be assessed using the following methodology:

##### Quality

A = % successfully defended at S204 Appeal and will be scored as follows:

80 -100% success = 15%

60- 79% success = 12%

40 -59% success = 8%

20-39% success = 4%

0 -19% success = 0%

B = % of reviews completed within statutory time limit of 56 days

80% and above = 15%

50-79% = 10%

25 -49% = 5%

Less than 24% = 0%



**Haringey** Council

### Price

The lowest weighted price will receive the maximum price score of 70%. Other tenders will be evaluated as follows:

$(\text{Lowest percentage} \div \text{Tender weighted price}) \times 70\%$

#### **For Example:**

Tender A = £100; Tender B = £200; Tender C = £300;

Tender A receives 70% as the lowest priced bid;

Tender B receives a score of  $(£100 \div £200) \times 70\% = 35\%$ ;

Tender C receives a score of  $(£100 \div £300) \times 70\% = 23\%$ .

### **5. Timetable**

	<b>MILESTONE</b>
Monday 7 <sup>th</sup> April 2014	Invitation to Quote released
Monday 14 <sup>th</sup> April 2014 by 6.00pm	Deadline for Submissions
Wednesday 16 <sup>th</sup> April 2014	Review and Selection of Contractor
TBC	Inception Meeting /Discussion with successful contractor
1 <sup>st</sup> May 2014	Contract Begins
1 <sup>st</sup> May 2015	First Annual Review
30 <sup>th</sup> April 2016	2 Year Contract Ends

#### **If you require further information, please contact:**

Beverley Faulkner

Housing Assessments & Lettings Manager

Tel: 020 8489 4362

Email: [Beverley.faulkner@haringey.gov.uk](mailto:Beverley.faulkner@haringey.gov.uk)



**Haringey** Council

Responses to this Request for Quotation are required by **18.00hrs, 14<sup>th</sup> April 2014**

The information listed in 4.1 and 4.2 must be submitted.

Responses must be submitted using the online Delta eSourcing system ([www.delta-esourcing.com](http://www.delta-esourcing.com)). Tenders must be uploaded onto the Delta eSourcing portal Delta eSourcing system no later than **18.00hrs, 14<sup>th</sup> April 2014**

The code for accessing the tenderbox is

If you require any assistance with regards to using the portal, please contact the helpdesk operated by Delta on 0845 270 7050 or email at [helpdesk@delta-esourcing.com](mailto:helpdesk@delta-esourcing.com). If you have any issues regarding obtaining assistance on this number/email address, please contact the following email address/telephone number:

[cputenders@haringey.gov.uk](mailto:cputenders@haringey.gov.uk) / Telephone: 020 8489 1157