

AGENDA ITEM: 11 Pages 80 – 84

Meeting	Cabinet Resources Committee
Date	27 September 2011
Subject	Extension of current Housing Advice contract and Foundation Service contract and permission to re-tender services
Report of	Cabinet Member for Housing
Summary	This report seeks authority to (i) retrospectively further extend both the current Housing Advice and Foundation Service contracts to 31 January 2012 and (2) to commence a joint re-tendering exercise to award a new combined contract of both services as detailed in this report.

Officer Contributors	Nick Lowther, Homelessness Reduction Co-ordinator
Status (public or exempt)	Public
Wards affected	All
Enclosures	None
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in	Not applicable

Contact for further information: Nick Lowther, Homelessness Reduction Co-ordinator, 020 8359 6002

1. RECOMMENDATION

- 1.1 That, in variation of the Council's Contract Procedure Rules (on the basis of paragraph 5.8.4) and subject to the completion of all necessary legal and other documentation,**
(i) the Housing Advice and Foundation Service contracts be retrospectively further extended from 1 January 2011 until 31 January 2012 and (ii) authority be obtained to commence the joint re-tendering exercise for a new combined contract of both services, the new contract to commence on 1 February 2012.

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet Resources Committee, 16 March 2010, Item 8.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 Ensuring the provision of high quality independent housing advice is a key tool in helping to prevent and reduce homelessness. This contributes directly to the key housing performance target in the corporate plan by helping reduce the 'Number of homeless acceptances to fewer than 300 (local indicator)' through the provision of independent housing advice to prevent homelessness.
- 3.2 It also supports the key corporate priority of 'Sharing Opportunities, Sharing Responsibilities' through the provision of independent housing advocacy services which respond to the needs of vulnerable local people.

4. RISK MANAGEMENT ISSUES

- 4.1 Failure to award retrospective contract extensions for either the Housing Advice or Foundation Service contracts would mean services will be provided by goodwill alone and subject to minimal notice by the agency provider, Threshold an independent housing advice agency.
- 4.2 Failure to extend the Housing Advice contract could seriously impact on the level of service provision across the Borough's wards and the contribution made by the service to preventing homelessness.
- 4.3 The alternative to not extending the contract with Threshold would have a detrimental strategic and financial impact on the Council. There will be the potential for more households admitted into temporary accommodation and the needs of single people for a private sector housing option may not be met.
- 4.4 As a tender for a combined contract for the services will be undertaken and a new contract will be awarded to commence on 1 February 2012, the risk of a challenge to the retrospective further extension period is low. All previous bidders have been made aware of the Councils intention to extend current arrangements whilst a formal tender process is carried out.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 A contract extension and permission to re-tender, will help the Council to continue to provide independent advocacy services to residents in need across the Borough, and will help meet the statutory requirement to promote equality of opportunity through creating better access to services.
- 5.2 The service currently provided through the Housing Advice contract offers Barnet residents, another access point to housing advice services. It also provides assistance to those owed no homeless duty; including providing a scheme that helps single homeless people with accessing an assured shorthold tenancy with private landlords. This creates equality of opportunity for single people seeking secure private sector accommodation as the Council cannot cater for this client group.
- 5.3 The Council's procurement tender process will have regard to equalities, including evaluation of equalities and diversity policies concerning employment practice and service delivery of contractors and workforce diversity monitoring.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

6.1 Housing Advice contract

- 6.1.1 The costs of a contract extension to 31 January 2012 will be met within the Environment, Planning and Re-generation budget. Present budget implications are £197k per annum, It is however expected that the re-tendered combined service will be delivered for no more than £162k per annum.
- 6.1.2 The retrospective extension of the Housing Advice contract and permission to re-tender would provide time to review, identify financial savings, market test and prepare tender documents for a more efficient and effective service at a substantially reduced cost. It would also assist the Council to meet vulnerable local peoples need for housing advocacy services and also provide customer choice with a service independent from the Council.

6.2 Foundation Service contract

- 6.2.1 The current contract is managed by Adult Social Services. This is however in the process of being transferred to Environment, Planning and Regeneration along with the required budget virement of £155k plus £35k for incentive payments.
- 6.2.2 The 2011/12 value of the Foundation Service contract is £155k. The cost of incentive payments to participating landlords is estimated to be £35k and is met following periodic submission of accounts.

7. LEGAL ISSUES

- 7.1 The original contract awarded to Threshold Ltd, was for services falling within Part B of Schedule 3 to the Public Contracts Regulations 2006 and the tender process complied with the Council's Contracts Procedure Rules.
- 7.2 In relation to the proposed new contract for the combined services, the basic principles of procurement must be followed to promote competition, fairness, transparency and compliance with the EC Treaty principles of non-discrimination and advertising sufficient to enable the market to be opened up to competition. Following the procurement of providers and subject to separate Council authority, a written contract which complies with the provisions specified by the Council's Contract Procedure Rules, will need to be drawn up and executed on behalf of the parties.

8. CONSTITUTIONAL POWERS

- 8.1 The Council's Constitution in Part 3, Responsibility for Functions, paragraph 3.6 states the terms of reference of Cabinet Resources Committee including agreeing an exception to the Contract Procedure Rules.
- 8.2 The Contract Procedure Rules state that Directors/Heads of Service may take decisions on urgent or emergency matters as set out in the Leader's Scheme of Delegation providing they report afterwards to the relevant decision making body setting out the reason for the urgency. A waiver of the Contract Procedure Rules may be agreed by the appropriate decision making body if they are satisfied; after considering a written report by the appropriate officer, that the waiver is justified under one or more of the matters set out in contract procedure rules 5.8. In this case it is considered that a waiver is justified on the basis of 5.8.4 which states:
- **5.8.4 - There are other circumstances which are genuinely exceptional**
(budget constraints, as detailed at paragraph 9.1.2 below)
- 8.3 Pursuant to Table 5-1 of the Contract Procedure Rules, second or further extensions to contracts must be approved by the relevant committee. Table 5-2 details the acceptance thresholds for contract previously extended.
- 8.4 In relation to the new combined contract to be procured for the services, paragraph 6.1 of the Council's Contract Procedure Rules sets out the Council's tendering and quotation thresholds and paragraph 5.1 sets out the thresholds for authorisation and acceptance of tenders.

9. BACKGROUND INFORMATION

9.1 Housing Advice contract

- 9.1.1 A grant had been made to the voluntary organisation Barnet Housing Aid Centre (BHAC) for a number of years to discharge the Council's statutory advice and assistance duty under Part VII of the Housing Act 1996. In 2005, permission was obtained to invite tenders for a contract to provide this service and the contract was awarded to Threshold Ltd as the successful tenderer. The present contract expired on 30 June 2008 and this was extended to 31 December 2010.
- 9.1.2 Barnet carried out a full tender process in 2010/11, however due to significant budget constraints, the contracts could not be awarded. It is therefore proposed to significantly reduce the contract specifications, combining both the Housing Advice and Foundation contracts and seek efficiencies, whilst enabling the Council to retain key benefits both services provide.
- 9.1.3 Permission to extend the Housing Advice contract, will enable a continuation of service provision of independent housing advice, assisting the Council in preventing homelessness and broadening access to services.

9.2 Foundation Service contract

- 9.2.1 The Foundation Service was commissioned in 2005 as a partnership project between the Council, Barnet Primary Care Trust and Barnet Probation and is also provided by Threshold Ltd. It provides assistance with access to private rented housing for people

- 9.2.2 Both the Housing Advice contract and the Foundation Service were jointly procured in 2005. It is proposed to repeat this process in 2011/12 given the relationship between housing advice and private sector tenancy services. A decision to extend the Foundation Service contract until 31 January 2012, would enable Housing Needs and Resources to jointly procure both the Housing Advice and the Foundation Service services, combining both services in a single contract.
- 9.2.3 The scope of the Foundation Service was expanded during 2010/11 by making it available to the Council's Adult Social Services, to widen the housing choices available to individuals with social care needs moving on from residential care and supported housing.

10. LIST OF BACKGROUND PAPERS

10.1 None

Legal – JKK
Finance – JH