

Finance and Resources Committee

10am, Tuesday, 7 November 2017

Homelessness Prevention – Locality Support Services – Contract Ref: CT 0266

Item number	7.10
Report number	
Executive/routine	
Wards	
Council Commitments	9

Executive Summary

This report seeks the approval of the Finance and Resources Committee to award contracts to Ypeople / Sacro and Four Square for the provision of Locality Support Services for Homelessness Prevention. The contracts will run from 1 March 2018 for a period of three years, with annual options to extend for a maximum of two further years.

The contracts will replace contracts for pilot projects that commenced on 13 October 2014, subsequently extended, and will terminate on 28 February 2018.

The total estimated value of the contracts, including extension is £9,810,225 (£1,962,045 per annum). Compared to the contract costs of the pilot projects (£2,227,617 per annum), this will represent a saving of £1,327,860 over five years (£265,572 per annum).

Homelessness Prevention – Locality Support Services – Contract Ref: CT 0266

1. Recommendations

It is recommended that the Finance and Resources Committee:

- 1.1 Approves the award of contracts to Ypeople / Sacro and to Four Square for the provision of Locality Support Services for Homelessness Prevention from 1 March 2018 for a period of three years, with annual options to extend for a maximum of two further years.

2. Background

- 2.1 The Homelessness Prevention Commissioning Plan, approved by Corporate Policy and Strategy Committee on 6 September 2011, set out the need to prevent homelessness wherever possible and was part of the Council's wider City Housing Strategy 2012-2017.
- 2.2 Homelessness prevention services are intended to help service users set up and maintain appropriate accommodation; avoid eviction or loss of accommodation; and prepare for and/or maintain living independently.
- 2.3 The service was designed for people who are 16 years and older and who are at risk of becoming homeless, are homeless or have recently experienced homelessness.
- 2.4 On 30 September 2014, Finance and Resources Committee approved the award of contracts for pilot projects for the provision of housing support services as part of the Homelessness Prevention workstream. The contracts commenced on 13 October 2014 and were initially intended to run for 18 months.
- 2.5 The contracts were subsequently extended to allow for extensive co-production prior to the procurement of new contracts and the contracts will now end on 28 February 2018.

3. Main report

- 3.1 On 15 January 2016, the Council published a Future Contract Opportunity (FCO) notice on Public Contracts Scotland (PCS), providing information about its intention to undertake procurement of support services for homelessness prevention. Forty responses were received, registering interest in the opportunity.
- 3.2 In addition to the co-production which had been carried out during the pilot phase, a further co-production briefing meeting took place with elected members and incumbent and potential service providers on 24 August 2016.
- 3.3 This was followed by a co-production workshop with service providers on 11 November 2016, which was attended by over thirty participants and included representatives from fifteen different organisations and stakeholders from internal Council services. The topics for this event included current and future outcomes, access to services and types of support provision. The outcomes from the workshop were circulated to all interested parties on 23 December 2016.
- 3.4 Based on the outcomes from the workshop on 11 November 2016, a survey of service users was undertaken and 71 completed surveys were subsequently returned by service users. A follow-up event for service users was held on 14 February 2017 and was attended by ten service users.
- 3.5 The service users were given the opportunity to speak about their experiences of the existing support services, including how it helped them, what was important about the support they received and what could be changed or done differently in future. This feedback from service users was used to develop the specification for the new contract.
- 3.6 A further stakeholder event with incumbent service providers and other interested parties was held on 1 March 2017. The topics, suggested by stakeholders, included assessment processes, early intervention support provision, visiting support provision and locality working. Stakeholders were also asked for their suggestions on how to improve services. Following this feedback the improvement work focussed on person centred support, outcome measures, innovation and worker flexibility.
- 3.7 In accordance with the requirements Public Contracts (Scotland) Regulations 2015 “Light Touch” regime. the Council published a Contract Notice on the Public Contracts Scotland (PCS) website. and an Invitation to Tender (ITT) on the Public Contracts Scotland - Tender (PCS-T) website.
- 3.8 A total of 31 organisations registered interest and accessed the ITT.
- 3.9 A provider briefing meeting was held on 23 June 2017 to inform interested parties about the requirements and about the related technical details of tendering on Public Contracts Scotland - Tender (PCS-T).
- 3.10 Information about tendering and the tender evaluation process is contained in Appendix 1.

- 3.11 A total of five tenders were received by the closing date of 17 July 2017.
- 3.12 One of the tenders scored zero against five of the seven questions in the technical (quality) evaluation. The tenderer was therefore disqualified in accordance with the Instructions to Tenderers. The reason for the unsatisfactory scores appears to have been a fundamental misunderstanding of both the requirements and how to respond to the ITT.
- 3.13 The recommendation for award of contracts is based on the completed evaluation scores for the other four tenders as detailed below:

Provider	Quality (out of 60)	Price (out of 40)	Total (out of 100)
Ypeople Sacro	55.50	40.00	95.50
Four Square	52.50	39.15	91.65
Provider C	49.50	36.06	85.56
Provider D	46.50	36.18	82.68

- 3.14 The two preferred bidders achieved the highest scores for both quality and price. Information about offer prices is contained in Appendix 1.
- 3.15 To mitigate against risk, as stated in the tender documentation, the Council will not award a contract for provision of the service in more than three of the four localities to any one tenderer.
- 3.16 Therefore, a contract will be awarded to Ypeople / Sacro for provision of the service in three localities and a contract will be awarded to Four Square for provision of the service in one locality.

4. Measures of success

- 4.1 The contracts are aligned to the four geographical localities and thereby facilitate local accountability and good governance.
- 4.2 The contracts are awarded based on the most economically advantageous tenders that met the qualitative, technical and commercial requirements.
- 4.3 The services help to achieve a sustainable Edinburgh, because service users will receive support to set up and maintain appropriate accommodation; avoid eviction or loss of accommodation; and prepare for and/or maintain living independently.
- 4.4 The Council achieves improvements in service provision and value for money by taking account of information obtained from monitoring the pilot projects and from the coproduction process.
- 4.5 The Council achieves compliance with procurement legislation, regulations, policies and procedures relating to responsible expenditure of public monies.

5. Financial impact

- 5.1 The total estimated value of the contracts, including extensions, is £9,810,225 (£1,962,045 per annum). Compared to the pilot projects (£2,227,617 per annum) this represents a saving of £1,327,860 over five years (£265,572 per annum).
- 5.2 The cost associated with procuring these contracts is estimated at between £20,001 and £35,000.

6. Risk, policy, compliance and governance impact

- 6.1 The contracts to be awarded are compliant with procurement regulations and the Council's Contract Standing Orders (CSOs).
- 6.2 The risk of legal challenge relating to contractual arrangements for the provision of these homelessness prevention support services will thereby be reduced.
- 6.3 The contracts are aligned with the four geographical localities and facilitate local accountability and good governance.

7. Equalities impact

- 7.1 An Equalities and Rights Impact Assessment (ERIA) was undertaken for the Homelessness Prevention Commissioning Plan, which was approved by the Policy and Strategy Committee on 6 September 2011.
- 7.2 An ERIA was undertaken prior to the procurement of these contracts and has subsequently been updated, to reflect the current position.

8. Sustainability impact

- 8.1 The impacts of this report in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties have been considered, and the outcomes are summarised below.
- 8.2 The proposals in this report will neither reduce nor increase carbon emissions.
- 8.3 The need to build resilience to climate change impacts is not relevant to the proposals in this report because there are no related matters for consideration.
- 8.4 The proposals in this report will help achieve a sustainable Edinburgh, because service users will receive support to set up or maintain appropriate accommodation; avoid eviction or loss of accommodation; and prepare for and / or maintain living independently.
- 8.5 Environmental good stewardship is not considered to impact on the proposals in this report, because there are no related matters for consideration.

- 8.6 Relevant Council sustainable development policies have been taken into account and are noted at background reading later in this report.
- 8.7 The preferred bidders have offered to provide a range of community benefits related to the contracts, including opportunities for apprenticeships, student placements, training and work experience. The designated contract manager in Homelessness Services will be responsible for monitoring the delivery of these community benefits.

9. Consultation and engagement

- 9.1 Throughout the pilot and co-production process a range of consultation has taken place with existing providers, potential providers, other stakeholders and service users to ensure that the specifications developed would achieve the goals of person centred services that achieve both outcomes and value for money.

10. Background reading/external references

- 10.1 *Contract Award for Homelessness Prevention – Advice and Support Services Pilot*, Finance and Resources Committee, 30 September 2014, Item 7.10
- 10.2 *Review of the Implementation of the Homelessness Prevention Commissioning Plan and Extension of Contracts*, Finance and Resources Committee, 2 February 2016, Item 7.5
- 10.3 *Homelessness Prevention – Review of Advice and Support Pilot*, Finance and Resources Committee, 18 August 2016, Item 7.18
- 10.4 *City Housing Strategy 2012-2017*, Health, Social Care and Housing Committee, 13 December 2011, Item 11

Harry Robertson

Interim Head of Service, Safer and Stronger Communities

Contact: Nicky Brown

E-mail: nicky.brown@edinburgh.gov.uk | Tel: 0131 529 7589

11. Appendices

Appendix 1

Summary of Tendering and Tender Evaluation Processes

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Summary of Tendering and Tender Evaluation Processes

Contract	Homelessness Prevention – Locality Support Services - Contract Ref: CT 0266	
Contract period (including any extensions)	1 April 2018 to 31 March 2023	
Estimated contract value	£9,810,225 (including extensions)	
Standing Orders observed	2.5 EU Principles have been applied 2.13 Commercial and Procurement Services provided resource to undertake tendering 3.2 Director has responsibility for all contracts tendered and led by their Directorate 5.1 Tenders evaluated on basis of most economically advantageous tender	
Portal used to advertise	Public Contracts Scotland - Tender	
EU Procedure chosen	Open Procedure	
Tenders returned	5	
Tenders fully compliant	5	
Recommended suppliers	Ypeople / Sacro Four Square	
Primary criterion	Most economically advantageous tenders to have met the qualitative and technical specification.	
Evaluation criteria and weightings and reasons for this approach	Quality 60% Price 40%	
	Quality was considered more important than price in the context of the service.	
	Service Delivery	25%
	Organisational structure plan relating to delivery of the service	10%
	Arrangements for performance management	15%
	Practical support to service users	25%
	Application of lessons learned in the context of future service delivery	10%
	Fair Work Practices	10%
	Community Benefits	5%
Evaluation Team	Council officers from Homelessness Services with relevant experience.	
Consideration of procurement methodology and processes to ensure SME friendly	An open procurement procedure was used, which meant that any provider could register interest and submit a tender. A provider briefing meeting was held on 23 June 2017 to inform interested parties about the requirements and about the related technical details of tendering on Public Contracts Scotland – Tender (PCS-T).	

	Services were split into localities to reduce contract size and improve access to SME's
Prices (per service user)	<p>Ypeople / Sacro</p> <p>Visiting Support £1,304.76</p> <p>Early Intervention / Mediation £945.00</p> <p>Four Square</p> <p>Visiting Support £1,350.00</p> <p>Early Intervention / Mediation £900.00</p> <p>Provider C</p> <p>Visiting Support £1,455.00</p> <p>Early Intervention / Mediation £1,018.50</p> <p>Provider D</p> <p>Visiting Support £1,450.00</p> <p>Early Intervention / Mediation £1,015.00</p>