

JOINT REPORT OF

The Interim Strategic Director for Place and The Strategic Director of People

TO

Procurement Board

ON

7 July 2021

TITLE: Approval to Award the Contract for Commissioned Statutory Homeless Supported Temporary Accommodation Projects

RECOMMENDATION:

That Procurement Board approve the award of the Commissioned Contract for the Statutory Homeless Supported Temporary Accommodation Projects as detailed in the table below:

Detail required	Answers
Title/Description of Contracted Service/Supply/Project	LOT 1 – Statutory Homeless Supported Temporary Accommodation
Name of Successful Contractor	The Riverside Group
Supplier Registration Number <i>(to be supplied by Corporate Procurement)</i>	30938R
Type of organisation <i>(to be supplied by Corporate Procurement)</i>	Other
Status of Organisation <i>(to be supplied by Corporate Procurement)</i>	Non-SME
Contract Value	£375,610 Full Project
Contract Duration	60 months
Contract Start Date	01/12/2021
Contract End Date	30/11/2026
Optional Extension Period 1	12 months
Optional Extension Period 2	12 months

Who will approve each Extension Period?	Procurement Board (extension > £150k)	
Contact Officer (Name & number)	Jane Barlow 0161 793 2372	
Lead Service Group	Place	
How the contract was procured? (to be supplied by procurement)	Open Tender Process via the Chest	
Framework Details (where applicable) (procurement body, framework reference & title, start/ end date)	n/a	
Funding Source	Revenue Budget	
Ethical Contractor	Mayor's Employment Charter Committed to sign up to charter	No <input type="checkbox"/> Yes <input type="checkbox"/>
	Accredited Living Wage Employer	Yes <input type="checkbox"/>

Detail required	Answers
Title/Description of Contracted Service/Supply/Project	LOT 2 – Statutory Homeless Supported Temporary Accommodation
Name of Successful Contractor	Salvation Army Housing Association
Supplier Registration Number (to be supplied by Corporate Procurement)	IP15210R
Type of organisation (to be supplied by Corporate Procurement)	Other
Status of Organisation (to be supplied by Corporate Procurement)	Non-SME
Contract Value	£486,348.15 Full Project
Contract Duration	60 months
Contract Start Date	01/12/2021
Contract End Date	30/11/2026
Optional Extension Period 1	12 months
Optional Extension Period 2	12 months
Who will approve each Extension Period?	Procurement Board (extension > £150k)
Contact Officer (Name & number)	Jane Barlow 0161 793 2372
Lead Service Group	Place

How the contract was procured? <i>(to be supplied by procurement)</i> Framework Details (where applicable) (procurement body, framework reference & title, start/ end date Funding Source Ethical Contractor	Open Tender Process via the Chest	
	n/a	
	Revenue Budget	
	Mayor's Employment Charter Committed to sign up to charter	No <input type="checkbox"/> Yes <input type="checkbox"/>
	Accredited Living Wage Employer	Yes <input type="checkbox"/>

EXECUTIVE SUMMARY:

The purpose of this report is to seek approval for the award of the above mentioned contract.

BACKGROUND DOCUMENTS:

A report 'Statutory Homeless Supported Temporary Accommodation Projects' was presented to Procurement Board on 17th February 2021 seeking approval to go out to competition for the delivery of the above mentioned service. This approval was granted.

Prior to Procurement Board taking this decision, a report 'Procurement of Statutory Homeless Supported Temporary Accommodation Projects' was taken to the Statutory Deputy City Mayor & Lead Member for Housing on 19th January 2021. This report set out the strategic need for the services to be procured and was for briefing.

KEY DECISION:

Yes

DETAILS:

1. Background

The report presented to Procurement Board on 17 February 2021, outlined that the council has a duty or a power (depending on the section of the Housing Act which applies) to place homeless applicants in emergency / temporary accommodation for a

period pending either the outcome of investigations or relief duty, or the final offer of suitable settled accommodation.

The council currently has two commissioned statutory homeless supported temporary accommodation schemes at Abbott Lodge and SASH. Together they currently provided 35 units of supported accommodation. These clients who have qualified for assistance, are often identified as having a priority need (as defined by housing law) and are therefore vulnerable and are likely to have very high levels of complex needs.

The report indicated that there had been a significant increase in single homeless requiring statutory accommodation. Within a 2 ½ year period this had risen from 56 to 123 cases.

Both existing commissioned schemes will reach the end of their contract term on 30.11.21. Procurement Board gave approval to re-tender these services within the existing budget c£225k per annum and to seek to increase capacity to a minimum of 45 units within existing budget parameters.

2. The Procurement Process

The Invitation to Tender documentation was put out to the market via the chest as an open over Ojeu threshold tender on the 1st March 2021.

The Invitation to Tender documentation was structured into three LOT's as follows:

LOT 1	Minimum of 15 units to be located in one or more of the following Salford wards; Kersal & Broughton Park or Broughton. Providers have the option to utilise the SASH building. The maximum contribution from the Council for this LOT is £75,122 pa.
LOT 2	Minimum of 20 units to be located in the following Salford wards; Pendleton & Charlestown. Providers have the option to utilise the Abbott Lodge building. The maximum contribution from the Council for this LOT is £100,162 pa.
LOT 3	Minimum of 10 units to be located in one or more of the following Salford wards; Little Hulton, Walkden (North or South), Swinton (Wardley or Park), Eccles or Barton & Winton. The maximum contribution from the Council for this LOT is £50,081 pa

Expressions of interest were received from seventy (70) organisations. By the close of the tender four (4) tenders were received for LOT 1, four (4) tenders for LOT 2 and two (2) tenders for LOT 3. These tenders came from five different organisations in total.

Following the initial Stage 1 evaluation process which is a pass/fail assessment of the Invitation to tender, one organisation was rejected for lots 1, 2 and 3 and one organisation was rejected for lot 3 as they failed to submit a fully compliant tender.

Unfortunately, these rejections meant that no bids were successful in LOT 3 to proceed to Stage 2 of the evaluation process.

Three (3) organisations in LOT 1 and three (3) organisations in LOT 2 were successful in proceeded to the Stage 2 assessment process. The evaluation criteria used for the stage 2 assessment was as follows:

- Part 1: Quality Assessment Questionnaire (80%) – This assessment was designed to capture the proposals of bidders invited to tender for the delivery of the Contract.

Part 1 - Questions	80% WEIGHTING
Delivery Model	5%
Current experience	10%
Quality of Service	15%
Staff Performance Management	5%
Service User Satisfaction and Service Improvement	10%
Experience of partnership working with local authority departments/teams	5%
Equality, Diversity and Inclusion in service delivery	5%
Managing strategic demands and client needs	5%
Accessible Accommodation	5%
Throughput	5%
Social Value	10%
Safeguarding	Pass/Fail

- Part 2: Pricing Schedule (20%) – This schedule was designed to give a clear indication of the cost required to deliver the Contract, in accordance with the Specification and the proposals in the Part 1 Quality Assessment response.

The evaluation team consisted of corporate procurement for the Stage 1 assessment and for Stage 2 a combination of Place and People Directorate colleagues from Housing Strategy & Enabling and Housing Choice & Support. Corporate Procurement supported the Stage 2 evaluations in providing a moderation function.

The outcome of the evaluation process for LOT 1 is summarised in the table below:

Name of Bidder	% Price score Max 20%	% Quality score Max 80%	%Overall Score 100%
The Riverside Group	19.97	71.00	90.97
Provider B	19.99	43.00	62.99
Provider C	20.00	65.00	85.00

As can be seen from the table above The Riverside Group had the highest tendered price, but were ranked the highest in terms of quality. On this basis the recommendation to appoint The Riverside Group is based on the Most Economically Advantageous Tender once price and quality is taken into account.

The outcome of the evaluation process for LOT 2 is summarised in the table below:

Name of Bidder	% Price score Max 20%	% Quality score Max 80%	%Overall Score 100%
Salvation Army Housing Association	20.00	68.00	88.00
Provider B	19.46	43.00	62.46
Provider C	19.42	65.00	84.42

As can be seen from the table above the Salvation Army Housing Association had the lowest tendered price and had the highest ranked score on quality.

Both The Riverside Group (LOT1) and the Salvation Army Housing Association (LOT2) contracts are due to commence on 1st December 2021 and run for a five year period. An option has been included in the service specification to extend both these contracts by up to two years, to a maximum contract duration of seven years. The option to continue these contracts will be decided upon following a review of performance before the initial five-year contract period expires. Any recommendation for a contract extension will be brought to Procurement Board for decision.

Funding for the contracts will continue from the revenue budget within People (Adults).

Each contract will have a range of high-level outcomes set and their performance will be monitored on a quarterly basis by the Housing Strategy & Enabling team. These high-level outcomes are detailed in the table below.

High Level Outcomes	Target
Provision of Temporary Accommodation	
Temporary accommodation is: <ul style="list-style-type: none"> ▪ Provided until the housing duty under s.188, s.202 or s.193 is brought to an end by the Housing Options; or 	98%

<ul style="list-style-type: none"> ▪ The provider works to ensure the best use of asset, by ensuring the temporary accommodation is the one that best suits the applicant at any given point in time, and engages with the Temporary Accommodation Team to facilitate transfers as appropriate 	
Tenancy Ready	
Knowledge and skills developed to set up a new home, including: <ul style="list-style-type: none"> ▪ utilities connection, ▪ liaison with Council tax, ▪ dealing with correspondence ▪ change of address notification 	90%
Where there is an identified need	
Economic Wellbeing	
Maximise income including: <ul style="list-style-type: none"> ▪ receipt of the right benefits, ▪ accessing welfare rights ▪ budgeting 	95%
Action to reduce overall debt, including: <ul style="list-style-type: none"> ▪ Support to set up rent arrears repayment plans 	95%
Enjoy and Achieve	
Engagement in activities to assist with/promote access to training, education, volunteering or employment	70%
Support to engage in positive relationships and re-connect with family members	60%
Be Healthy	
Engagement in activities better manage health and wellbeing and specifically: <ul style="list-style-type: none"> ▪ Supporting applicants to both access and engage with other wider services such as drug and alcohol, mental health and GP services 	90%
Stay Safe	
Comply with statutory orders / processes re: offending behaviour	90%
Better manage deliberate or accidental self-harm	90%
Avoid causing harm to others, minimise harm / risk from others	90%

Both of the successful bidders have provided a mobilisation and risk management plan as part of their tender submission. As the current providers, they will have the benefit of a reduced mobilisation period.

3. Social Value

The Tender submission required bidders to describe how they will deliver Salford's priorities and standards in relation to Social Value, both through the core services being commissioned and any added value.

Lot 1 – The Riverside Group

Outlined below is a summary of how The Riverside Group will contribute to Salford's priorities and standards:

- Client Involvement and Co-Productions Fund offering client led grant activities
- Money Advice service
- Intensive Intervention Service which supported the sustainment of tenancies
- Support with furniture
- Client access to volunteering opportunities (including community projects and local gardens and parks)
- National volunteering scheme with 2 days paid leave for staff per year
- Client participation in social activities, active and healthy lifestyles
- Local recruitment and payment of the Salford Living Wage. Clients also co-produce recruitment processes bringing valuable insights
- Client pathways to employment through informal peer mentoring and employment as Lived Experience Project Assistants
- Staff and residents recycle and clients are supported in waste reduction
- Proactive steps being taken to reduce use of Single Use Plastics
- Cycle to Work promoted and travel time minimised through the use of technology
- Sustainable purchasing such as furniture recycling and long usable life products

Lot 2- Salvation Army Housing Association

Outlined below is a summary of how the Salvation Army Housing Association will contribute to Salford's priorities and standards:

- Volunteering opportunities will be offered to local people and clients through work with CVS to gain employability skills
- Local recruitment, which can include pathways from volunteering for people with lived experience who may be ex-offenders
- Grant funding for residents to access training, development, and employment opportunities
- Apprentice opportunities for local people
- Work placement for students
- Engagement in wider community projects e.g. planting, community clean ups, weight management programmes
- Fundraising events for food bank donations
- Development of a scheme environmental sustainability plan. Recycling, solar energy and bin sheds already in place

4. Conclusion

Whilst it is disappointing that there were no viable tenders for LOT 3 to increase the provision of commissioned supported Temporary Accommodation in the west of the City, the procurement exercise under LOT 1 and LOT 2 has had several positive outcomes.

LOT 1 and LOT 2 received a number of quality tender submissions which retained the existing 35 units of supported accommodation utilising the existing buildings at Abbot Lodge and SASH. The tendering exercise has been successful in aligning the

Councils contribution to these schemes on a unit rate basis and overall has achieved c£53k pa savings on this contract. We will continue to explore the possibilities of providing commissioned supported Temporary Accommodation in the west of the City as this has been identified as a strategic need. A joint review will be undertaken by the Place and People directorates to identify; the implications of not increasing this type of provision; further opportunities to increase provision and a series of proposals for further consideration.

KEY COUNCIL POLICIES:

Homeless Strategy
Housing Strategy

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:

An EIA has not been undertaken but there would be significant implications on outcomes for some of our most vulnerable high needs / high risk adults if current Council funded services were discontinued.

ASSESSMENT OF RISK:

Medium –Without establishing new contracts for these services there will a significant gap in the availability of statutory (Part VII, Housing Act) homeless temporary accommodation, impacting on the councils ability to fulfil its statutory duty and/or at a significantly increased cost

SOURCE OF FUNDING: Revenue Funding

The current source of funding is legacy supporting people funding for Abbott Lodge and spend to save for SASH.

LEGAL IMPLICATIONS: Supplied by: Tony Hatton, Principal Solicitor (0161 219 6323)

When commissioning contracts for the procurement of goods, services or the execution of works, the Council must comply with the provisions of the Public Contracts Regulations 2015 as well as its own Contractual Standing Orders (CSO's), Financial Regulations and the duties of Best and Social Value. In addition, the PCR require that contracting authorities treat candidates equally and in a non-discriminatory way and act in a transparent manner, failing which the award of a contract may be subject to legal challenge.

The procurement procedure undertaken in this matter appears robust and compliant with the requirements of CSO's and PCR, and in awarding the contracts for the different lots for delivery of the Supported Tenancy Services, expressions of interest

were sought as part of an open tender process which has been advertised widely, thus ensuring that the process has been fair and transparent.

The process is outlined in the body of the report, with bidders being evaluated on the most economically advantageous tender, resulting in the proposed award of the contracts to the Riverside Group and the Salvation Army Housing Association for lots 1 and 2.

Having undertaken the open tender exercise process set out in the report, the Council may take comfort that value for money has been obtained and periodically tested, with open competition maintained.

FINANCIAL IMPLICATIONS: Submitted by: Stephen Thynne, Strategic Finance Manager (0161 778 0244)

This report requests approval to award contracts for LOT 1 and 2 of the Statutory Homeless Supported Temporary Accommodation service to The Riverside Group (LOT 1) and Salvation Army Housing Association (LOT 2). These contracts are on a 5 year + 2 basis from 1st December 21.

Original budgets are from the People Adults revenue budget and include a budget provided for on an invest to save basis for SASH. Total budget prior to the re-procurement of contracts was £225K per annum. Average annual values of the contracts are £75K per annum (LOT 1) and £97K per annum (LOT 2). This represents a reduction in cost of just over £50K. As noted in the report it was the intention to procure further temporary accommodation within this City as part of LOT 3. As things stand this has not been delivered as part of this procurement exercise but it is the intention to set aside this budget to allow future delivery of suitable accommodation to meet the identified strategic need within the west of the City.

PROCUREMENT IMPLICATIONS: Supplied by: Christopher Conway, Procurement Category Manager (0161 686 6248)

A full compliant tender process has been followed in accordance with Council standing orders, Procurement are happy to approve a 5 year contract with an option to extend for up to an additional 2 years to The Riverside Group (Lot 1) and Salvation Army Housing Association (Lot 2).

HR IMPLICATIONS: Supplied by: N/A

CLIMATE CHANGE IMPLICATIONS: Supplied by: N/A

OTHER DIRECTORATES CONSULTED: N/A

CONTACT OFFICER: Jane Barlow
TELEPHONE NUMBER: 0161 793 2372

WARD(S) TO WHICH REPORT RELATE(S): All
