

Finance and Resources Committee

10.00am, Thursday, 25 January 2024

Award of Contracts for Homelessness Support Services

Executive/routine
Wards

Executive
All

1. Recommendations

- 1.1 Finance and Resources Committee are asked to:
 - 1.1.1 Note that Committee approved the establishment of a Flexible Purchasing System (FPS) for Temporary Accommodation (CT0627) on 7 October 2021. The maximum total spend for this was £ £434 million over the full term of the FPS;
 - 1.1.2 Approve the award of contracts to four Service Providers across four Lots (as set out in paragraph 4.11) to provide Homelessness Support, with a combined maximum annual contract value of £5,165,819, prior to any inflationary uplifts agreed through the annual budget setting process and any additional funding that may be provided by the Scottish Government from 2024/25 onwards for social care related pay increases; and
 - 1.1.3 Note that, if recommendation 1.1.2 is agreed, the contracts will commence on 1 April 2024 for an initial period of five years, with the option to extend for a further period of up to three years and a further two years.

Paul Lawrence

Executive Director of Place

Contact: Nicky Brown, Head of Homelessness and Household Support

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

Award of Contracts for Homelessness Support Services

2. Executive Summary

- 2.1 This report seeks approval to award contracts for Homelessness Support, following a mini competition under the Flexible Purchasing System (FPS) for Temporary Accommodation Framework CT0627.
- 2.2 Eleven organisations submitted 14 bids across four lots and, following evaluation, four organisations are recommended to be awarded contracts. Contracts will commence on 1 April 2024 for an initial period of five years, with the option to extend for a further period of up to three years and a further two years.

3. Background

- 3.1 The City of Edinburgh Council has a statutory duty under the Housing (Scotland) Act 1987 to provide temporary accommodation to people who are homeless or face homelessness.
- 3.2 The Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2020 aims to improve temporary accommodation standards; however, these standards render a percentage of Edinburgh's current temporary accommodation unsuitable due to the size and makeup of the accommodation.
- 3.3 The nature of Edinburgh's housing market poses significant challenges to providing temporary accommodation in the city, due to a shortage of affordable homes.
- 3.4 In April 2022, the service identified a requirement to procure Homelessness Support to replace the existing contracts which had a contract end date of March 2023, and which were extended for a further year.
- 3.5 Following a review process and stakeholder engagement, the previous contracts specifications were rationalised and re-organised into four lots, based on similarities in their outputs, and the needs of their service users. The four lots cover:
 - 3.5.1 Housing First and Complex Needs Visiting Housing Support (Lot 1);
 - 3.5.2 Street Based Outreach and Support Hub (Lot 2);
 - 3.5.3 Locality Visiting Housing Support and Preventative Support (Lot 3); and

3.5.4 Combining Young Person Support, Young Person Groupwork and Youth Emergency Support (Lot 4).

3.6 A full breakdown of the services is detailed within Appendix 3.

4. Main report

4.1 The procurement strategy was agreed with CPS to include two stages:

4.1.1 Stage one was to re-open the FPS to new providers; and

4.1.2 Stage two was for those providers to compete for the delivery of specific contracts.

Prior Information Notice and support for tendering

4.2 A Prior Information Notice (PIN) was published on Public Contracts Scotland (PCS) on 27 March 2023. The purpose of the PIN was to invite interested organisations to a provider briefing and training session on 25 April 2023 at the City Chambers Business Centre. The link to the PIN was also sent to a distribution list of known Service Providers and stakeholders. A total of 57 people attended the event, including representatives from 31 different organisations.

4.3 The briefing was designed to help Service Providers understand the open procurement process, provided handy hints for tendering and set out an estimated timeline. The presentation was shared with the Service Providers who attended the session and those that had expressed an interest via email.

4.4 At the provider briefing, organisations were also given the opportunity to book a one-to-one meeting with the service area. Nine organisations took up this opportunity and sessions were held on 1 and 2 May 2023.

Contract Notice

4.5 A Contract Notice advertising the re-opening of the FPS was launched on 29 June 2023, specifically for any organisations interested in applying to the FPS. The deadline for submissions was the 27 July 2023.

4.6 A 'mini competition' for Homeless Support Services was launched on 12 October 2023. Pricing Schedules stipulated the maximum budget available per annum and requested that bidders submit both their capacity and price per service user.

4.7 The tender process allowed for negotiations with Service Providers should this be required to provide assurance or clarifications.

4.8 A total of 35 clarification questions were submitted by the deadline for submissions (22 November 2023) and a total of 14 bids were received from 11 organisations.

4.9 A cost:quality ratio of 30:70 was applied as quality was considered to be of higher importance.

4.10 Following the evaluation, five bids by four organisations across the four lots are recommended to be awarded contracts:

- 4.10.1 Lot 1 and Lot 2 – Simon Community Scotland
 - 4.10.2 Lot 3 (South East and North East localities) – Turning Point Scotland
 - 4.10.3 Lot 3 (South West and North West Localities) – Right There (lead organisation in partnership with Foursquare and SACRO); and
 - 4.10.4 Lot 4 – Link Living.
- 4.11 A summary of the tendering and the tender evaluation process is attached at Appendix 1.
- 4.12 All Service Providers recommended for award are detailed in Appendix 2.

5. Next Steps

- 5.1 If Committee agree the report recommendations:
- 5.1.1 Contracts will be awarded to the named Service Providers. Contracts will run from 1 April 2024 for an initial period of five years, with the option to extend for a further period of up to three years and a further two years;
 - 5.1.2 The contracts will be monitored and managed by the Homelessness and Household Support team; and
 - 5.1.3 The Contracts and Grants Management team (CAGM) will engage with the Head of Homelessness and Household Support, to ensure that effective contract management is delivered throughout the framework lifecycle as detailed and agreed in the Contract Management and Handover Report. This will include proactive supplier engagement, monitoring of management information, application of Key Performance Indicators and tracking of relevant budgets.

6. Financial impact

- 6.1 The costs of the current services are budgeted at £5,271,381 per annum and are met from the Council's Housing and Homelessness revenue budget.
- 6.2 Following this procurement exercise, the future annual cost of the services will be £5,165,819. This is a saving of £105,561 per annum, driven by the competitive procurement exercise and the combination of services.
- 6.3 There is also an additional £430,000 per annum currently budgeted by the service to allow an increase in the provision of Visiting Housing Support services within the contracts, if there is demand. This is allocated to help mitigate costs of unsuitable and other temporary accommodation. The contract contains terms to help deliver this variation if required.

6.4 The table below shows the estimated total cost of these contracts over the full term of the contract (10 years):

Provider	Contract Value (10 years)
Simon Community Scotland (Lot 1 & Lot 2)	£24,053,251
Turning Point Scotland (Lot 3 – Localities SE & NE)	£11,062,088
Right There (lead organisation in partnership with Foursquare and SACRO) (Lot 3 – Localities SW & NW)	£10,975,267
Link Living (Lot 4)	£5,567,586
Total	£51,658,192

6.5 The annual contract values are fixed for the duration of the contract period, subject to any inflationary increases agreed through the annual budget setting process and nationally agreed changes to social care hourly rates funded by the Scottish Government. The contracts are expected to increase by 2% a year from year 2 of the contract. These additional costs will be considered through the annual budget setting process from 2025/26 onwards.

6.6 All Service Providers have passed financial assessments and agreed to Terms and Conditions which minimises any risk to the Council.

6.7 Additionally, the FPS has a mechanism for price reviews to better reflect market conditions and will be undertaken periodically to achieve value for money, as appropriate. As per the decision by Committee in October 2021, delegation of authority to the Executive Director of Place allows for a more responsive, flexible approach to changing trends in homelessness presentations.

6.8 The costs associated with procuring this contract are estimated from £20,001-£35,000.

7. Equality and Poverty Impact

7.1 An Integrated Impact Assessment was undertaken for this procurement. It details that the services commissioned will have a positive impact on people from the protected characteristics who are homeless. Services will also help to improve the situation of people in poverty. Services will not be able to help people with no recourse to public funds but will refer them to other organisations that can help.

7.2 The services commissioned will help to eliminate harassment of people who are homeless, will advance the equality of opportunity for people who are homeless and will foster good relations between people who share a protected characteristic and those who do not. Services work closely with homeless people to improve their socio- economic status and to reduce poverty in Edinburgh.

8. Climate and Nature Emergency Implications

- 8.1 As a public body, the Council has statutory duties relating to climate emissions and biodiversity. The Council

“must, in exercising its functions, act in the way best calculated to contribute to the delivery of emissions reduction targets”

(Climate Change (Emissions Reductions Targets) (Scotland) Act 2019), and

“in exercising any functions, to further the conservation of biodiversity so far as it is consistent with the proper exercise of those functions”

(Nature Conservation (Scotland) Act 2004)

- 8.2 The City of Edinburgh Council declared a Climate Emergency in 2019 and committed to work towards a target of net zero emissions by 2030 for both city and corporate emissions and embedded this as a core priority of the Council Business Plan 2023-27. The Council also declared a Nature Emergency in 2023.

Environmental Impacts

- 8.3 Climate change was identified as relevant to this procurement exercise and Service Providers were required to complete a Climate Change Plan within their Tender packs to provide evidence that their organisation has taken steps to build the awareness of the climate change emergency. Scope 1, 2 and 3 emissions were addressed in the Tender Pack (as defined in the Greenhouse Gas Protocol).
- 8.4 Tenderers were required to indicate how their organisations would minimise their services impact on the environment, and detail steps to reduce carbon emissions through the contract period. Mandatory submissions were received and evaluated from all tenderers as part of the Tender process.

9. Risk, policy, compliance, governance and community impact

- 9.1 The Framework Agreement recommended for award is compliant with regulations and the Contract Standing Orders. (CSOs) thereby reducing the risk of legal challenge relating to contractual arrangements.
- 9.2 The existing services and interested parties were consulted prior to procurement to input into the service specification and the design of services. The service specifications were then changed as a result of the consultation.
- 9.3 Service users are consulted regularly by services to gain feedback into how the services are run. This was fed back to the Council and used to inform the Service Specifications and to look at what needed to be commissioned. This included the One Way In referral route for the visiting housing support services which has been in operating since May 2023 and has made it easier for people to access support.

- 9.4 During the initial procurement for the FPS in 2021, in order to engage as many organisations as possible, CPS ran extensive market engagement activities to promote and advertise the framework and procurement strategy.
- 9.5 All of the support material developed as part of the activities from 9.4 was then re-shared with any new applicants to the framework in 2022.
- 9.6 The Sustainable Procurement Strategy was considered and applied through the request of community benefits.
- 9.7 As part of the tendering process questions were included within the tender submission in relation to Fair Work Practices, Sustainability and Community Benefits.
- 9.8 All of the recommended Service Providers pay at or above the Real Living Wage across their organisations, with all Service Providers committed to becoming accredited Real Living Wage Suppliers.
- 9.9 Among the Community Benefits secured are commitments from all Service Providers to target local recruitment, with some Service Providers specifically targeting those who have experienced homelessness.
- 9.10 All Service Providers have passed financial assessments and agreed to Terms and Conditions which minimises risk to the Council.

10. Background reading/external references

- 10.1 [Rapid Rehousing Transition Plan](#) - Housing, Homelessness and Fair Work Committee, 18 September 2020.
- 10.2 [The Unsuitable Accommodation Order](#).

11. Appendices

Appendix 1 – Summary of Tendering and Evaluation Process.

Appendix 2 – Summary of Tendering and Evaluation Outcome.

Appendix 3 – Summary of Services

Appendix 1 – Tender Evaluation Process

Contract	CT2972 – Homeless Support Services	
Contract Period	60 months with the option to extend for a further 36 months and then a further 24 months	
Maximum Total Contract Value (including extensions)	£51,658,192	
Procurement Route Chosen	MINI-Competition via Flexible Purchasing System CT0627: Competitive Procedure with Negotiation	
Admission to the Flexible Purchasing System (Category 4)	- Financial Probity Assessment - SPD	
Admission Methodology	Pass / Fail to provide unranked pool of appropriate providers.	
SPD Compliance	SPD verified by officers from CPS.	
Contracts to be Awarded	4 Service Providers across four Lots	
Price / Quality Split	Quality 70	Price 30
	Criteria	Weighting (%)
Evaluation Criterion and Weightings (All Lots)	Service Delivery	20%
	Organisational Structure	10%
	Service Management and Quality Assurance	20%
	Practical Support	20%
	Experience and Lessons Learned	10%
	Communication and Collaboration with Key Stakeholders	5%
	Community Benefits	5%
	The Environment	5%
	Fair Working Practices	5%

Appendix 2 – Tender Evaluation Outcome

Homeless Support Services – Lot 1	
Organisation	Final score
Simon Community Scotland	95
Organisation Unsuccessful	81.6
Organisation Unsuccessful	77.4
Organisation Unsuccessful*	33.75*

Homeless Support Services – Lot 2	
Organisation	Final score
Simon Community Scotland	100
Organisation Unsuccessful*	33.75*

Homeless Support Services – Lot 3	
Organisation	Final score
Turning Point	96.3
Right There	90.4
Organisation Unsuccessful	87.5
Organisation Unsuccessful*	30.6*
Organisation Unsuccessful*	30.6*

Homeless Support Services – Lot 4	
Organisation	Final score
Link Living	98.3
Organisation Unsuccessful	89.6
Organisation Unsuccessful*	23.6*

* Organisation did not meet the minimum technical score of 50/100, so was not taken forward for financial evaluation.

Edinburgh Homelessness Support Services

Housing First visiting Housing Support

Housing First provides mainstream, settled housing with wrap around support for people with the most complex needs, who are predominantly people with a history of rough sleeping.

Complex Needs Visiting Housing Support

A support service for people with complex needs which is defined as two or more support needs such as mental health and addiction issues.

Street Based Outreach

The Street-based Outreach service will operate 365 days per year. The Street-based Outreach Service will be responsible for undertaking initial eligibility assessments, referring households into Rapid Access Accommodation and signposting people to the Support Hub and other services.

Support Hub

The Support Hub will operate 365 days a year. The service will offer an initial support assessment to people and provide advice or signpost to services accordingly. The Support Hub will offer a variety of support sessions aimed at sustaining tenancies and assisting homeless people access services.

Locality Visiting Housing Support and Preventative Support

Support services that support people who are at risk of becoming homeless, who are homeless or who have recently experienced homelessness to move to or keep settled accommodation and gain independent living skills.

(Locality map - Northeast, North West, South East and South West)

<https://www.edinburgh.gov.uk/downloads/file/27031/city-of-edinburgh-council-boundaries-map>

Young Person Visiting Housing Support

A support service that supports those young people aged between 16 and 25 years of age who are at risk of becoming homeless, who are homeless or who have recently experienced homelessness to move to or keep settled accommodation, gain independent living skills and engage with employability services. The service provides increased access to accommodation (including interim and permanent) by adopting a housing options and income maximisation approach.

Young Person Group Work

The service is provided through a group work setting supporting young people between the ages of 16 to 25 years of age who are at risk of becoming homeless, who are homeless or who have recently experienced homelessness to help them gain independent living skills and engage them with employability services.

Youth Emergency Support Service (YESS)

A crisis service for all 16- and 17-year-olds who present as homeless and have no Social Work or Through Care and After Care involvement. The service helps to prevent the young person from moving further into the homelessness system as well as provide them with a package of support based on the young person's needs.