

HOMELESSNESS SERVICE WISBECH: THE FERRY PROJECT

To: Adults Committee

Meeting Date: 12th January 2016

From: Adrian Loades, Executive Director: Children, Families and Adults Services

Electoral division(s): All

Forward Plan ref: 2016/014 **Key decision:** Yes
4 year contract award
with 2 year extension
value is £1.19 million

Purpose: To inform the Committee that market testing has been under taken to establish if there is sufficient interest from the market, to justify undertaking a tender exercise for the Homelessness Service contract in Wisbech currently run by The Ferry Project

Following recent market testing, only one organisation has expressed an interest in providing the Single Homelessness Service in Wisbech. This was the Ferry Project which is the current provider. The Committee is asked to agree to an exemption from undertaking a full tender. This will be a key decision given the contract value is £197,968 per annum over the proposed period of a future contract (up to 6 years)

Recommendation: Adults Committee are asked agree to an exemption from a full procurement exercise following the market testing exercise, so that the contract can be awarded to The Ferry Project.

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1.0 BACKGROUND

- 1.1 The Ferry Project homelessness service is a charity within the Luminus Group Housing Association. The Ferry Project provides supported accommodation for homeless single people.
- 1.2 Within the Ferry Project, there are two services that the County Council funds, one is made up of 24 bed spaces in the assessment centre; the other is a 12 bed space for 'move-on' lower level supported accommodation.
- 1.3 The current service is delivering good outcomes. The average stay in the Ferry Project is 16 weeks. Over 40% of people being supported by the project are engaged in educational activities and 40% do voluntary work to learn work related skills, both of which help secure future employment. (These are overlapping percentages as some people will undertake both activities and others one of the activities).
- 1.4 Work has been undertaken in the last few months to enable the service to play a key role in supporting people with mental health needs in the Fenland District Council area. This will involve increasing the contract by three beds for the use of people referred by Cambridgeshire and Peterborough NHS Foundation Trust (CPFT), an agreed process for supporting people with mental health needs in the Ferry Project and the use of an office by CPFT staff to see and support people on the premises. These changes will help the Council to meet its business plan savings, by improving the support for people with mental health needs so that there is less need for more high cost social care services such as residential care.
- 1.5 The Ferry Project also runs services which are not funded by the Council, which include: a community hub, including a café and shops, a night shelter, a social furniture enterprise scheme and opportunities for volunteering to develop employment skills. The Council benefits from its commissioned service being a part of a wider resource which it does not commission but which improves outcomes for Council service users.

2.0 MAIN ISSUES

- 2.1 The contract for the Ferry Project has an existing two year exemption dated from March 2014 and ending on 31st March 2016. Given the vulnerability of the client group, the importance of this service to the local community and low probability of another bidder, a Prior Interest Notification (PIN) was used to test the market rather than undertake a full tender exercise. The PIN was advertised and the only respondent was the Ferry Project. This confirmed the view that there is likely to be no competition for the service being tendered beyond the existing provider.
- 2.2 The Prior Information Notice (PIN) was published in the Official Journal of the European Union (OJEU) to inform the supply market that there was a potential opportunity to submit a tender for the services and invite expressions of interest. In addition to the OJEU, the potential opportunity was also published on the Source Cambridgeshire and Contracts Finder websites.

2.3 The original two year exemption was agreed with the aim of work being carried out with LGSS Procurement Team to see whether the service could be tendered. There are concerns regarding a tender because:

1. The Ferry Project runs other services not funded by the County. Should the Ferry project not be successful in a tendering process, this may result in a reduction in the other support services available for vulnerable people.
2. The Ferry Project, being the landlord for the accommodation, was unwilling to allow other providers to use the existing accommodation. Therefore, a successful provider would be required to source accommodation units, which acts as a significant barrier for new bidders.

3.0 OPTIONS

3.1 Option 1: Cease to contract the service

3.1.1 This option is not recommended because the service supports some of the most vulnerable people, some with a record of street homelessness and subsequent low employment skills. Without the support offered by the service, needs would increase and become more complex and this would be more likely to lead to the need for statutory social care services. The service also makes a contribution to the local economy by helping vulnerable people get back to work or, if in employment ready, to improve their basic skills.

3.2 Option 2: Tender Service for start date of 1 April 2016

3.2.1 It is still an option to tender the service. However, the market has already been tested by the use of a Prior Interest Notification and it is unlikely that there would be another bidder. This option is not recommended.

3.3 Option 3: Exemption from procurement regulations to tender the service

3.3.1 This has been discussed with the Procurement Team and the LGSS Legal Team. The lack of responses to the PIN supports the view that there is unlikely to be a challenge to the decision to award a contract to the Ferry Project without a tender process. The Ferry Project also meets fully the contract requirements and demonstrates an improved financial value. This is the recommended option as it provides a number of benefits to the Council, the current users, potential users of the service and the overall system of support within Wisbech. These benefits are set out below.

3.3.2. An improved contract value and use of the service

Following detailed discussions with the Ferry Project, it is proposed to increase the size of the contract from the current 36 beds to 39 beds. An additional 3 beds will be included in the contract for the use of people referred by the secondary mental health provider CPFT. This is at no extra cost to the County Council; the provider has agreed to increase the number of low level support, move-on accommodation within the current contract value. The current contract value is £202,968 and will be reduced by £5,000 in 2016/17.

3.3.3 Supports the most vulnerable and avoids increased expenditure

There are strong business reasons for the Council to continue to support this service. There is a direct link between homelessness and other risk factors and vulnerability, specifically substance misuse, mental ill health and physical ill health. Without the support offered by the service, needs would increase and become more complex and this could lead to the need for statutory social care services. Service users may already be being supported by social care for other needs, but costs may increase.

3.3.4 Supports partnership working with Fenland District Council

The funding for the service (including a range of other homelessness services in Cambridgeshire) was transferred to the County Council by the Government, rather than to District Councils, in 2003. This funding was originally included in Housing Benefit entitlement paid to each individual in supported housing, which was in turn passed onto the provider to support staffing costs. Supporting homelessness provision is a statutory duty of the District Councils.

4.0 ALIGNMENT WITH CORPORATE PRIORITIES

4.1 Developing the local economy for the benefit of all

4.1.1 This service supports some of the most vulnerable people, some with a record of street homelessness and subsequent low employment skills. This service makes a contribution to the local economy by helping vulnerable people get back to work or, if not employment ready, to improve their basic skills.

4.2 Helping people live healthy and independent lives

4.2.1 The service is part of a homelessness pathway which is based on a gradual reduction in the level of support to complete independence where possible. The pathway describes how the various homelessness services work together to match support with the person's needs. People can be assessed for the night shelter run by The Ferry Project followed by Shelter and pass onto the longer term homelessness service, followed by less supported group homes or general housing.

4.3 Supporting and protecting vulnerable people

4.3.1 This service works with some of the most vulnerable people in the County. People who use this service will be better enabled to maintain their independence. The provider will be supported to develop a skilled and competent workforce able to meet the needs of vulnerable people. The remodelled service will provide:

- a focus on identifying risk for each individual
- safety and a secure environment
- assistance in crises

5.0 SIGNIFICANT IMPLICATIONS

5.1 Resource Implications

- 5.1.1 The new contract offers better value and reduced cost for the Council, decreasing from £202,968 per annum to £197,968 from 1st April 2016. This will contribute towards delivering CFA savings targets.
- 5.1.2 The recommendation to award this contract has been considered within the context of CFA business planning process and the Strategy for Children, Families and Adults Services in Cambridgeshire 2016/17 to 2020/21. These savings are part of the Older People's and Mental Health Section: A/R 6.211, Voluntary and Community Services.

5.2 Statutory, Risk and Legal Implications

- 5.2.1 In preparing this paper, the opinion of the LGSS legal and procurement teams was sought. The risk of challenge is minimal as the County has followed a clear market testing process and potential providers have had an opportunity to express an interest in the contract. The County is following its procurement regulation guidance by seeking an exemption following market testing.

5.3 Equality and Diversity Implications

- 5.3.1 There have been no significant implications identified by officers.

5.4 Engagement and Consultation Implications

- 5.4.1 Consultation has taken place with Fenland District Council, DAAT (Drug and Alcohol Action Team) and Cambridgeshire and Peterborough NHS Foundation Trust (CPFT). The aim has been to ensure the new contract reflects the support needs of service users and that they can access services.

5.5 Localism and Local Member Involvement

- 5.5.1 This service will enable those who are most vulnerable to engage and be part of the community. There is a focus on engaging with some of the most vulnerable people who have been street homeless.

5.6 Public Health Implications

- 5.6.1 This service will improve the health of Cambridgeshire residents as there is a strong association between homelessness and ill health and disability.

Source Documents	Location
Contract paperwork for the above service – this contains commercially sensitive business exempt information which is not to be disclosed to the public	Contract Team Adult Social Care Octagon, Shire Hall, Cambridge