

Committee Name and Date of Committee Meeting

Cabinet – 10 June 2024

Report Title

Housing Related Support Flexible Purchasing System (FPS)

Is this a Key Decision and has it been included on the Forward Plan?

No, but it has been included on the Forward Plan

Strategic Director Approving Submission of the Report

Ian Spicer, Strategic Director of Adult Care, Housing and Public Health

Report Author(s)

Lisa Elliott, Strategic Commissioning Manager
01709 334480 or lisa.elliott@rotherham.gov.uk

Ward(s) Affected

Borough-Wide

Report Summary

This report provides an update on the Housing Related Support pathway and the implementation of the Flexible Purchasing System (FPS). Housing Related Support Services are non-statutory services that support people experiencing homelessness, (or are at risk of becoming homeless), to live independently in the community. It is designed to support the Council's efforts to alleviate and prevent homelessness.

This report provides an update on actions taken to produce an agreed overarching service specification, co-designed with the market. It describes how this has been used to appoint experienced and skilled providers to the FPS, that are able to support anyone at risk of homelessness, in a person-centred way. The FPS also allows for timely access to the market, in the form of good quality and contractually compliant providers, to maximise future short-term grant funding opportunities which may become available in the future.

Recommendations

That Cabinet:

1. Note the update on the establishment of the FPS for Housing Related Support Services as agreed by Cabinet in October 2022.
2. Note the success of the work undertaken to date with the establishment of the FPS and subsequent procurement and contract award activity.

3. Agree that a review will take place after the first 3 years of the Flexible Purchasing System, to establish that it remains fit for purpose, with recommendations brought to Cabinet in early 2027.

List of Appendices Included

Appendix 1 - Initial Equality Screening Assessment - Part A
Appendix 2 - Carbon Impact Assessment

Background Papers

[Housing Related Support Pathway, Cabinet Report, 17 October 2022](#)

Consideration by any other Council Committee, Scrutiny or Advisory Panel
No

Council Approval Required
No

Exempt from the Press and Public
No

Housing Related Support Flexible Purchasing System (FPS)

1. Background

- 1.1 In October 2022 Cabinet agreed the establishment of a Flexible Purchasing System (FPS) to support one pathway for Housing Related Support in Rotherham. Full details can be found in the background paper. Since that time, a staged process has taken place to ensure that the FPS and the related service specifications were co-produced with the provider market. The specifications were finalised and agreed in May 2023. The first providers were appointed to the FPS in September 2023 and all further competitions were published in October 2023. This has facilitated a period of mobilisation in two stages, to ensure that providers who were successful had manageable numbers of contracts to commence at the same time and to manage the impact to clients.
- 1.2 In July 2023, an evaluation panel was convened across Strategic Commissioning and Housing Services to evaluate and moderate applications and in September 2023, the FPS was established, with five service providers successfully appointed, these were:
- Action Housing Ltd
 - Nacro
 - People, Places, Possibilities (P3)
 - South Yorkshire Housing Association
 - Target Housing Ltd.
- 1.3 There were two providers who were not successful in the application process at the initial round, these providers were given feedback and advised of future opportunities to re-apply. The FPS rules state that applicants can apply at any time and that the Council will review and evaluate new applications bi-annually as a minimum.
- 1.4 The application process for the FPS includes a commitment from the market to support the Council's Social Value Policy, all applicants must register onto the Social Value Portal to be appointed to the FPS, with full commitments sought during the further competition stage for the award of contracts.
- 1.5 In February 2024, a review of the second round of applications and evaluation exercise was completed. There were six applications received in total, however, these applications were not successful, due to non-compliant bids or not meeting the required quality criteria. All providers were given feedback and advised of future opportunities to re-apply. The FPS remains open to new applicants and a third evaluation will take place in the autumn 2024.
- 1.6 The re-commissioned Housing Related Support services have been developed alongside the market, and structured into the new pathway which creates a single route into Housing Related Support, through the Council's Housing Service. To award the contracts for the re-designed services, further competitions have been undertaken with the providers appointed to the FPS.

- 1.7 These further competitions were advertised following the establishment of the FPS in September 2023, with a sufficient timescale for the market to seek clarification and tender, recognising that there were a number of opportunities advertised. These tenders were evaluated by a panel of key stakeholders and experts including representatives from Housing, Adult Social Care, and corporate services. Following clarification, due diligence and voluntary stand still, the contracts were awarded as block contracts in January 2024 and are detailed as follows:

Contract	Successful Bidder	Contract Start Date	Contract Term	Contract Value
Floating Support	Action Housing	01/04/2024	3 years (+ up to 2 years)	£315pa (£945k initial contract term)
Accommodation and Support for Single People	Target Housing Ltd	01/07/2024	3 years (+ up to 2 years)	£288,000 pa, (£864,000 initial contract term)
Accommodation and Support for Families	Action Housing	01/07/2024	3 years (+ up to 2 years)	£120k pa (£360k initial contract term)

- 1.8 The Council also commissions Housing First Services, which are long-term Housing Related Support Services for people with complex and high-level needs. These services are currently contracted until 30th June 2026. The referral pathway for Housing First is through a multi-agency panel approach. Following a review, there would be a potential to use the FPS for these types of services in the future.
- 1.9 The new HRS FPS also provides opportunities for other grant-based accommodations to be procured in the same way, for example the short-term emergency accommodation based service, through the Rough Sleeper Hub. This is contracted until 31 March 2025 with the option to extend until March 2027.
- 1.10 **Floating Support**
 Floating Support refers to Housing Related Support to people in their own tenancies to help them to remain living independently and prevent instances of homelessness. Prior to April 2024, this service was split into two contracts, with the same remit. Each was able to source and agree referrals. The new contract will be delivered by one provider to maximise available resource and avoid duplication. The Council's Homelessness and Prevention team will now oversee referrals into the floating support service to maximise the asset. The service will work hand in hand with the Council's In-House Tenancy Support

Service, which supports those with a Council tenancy to remain in their own home, and a common referral form has been developed.

1.11 The key features to the new floating support service are:

- Prevention – the prevention element of the service addresses a person’s immediate risks around any threat of homelessness and enables people to achieve a level of stability. It is expected that support delivery will be more frequent and intensive at this stage.
- Sustainment - once stability is achieved and any immediate threat of homelessness mitigated, the service will work with people to sustain their home. Building on what has been achieved at the prevention stage, the sustainment stage is key to minimising future threat and breaking the cycle of homelessness. This stage of the pathway enables people to manage their housing situation for the longer-term and ensures preparedness for support ending.

1.12 The service aims to support people for 3-6 months, but recognises that people’s needs may change, so offers the flexibility to allow people to re-engage with the service where needed.

1.13 **Accommodation and Support for Single People**

The Housing Related Support Service providing accommodation and support for single people will be delivered at Elliott House and Elliott Court. These were previously delivered under two different contracts, with Elliott House being open to referrals from any source for vulnerable adults. Following the re-modelling of the services, this will now be one service, with the referral route via the Council’s Homelessness team. The Homelessness team have begun working in partnership with the provider at Elliott House and Elliott Court, holding regular joint sessions with the provider on site to help people who are ready to move on to independent accommodation, this will continue with the new incoming provider.

The procurement of the new contract for Accommodation and Support for Single People at Elliott House and Elliott Court, also included joint working with the landlord. Together Housing, who helped to develop the quality question around the management of accommodation, also contributed to the evaluation process and has been working with the new provider during mobilisation.

1.14 **Accommodation and Support for Families (and mixed household types)**

This service will provide dispersed accommodation across the Borough for families, or other household types such as couples or single people, where it is the most appropriate service. The provider, Action Housing, has committed to 30 properties of different sizes and locations within the borough for this contract. Families will be supported for an average of 6-9 months within the accommodation as a pathway to ‘move-on’.

- 1.15 The services that are accommodation-based support services will support people who have an immediate need for accommodation, where any underlying needs and issues that have contributed to their homelessness or lack of a settled home can be supported.
- 1.16 The services will support people who are able to live independently, but due to a range of factors, require additional support to build the skills and resources to manage their own home. The service will provide accommodation in the short-term, and work in a multi-agency way to develop plans for 'move on' and enable people to live independently in their own home.
- 1.17 The service will offer a pathway to move on accommodation, enabling people to explore different housing options and developing a plan of how to get there.
- 1.18 A co-production group was established with the market to shape the new pathway and the FPS, including service specification development. The opportunity was advertised to any interested stakeholders. 18 individuals participated, including representatives from seven different provider organisations, alongside the Council's key internal stakeholders.
- 1.19 The group produced the key elements of the service specifications that are overarching to the FPS.
- 1.20 The group also undertook consultation with people using HRS services. This included both Council and partner commissioned services. The results of this consultation informed the development of the services and their specifications. Key headlines are set out below:
- 55% of people said their main goal was to get a house/home.
 - 20% of people said their main goal was independence.
 - Other goals included securing employment and to be substance free.
- 1.21 When asked about how the service meets their needs, the following was reported:
- 28% of people said that the service had supported them to maintain their tenancy.
 - 18% of people said that the service had helped them with budgeting.
 - 15% of people said that the service had supported with health needs.
 - 3% of people said that the service had helped to reduce their offending.
- 1.22 People who used the floating support services were also consulted on what to name the service to best describe what it does, which led to the continuation of using the name Floating Support.
- 1.23 Feedback from people with experience of homelessness was drawn from the consultation exercise undertaken by the Council's Housing Services, as part

of the review of the Homelessness Prevention and Rough Sleeper Strategy. The feedback that was most relevant to support services included:

- ‘Services to be more understanding of the customer’s complexity and the story behind it.’ As a result of this, the service specifications were designed to ensure services operated in a trauma-informed way and this was assessed within the further competitions as quality criteria.
- ‘Better communication across departments.’ Commissioning have brought together key stakeholders to develop the service pathway throughout the mobilisation of the contracts. Experience of partnership working to achieve outcomes for customers was also included in the quality criteria for appointment onto the FPS.
- ‘Support to settle into a new property.’ To incorporate this feedback, the specifications for the accommodation with support services included the facility for the key worker to continue to support someone moving into a permanent tenancy for up to 6 weeks, so that support doesn’t come to an abrupt end when a move on option is found; thereby, giving support at a crucial time, to enable people to set up a tenancy and settle into a new home.
- ‘Staff to be understanding, sensitive, professional, and able to give advice.’ To incorporate this feedback, service specifications include detail around the recruitment, training, and ongoing support of staff, which the provider market helped to determine good practice. For the further competitions tender evaluation, this was included in the quality criteria and the panel included a stakeholder with Safeguarding expertise, from within Adult Social Care.

1.24 The outputs from the co-production group resulted in an attractive offer available to the market in terms of the FPS, with seven providers applying to be appointed in the initial round. All the further competitions that have been advertised through the FPS have attracted competitive tenders from more than one provider and resulted in successful awards including social value commitments from each of the providers. This highlights the successful work to date in establishing a model that has met the initial needs of the Council for these services within the timescale initially prescribed in the Cabinet report October 2022.

1.25 Through the co-production approach the Council has now benefited from the expertise within the market, with the result being a number of providers expressing a desire to work with the Council, demonstrated by the interest and application to be appointed to the FPS. This has included interest from long-standing providers as well as providers who are new to Rotherham.

1.26 **Housing Related Support for Young People (age 16-25)**

As described in the HRS Cabinet paper in October 2022, the two services that deliver Housing Related Support to younger people, namely ‘Accommodation and Floating Support for Expectant Young Mothers and

Young Mothers with Dependants (16-25)' and 'Accommodation and Floating Support for Young People (16-25) at the Risk of Homelessness with Multiple Needs', were re-procured using the Children and Young People's Services 16+ Accommodation and Support Flexible Purchasing System.

1.27 The contracts have been awarded as follows:

Contract	Successful Bidder	Contract Start Date	Contract Term	Contract Value
Accommodation and Support for single homeless people aged 16-25	Roundabout Ltd	02/04/2024	3 years (+ up to 2 years)	£500,000 pa
Accommodation and Support for young mothers and expectant mothers aged 16-25	YWCA Yorkshire	02/04/2024	3 years (+ up to 2 years)	£234,275 pa

These services went live on 1 April 2024.

1.28 The Strategic Commissioning Team, from Adult Care, Housing and Public Health, worked alongside the CYPs Commissioning Team to procure these services through a further competition via the already existing 16+ Accommodation and Support Flexible Purchasing System. This gave access to a provider market who are engaged on the existing FPS and able to deliver specialist services to the cohort of people aged 16-25.

1.29 The Commissioning Teams worked together to qualify new applicants through an assessment of experience and suitability to the FPS. Once successful providers were onboarded, further competitions were undertaken. The contracts have been awarded on a block contract basis.

1.30 Services for this cohort of people can be accessed by care leavers and Looked After Children and therefore, are subject to OFSTED registration and inspection regime. By working across directorates, the Council has been able to ensure the providers of these services have the required registration.

1.31 Strategic Commissioning have also developed quality monitoring tools and Key Performance Indicators (KPIs) to complement the OFSTED requirements.

2. Key Issues

2.1 The establishment of the FPS was a new direction for the Council and the local provider market. It has been positive to see the level of engagement and buy-in from providers and stakeholders.

2.2 The decision by Cabinet made in October 2022 was for the establishment of an FPS for an initial 5 years. This will be reviewed to ensure it remains fit for purpose and a progress report prepared for Cabinet. This initial progress

report recommends that there should be a formal review of the FPS at the three-year point before the initial term expires in September 2028.

- 2.3 The Cabinet report from October 2022 recommended the remodelling of existing Adult Housing Related Support services to create one single pathway, which will support a 'no wrong door' approach into services. The services that have been developed and procured support this model and a working group has been set up across the Council's Housing Services and the commissioned providers, to ensure a seamless pathway is implemented. As the current contracts become live between April and July 2024, this will be continually monitored. This change is supported by a clear communications plan, which is led by the providers and supported by the Council.
- 2.4 The FPS is also being used to procure a resettlement support service for homeless people residing within temporary accommodation provided by the Council - to provide support to move on to a secure housing solution. This service will use the service specification that has been developed with the market for lot 1 – Floating Support. By having the FPS already established and providers qualified to provide services under this lot, the Council has been able to access a quick and compliant route to market. This means that the services will be procured and mobilised quickly, responding to need and available funding. This service will be in place by October 2024.

3. Options considered and recommended proposal

- 3.1 There are no options to consider within this report as this is a progress update.
- 3.2 The recommended proposal is to undertake a review of the FPS following the initial three years of the arrangement to establish if the model remains fit for purpose. The review will include consultation with the wider market and people who have used the services.
- 3.3 Any future Housing Related Support Services opportunities can be procured using the FPS to allow the Council to continue to use a compliant and approved route to market, accessing delivery partners who have passed the Council's FPS application process.
- 3.4 For services that do not fall into the definition of Housing Related Support as detailed within the 'Lots' established within the FPS, these will be considered for tender via the FPS using Lot Z (miscellaneous), where the service fits into the Housing Related Support category and is integrated into the pathway.
- 3.5 The FPS remains available for other Local Authorities within the South Yorkshire area to use, where it is deemed appropriate and therefore also allows for any future joint commissioning or partnership opportunities.
- 3.6 A full review of the FPS will provide evidence about the success of the model to make informed recommendations regarding the continued use of the FPS or to replace the model if it no longer meets the needs of the Council.

4. Consultation on proposal

- 4.1 Further consultation will be undertaken with stakeholders and people using the services throughout the life of the contracts. Along with ongoing contract management and continuous improvement, this feedback will be used to inform the review of the FPS and ensure the review is wide reaching. The results of this consultation will be included in the Cabinet report in 2027.
- 4.2 Ongoing updates of the contracts delivered under the Housing Related Support FPS will be provided to the Lead Member for Adult Social Care and Health and shared with the Lead Members for Social Inclusion and Environment and the Lead Member for Housing. The relevant Lead Members will be consulted on the review to be undertaken in year three of the FPS.

5. Timetable and Accountability for Implementing this Decision

5.1

Activity	Target date	Accountable
Cabinet Decision on FPS and pathway (complete)	October 2022	Cabinet
Co-production of pathway and service specifications (complete)	May 2023	Strategic Commissioning
Procurement activity and Housing Related Support FPS established (complete)	September 2023	Procurement/Strategic Commissioning
Further competitions advertised through FPS (complete)	October 2023	Procurement/Strategic Commissioning
Contracts awarded (complete)	January 2024	Procurement/Strategic Commissioning
Housing Related Support Pathway implementation and Contract Mobilisation	July 2024	Strategic Commissioning
Evaluation of new applications to FPS	Twice a year	Procurement/Strategic Commissioning
Review of Flexible Purchasing System	2026/27	Strategic Commissioning/Procurement
Decision on future continuation of FPS	2027	Cabinet
FPS current end date	September 2028	

6. Financial and Procurement Advice and Implications

- 6.1 The services described in this report would be defined in the Public Contracts Regulations 2015 (as amended) as Social and Other Specific Services ("SOSS").

- 6.2 The establishment of the Flexible Purchasing System (FPS) and completed further competition activity to date have all been undertaken in compliance with the Council's Financial and Procurement Procedure Rules and Public Contract Regulations 2015 (as amended).
- 6.3 The ongoing assessment of applications received to join, and any proposed further competitions to be procured via the FPS will be in compliance with the Council's Financial and Procurement Procedure Rules and Public Contract Regulations 2015 (as amended).
- 6.4 All services have been procured within existing budgets. There are no further financial implications.

7. Legal Advice and Implications

- 7.1 Housing Related Support Services are non-statutory services that support people experiencing homelessness, or at risk of becoming homeless, to live independently in the community. This means that there is no specific legal duty to provide housing related support services, however the delivery of such services goes a long way towards assisting the Council in delivering a range of other statutory functions.
- 7.2 There are no specific legal implications related to noting the work undertaken to establish the FPS and subsequent procurement and contract award activity. The use of the FPS has clearly had a positive impact upon Housing Related Support Services.
- 7.3 Public Contracts Regulations 2015 govern procurement of local authority contracts. The Council's Flexible Purchasing System Rules have been prepared in compliance with the Regulations and the Council's Contract Procedure Rules, as set out within Paragraph 6. Adherence to the Rules and Regulations will minimise any risk of legal challenge as a result of the FPS.
- 7.4 Reviewing the FPS 3 years into the initial 5-year plan is a common-sense approach in terms of forward planning, and in order to determine if the scheme remains fit for purpose as legislation may be amended and/or introduced within the initial 5-year period planned.

8. Human Resources Advice and Implications

- 8.1 There are no human resource related concerns in relation to this report.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 Housing Related Support provision for those aged 16-25, commissioned by the Adults, Housing and Public Health Directorate are now aligned more closely with Children's and Young People's commissioned services. The services now use the same contract mechanism, with budgets remaining within the respective directorates. This alignment will reduce duplication of services and instances of young people moving between services in an unplanned way. It allows a more planned approach for young people to

'move on' within the pathways and reduce the risk of people falling between the cracks. Officers from both Adult Care, Housing and Public Health and Children and Young People's services have worked together to procure the services for people aged 16-25. The views of the young people using these services will be incorporated into the review of the HRS FPS.

- 9.2 The continuation of the Housing Related Support FPS allows opportunity, if required, for future commissioning for young people transitioning into Adult Services with a Housing Related Support need.

10. Equalities and Human Rights Advice and Implications

- 10.1 There are no equalities and human rights implications, please refer to the Equality Assessment.

11. Implications for CO2 Emissions and Climate Change

- 11.1 There are no implications for CO2 Emissions and Climate Change, please refer to Climate Impact Assessment.

12. Implications for Partners

- 12.1 Providers of HRS services are considered as partners and have been consulted at every stage of the implementation of the pathway and FPS, to ensure the model and specification is achievable. Service providers and the wider market have supported the Council through a co-production approach. This co-production approach will continue as the Council undertakes its review into the effectiveness of the FPS to inform future recommendations.

13. Risks and Mitigation

- 13.1 With a Flexible Purchasing System, there is a risk of no guarantee of work from the Council for providers. This could mean providers are unable to obtain enough work for the contract to be financially viable. As part of the procurement process due diligence has been undertaken to ensure providers appointed to the FPS are not solely reliant on the contract. Providers were made aware of the FPS models and implications during the initial consultation. Providers have been supportive of the new model and FPS and engaged in the development of the new service specifications. This has resulted in providers applying to be appointed to the FPS and all contracts procured generated competitive tenders.
- 13.2 The outcomes of the further competitions have resulted in a change of service provider across the majority of the service provision. Both the providers exiting the services and the new providers have worked together, alongside Strategic Commissioning and Housing Services to ensure continuation of service provision and smooth transition of services.
- 13.3 There is a risk with framework contracts that the market will be limited for any competitive processes. However, as the Council has adopted the Flexible Purchasing System model, it has been able to design the rules as such that

new providers can be onboarded twice yearly, as a minimum. This means that if the Council experiences providers exiting the FPS, there is the potential to run further market engagement campaigns to promote application to the FPS.

- 13.4 The FPS term currently ends in September 2028, and it will have expired prior to the end of the block contracts awarded as part of the pathway; should the extension terms be used. This means that if the Council was to decide to continue to use the FPS model for the re-procurement of these contracts, a decision needs to be made prior to their expiration. For this reason, it is recommended that Strategic Commissioning undertake a review of the effectiveness of the FPS, with final recommendations to be presented at Cabinet in 2027.

14. Accountable Officers

Scott Matthewman, Assistant Director, Strategic Commissioning, Adult Care, Housing and Public Health

Approvals obtained on behalf of Statutory Officers: -

	Named Officer	Date
Chief Executive	Sharon Kemp	22/05/24
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	16/05/24
Assistant Director, Legal Services (Monitoring Officer)	Phil Horsfield	09/05/24

*Report Author: Lisa Elliott, Strategic Commissioning Manager
01709 334480 or lisa.elliott@rotherham.gov.uk*

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