

## Exemption Request Form

### Guidance

This exemption request form is to be used for all exemptions valued at £10,000+. Exemptions to Finance and Procurement Procedure Rules (FPPRs) should only be considered in exceptional circumstances, they should not be treated as the norm. Reasons for exemptions are limited to only those which are included within section 67 of FPPR's as detailed in Section 3 below.

Once the Requesting Officer has completed Section 1, the form must be emailed to [procurement.support@rotherham.gov.uk](mailto:procurement.support@rotherham.gov.uk)

### Section 1 – To be Completed by Requesting Officer

#### (i) Contact Details<sup>1</sup>

<b>Name:</b>	Lisa Elliott	
<b>Directorate / Service Area:</b>	Strategic Commissioning, Adult Care Housing & Public Health	
<b>Head of Service:</b>	Sandra Tolley	<b>Aware of exemption:</b> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Strategic Director:</b>	Ian Spicer	<b>Aware of exemption:</b> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

#### (ii) Project / Contract Details

<b>Title:</b>	<b>Single Homeless Accommodation Programme, Accommodation and Support for people aged 18-25</b>	
<b>Supplier(s) associated with this exemption:</b>	<b>Name:</b>	<b>Roundabout Ltd</b>
	<b>Address:</b>	<b>13-17 St Barnabas Road, Sheffield, South Yorkshire, S2 4TF</b>
	<b>Company Registration Number:</b>	<b>03313253</b>

<sup>1 1</sup> In completing this request, the named contact confirms they have no personal or financial interest in the company proposed.

Reference	ERF000471-24
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<b>Is this exemption related to an existing contract already in place with this supplier?</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
	If 'yes'	
	<b>Contract Ref &amp; Title:</b>	Click here to enter text.
	<b>Contract End Date:</b>	
<b>Contract Value:</b>		

<b>Total Value of this exemption</b>  (total per annum * number of years applicable)	<ul style="list-style-type: none"> <li>Year 1 - £56,330 for 2023/24</li> <li>Year 2 - £232,086 for 2024/25</li> </ul> <p><b>Up to a maximum of £288,416 up to 31 March 2025</b></p>
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**(iii) Exemption Details**

*From the options below, select the criteria for why you seeking an exemption from FPPRs (one criteria only):*

FPPR Ref:	Description	Selected
67.1.1	Where the technical characteristics of the goods are only compatible with an existing supply or installation, such that procurement of another product other than one available from the original Contractor would result in incompatibility and/or disproportionate technical difficulties. The duration of a contract negotiated in accordance with this exemption shall not exceed 3 years.	<input type="checkbox"/>
67.1.2	The procurement of a unique work of art or artistic performance	<input type="checkbox"/>
67.1.3	Where competition is absent for technical reasons where no reasonable alternative or substitute exists	<input checked="" type="checkbox"/>
67.1.4	Where due to exclusive rights, including but not limited to intellectual property rights, no reasonable alternative or substitute exists	<input type="checkbox"/>

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67.1.5	Where the price of the goods, services or works that are to be procured is controlled by statutory bodies, trade organisations or legislation and in the opinion of the appropriate Strategic Director no reasonable satisfactory alternative is available	<input type="checkbox"/>
67.1.6	Where the contract is for the execution of work or the supply of goods or services that are required so urgently ( <i>the urgency not being due to the action or inaction of the Council or its officers</i> ) that compliance with any competitive process prescribed by these Standing Orders cannot be achieved	<input type="checkbox"/>
67.1.7	Where the contract relates to goods, services or works in circumstances where the publication of documents detailing the Council's requirements could reasonably be considered to prejudice the security of the activity to be undertaken and the Council have considered the use of reasonable measures that would protect such security and allow the normal procurement process to be followed (e.g. the use of confidentiality agreements)	<input type="checkbox"/>
67.1.8	To allow for the continuation of a contract beyond its contractual term, in exceptional circumstances and where the term of such an extension is determined in accordance with the timescales required to complete a re-procurement or decommission the existing arrangement	<input type="checkbox"/>
67.1.9	In any case where works are to be executed or goods or services are to be supplied, the Strategic Director believes there can be no genuine competition	<input type="checkbox"/>
67.1.10	An alternative competitive process to that prescribed by these Procurement Procedure Rules for Contracts with a value between £10,000 and the relevant Threshold subject to reasonable justifications for such a request.	<input type="checkbox"/>

**Justification** (include details about why an exemption to FFPRs is required and provide the justification against the exemption chosen above. The information supplied must be in sufficient detail to allow the decision-maker reach an informed decision)

This exemption is sought in order to enter into a contract with Roundabout Ltd to utilise grant funding, awarded to the Council by Department for Levelling Up, Housing and Communities.

Roundabout Ltd, supported by the Council, submitted a bid to DLUHC and were successful, for 14 units of supported accommodation, for 4-year grant funding totalling £718,054, for the period up to March 2027, as part of the Single Homeless Accommodation Programme. Upon award of the grant monies, DLUHC set out their intention that the monies couldn't be paid directly to Roundabout Ltd and were to be granted to the Council.

The Council has accepted the funding on 31<sup>st</sup> January 2024 via a grant acceptance.

The Council has signed a Memorandum of Understanding with DLUHC for the delivery of the funding on 1 February 2024 (see appendix 1)

The MoU acknowledges that:

'Grant paid under this MoU should be spent in accordance with the Prospectus and as detailed in the SHAP bid (together with any amendments agreed prior to approval) submitted by the local authority and approved by DLUHC, subject to any amendments approved in writing by DLUHC.'

It also agrees that:

'The Council will be responsible for ensuring that any third-party partnership arrangements or procurement activities related to delivery of SHAP comply with Procurement Law and their own procurement procedures.'

In September 2022 the Government announced an allocation of over £200 million to the SHAP programme, to provide up to 2,400 units of accommodation with support to address existing rough sleeping need in a local area's pathway and help to prevent future rough sleeping.

Rotherham were identified as a Local Authority as having a need for further accommodation for vulnerable young people (age 18-25) at risk of homelessness or rough sleeping, through the data submissions the Council provides to central Government on homelessness applications.

The Council submitted a Gap Analysis, showing the need within the Local Authority.

Throughout the design period of the bid, engagement was undertaken with several providers, who were contacted to ask for expressions of interest in various ways, via email to known service providers and at various meetings with local providers. The opportunity to bid for SHAP funding was discussed with wider partners at the Strategic Housing Forum on 23 October 2022 and 17 May 2023.

Initially there were six providers who expressed interest, but during the scoping works, five of the providers withdrew their interest and Roundabout Ltd were the only remaining interested party. As a result, Roundabout Ltd submitted a bid direct to DHLUC, supported by the Council, to source 14 properties on a lease arrangement and provide the tenancy support for young people with complex needs.

DLUHC made the decision to award funding, based on the application supplied by Roundabout, for 14 units of accommodation with support. These comprise of:

- 4 units of emergency assessment provision
- 10 units of accommodation, with intensive support, in a similar model to a Housing First for young people.

As there was no competition to this bid in the timescale required for the Council to draw down on the grant funding, the first tranche of which is to be received in the Financial Year 2023/24, it is recommended that the Council enter into a contract with Roundabout Ltd for the delivery of the project for a pilot phase up to March 2025, broken down as follows:

- Year 1 - £56,330 for 2023/24
- Year 2 - £232,086 for 2024/25

Performance and milestones will be monitored throughout the pilot phase, this will determine the continuation for the funding from DLUHC for the remaining periods:

- Year 3 – £241,370 for 2025/26
- Year 4 - £188,268 for 2026/27

During the pilot phase, the Council will undertake an open tender process in order to award the contract beyond the initial 2025 end date.

**Social Value** (for contracts valued £100k+ include details of the Social Value that has been negotiated with the proposed supplier. Please seek guidance from the Procurement Team)

Roundabout Ltd to negotiate Social Value commitments as part of the direct award.

**Living Wage** (Detail the assessment made to determine whether the proposed procurement falls within scope of the Living Wage. The criteria for being inscope for the Living Wage is as follows:

- (i) Are aged 18 or over;
- (ii) Are either contracted or sub-contracted by you;
- (iii) Provide a service to or on behalf of Rotherham Council involving 2 or more hours of work a week, for 8 or more consecutive weeks in a year on:
  - a. Rotherham Council's premises; and/or

- b. Property owned or occupied by the Council (including where Rotherham Council is a tenant and is provided building related services through a Lease); and/or
- c. Land which Rotherham Council is responsible for maintaining or on which it is required to work.)

If the assessment determine LW is in scope, demonstrate how this will be incorporated.

This contract is not within scope of the Living Wage Policy as the Services are not delivered on property the Council owns or has a duty to maintain.

**Risks / Consequences** *(include details of the risks / consequences that may occur if the exemption **is not** approved}*

Risk / Consequence	Probability	Impact
The DLUHC funding is dependent on sufficient progress of the project. There is therefore a potential, should the pilot not produce the required outcomes that further funding be halted. By running the pilot, the Council will be able to address any shortfalls through contract management to ensure future funding is maximised.	Low	Medium
There is a risk of further lack of competition within the provider market. The Council will use the pilot phase to further engage with the market through an open procurement process, which will allow for robust market testing.	High	Medium
There is a risk of disruption to people using the service during this grant phase. The service is modelled as a Housing First model for young people, which means an offer of a home for life. The properties offered during the pilot phase may not be available to any new provider following the procurement process. The Council, through contract management, will monitor the use of the service and agree exit plans and sufficient mobilisation should there be any contract change.	High	Medium

## Section 2 – Coordinated by the Procurement Team

### Implications

#### (i) Procurement Implications

The services described in this exemption would be defined as Social and Other Specific Services (“SOSS”) as detailed in the Public Contract Regulations 2015 (as amended). The value of this exemption £288,416 (net of VAT) is below the threshold for SOSS (£552,950 net of VAT / £663,540 inclusive of VAT) as such any bidder challenging the decision to award this contract directly to Roundabout Ltd would not have recourse to the remedies set out in the Regulations.

At this threshold, it is the Council’s own Financial and Procurement Procedure Rules that apply which set out that for contracts >£100,000 a competitive tender must be undertaken unless grounds for an exemption apply. This report sets out those grounds and the Officer approving this report must satisfy themselves as to the circumstances surrounding this.

It is worth noting that no exemption comes without a potential risk of challenge but given that the value of the proposed contract is below threshold, and there was limited local interest it is the opinion of the procurement team that the risk is low. However, a procurement must be appropriately planned and undertaken to allow time for any mobilisation ahead of contract expiry should an alternative provider to Roundabout Ltd be successful.

If this exemption is approved, a formal contract must be entered into and details of this arrangement will be published in the public domain on the Council’s contracts register and Contracts Finder to comply with its transparency obligations.

<b>Completed By:</b>	Karen Middlebrook	<b>Date:</b>	07/03/2024
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#### (ii) Legal Implications

The estimated value of the Contract for one year with Roundabout Ltd is £288,416, and as such it falls below the threshold for Social and Other Specific Services (SOSS) in the Public Contract Regulations 2015 (as amended) of £663,540.


However, it is subject to the Council’s Financial and Procurement Procedure Rules which require competitive tendering for SOSS contracts with a value between £189,330 and the Relevant Threshold (Rule 58.5).

<b>Reference</b>	<b>ERF000471-24</b>
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An exemption to this Rule is being sought, as the service has engaged with potential providers, and requested expressions of interest, but the only candidate remaining in the competition was Roundabout LTD.

This is a valid ground for an exemption. However, the Service must conduct a further competitive exercise for subsequent years.

<b>Details of the recommended Form of Contract to be used:</b>		<b>Contract for Services (Social or Other Specific Services)</b>	
<b>Completed By:</b>	<b>Debra Buckingham</b>	<b>Date:</b>	<b>07/03/2024</b>
<b>(iii) Financial Implications</b>			
There are no direct implications for RMBC. Funding for this project is provided by Department for Levelling Up, Housing and Communities (DLUHC). This funding is ringfenced solely for this project.			
<b>Completed By:</b>	<b>Gioia Morrison</b>	<b>Date:</b>	<b>06/03/2024</b>
<b>(iv) ICT / Customer Facing Implications</b>			
There are no IT Implications			
<b>Completed By:</b>	<b>Steve Langrick</b>	<b>Date:</b>	

<b>Section 3<sup>2</sup> – obtained electronically (by email)</b>			
<b>(i) Support of Chief Finance Officer (Strategic Director Finance &amp; Customer Services)</b>			
Supported?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Evidence	 FW ERF000471- 24 SHAP - DRAFT - s151
<b>(ii) Approved by Relevant Strategic Director for the Service</b>			
Approved?	Yes <input type="checkbox"/> No <input type="checkbox"/>	Evidence	(Embed a copy of the email)

<sup>2</sup> In supporting / approving this report, the Strategic Directors confirm that they have no personal or financial interests in the company proposed (where applicable).