

**ACTION TAKEN BY CABINET MEMBER (EXECUTIVE FUNCTION)**

**Subject** **Contract Award for provision of Generic Housing Floating Support and Mental Health Floating Support Services**

**Cabinet Member** Cabinet Member for Adults

**Date of Decision** 9 April 2014

**Date of decision comes into effect** 17 April 2014

**Summary** This report summarises the tendering process which has been conducted for the award of a new contract for the provision of generic housing floating support services and mental health floating support services. It recommends the Council proceed with the appointment of Genesis Housing to operate the services from 1 July 2014 for three years, with an option to extend for a further 2 years subject to satisfactory performance and funding.

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**Status (public or exempt)** Public

**Function of (Council/Executive)** Executive

**Wards affected** All

**Enclosures** Equality Analysis

**Reason for exemption from call-in (if appropriate)** N/A

**Key decision** Yes

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## **1. RELEVANT PREVIOUS DECISIONS**

- 1.1 Cabinet Member Delegated Powers Report (DPR no. 886), 13 October 2009, approved that Notting Hill Housing Group be awarded the contract to provide a generic floating support service for a period of 3 years, with an option to extend for a further 2 years subject to satisfactory performance and funding. This service started in May 2010.
- 1.2 Cabinet Resources Committee, 7 November 2012 (Decision item 7) - approved contract procurement activity for the 2013/14 financial year; this included the Voluntary Sector Preventative Support services for the Adults Social Care and Health Directorate, which incorporated authority to procure floating support services.
- 1.3 Cabinet Resources Committee, 4 November 2013 (Decision item 7) - approved the extension of 2 floating support contracts by six months to September 2014; this included the generic floating support contract, Outreach Barnet for which Notting Hill Housing is the lead provider and the mental health floating support contract with One Housing Group (both services were the subject of this procurement for which contract award is being sought).

## **2. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 2.1 The Barnet Council 2013-16 Corporate Plan sets out the Council's corporate priorities and the service supports the following objectives:
  - Being outcomes focused, with clear standards, targets and accountabilities for performance.
  - Delivering outcomes that demonstrate prevention priorities, improved health, safe living, and active, participative citizenship.
- 2.2 The service will support the objectives outlined in the Barnet Health and Well Being Strategy, 'Keeping Well, Keeping Independent'; the service will promote early intervention and prevention.
- 2.3 The service will provide housing related support to all adults in the community. It aims to enable people to sustain their tenancy or home and reduces the need for more intensive support at a later stage. The service also aims to help people maintain their independence and encourages people to settle back into the community and promotes self-reliance. The support will be solution focussed aimed at resolving issues and preventing crisis.
- 2.4 The role of floating support services in enabling people to help themselves to achieve safe, healthy and active lives is a core component of the prevention strategy. It is referenced in many specific national and local plans concerned with the wide range of customer groups that the Council supports. The floating support model, based on

the provision of a flexible short-term programme of customer-directed support, has influenced the development of wider personalisation and enablement strategies for social care delivery.

- 2.5 The services being procured will operate generically, providing cross-cutting and person-centred support to all customer groups irrespective of the nature of their vulnerabilities. The services directly support the Council's commitment to 'Promoting Independence' as well as other corporate priorities.

### **3. RISK MANAGEMENT ISSUES**

- 3.1 The risk register for the procurement project identifies a number of risks and appropriate mitigation and contingencies are in place. The main risks identified are:

#### **3.2 Current contracts**

- 3.2.1 There are currently two housing related floating support contracts:

3.2.1.1 A single contract for the generic floating support service with Outreach Barnet; Notting Hill Housing is the lead provider in a sub contract relationship with Genesis Housing and Homeless Action in Barnet. This is due to expire on 31.3.2014.

3.2.1.2 A single contract with One Housing for the mental health floating support service. This is due to expire on 31.03.2014

- 3.2.2 The contract with Outreach Barnet and One Housing is proposed to continue until 30 June 2014 to ensure continuation of the services that they are currently providing, as well as a smooth transition to the new service model.

- 3.3.3 This arrangement will also ensure the current contract does not become non-compliant with the council's procurement rules.

#### **3.4 New Service Model**

- 3.4.1 The Council reviewed its requirements for floating support services and through thorough discussions with a number of key stakeholders, proposed a new service model which included:

3.4.1.1 A single contract for Generic Housing Related Floating Support with a specialist Mental Health component to support people within in-patient mental health settings and hospitals and patients in recovery centres

3.4.1.2 Shorter periods of support – up to 4 months for the generic service and up to 9 months for the specialist mental health support

- 3.4.1.3 More support for carers – through supporting carers and the person ‘cared for’ to help them maintain their accommodation and independence and help prevent escalating needs
- 3.4.1.4 Development of an outcomes based specification in consultation with stakeholders, with the intention of working collaboratively with the successful bidder and customers to co-produce the final service
- 3.4.2 The Public Services (Social Value) Act 2012 requires local authorities to consider more widely the economic, environment and social benefits of service procurement. To demonstrate the Council’s commitment to this the specification set out a requirement for bidders to set out their approach to ensure additional social value can be gained from the contract.
- 3.4.3 The commissioning of this service is unlikely to raise significant levels of public concern as there has been on-going engagement with key stakeholders throughout the process.
- 3.4.4 Market testing and discussion of the Council’s intentions were undertaken early in the procurement process and tenders were received from regional providers as well as smaller organisations. The procurement has been implemented in compliance with the open tender procedure. Officers have worked closely with the Corporate Procurement Team on all aspects of the process. Project management methodology has been applied in accordance with corporate standards.
- 3.5 Budget Reduction
- 3.5.1 The budget for the new floating support service has been reduced by 25%. In order to mitigate risks arising from the budgetary reduction, the new service was designed with stakeholders which included shorter and more focused periods of support. Additionally there are other new additions which allow the Council to achieve quality services which meet the needs of residents with best value for money.
- 3.5.2 The proposals to re-configure the service included modelling of the potential capacity of the new service. This identified that the new support model would mean that the service would be able to be offered to a greater number of customers than the current services allow.
- 3.6 Managing the transfer of services and TUPE
- 3.6.1 Initiation of the new services being procured will involve the termination of two contracts for existing services, the transfer of service users and, subject to TUPE requirements, the transfer of staff to the new contractor. Project documentation and management of the project

addresses each of these processes and will be updated as detailed discussion of timescales with the appointed contractor take place.

3.6.2 The project will continue to be led by the Joint Commissioning Unit within the Adults and Communities Delivery Unit, working with a project group representing various stakeholders from across the Council and will continue to report to the Adults and Communities Leadership Team.

3.6.3 There are no risks to the Council with regards to the Transfer of Undertakings (Protection of Employment) Regulations 2006 (“TUPE”).

### 3.7 Implementing the new service

3.7.1 As part of the tender, providers were asked to submit an implementation plan for initiating the service, including:

3.7.1.1 Timeframe for setting up the new service and proposals for phasing the new service model, details of activities and relevant staff responsibilities

3.7.1.2 Transition planning from the old service to the new

3.7.1.3 Key risks with initiating the contract and how these will be managed by the provider.

3.8 The bidder’s implementation and risk plans were also tested as part of the tender presentations. Following agreement of the contract award the plan will be finalised with the successful bidders and key stakeholders. This will be managed through the setting up of a project group to oversee the successful implementation of the new service. The implementation and risk plan, including transition arrangements, will be signed off by the Floating Support Project Group.

3.9 Alongside the Implementation and Risk Plan, a Performance Framework based on the Health and Social Care Outcomes and informed by the provider’s tender, will be agreed prior to initiating the service. The service specification includes performance and outcome measures which will continue to be monitored and reviewed through the contract management process.

## **4. EQUALITIES AND DIVERSITY ISSUES**

4.1 The contract for the new services will include explicit requirements fully covering the Council’s duties under equalities legislation.

4.2 The contracts will require providers to have a high standard of equitable behaviours. This includes compliance with Equal Opportunities Legislation, operating an equal opportunities policy, observing Codes of Practice issued by the Commission for Equality and Human Rights, and giving appropriate consideration to each

customer's race, nationality, cultural or ethnic background, marital status, age, gender, religion, sexual orientation and disabilities.

- 4.3 An initial Equalities Impact Assessment (EIA) was undertaken when proposals to re-configure the service were proposed and this identified minimal negative impact.
- 4.4 An updated Equalities Analysis (EA) was completed on the changes to the service specification and consideration was given to the effect on the different categories.
- 4.5 The EIA indicates a minimal negative impact and the outcome is that there is no change in decision. See Appendix A of the Public Report for a copy of the EIA.
- 4.6 The Council's Equalities policy has been followed in the management of the tender process, including evaluation of tenderers' equalities and diversity policies concerning employment practice and service delivery.

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

- 5.1 **Finance** – This service is funded from the Delivery Unit's base budget. The proposed maximum annual budget for this contract is £1,203,302.
- 5.2 **Procurement** – a market event for floating support services was held early in the procurement process. There was good attendance from local and national providers (approximately 50 providers attended) and there was a good level of confidence that there was potential for a competitive procurement and open tender process.
- 5.3 **Staffing** - The procurement has TUPE implications for the current provider's employees. Tenderers were provided with all TUPE information as part of the tender process. See Section 6.4 below for the relevant legal considerations.
- 5.4 **Value for Money** - Value for money has been determined by evaluating the quality of each provider's bid that included a pricing schedule with resourcing details. Through this process it has been possible to determine the provider that will provide both the highest quality service as well as maximising the resources available to provide direct support to service users. This ensures the provider to be awarded the contract is delivering a service which offers the highest quality and best value for money for Barnet residents.

## **6. LEGAL ISSUES**

- 6.1 These Floating Support services are Part B services under The Public Contracts Regulations 2006 (as amended) and therefore are not subject to the full EU tendering rules.
- 6.2 The procurement remains subject to the EC Treaty provisions of equal treatment, fairness and non-discrimination. The tendering process met these requirements.
- 6.3 As the new service is launched the existing contracts with the organisations currently delivering the service will be terminated, in accordance with the provisions of the relevant contract.
- 6.4 The Transfer of Undertakings (Protection of Employment) Regulations 2006 ('TUPE') will apply to the contract with the new provider and therefore the contract with the new provider will include appropriate obligations in respect of the provider's responsibilities under TUPE. The Council's role is to facilitate and oversee the supply of appropriate information during the procurement process and following contract award.
- 6.5. An Equalities Impact Assessment on the impact of the proposed service changes and consultation with stakeholders has been carried out as required.
- 6.6. The contract with the service provider will be in a form approved by Legal Services in accordance with Contract Procedure Rules

## **7. CONSTITUTIONAL POWERS**

- 7.1 Council Constitution, Responsibility for Functions, Section 4.2, details the responsibilities of individual Cabinet Members. The Cabinet Member for Adults has responsibility to lead on budget and policy formulation and implementation in relation to adult social care.
- 7.2 Council Constitution, Part 4, Council Procedure Rules – Contract Procedure Rules, Appendix 1 – Table A details the authorisation to commence a procurement process. This tendering process was authorised by inclusion on the Forward Plan (see paragraph 1.1).
- 7.3 Council Constitution, Council Procedure Rules – Contract Procedure Rules, Section 11.1 details the acceptance thresholds for social care. As the contract value is greater than £1m the acceptance is by Delegated Cabinet Member.

## **8. BACKGROUND INFORMATION**

- 8.1 Barnet currently has two housing related floating support services:

- 8.1.1 'Generic' Floating Support which is delivered by Outreach Barnet and has been operating since May 2009
- 8.1.2 Mental Health Floating Support – delivered by One Housing Group and has been operating since April 2003
- 8.2 These floating support services, and particularly the generic service is used by the following services across the Council:
- Adults and Communities
  - Children's Service
  - Health
  - Housing
  - Mental Health
  - Drugs and Alcohol
- 8.3 As the contracts for the current services come to an end the Council had reviewed its requirements and developed an outcomes focussed specification which set out the Delivery Unit's vision for the new service – a single contract for Generic Housing Related Floating Support Service including a specialist mental health floating support component for people within in-patient mental health settings and hospitals and patients in recovery centres. The service promotes and encourages safer communities to all vulnerable people.
- 8.4 It is intended that the new service will build on the success of the current floating support services which is recognised as being a crucial preventative service for the community. Statistics show that many Barnet residents have been supported to maintain their tenancy; 1015 Barnet residents were supported by the generic floating support service in 2012-13 and 82 people were supported by the mental health floating support service.
- 8.5 The specification for the new floating support services was developed through engagement with key stakeholders. This has included:
- 8.5.1 Listening to the views of people who have previously used or are currently using the existing services; focus group meetings were arranged to facilitate these discussions and Partnership Board members, including the carers from Experts by Experience were involved in these sessions
- 8.5.2 Discussions with the current providers of the floating support services
- 8.5.3 An online survey which was open to the wider public through Barnet's engagement portal
- 8.5.4 A questionnaire sent to service users through the current providers; the same questionnaires and an easy read version were also sent to all Partnership Board members



- 8.5.5 On-going discussions with council officers from various services and the Mental Health Trust
- 8.5.6 Service users and a carer were also involved in the tender evaluation process.

**9. PROCUREMENT PROCESS**

9.1 Table 1 below sets out the procurement timetable.

**Table 1**

Stage/Event	Date
Advertise the Opportunity	20.12.13
Deadline for receipt of Tenders 17.00 hrs.	14.02.14
Cabinet Member Decision	09.04.14
Contract Service Commencement date	01.07.14

9.2 A Floating Support Project Group was set up to oversee the re-commissioning process. It included:

- Project Manager
- Joint Commissioning Manager
- Commissioning Lead
- Senior Category Manager
- Head of Youth and Community
- Service Manager, Children In Need
- Housing Strategy and Business Improvement Manager
- Head of Strategy and Performance
- Carers Strategic Lead
- Head of Community Safety
- Community Support and Recovery Team Manager, West, Mental Health Trust
- Interim Senior Commissioning Manager, Brent and Harrow Public Health Team (*drugs and alcohol representative*)

9.3 The overall tender process was supervised by Corporate Procurement and by representatives from Corporate Finance.

9.4 The team developed detailed tools for the procurement process including the questions, scoring methodology; presentation questions and support for the service user/ carer panel.

9.5 An open tender process has been followed, involving two stages, the qualifying and selection stage where bidders needed to score 50% or more to pass and progress to be evaluated at the award stage.

9.6 All bidders who passed the qualifying and selection stage were invited back for presentations, although the presentations were not scored and for information purposes only.

## **10. EXPRESSIONS OF INTEREST**

10.1 The tender was advertised on 20 December 2013 through the Council's e-procurement portal. A communication was also sent out to all providers who are on a database held by the Quality and Purchasing Team in the Adults and Communities Delivery Unit. Thirty-one organisations registered an expression of interest on the Barnet sourcing web portal.

## **11. TENDER SUBMISSIONS**

11.1 On the closing date seven tenders had been submitted. They were received from Genesis Housing, Bidders A, B, C, D and E and a seventh bidder (who later withdrew their bid).

## **12. TENDER EVALUATION**

### **12.1 The tender panel**

The tender evaluation panel consisted of:

- Commissioning Officer (also Project Manager for this project)
- Joint Commissioning Manager
- Commissioning Lead
- Senior Category Manager
- Transitions Co-ordinator
- Community Safety Officer
- Housing Strategy and Business Improvement Manager

12.1.1 In addition two service users and a carer were on the panel and were involved in scoring the award stage of the tender and were also involved at the presentation stage.

### **12.2 Qualification and Selection Stage**

12.2.1 This included economic and financial records; experience and contract examples, quality assurance; health and safety and selection questions regarding experience of delivering housing related support services

12.2.2 All seven bids passed the qualifying and selection and progressed to the award stage.

12.2.3 All seven bids passed the qualifying and selection stage to be evaluated at the award stage. Genesis Housing scored the most points in the selection stage.

12.2.4 The seventh bidder withdrew their application prior to the completion of the award stage evaluation. Therefore six bidders were evaluated at the award stage using criteria for Quality and Pricing.

### 12.3 The Award Stage

12.3.1 The award stage was scored on an evaluation of quality using a number of questions to be answered by the organisations. The award evaluation for price was based on a completed pricing schedule which involved a formula that scores in accordance with deviation from the average price of all the bids.

#### 12.3.2 Scoring Mechanism for Award Stage

The weighting for quality and price evaluation is set out in Table 2.

**Table 2**

Criteria	Weighting
Quality Evaluation	60 %
Price Evaluation	40 %

#### 12.3.3 Scoring system

The following points system was used for the scoring of each question:

**Table 3**

Score	Scoring Guidance
0	Completely fails to meet required standard or does not provide a proposal.
1	Proposal significantly fails to meet the standards required, contains significant shortcomings and/or is inconsistent with other proposals.
2	Proposal falls short of achieving expected standard in a number of identifiable respects.
3	Proposal meets the required standard in most material respects, but is lacking or inconsistent in others.
4	Proposal meets the required standard in all material respects and delivers added value for money to the Authority.

### 12.4 Quality

12.4.1 The criteria for weightings for evaluating quality are shown in Table 4.

**Table 4**

Quality criteria	Weighting within overall quality score
<b>A) Service Delivery</b> Questions focused on the delivery of the service model, quality improvement, innovation in the development of the service and social capital.	20 %
<b>B) Service Outcomes and Outputs</b> Questions focussed on social care outcomes, how the service would meet these outcomes, how the service would effectively engage with those who need the service and the systems in place to ensure continuing improvement, quality and performance management.	20 %
<b>C) Staffing Competencies, Training and Development</b> Questions focussed on the calibre of the staff team, training and development needs; recruitment and selection; maintenance of a stable workforce.	20 %
<b>D) Partnership Working</b> Questions focused on the development of partnerships in delivering the service and previous experience of partnership working.	10 %
<b>E) Mobilisation, Transition, Risk Management and Contingency Planning</b> Questions focussed on the implementation plan and risk management.	30 %
Total	100%

12.4.2 Service budget analysis information was required as part of the tender submission with allocation of resources to the service model.

12.4.3 The total quality score was multiplied by 0.6 to take account of the 60% weighting when combined with the score for price.

12.4.4 The bids were all scored individually by each member of the tender evaluation panel. Following this, consensus meetings of the panel were held to agree the scoring of each bid and identify any further areas that required clarification.

12.4.5 The price evaluation accounted for 40% of the available score.

12.4.6 The prices submitted were evaluated using a formula as follows:

**Table 5 Pricing Evaluation**

The mean price among all bidders meeting the required Quality standard threshold is calculated.	Sum of Prices divided by the number of bids submitted
Calculate the % difference between the actual price and mean	$\frac{\text{Sum of Price} - \text{Mean Price}}{\text{Mean Price}} \times 100$
The mean is given the value of 50. (1 point is deducted/added from the score of each bidder for each percentage point above/below the mean.	% Difference x -1 (Round to nearest whole number) + Mean Value (50)
Multiply price score by the agreed weighting for price.	Points Score (x) 40%
Prices and calculations were exclusive of VAT	

## 12.5 Tender Presentation

12.5.1 All six bidders were invited to present their bid to the officer and service user/family carer panel and answer supplementary questions arising from the presentation.

12.5.2 The subject of the presentation was:

- The main priorities for the first six months of the new service
- Mobilisation of the service model and transition arrangements
- The service model
- Implementation plans to develop, deliver and maintain a high quality service during the contract term.

12.5.3 The additional questions following evaluation of the tender documents submitted were focussed on:

- Experience of making changes to a service as a result of feedback from customers
- Effective support planning

- Addressing the challenges of delivering services to Barnet's diverse population
- Scenario based question – meeting the needs of someone who is not achieving their outcomes

## 12.6 Consensus

12.6.1 Following the tender presentation the panel discussed the scoring of the submitted bids and reached agreement on the final scoring. The purpose of the presentations was to confirm the bidders' proposals. No significant issues or concerns arose from the presentations to affect the overall scoring.

## 12.7 Final Scores

Table 6 shows the total weighted scores for evaluation of quality

**Table 6**

Provider	Bidder A	Genesis	Bidder B	Bidder C	Bidder D	Bidder E
Score	68.75	91.25	66.25	77.5	68.5	48.75

The final weighted overall scores (price and quality) are shown in Table 7.

**Table 7**

Tender Name	Weighted Price Score	Weighted Quality Score	Overall
Provider A	23.23	41.25	64.48
Genesis	21.01	54.75	75.76
Provider B	18.80	39.75	58.55
Provider C	18.00	46.5	64.50
Provider D	18.70	41.1	59.80
Provider E	18.56	29.25	47.81

## 13. RECOMMENDATION

13.1 The overall scoring shows that Genesis Housing has submitted the strongest bid.

13.2 The recommendation of the evaluation panel is that Genesis Housing should be awarded the contract for the provision of Generic Housing Floating Support Services and Mental Health Floating Support Services from 1 July 2014 for three years at a cost of £3,329,033.00, with an option to extend for a further 2 years subject to satisfactory performance and funding.

**14. LIST OF BACKGROUND PAPERS**

- 14.1 Relevant tender documentation available by contacting Amisha Lall, Commissioning Officer, Adults and Communities. E-mail: [Amisha.Lall@Barnet.gov.uk](mailto:Amisha.Lall@Barnet.gov.uk) Tel: 0208 359 6028

**15. DECISION OF THE CABINET MEMBER(S)**

**I authorise the following action**

- 15.1 To agree the award of a contract for Generic Housing Floating Support Services and Mental Health Floating Support Services to Genesis Housing from 1 July 2014 for three years at a cost of £3,329,033.00, with an option to extend for a further 2 years subject to satisfactory performance and funding.

**Signed**



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**Date**

**09.04.14**

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