



Havering

LONDON BOROUGH

Notice of Non-key Executive Decision

Subject Heading:	Waiver to MEAT criteria – Shared Housing - Complex Needs Procurement
Cabinet Member:	Councillor Joshua Chapman
SLT Lead:	Patrick Odling-Smee, Housing Director
Report Author and contact details:	Katri Wilson Katri.wilson@havering.gov.uk Telephone 01708 434581
Policy context:	Communities Theme: The needs of our most vulnerable residents are identified and met. We are proposing to designate some of our Shared Housing units to people with complex needs and propose to delegate housing management and support provision to a specialist provide via a sublease to help support this vulnerable cohort of residents..
Financial summary:	A potential £30,000 one off payment in the first phase of the programme. The remainder of the contract value relates to funds claimed directly by the support provider from housing benefit.
Relevant OSC:	Towns and Communities
Is this decision exempt from being called-in?	Yes It is a non-key decision by a member of the Cabinet

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The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input checked="" type="checkbox"/>
Places making Havering	<input type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

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Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

A waiver is requested to current CPR rules. Approval is requested to award a contract solely on the basis of quality which will enable the Council to sublease 6 Shared Housing assets comprising of up to 35 units to a specialist housing provider to deliver intensive housing management.

For the reasons stated in this report the Member of the Cabinet asked to agree the 100% Quality criteria in respect of this Procurement.

AUTHORITY UNDER WHICH DECISION IS MADE

Paragraph 14.1 of the Council's Contract Procedure Rules states that waivers can be permitted upon approval by an individual Cabinet member using an Executive Decision.

STATEMENT OF THE REASONS FOR THE DECISION

The Council currently leases 23 shared housing properties from private landlords, where single people presenting as homeless are placed. Increasingly, people are presenting with complex needs around drug, alcohol abuse and mental health issues, and require on-site staff supervision and support to live in the community. Placing these individuals in our standard shared housing has been problematic, with placements failing and frequent ASB disturbances being caused by residents and their visitors.

This procurement aims to engage with specialist supported housing providers to sublease about 30-35 rooms to accommodate this client group as and when they present themselves as homeless via direct nominations and where the Council has a legal duty to assist specific individuals. We anticipate that in order to facilitate these residents we will need to identify up to 6 shared housing properties to house them.

The contract fee over the 10 years period has been estimated at £3,930,000. Of this, the Council will fund £30,000 to pay a supplier to mobilise their operation. This is really seed funding to enable the service to commence. The remaining £3.9m of cost comes directly from housing benefit claims submitted by the supplier on behalf of the clients they are housing and supporting. HB will be responsible for paying the provider directly. If HB is reduced by changing government policy, then provider will be required to utilise HB levels accordingly with no risk to the Council to pay the provider.

The cost of each void in a housing unit will be payable by the Council through compensating the Service Provider for loss of income. This will be set out clearly through back to back drafting of both the lease and sublease.

In order to meet Council objectives to ensure that there is a service that effectively meets the needs of these complex residents, we wish to invite prospective bidders to demonstrate how they will be able to deliver the service on the basis of the fixed sum available, namely the £30k start up payment. This is coupled with whatever claims the successful bidder will make and are subsequently awarded from the Housing Benefit service. Note that the rent would be

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collected by the provider and reimbursed to the Council who will in turn pay the shared housing landlord.

Given the Council cap on initial mobilisation costs the market would be required to provide a 100% quality tender. The current CPR rules in the constitution dictate that tenders are arranged on a 70% Price with 30% Quality MEAT criteria. Officers therefore require a waiver has been sought to allow the Council to tender and evaluate any bids on a 100% quality basis.

To mitigate risk to the Council it is recommended that back to back break clauses are incorporated into both the lease, sub lease and contract with the Service Provider.

OTHER OPTIONS CONSIDERED AND REJECTED

Officers considered using the standard CPR award criteria ratios however concluded that this could result in a contractor who submitted an inferior quality bid being awarded a contract due to making a lower priced bid with respect to the maximum £30k budget for mobilisation. The price in respect of the Council's budget is fixed and therefore the market is not required to provide a price.

PRE-DECISION CONSULTATION

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Katri Wilson

Designation: Assistant Director of Housing

Signature:

Date: 13th December 2021

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Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

In line with the Councils Constitutional Contract Procedure Rules officers are seeking a waiver from the standard rule in relation to the MEAT criteria. It is a discretionary matter for a Member of the Cabinet to decide and in keeping with Procurement Law generally. The decisions as to pre procurement would follow and be subject to the outcome from this report.

FINANCIAL IMPLICATIONS AND RISKS

The one-off payment of £30k for start-up costs will be incurred in 2022-23 and funded from a grant payment. All other costs are to be borne by the supplier funded via Housing Benefit claims.

**HUMAN RESOURCES IMPLICATIONS AND RISKS
(AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

None.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

BACKGROUND PAPERS

There are no additional background papers supporting this report.

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Delete as applicable

Proposal NOT agreed because

Details of decision maker

Signed



Name: **Councillor Joshua Chapman**

Cabinet Portfolio held: **Housing**

CMT Member title:

Head of Service title

Other manager title:

Date: **23/12/2021**

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____