

To: HOUSING AND SOCIAL WORK SERVICES COMMITTEE	Subject: RE-TENDER OF CONTRACTS FOR HOMELESSNESS SUPPORTED INTERIM ACCOMMODATION
From: HEAD OF HOUSING SERVICES	
Date: 21 OCTOBER 2009	Ref: MP/JH

1. Purpose of Report / Introduction

The purpose of this report is to seek approval for a proposed accommodation partnership arrangement with Cumbernauld YM/YWCA and to seek approval for the proposed re-design and re-tendering of Supported Interim Accommodation services currently undertaken by independent sector providers.

2. Background

- 2.1 The Temporary Accommodation Strategy identified a particular shortage of suitable accommodation to address emergency presentations in the Cumbernauld area. The development of closer working relationships with Cumbernauld YM/YWCA was identified as a potential means of addressing aspects of the acute shortages in that area.
- 2.2 Following a review of supported accommodation and housing support services, Committee approved the first phase of the re-tendering of externally provided homelessness support and accommodation services in August 2009. By re-tendering the Supported Interim Accommodation services the phased review of all externally provided homelessness accommodation contracts will be concluded. Existing 'housing support only' contracts with Blue Triangle Housing Association at their base in Viewpark and with the YM/YWCA at their base in Cumbernauld remain to be reviewed at a future date. Both contracts relate to provision for young people and are currently managed by Social Work Services.
- 2.3 The Council currently has contracts in place with two independent providers of Supported Interim Accommodation for homeless households. Blue Triangle Housing Association (BTHA) provides direct access accommodation at two sites in Black Street, Airdrie and Mason Street, Motherwell for people who are vulnerable to rough sleeping as a result of complex health and support issues. The direct access accommodation was developed in response to the Rough Sleeper Initiative using funding provided specifically for the purpose. In recent years it has become clear that neither of the units is fulfilling the original function of direct access accommodation. This is due mainly to a lack of appropriate move on accommodation but is often also related to the complex support needs of some of the people accommodated there. Both units have high occupancy rates and they rarely have vacancies becoming available.
- 2.4 The Scottish Association for Mental Health (SAMH) provides Supported Interim Accommodation at the Bridgework Project in Motherwell for people with chronic alcohol problems. The Bridgework Project was developed in response to the introduction of the Supporting People Framework, which provided pipeline funding for innovative new projects designed to fill gaps in service provision and to tackle elements of unmet need. The project has high occupancy rates and a waiting list of people requiring accommodation with support to address alcohol issues. Contracts with both providers are currently in place until 31st March 2010. As part of the overall

re-structure and in accordance with the need to demonstrate improved outcomes and identify efficiencies, re-tendering of the existing contracts is now required.

- 2.5 Interim accommodation has a specific role in tackling and preventing homelessness and its purpose is clearly defined within the Homeless Persons Interim Accommodation (Scotland) Regulations 2002. Interim Accommodation can be used to meet the support and accommodation needs of applicants where the housing support assessment concludes that the applicant requires housing support that cannot reasonably be provided within permanent accommodation.

3. Proposals / Considerations

- 3.1 Ongoing discussions with the Managing Director of Cumbernauld YM/YWCA have highlighted a potential opportunity for the Council to make more effective use of an existing accommodation resource at Kildrum House in Cumbernauld. The Council owned resource is currently used by the YM/YWCA as temporary accommodation for young people, many of whom could be accommodated within dispersed accommodation, including within the local Private Rented Sector. It is proposed that Kildrum House could then be utilised as emergency temporary accommodation for a range of households in the area. Cumbernauld YM/YWCA could be retained to locally manage the accommodation in return for a management fee based on the fees currently paid to other similar providers. The fee would be funded from the rental income collected by the Council.
- 3.2 It is proposed that the Supported Interim Accommodation services provided by BTHA at the projects in Black Street and Mason Street and by SAMH at the Bridgework Project be re-tendered as one contract. To enable the re-tendering process and as each contract is due to end on 31st March 2010, it is necessary to extend the existing contracts to 30th June 2010. A report to Committee in August 2009 outlined the proposed approach to re-tendering housing support services with a view to developing more responsive and focused outreach support services to meet the needs of care leavers; young people who are assessed as being at risk of homelessness and tenancy failure; and other vulnerable people aged 25 and above. Reasons given for homelessness by applicants during 2007/08 included Drug or Alcohol dependency (170 cases), Lack of Support from Family and Friends (206 cases), Unmet Need for Support from housing/health or social work (18 cases), Difficulties Managing on own (50 cases) and Mental Health Reasons (167 cases).
- 3.3 The current provision of 20 places across the three projects is considered insufficient to meet future projected need for this type of intensively supported accommodation, particularly from female applicants who typically do not make use of the current services. Re-tendering provides the opportunity to achieve economies of scale through a reduction in administration overheads and an expansion of capacity to deliver 24-hour intensive support across 10-12 additional accommodation places. It is proposed that the new service contract would be established for a period of three years from July 2010 with an option to extend for a further two years to bring it into line with the re-tendered housing support outreach services.
- 3.4 Contract values derive from the resources that will be released when the current contracts end, comprising rental income and non-HRA funding utilised for housing support services (formerly Supporting People funds). The Council collects rental income from each unit of property managed by the providers and uses the income to cover full operating costs including a management fee. The following budget will be available on an annual basis for the contracts, providing £2.32m over the three year contract.

Current services to be included in re-tender.

Accommodation Project Contract	Rental Income per annum	Non HRA Housing Support	Total Income Available for Re-tendering	Number of Places
Bridgework Service	£81,730	£101,417	£183,147	4
Black Street Hostel	£110,317	£175,533	£285,850	8
Mason Street Hostel	£110,317	£195,148	£305,465	8
Totals	£302,364	£472,098	£ 774,462	20

4. Financial / Personnel / Legal / Policy / Equalities Implications

- 4.1 It is proposed to re-tender the Supported Interim Accommodation services in line with the Council's current procurement policy and these proposals have been discussed with the Council's procurement service.
- 4.2 Due to the value of the services and in line with the Council's Contract Standing Orders a competitive approach to the re-tender is proposed. This will be a two stage process involving an open advert followed by a pre-qualification assessment. Potential providers will be selected through this pre-qualification assessment and they will then be invited to full tender with an assessment based on both cost and quality criteria, with increased weight apportioned to quality. The outcome of this final assessment will result in a decision on the preferred service provider/s.
- 4.3 The Council will reserve the right under the contract to vary or extend the contract within defined parameters as outlined in the tender documentation.
- 4.4 The re-tendering is driven by the continued need for this service within the wider housing support strategy that the Council seeks to implement. The total annual cost will not exceed the currently available budget for these services. As outlined at paragraph 3.4 the total current annual budget is £774,462 with a large proportion of the costs met from rental income.
- 4.5 The Heads of Legal Services and Finance have been consulted for advice and guidance regarding these proposals and their views have been incorporated in this report.
- 4.6 Committee should note that Employment Regulations 2006 (TUPE) may apply to the resultant contracts and contractors will be required to consider this within their tender proposals.
- 4.7 Potential providers will be required to complete a six page equal opportunities questionnaire at the pre-qualification stage and providers invited to full tender will need to demonstrate competency and understanding of our public equalities duties.

5. Recommendations

It is recommended that the Committee:

- (i) Approves the proposal to negotiate access to the property owned by the Council at Kildrum House with the Board and management of Cumbernauld YM/YWCA as outlined at paragraph 3.1 of this report;
- (ii) Approves the 3-month extension of the current Supported Interim Accommodation contracts from their existing end date of 31st March 2010 to 30th June 2010 as outlined at paragraph 3.2 of this report;
- (iii) Approves the proposed tender route for the re-designed service as outlined at paragraph 3.3 of this report to allow time for the procurement and for services to be in place from 1st July 2010; and,
- (iv) Notes that the outcome of the tendering process will be reported to a future Committee.



Monica Patterson
Head of Housing Services

10.09

For further information about this report please contact Julie Hunter on 01698 274141

APPENDIX A

NORTH LANARKSHIRE COUNCIL - PROCUREMENT REPORTING

		PART A PROPOSED ARRANGEMENTS	PART B ACTUAL ARRANGEMENTS												
1	Procurement Title	Homelessness Supported Interim Accommodation Service													
2	Description	Accommodation with on-site support for people with assessed high or complex support needs who are homeless.													
3	Contract Category	Supply Services Works	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>												
4	Contract Type	Term Framework Agreement Framework Contract One-off Other	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>												
5	Contract Duration	<input type="text" value="36"/> Months	<input type="text"/> Months												
6	Contract Start Date	<table border="1"> <tr> <td>DD</td> <td>MM</td> <td>YYYY</td> </tr> <tr> <td>01</td> <td>04</td> <td>2010</td> </tr> </table>	DD	MM	YYYY	01	04	2010	<table border="1"> <tr> <td>DD</td> <td>MM</td> <td>YYYY</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </table>	DD	MM	YYYY			
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7	Contract End Date	<table border="1"> <tr> <td>DD</td> <td>MM</td> <td>YYYY</td> </tr> <tr> <td>31</td> <td>03</td> <td>2013</td> </tr> </table>	DD	MM	YYYY	31	03	2013	<table border="1"> <tr> <td>DD</td> <td>MM</td> <td>YYYY</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </table>	DD	MM	YYYY			
DD	MM	YYYY													
31	03	2013													
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8	Contract Extension	<p>Is a provision being included to extend the contract?</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>If 'Yes', what is the maximum period of extension being sought?</p> <input type="text" value="24"/> Months	<p>Has a provision been included to extend the contract?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>If 'Yes', what is the maximum period of extension included?</p> <input type="text"/> Months												
9	Total Value	<input type="text" value="£ 3,872,310"/>	<input type="text" value="£"/> <p>Actual <input type="checkbox"/> Estimate <input type="checkbox"/></p>												

10	What Procurement Route will be used?	EU <input checked="" type="checkbox"/> Non-EU <input type="checkbox"/>	
11	If EU Procurement Route to be used, which procedure will apply?	Open <input type="checkbox"/> Restricted <input checked="" type="checkbox"/> Other <input type="checkbox"/> If 'Other' please provide details below:	
12	If Non-EU Procurement Route to be used, which procedure will apply?	Open <input type="checkbox"/> Restricted <input type="checkbox"/> Approved List <input type="checkbox"/> Other <input type="checkbox"/> If 'Other' please provide details below:	
13	What Evaluation Criteria will be used?	Lowest Price <input type="checkbox"/> Most Economically Advantageous <input checked="" type="checkbox"/>	
14	Procurement Checklist	Procurement checklist provided to Procurement Manager? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
15	Details of Council Officer responsible for this procurement process	Name <input type="text" value="Julie Hunter"/> Telephone <input type="text" value="01698 724141"/>	