




Report for:	Cabinet Member Signing - 27 June 2014	Item Number:	
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Title:	Award of Contract for the Provision of the Pathway Service – Phase One
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Report Authorised by:	Tracie Evans, Interim Chief Operating Officer  pp Phil Harris, Deputy Director, Community Housing Services
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Lead Officer:	Mustafa Ibrahim, Head of Commissioned Services Community Housing Services
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Ward(s) affected: All	Report for: Key Decision
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1. Describe the issue under consideration

1.1. The Housing Related Support Commissioning Plan 2012-2015 sets out the Council's Commissioning priorities and details in particular the need to develop a Pathway of short term supported housing for the mental health, young people, single homeless and substance misuse and offenders sectors. After extensive stakeholder consultation a Haringey Pathway model has been developed and the first of three procurement phases for the new Pathway has been completed. This report recommends the award of new contracts, in line with Contract Standing Order (CSO) 9.07.

2. Cabinet Member introduction

2.1 The Pathway contract model delivers innovation in personalised approaches to service delivery; and efficiencies in value for money savings, and utilisation of services through improvements to the assessment of needs, referrals, move through services, and move on to independence.

2.2 I am pleased to recommend these new contracts for Phase one of the Pathway, and welcome the opportunity for further innovation in the development of phases two and three.



3. Recommendations

- 3.1. That Cabinet agrees the award of the contracts to the successful tenderers as outlined below in accordance with Contract Standing Order (CSO) 9.7.1(d).

Lot/Contract	Company
1. Assessment Service	St. Mungos Community Housing Association
2. Engaged and Planning Service	St. Mungos Community Housing Association
3. Foyer Service	North London YMCA
4. Move Through Service	St. Ignatius Housing Association

- 3.2. That the contracts are awarded for a period of four years with an option to extend for a further period of up to two years.
- 3.3. That the existing contract for the YMCA TA pilot (see 5.17) is extended from 1 October 2014 for 15 weeks to allow implementation of the new pathway services.

4. Alternative options considered

- 4.1 The option of extending the existing contracts was not available beyond 2015 as the contracts had previously been extended. No other options were considered.

5. Background information

5.1. Housing Related Support

- 5.2. The Housing Related Support (HRS) programme funds support services for vulnerable people in Haringey. There are currently over 60 contracts for support provided 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'.
- 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 accommodation based support is the subject of these contracts and is essential in preventing homelessness.

5.5. Pathway Model

5.6. Haringey's Housing Related Support Commissioning Plan 2012-15, agreed by Cabinet in July 2012 sets out the future commissioning priorities for HRS and includes the development of the Pathway.

5.7. The Housing Related Support Pathway is a planned approach to the delivery of services for the Mental Health, Substance Mis-use, Offenders, Single Homeless, Complex Needs and Young People sectors.

5.8. This report relates to the tender for the following services in the Pathway being implemented in stage one, the:

- Assessment Service
- Young Person's Foyer (Specialist Service)
- Engaged and Planning Service
- Move Through Service

5.9. 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 and reducing the use of temporary accommodation and preventing homelessness.

5.10. Following benchmarking with other local authorities, the design of the Pathway was finalised through extensive stakeholder consultation (see Appendix A).

5.11. The Pathway will be supported by robust processes and procedures to that ensure that services users understand the model, have realistic expectations regarding move on, voids times are reduced and referrals include high quality information.

5.12. The Pathway will be overseen by a Pathway Manager and arranged into 4 levels:-

5.12.1. The Assessment Service will provide fast access short term (up to 12 weeks) intensive support to identify the service users' needs so that an appropriate placement can be made. This is a new type of service in Haringey.



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- 5.12.2. The Specialist Services will provide high levels of support with a sector focused response for Mental Health, Young People, Substance Misuse and Offenders and Complex Needs (such as rough sleepers). 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.
- 5.12.3. The Engaged and Planning Service will be for those who have engaged with the Specialist or Assessment services and are ready to move to the support level, or can demonstrate stable engagement with statutory services, require low to medium support and are ready to work on their long term plans for independence. Service users may stay at this level for up to 12 months.
- 5.12.4. The Move Through Service will focus on the skills required to sustain a tenancy and live in the community. Service users may stay in this level for up to 12 months.
- 5.13. The Pathway Manager will meet regularly with service providers to review service users' progress. This will ensure that service users are in the right level of support according to their needs; and moves through the Pathway are facilitated when they are ready to move on. The final move out of the Pathway will be predominantly to the private rented sector through both support provider and Council initiatives. A small number of service users may be able to access social housing through support provider nomination agreements with registered social landlords.
- 5.14. All services in this tender will provide short term accommodation with support. Support plans will be developed with service users and will provide targeted support to improve 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. These plans will have the effect of reducing antisocial behaviour, improving health outcomes and preventing homelessness, enabling residents to move to independence.
- 5.14. The objectives of the tendered services are:
- a) To provide a high quality accommodation based support service as part of Haringey Council's HRS Accommodation Pathway
 - b) To work in partnership with statutory agencies such as Health, Housing, Social care, the Police and Probation to ensure continued engagement with services, compliance with statutory orders and plan for independence
 - c) Develop and jointly review person centred support plans with other agencies that have contact with the service user
 - d) To promote health and wellbeing



- e) Provide support to enable people to live independently and maintain their accommodation with any risk to themselves or others minimised through robust assessment, management and support
- f) To prepare service users for moves through the Pathway utilising all resources available
- g) To manage service users expectation in relation to move on options
- h) Work assertively with people whose behaviour may be challenging and difficult
- i) Support people in work, training, education and financial inclusion
- j) Work with mediation workers to enable young people to move back home if it is safe and appropriate

5.15 Pathway Procurement

5.16 A Pathway approach, developed in response to feedback from providers and users and benchmarking best practice, is proposed for future provision for the client groups of Single Homeless; Substance Mis-Use and Offenders; Complex Needs; Mental Health, and Young People.

5.17 The Pathway procurement is being delivered in three phases. Phases One and Two in January and April 2015, and Phase Three in April 2016. The current contracts that are being replaced in Phase One of the Pathway procurement are:

Provider	Contract ends
Broadway	11-01-2015
Central and Cecile	11-01-2015
Christian Action	11-01-2015
Phoenix Community Care	11-01-2015
St Ignatius	11-01-2015
Catch 22	11-01-2015
Centra	11-01-2015
One Housing	11-01-2015
YMCA (TA pilot)	30-09-2014
YMCA (foyer pilot)	30-09-2014

5.18 The savings that have been achieved in procurement for Phase One, and realised in parallel negotiations on the current contracts of providers in Phase Two and Three, have allowed for the delivery of added value in the pathway procurement.

5.19 Phase One provides an expansion of 25 units of accommodation in the form of the new Assessment service. The assessment service is critical



to delivering the benefits of the pathway, reducing the use of temporary accommodation, and minimising evictions from supported housing. Other service improvements include an increase in the level of support available to young people through a new foyer of 30 units of accommodation.

- 5.20 The added value in Phase One bears a minimal cost of £30,272.50 annually, and £121,090.00 over 4 years. An overall saving of £142,911 has been achieved due to growth cost being offset by annual savings in 2014/15 of £264,001 in the contract negotiations leading into Phases Two and Three.
- 5.21 Phases Two and Three of the Pathway are expected to achieve considerable further savings within the procurement exercise.
- 5.22 The contracts let include specialist services for the delivery of high end needs rather than generalist needs services, and as such attract a smaller number of suppliers.
- 5.23 In a number of recently let contracts, and where leases are due to be renewed providers have faced a serious obstacle, due to inflation within the property market making it difficult or impossible to source and provision suitable properties realistically within the parameters of the resources available to them.

6. Procurement Process and Tender Evaluation

- 6.1. 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.
- 6.2. The procurement process started with the placing of an advert on Haringey's website, CompeteFor portal, Delta competitive contract notice. 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.
- 6.3. A Meet the Buyer event was held on 17 December 2013. An Open process was decided upon for this tendering exercise. The Invitation to Tender (ITT) documents were loaded on the Delta E Sourcing portal and by the closing date of 19 February 2014 five bids had been received.
- 6.4. The tenders were evaluated using the Most Economical Advantageous Tender (MEAT) which included a split of 55% Price and 45% Quality as set out in the ITT documentation.



6.5. The table below details the outcome of the tender evaluations and respective scores of the tenders. The evaluation panel of specialist officers marked Finance, Health and Safety, Environment, Equalities and Safeguarding. Council officers from Community Housing Services evaluated the Quality Method Statements and Price submissions. Exempt information is provided in Part B.

Assessment Service Lot 1 Tenderers	Company Questionnaire	Quality Scores (max 450 points)	Price/Cost scores (max 550 points)	Total Score for quality and price	Contract price over 4 years.
St. Mungos Community Housing Association	399	417	550	967	£1,098,077.00

Engaged and Planning Service Lot 2 Tenderers	Company Questionnaire	Quality Scores (max 450 points)	Price/Cost scores (max 550 points)	Total Score for quality and price	Contract price over 4 years.
St. Mungos Community Housing Association	399	436	550	986	£808,108.00
Company A	414	359	514	873	£864,924.00

Foyer Service Lot 3 Tenderers	Company Questionnaire	Quality Scores (max 450 points)	Price/Cost scores (max 550 points)	Total Score for quality and price	Contract price over 4 years.
North London YMCA	383	432	550	982	£957,051.00

Move Through Service Lot 4	Company Questionnaire	Quality Scores (max 450 points)	Price/Cost scores (max 550 points)	Total Score for quality and price	Contract price over 4 years.
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Tenderers					
St. Ignatius Housing Association	360	261	550	811	£777,512.40

6.6. Transition and Contract Management

- 6.7. 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.
- 6.8. 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.
- 6.9. A series of Pathway provider meetings will also be facilitated to ensure agreement of the Pathway processes and procedures.

7. Comments of the Chief Finance Officer and financial implications

- 7.1 Phase 1 of the Pathway model is being tendered in four lots. The tender documentation specified that the tenders would be evaluated using the Most Economically Advantageous method weighted 55% in terms of price and 45% in terms of quality. In practice, however, for three of the four lots there was only one tender submission. To ensure that the contract model will provide both value for money efficiencies and quality improvement, a comprehensive exercise in scoping of the HRS Pathway and project development was carried out including benchmarking costs with the North London Strategic Alliance, and service specification with Camden Council. Tender submissions received rigorous evaluation by commissioning officers with expertise in evaluating HRS services against the DCLG contract and quality framework for Supporting People which is a Treasury Green Book model. The standard required for the tenders was met and in many areas demonstrated excellence.
- 7.2 If Members agree to award the contracts the cost per annum will amount to £910,187 and a total of £3,640,748 over four years (the term of the contracts). This compares to the current cost of provision in the sum of £879,914 per annum showing increased costs of £30,273 per annum.



The level of provision for the current and proposed contracts are however very different, with the new contracts offering more units and a higher quality, thus significantly reducing unit costs to the council and delivering superior value for money.

- 7.3 The proposed new contracts in Phase One will include the provision of an additional 25 units of accommodation as a part of the new assessment service. This will reduce the use of expensive Temporary Accommodation. The new contracts will also provide a higher level of support to young people through a foyer service of 30 units of accommodation. These initiatives should deliver further savings to the council which it is not possible to quantify at this time.
- 7.4 As well as tendering the above Phase 1 of the Pathway model, there has also been a parallel exercise of renegotiating existing contracts with current providers within the Pathway model. This has successfully delivered savings of £264,001 per annum to date. If these are netted off against the additional costs of this current tender of £30,273 per annum then the net savings will be £233,728 per annum.
- 7.5 Financial provision exists for these contracts within the base budget of the Housing Related Support Programme. The Housing Related Support budget has a savings target of £350,000 for 2014/15 and the net savings noted in paragraph 7.4 will contribute to this target, with additional savings expected to be achieved in Phases Two and Three of the Pathway model.

8. Comments of the Assistant Director of Corporate Governance and legal implications

- 8.1 The Assistant Director Corporate Governance notes the contents of the report.
- 8.2 The service is not classified as a priority service under the Public Contracts Regulations 2006 so therefore a European tendering exercise was not required.
- 8.3 Adult and Housing Services Directorate (“the Directorate”) followed an open tender process in accordance with CSO 9.01 (a).
- 8.4 Because of the value of the contracts, the award must be approved by Cabinet in accordance with CSO 9.07.1 (d) (contracts valued over £250,000).
- 8.5 The award of the contracts is also 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.



- 8.6 The Assistant Director of Corporate Governance confirms that there are no reasons preventing Members from approving the recommendations in the report.

9. Equalities and Community Cohesion Comments

- 9.1 Equalities principles were incorporated within the procurement process. The bidders' equalities policies and procedures were evaluated by Haringey's Equalities Officer.
- 9.2 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.

10. Head of Procurement Comments

- 10.1 The recommendation is in line with the Procurement Code of Practice.
- 10.2 This procurement is phase 1 of a three phase strategy and overall will deliver savings and increased provision.
- 10.3 This is a specialist market for high end needs and as such has a limited provider base.
- 10.4 Contract management has been put in place to ensure contract compliance and ensure quality outcomes

11. Policy Implication

- 11.1 These services are linked to the Service's Business Plan and to the following Council Plan Priorities.
- **Opportunities for all – A successful place for everyone**
To ensure that everyone has a decent place to live
 - **Safety and Wellbeing for all - A place where everyone feels safe and has a good quality of life.**
Reducing health inequalities and improved wellbeing for all.
 - **A better council - Delivering responsive, high quality services and encouraging residents who are able to help themselves to do so**
Strive for excellent value for money



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- 11.2 The proposed contract awards support the policy objectives set out in the HRS Commissioning Plan to sustain independent living and prevent homelessness.
- 11.3 The award of the contracts will provide value for money to the Council by giving a good quality service while achieving savings.
- 11.4 Community Housing Services is developing dialogue with other council teams, local partners and providers on evolving joint plans to assure the supply of good quality modernised property provision. This theme has also been explored in the Outcome Three Health and Wellbeing Delivery Group on provision of services for Mental Health; and the Overview and Scrutiny Panel on Mental Health and Accommodation.

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 2015. The pilot services (YMCA) expire on 30 September 2014. It was therefore necessary to tender to continue to provide services to vulnerable service users and to achieve the aim of developing a HRS Pathway.
- 12.2 As a result of the procurement process, which has been carried out in line 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 with CSO 9.7.1(d).

13. Use of Appendices

- 13.1 Appendix A – Pathway Consultation Report

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).