



**DECISION OF: DIRECTOR OF PEOPLE AND COMMUNITIES
WITH ADVICE FROM: INTERIM DIRECTOR OF FINANCE AND HEAD OF
STRATEGIC PROCUREMENT
DIRECTORATE: PEOPLE AND COMMUNITIES**

DECISION NO: PC74 (2019/20 SCHEME)

**SUBJECT: APPROVAL TO USE THE EMERGENCY ACCOMMODATION OPEN
FRAMEWORK FOR THE SUPPLY OF EMERGENCY ACCOMMODATION SERVICES
FOR HOMELESS HOUSEHOLDS OVER THE NEXT FOUR YEARS**

KEY DECISION: YES

REASON: The Open Framework value exceeds £500,000.

BACKGROUND:

The Council's Executive approved a Joint Commissioning and Procurement Plan on 25 June 2019 for the Provision of Emergency Accommodation for Homeless Households via an open framework agreement, under which a register of suppliers would be established to award to, as and when accommodation was required (Minute no: EXE 9 refers).

The contract structure agreed was a 'multi-supplier open framework', that would run for a period of four years and enable the Council to add suppliers during the term. This framework approach helps the Council fulfil its requirement to provide emergency accommodation that meets the necessary standards as well as manage the variation in demand for size and preferred location and length of time the accommodation is required.

The framework was placed on the Council's procurement portal 'Supplying the South West' on 15 July 2019 and because the expected gross cost over four years exceeded £181,302, it was also advertised with an OJEU notice.

The initial period for requests to join the framework closed on 31 August 2019 and following a detailed evaluation of pre-qualifying information, pricing evaluation and quality assessment, two suppliers have been approved in the first round and have been ranked in order of their combined quality and cost score.

The framework will be managed by the Homeless Prevention Team. New suppliers can apply to join the framework at any time and an evaluation panel comprising key staff from the Housing service will evaluate each application in accordance with the Commissioning and Procurement plan. The framework is placed into Lots to allow suppliers to offer a variety of room sizes, from single to family rooms, to rooms with disabled access. Suppliers can offer as broad a selection of rooms as possible but will not be discriminated against if they are not able to provide all types. It is proposed that authority to admit

suppliers to the Framework is delegated to the Housing Solutions Service Leader and the Head of Housing and Strategy.

DECISION:

1. To approve the use of the Multi Supplier Open Framework for the provision of Emergency Accommodation for Homeless Households for the next 4 years and,
2. To delegate authority to the Housing Solutions Service Leader and the Head of Strategy and Housing during the term, to admit the two suppliers so far approved and additional suppliers who meet the necessary pre-qualification, pricing and quality assessments, to the framework.

REASONS:

Due to the limited number of known suppliers, the Council chose to create a Multi Supplier Open Framework to stimulate and improve the market over the four-year term. As a previously untested market, it was not known how many suppliers might come forward who would be able to meet the required quality standards (including issues such as safeguarding) and the framework offered flexibility and an incentive for new suppliers to join and increase the level of competition within the market.

The Open Framework differs from a Dynamic Purchasing System, in that Suppliers will be directly awarded to, rather than competing in a further competition with one another. The reason for this is that, given the nature of homeless presentations, placements into interim emergency accommodation are made a short notice and generally the same day.

Once admitted to the Framework, per Lot, suppliers are ranked in order of their combined quality (20%) and cost (80%) score and the first placed supplier will be offered placements first by the Homeless Prevention Team and if they are unable to fulfil these, then the placement will be offered to the second placed supplier and so on. This ranking will change as suppliers join or leave the framework, giving suppliers the opportunity and incentive to remain competitive throughout the four-year term.

OPTIONS CONSIDERED:

A single supplier contract was considered, however, the reactive requirements of this service, alongside the finite level of units provided by any one supplier, meant that this would not offer the guarantee of availability, unless we block bought the space which would increase the cost of the service.

A closed framework was also considered; this would deliver similar outcomes in creating a ranked register of suppliers, that the Homeless Prevention Team could call upon, but would restrict any new suppliers from joining, therefore limiting the market and competitiveness to the small pool of suppliers currently operating. In addition, it would not stimulate and incentivise a better market in this area and therefore we would face the same issues when we come to retender the service. Overall, an open framework should mitigate the risk of having too few suppliers to meet requirements.

FINANCIAL IMPLICATIONS:

Costs:

The estimated gross cost of procuring emergency accommodation over four years is anticipated to be in the region of £1 million. To retain competitiveness, suppliers will be allowed to resubmit new pricing at any time within the four-year term of the agreement and new suppliers applying to join, will be evaluated in the same way as the existing, although any price increases will be capped at the level of the Consumer Price Index (CPI).

Funding:

The provision of Emergency Accommodation is partly funded by Housing Benefit which can be claimed back by the Council. The average rate of cost recovery from Housing Benefit over the last 4 years has been approximately 83%. The remaining 17% (£170,000) is funded from the council's core budget.

Savings:

There is the potential for savings to be delivered through the competitive process, and although prices from one of the suppliers approved in the first round have stayed the same and prices from the other have increased, the benefit of the framework is that the register of suppliers can grow, forming a constantly competitive environment for suppliers to push themselves up the ranked list in order to improve the likelihood of being asked to supply accommodation.

LEGAL POWERS AND IMPLICATIONS

Terms and conditions for the advertisement of the contract were set out. There are legislative requirements around the provision of housing that must be adhered to by suppliers and are reflected within the contract.

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

Due to the nature of the service, there is no perceived impact on the environment through this service.

CONSULTATION

Internal consultation has been carried out with the Procurement Team and also the Private Sector Housing Team and the Contracts and Commissioning Team, both of whom have experience and knowledge of this service and will be affected by it.

RISK MANAGEMENT

There is a risk that, despite creating an Open Framework, we may not get any additional interest outside of the two (existing) suppliers approved which may impact on the supply of emergency accommodation. There is the potential to expand our pool of suppliers given the open nature of the framework and we will continue promote the ability to apply to join the Framework to seek to attract additional suppliers in future.

EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment? Yes.

The establishment of the open framework contract will allow the Council the potential to improve resilience by obtaining a wider range of potential suppliers, offering a range of emergency accommodation in terms of geographical location, mix of unit type, size and accessibility for disabled people, whilst ensuring the required standards.

There are potential positive impacts on people from a range of equalities groups particularly people with a long-term sickness or disability, people on low incomes and young people who are overrepresented amongst homeless people, as a wider range of accommodation will continue to be sought to better meet their needs.

CORPORATE IMPLICATIONS

N/A.

APPENDICES

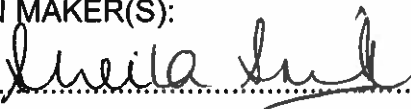
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BACKGROUND PAPERS

Executive report- *Joint Commissioning and Procurement Plan for the provision of Emergency Accommodation*, dated 25/06/2019 [Link to Executive Report](#)

SIGNATORIES:

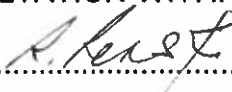
DECISION MAKER(S):

Signed: 

Title: Director, People and Communities

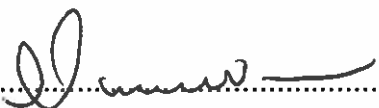
Date: 10.1.20

IN CONSULTATION WITH:

Signed: 

Title: Interim Director of Finance

Date: 10.1.20

Signed: 

Title: Head of Strategic Procurement

Date: 10.1.20

Footnote: Details of changes made and agreed by the decision taker since publication of the proposed (pre-signed) decision notice, if applicable: