
**SUPPORTING PEOPLE REVIEW OF SERVICES FOR PEOPLE WHO ARE
HOMELESS OR AT RISK OF HOMELESSNESS AND YOUNG PARENTS**

**Responsible Cabinet Member - Councillor Bill Dixon
Neighbourhood Services and Community Services Portfolio**

Responsible Director - Cliff Brown, Director of Community Services

SUMMARY REPORT

Purpose of the Report

1. The purpose of this report is to determine that the procurement of Supporting People services for people who are homeless or at risk of homelessness and young parents, should be strategic and to seek approval for the procurement strategy incorporating the service delivery models for the forthcoming open tendering exercise.

Summary

2. The Supporting People Programme currently funds support services for people who are homeless, at risk of homelessness and for young parents. This is delivered through a mixture of hostel accommodation, self-contained accommodation and floating support, with a total annual expenditure of approximately £1.2 million.
3. The Supporting People Team have undertaken a thorough strategic review of these services, involving current providers of services, statutory stakeholders, voluntary sector organisations and service users. The objective of this review was to determine whether current services are generating the best outcomes for service users and what provision is needed to best meet the identified needs. The outcome included an increase in the number of units of floating support, preventative services and a more diverse range of accommodation services. All service models have been circulated to the respective strategic groups and then presented to the Supporting People Commissioning Body for endorsement, which included specific representation from Evolution and First Stop.
4. Following the strategic review and in preparation for an open tendering exercise, the Supporting People Team have developed new service delivery models and specifications, taking into account the outcomes of the review.

Recommendations

5. It is recommended that Cabinet agree:
 - (a) The service specifications in paragraphs 14 to 19.

- (b) That the procurement of these contracts is strategic
- (c) Officers report the outcome of the tendering exercise to Cabinet for the award of contracts.
- (d) The outcome of the strategic review and consultation be forwarded to Neighbourhood Services Scrutiny for their information.

Reasons

- 6. The recommendations are supported by the following reasons:
 - (a) They reflect the outcomes of the strategic review of these services, and the views of a wide range of stakeholders, service providers and service users.
 - (b) The proposed changes in services will better meet the needs of these client groups.
 - (c) The improved homeless services could have a significant potential impact on current providers

Cliff Brown
Director of Community Services

Background Papers

- (i) Supporting People Commissioning Strategy

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S17 Crime and Disorder	The strategic review of these services will contribute to reducing Crime and Disorder.
Health and Well Being	The strategic review of these services will contribute to improving the health and well being of individuals.
Sustainability	There are no environmental impacts associated with the strategic review of these services.
Diversity	The Council's duties arising from its statutory obligations, under the Disability Discrimination Act 1995 and the Race Relations and Sex Discrimination Acts have been complied with.
Wards Affected	Individuals accessing services funded by Supporting People could be from all wards.
Groups Affected	The strategic review of these services specifically will affect people who are homeless, people who are at risk of homelessness and young parents.
Budget and Policy Framework	Any decisions relating to the future commissioning of Supporting People funded services must be within the CLG Supporting People grant allocation for Darlington.
Key Decision	This is not a key decision.
Urgent Decision	This is not an urgent decision.
One Darlington: Perfectly Placed	The Commissioning Strategy for Supporting people links to the Healthier Darlington and Safer Darlington themes.
Efficiency	One of the key outcomes for the Commissioning Strategy is to achieve efficiency savings to meet the reduction in Supporting People Grant.

MAIN REPORT

Information and Analysis

Outcome of the Strategic Review and Consultation

7. **Services for people who are homeless or at risk of homelessness.** The strategic review of these services involved a Strategic Review Group comprising a number of current service providers, statutory stakeholders and partners, and voluntary sector organisations, including:
 - (a) Barnardos
 - (b) Citizens Advice Bureau
 - (c) Carr Gomm Society
 - (d) DISC Independent Living
 - (e) First Stop
 - (f) Probation
 - (g) Salvation Army
 - (h) Stonham
 - (i) The 700 Club
 - (j) YMCA
8. In addition, separate consultation was also undertaken with the Police, Clark Willis Solicitors, the Integrated Mental Health Team, the PCT, the Drug and Alcohol Action Team, Connexions, the Youth Offending Team and service users, through an open forum, talking to people accessing First Stop and existing hostels.
9. The findings of the Strategic Review Group and the consultations undertaken include:
 - (a) Current service provision does not offer people a choice over the type of accommodation and support that would best meet their needs. There is little cohesion between hostels and ongoing support once a person finds move-on accommodation. Many people would benefit from being in their own self-contained accommodation, with support.
 - (b) Areas of current service provision are un-focused and generic, and mainly support those with low to medium support needs. Whilst there is still a need for hostel accommodation, existing provision is not staffed to enable more chaotic or high need service users' needs to be appropriately met.
 - (c) There is a high demand for services. However, this is largely made up of people from out of area, and from those who are experiencing repeat homelessness, often due to inappropriate referrals into services. A more comprehensive means of assessing the person at the start of their journey would mean that they could be referred into the service which best meets their needs, and also on to specialist services which could address their other needs.
 - (d) Multi-agency working could be improved. Through more joined up working, the needs of people could be addressed in a more co-ordinated way.
 - (e) There is inadequate service provision for couples, families and single females.

- (f) More emphasis needs to be placed on preventative services.
10. **Services for young parents.** The strategic review of these services involved:
- (a) Children's Service commissioners
 - (b) Early Years and Children's Centre Service Manager
 - (c) Children's Parenting Strategic Co-ordinator
 - (d) PCT Family Nurse Partnership Programme Manager
11. In addition, consultation was undertaken with service users through focus groups.
12. The findings of the Strategic Review Group and the consultations undertaken include:
- (a) The existing service relies too much on Supporting People grant for the amount of support delivered. The review should give an opportunity for significant remodelling and added value.
 - (b) Housing related support needs to be delivered as part of a holistic package, with support from the PCT and Children's Services addressing service user's health and emotional needs. Services need to be more proactive in building links with other organisations and mainstream services in the community.
 - (c) There is not enough floating support for young parents and families and there is a gap in provision for short-term resettlement support.
 - (d) There is a need for pre-tenancy support to be delivered to avoid housing issues escalating, so planned placements into floating support can be made.
 - (e) There is a need for housing related support for families where the parent or parents are over the age of 25.
 - (f) There is a need to diversify the accommodation options for young parents moving on from short-term accommodation, so that accommodation and support is located closer to Children's Centres.

Key Point of Access

13. From the strategic review of services, it was clear that many issues around the lack of information about people's needs and the inappropriate placement into services needed to be addressed. The Key Point of Access (KPA) is currently being developed as a partnership between First Stop and the Council's Housing Options Team. All referrals into Supporting People funded services for these client groups will be managed by the KPA. The objectives of the KPA are to:
- (a) Provide a contact and assessment function that seeks to resolve and prevent homelessness in the first instance.
 - (b) Conduct an initial standardised needs assessment to ensure that those in the greatest need are able to access accommodation and support services when they need them

- (c) Manage access routes and referrals into homeless hostels, accommodation based support services and floating support services
- (d) Monitor Supporting People funded hostels in terms of their vacancy rates, referral routes, move on rates and support levels
- (e) Reconnect people who have support networks outside of Darlington back to their local area when appropriate
- (f) Signpost service users to alternative support mechanisms, where appropriate

Procurement Strategy - Service Specifications

14. From the strategic review of services, the Supporting People Team has been developing service specifications in preparation for the forthcoming open tendering exercise. The development of the service specifications has sought to incorporate the recommendations from the strategic review. Options exist as to whether these new services or the changes to existing services should now be commissioned. A summary of the new services is given below.

15. Hostel Accommodation:

- (a) A hostel for people aged 16 to 25. A minimum of 29 self-contained units of hostel accommodation for young people, providing up to 7 hours of support per week, to each person. This should include up to 5 'training flats' to support young people in preparation for move-on from the hostel. Service to include resettlement support.
- (b) A hostel for people aged 18 and over. A minimum of 29 self-contained units of hostel accommodation, providing up to 7 hours of support per week, to each person. This should include up to 5 'training flats' to support people in preparation for move-on from the hostel. Service to include resettlement support.
- (c) All hostels must be DDA compliant and be accessible to single males, females and couples.

16. Accommodation Based Support:

- (a) Self-contained accommodation. A minimum of 15 self-contained units of accommodation with support, providing up to 5 hours of support per week, to each person. This could be provided to people who would not be suitable for hostels, or for people moving on from hostels into their own accommodation.
- (b) Temporary accommodation with support. A minimum of 10 units of temporary self-contained accommodation, providing up to 5 hours of support per week, to each person. The focus for this service will be on providing a safe environment in which the person can live and begin their journey out of homelessness, including 2 units of emergency accommodation.
- (c) All accommodation based services must be DDA compliant and be accessible to single males, females and couples.

17. Floating Support:

- (a) Generic floating support. A minimum of 40 units of floating support, providing up to 3 hours of support per week, to each person in their own home.
- (b) Intensive floating support. A minimum of 20 units of floating support for people with complex needs, providing between 5 and 10 hours of support per week, to each person in their own home.
- (c) The DBC Tenancy Support Service. 40 units of floating support, providing up to 3 hours of support per week, to each person in their own home. This service is not subject to the open tendering exercise.

18. Mediation Services:

- (a) Mediation Service. A minimum of 20 units of mediation, providing up to 3 hours of support per week, to each person in their own home. The service will be aimed at 16 to 21 year olds at risk of homelessness due to family breakdown.
- (b) Crash Pad Facility. 3 units of shared accommodation, providing up to 5 hours of support per week, to each person. The service will be aimed at 16 to 21 years olds to act as a 'reality check' for young people who cite family breakdown as their reason for being homeless.

19. Young Parents:

- (a) Self-contained accommodation. A minimum of 10 self-contained units of accommodation with support for young lone parents and families, providing up to 7.5 hours of support per week, to each person. This will include some 'dispersed' accommodation in the community.
- (b) Floating Support. A minimum of 20 units of floating support for young lone parents and families, providing up to 5 hours of support per week, to each person in their own home.

Costs and Numbers of Units of Support

20. A summary of the comparable costs between existing services and the proposed service models is given below:

21. Existing Services

	Number of units	Annual cost
Hostel accommodation	94	£724,590
Accommodation based support	6	£35,849
Floating support	79	£270,124
Young parents	16	£155,685
Total	195	£1,186,248

22. Proposed New Services

	Number of units	Annual cost
Hostel accommodation	58	£341,900
Accommodation based support	25	£118,300
Floating support	100	£342,032
Young Parents	30	£159,250
Mediation services	23	£65,699
Key Point of Access	n/a	£80,000
Total	236	£1,107,181

Policy and Procurement

23. These services have already been assessed against the criteria agreed by Cabinet in terms of whether the procurement is strategic or not. For the purposes of the annual procurement plan, the procurement was determined not to be strategic, reflecting that the overall contract value would be below £5m and the agreed scoring mechanism.
24. However, in light of the significant change to Homeless Services in Darlington and the potential impact on current providers of Housing Related Support Services funded by Supporting People, it is appropriate for Cabinet to approve the new service models and to consider changing these contracts to a strategic procurement. This reflects the importance this decision will have on the residents of Darlington through the significant improvement in homeless services and the potential impact on current providers.
25. The contracts will commence on 1 April 2010 and will run for four years.
26. The contracts will be for the provision of housing related support for young parents and homeless people/people at risk of homelessness and as such it is a Part B service and is not subject to EU rules.
27. An Open process with a one-stage evaluation will be used.
28. It is proposed that tenders be considered by a panel of partners comprising Council officer representatives from the Supporting People Commissioning Body, representation from the Third Sector and the Children's Trust. The outcome of the consideration of this panel will form the basis of recommendations to Cabinet for the subsequent award of contracts.
29. Should a current provider not be successful within the tender process TUPE (The Transfer of Undertakings (Protection of Employment) Regulations) may apply. Therefore a transition period of three months prior to the commencement of the new contract has been built in to the tender process to allow for staff transfers, reviews of service user care packages and transfers to new providers.
30. Six weeks have been allowed for the evaluation period, the tender is made up of seven individual lots of the provision of housing related support, for each lot a single contractor will be appointed, this will be the contractor who scores the highest combined price and quality score. The evaluation will cover a number of areas in the business questionnaire a pass/fail marking criteria will be applied to the following areas:-

- (a) Mandatory and Discretionary Grounds

- (b) Insurance
 - (c) Financial Information
 - (d) Health and Safety
 - (e) Equality and Diversity
 - (f) Technical Capacity
 - (g) References
31. A document control information sheet will be included within the tender pack detailing the areas where if the requested documentation has not been supplied that would result in an automatic exclusion from the tender evaluation process.
32. Tenders will be evaluated on a price (30%) /quality (70%) ratio.
33. The Methodology Statement will formulate the 70% score for quality which will be disaggregated into the following overarching areas:-
- (a) How the contractor will deliver Aims and objectives of the service, incorporating needs and risk assessment, equality and diversity.
 - (b) Quality Assurance
 - (c) Complaints
 - (d) Safeguarding
 - (e) Added Value and Innovation including opportunities achieving efficiencies over the lifetime of the contract at no additional cost to the Authority.
 - (f) Community Engagement and Inclusion
 - (g) Training Education and workforce
 - (h) Service User Involvement

Proposed Timetable

34. The proposed timetable for the remaining process in the procurement chain is as follows:

16th October 2009	Return of Tenders
19th October 2009 – 20th of November	Evaluation Period (five weeks)
5th January 2010	Report outcome of evaluation to Cabinet and recommend award of contracts
6th January 2010	Contract notification letters dispatched ten day standstill commences.
16th January 2010	Contract award letters dispatched

Potential Risks

35. The potential risks associated with the procurement of housing related support services for homeless people and young parents have been outlined at **Appendix A**.

Consultation

36. Consultation has involved the relevant stakeholders through a Strategic Review Group as indicated under each service area and their discussions have shaped the recommended way forward. The Supporting People Commissioning Body has considered the review and endorsed the proposed direction of travel. Feedback on the outcome of the review will also

be given to the Strategic Review Group prior to the new services being tendered and details placed on the website.

Appendix A

Ref	Risk	Impact	Risk Level
1.	<p>With any form of market testing, a potential consequence may be that if an existing provider were unsuccessful, this would have a detrimental effect upon their other service provisions not funded by Supporting People. For a number of providers, Supporting People grant one is one of the most significant funding streams within their organisation.</p> <p>For a number of providers this will be their first experience of formal tendering.</p>	<p>There could be a significant change to a service providers provisions in Darlington depending upon the outcome of the tender process.</p> <p>Service Providers have had training on e-procurement delivered by corporate procurement.,,</p>	High
2.	<p>The cost structures set through the strategic review have been based upon market research, however the hourly rates are at a significantly lower rate than presently funded. There is a potential risk that an existing provider cannot deliver within the specified costing structure.</p>	<p>The impact would be significant as the existing contracts end on the 30th of March 2010, therefore the remodelled services would need to be operational by the 1st April 2010.</p> <p>Providers pricing structures can not delivery the required number of services of units of support, there the anticipated levels of Value for Money are not met.</p>	High
3.	<p>The scale of service remodelling is significant, incorporating new services and re-commissioned services.</p>	<p>There could be initial difficulties in the transition and service start up period.</p> <p>A representative from Evolution are part of the tender evaluation panel/</p>	High
4.	<p>Insufficient/resource budget</p>	<p>As Supporting People is grant based it does not have a statutory duty. The proposed spend for all four year has been pre-set but may need to be realigned in light of the budget allocation through the national spending review through the lifetime of the contract.</p>	Medium

5.	Ensuring opportunities for small local providers and third sector organisations	The service specification and scoring mechanisms do not exclude small providers.	Low
6.	Possibility of a change in support providers and the impact upon service users.	The services being commissioned are short term services therefore there is a high turnover of individuals, however it is likely that any change in providers as a result of tender exercise will impact upon some service users.	Low
7.	TUPE may apply where an existing provider is not awarded a contract	The procurement timetable has built in capacity for TUPE transfers negotiations to take place before the start of the new contract.	Low