

**Invitation to Tender for Research and Consultancy Services**

**R0217b: Development of a feasibility study of options for enhancing pan-London collaboration in the procurement of private rented accommodation for homeless households by London boroughs**

London Councils represents London’s 32 boroughs and the City of London. We are a cross-party organisation that works on behalf of all of our member authorities regardless of political persuasion.

* London Councils makes the case to government, the Mayor and others to get the best deal for Londoners and to ensure that our member authorities have the resources, freedoms and powers to do the best possible job for their residents and local businesses.
* London Councils runs a number of direct services for member authorities including the Freedom Pass, Taxicard and Health Emergency Badge. It also runs an independent parking appeals service and a pan-London grants programme for voluntary organisations.
* London Councils acts as a catalyst for effective sharing among boroughs – be that ideas, good practice, people, resources, or policies and new approaches.

The Housing and Planning Team within the Policy and Public Affairs Directorate at London Councils works on pan London housing and planning issues, in particular advocacy and joint working. The team have worked with the GLA and CLG on the design of this project now out to tender.

**Summary**

London’s Housing Directors have agreed to commission an options appraisal and feasibility study for enhanced collaboration in boroughs’ procurement of private rented accommodation for homeless households and those at risk of homelessness. London Councils is procuring this work on their behalf.

This brief sets out the context and requirements for the work for potential bidders. Details of how to submit a tender are provided at ‘Details of how to apply’ below.

**Context**

The number of homeless households whom London boroughs have accepted a duty to assist rose by 118% between 2010/11 and 2015/16 and levels of homelessness are set to continue rising. The Greater London Authority’s (GLA’s) conservative estimate, based on a continuation of recent trends in the number of households both accommodated in and leaving temporary accommodation [TA] and the withdrawal of some existing providers from the market, suggests that boroughs may need in the region of 50,000 tenancies for homeless households over the next four years. The figure may increase if the Homelessness Reduction Bill is enacted. This level of supply is likely to come at increasing cost to boroughs, whom a London Councils-commissioned study found covered a quarter of the total cost of TA to London boroughs in 2014/15 (£170 million of £663 million) from their General Funds. It is also probable that their use of out-of-borough and out-of-London placement will rise.

Despite the past and planned efforts of authorities, both individually and jointly, it is evident that new approaches, of significant scale and impact, are needed to address the challenge. In that context, the Government’s reform of the Temporary Accommodation Management Fee (TAMF) creates an opportunity for greater flexibility on the part of boroughs.

**Purpose**

Options for new, more collaborative approaches to boroughs’ procurement of private rented accommodation for homeless households should seek to achieve the following:

* increase the supply of tenancies available to boroughs to use for homeless households;
help control the cost of supply, to both local authorities and the wider public purse; and
improve outcomes for homeless households, in relation to the location and quality of accommodation.

**Background**

In May 2016, the London Housing Directors’ Group established a Task and Finish Group to examine how to increase TA or alternative private rented supply, build on existing collaborative arrangements and control expenditure by councils in London.

The Mayor of London’s manifesto contained a commitment to “co-ordinate councils' efforts to find stable private rented housing for those in need who are not able to move into social housing.” Task and Finish Group members met the Deputy Mayor for Housing in summer 2016, when he invited the group to develop a proposal that the Mayor might support. The GLA has consequently been closely involved in the work of the Task and Finish Group.

The Department for Communities and Local Government (DCLG) also wishes to encourage and support new collaborative efforts by London authorities.

**Scope of the Task and Finish Group**

The Task and Finish Group has given initial consideration to a number of different approaches which, in combination, could perhaps achieve the step-change in supply that is required.

**Options for collaborative procurement identified by the Task and Finish Group**

The Task and Finish Group has identified and presented to Housing Directors a number of broad options for greater collaboration between boroughs in their efforts to secure private rented accommodation. These vary in the degree of collaboration involved. The option that would entail the greatest collaboration is the creation of a single service to procure accommodation for all boroughs. All options could potentially be underpinned by a system of incentives and there is scope for hybrid and/or gradual approaches. Although the study need not be limited to the options identified by the Task and Finish Group, further information on these is available to potential bidders upon request.

**The Feasibility Study**

Building on the work that the Task and Finish Group has already done to identify the advantages and disadvantages of different options, the feasibility study will examine these options and any others identified as part of the exercise. It should identify a preferred option and develop recommendations around next steps, to be set out in a report that should be presented to Housing Directors, the Deputy Mayor for Housing and DCLG for their consideration. This report should include an outline implementation plan, including a risk register, for the preferred option.

Bidders are asked to propose an approach, as the methodology for this work will be agreed between the selected bidders and the Steering Group that will oversee this work.

It is, however, expected that it will address the following questions in relation to the primary options:

* What would the option look like if developed?
* What resources would be needed to develop the option?
* How would the option interact with existing coordination arrangements?
* What impact would the option have on the level of supply of tenancies available to boroughs to use for homeless households?
* What impact would the option have on the cost of supply, to both local authorities and the wider public purse?
* What impact would the option have in terms of outcomes for homeless households, including:
	+ the location of accommodation?
	+ the quality of accommodation?
* How would the option be received by accommodation providers?
* Would the option be viable if it operated only for supply within London?
* What level of borough participation would be required for this option to work? And are there particular (types of) boroughs whose participation would be critical to its feasibility?
* Would there be scope for an incremental roll out of this option?
* What are the key risks and what steps can be taken to mitigate these?

In addressing these questions, the study will need to take into account the guidelines for appraisal and evaluation of proposals outlined in the Treasury [Green Book](https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-governent)[[1]](#footnote-1) and DCLG’s [project appraisal guidance](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/576427/161129_Appraisal_Guidance.pdf)[[2]](#footnote-2), paying particular attention to sections one and two of the latter.

This will ensure that the study is sufficiently robust to inform any future spending decisions relating to implementation.

The study should be complete by the end of summer 2017.

**Governance and funding**

Both the GLA and DCLG have provisionally agreed to fund the study. A budget of up to £40,000 is available.

The study will form part of wider work on the scope for greater coordination of boroughs’ efforts to secure private rented accommodation for homeless households to be managed, from day to day, by an officer appointed to support the Chair of London’s Housing Directors’ Group with policy and project work. It is envisaged that the holder of this post would be primarily responsible for engagement with local authority officers and politicians, relevant Government departments and the GLA around this politically sensitive issue.

The study will be overseen by a Steering Group, appointed largely from within the existing Task and Finish Group and including London Councils, GLA and DCLG, as well as borough representatives.

The successful bidders appointed to complete the study will need to be able to attend regular Steering Group meetings at London Councils’ offices and other meetings as necessary at the GLA and DCLG.

**Tender Submission Requirements**

Bidders should provide the following information in their tender submission:

1. The size and nature of your organisation (if relevant) and your experience of directly relevant consultancy work.
2. Your understanding of the aims and objectives of the project and how it interacts with the current policy context.
3. An outline of your proposed methodology and approach to tasks outlined in this document.
4. Details of time inputs by individual(s) delivering the tender.
5. Experience of the individual(s), including their role on the project and tasks if relevant (CVs should be included separately in an annex, max 2 pages each).
6. Clear structure of charges including day/hour rates, time spent on tasks, expenses. VAT will be paid at the applicable rate.

We will evaluate your response against the evaluation criteria given below:

**80/20**: 80% quality and 20% cost

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| **Evaluation criteria [Quality = 80%]** | **Weighting** |
| 1. Understanding of the policy area, the policy context for London and key issues for London Councils and the GLA. | 40% |
| 2. The candidate/team’s experience of undertaking similar projects and of working closely with local government officers, members and other relevant stakeholders, ideally in a London context. | 30% |
| 3. A clear methodology and approach to analysis that meets the project aims and objectives. | 30% |

**Project Costs and Timetable**

Costs should be clearly presented and be inclusive of all fees, direct and indirect costs, expenses but exclusive of VAT. An example of a clear cost structure is provided in Annex 2. You should indicate based on the timings below how you would envisage the project progressing based on your suggested methodology.

This project is being included in the government’s Contracts Finder database to comply with 2015 changes in national procurement policy which specifies that any procurement opportunities and contract awards above certain low thresholds (£25,000) are published on [Contracts Finder](https://www.gov.uk/contracts-finder).

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| **Activity** | **Date** |
| Deadline for receiving tender submission | Friday 3rd March |
| Contractors informed of outcome | W/c 13th March |
| Contract awarded | W/c 13th March |
| Inception meeting | w/c 20th March |
| Bulk of project activity | March – June  |
| Final report  | Summer 2017 |

**Format of Tender submission Response**

If you wish to apply, an electronic copy of your tender submission response should be sent by email to tenders@londoncouncils.gov.uk, quoting reference number **R0217b** to arrive by **3pm, Friday 3rd** March. Bidders should ensure that they have received a confirmation email of receipt of tender submission by the deadline. **All submission documents should be provided in Microsoft Word format.**

If necessary, you may seek clarification on the procurement process or the specification by contacting Sorcha Rooney via Sorcha.Rooney@londoncouncils.gov.uk.

Enquiries will not be answered if received within **2** days of the date for submissions of tender. Bidders should note that responses to each enquiry will be copied to all organisations bidding (though will not identify the originator of the enquiry) through the Contracts Finder Notice page and on the London Councils website.

If you are aware that the submission of your tender submission may give rise to a potential conflict of interest, please inform the officer to whom you are making the application.

***Full instructions to bidders are also provided in Annex One. Bidders are advised to read all instructions before submitting their tender submission.***

**Freedom of Information Act**

You should be aware that the information you submit may be subject to a request for information. The provision of any information to external parties by London Councils is determined by statutory conditions provided for in the Freedom of Information Act 2000.

**Equality Opportunities**

The successful contractor will be required to comply with London Councils’ Equal Opportunity Policy and bidders should complete the Equal Opportunities Questionnaire with their tender submission.

**Terms and Conditions**

Please see accompanying terms and conditions and confirm acceptance in your submission.

**Annex One: Instructions to bidders**

1. **Tender Submissions**
	1. All pages of the bidder’s tender response should be sequentially numbered (including any annexes and supporting documents) and submitted in Microsoft Word format.
	2. Bidders are advised to submit tenders by email to tenders@londoncouncils.gov.uk quoting reference **R0217b**.
	3. The tender must not arrive later than the date and time stipulated. Tenders received after that time may not be considered unless the bidder can prove that the tender was dispatched in sufficient time to meet the deadline.
	4. By submitting a tender, the bidder agrees to keep that tender open for acceptance by London Councils for 90 days following the closing date.
	5. London Councils does not accept suppliers’ Terms and Conditions.
2. **Amendments to Tender Documents**
	1. Prior to the deadline, London Councils may modify the tender documents by amendments in writing. London Councils may extend the deadline for tenders to allow for significant amendments to be fully assessed and taken into account.
	2. The bidder may modify the tender prior to the deadline for receipt by giving notice in writing or by email.
	3. No tender may be modified after the deadline for receipt.
	4. The contractor may not transfer, assign or sublet the contract, or any part thereof, without the prior written consent of London Councils. If such consent is given the contractor will remain liable for the performance of the contract in its entirely as if such assignment or sublet had not taken place.
3. **Tender Charges**
	1. Charges must be in pounds sterling and be inclusive of all costs but can be exclusive of VAT.
	2. Charges shall be fixed for the duration of the Contract and will not be subject to any variation unless detailed in the Contract document.
	3. London Councils shall not be liable for any costs incurred in the production of the tender submission.
4. **Tender Evaluations**
	1. London Councils intends to commission the most economically advantageous tender and reserves the right to accept or reject all or any part of any tender.
	2. London Councils does not bind itself to accept the lowest charged tender.
	3. London Councils reserves the right to change the timing or any other aspect of the procurement process or to cancel the procurement process at any stage without prior notice.
5. **Intellectual property rights**
	1. All information provided by London Councils shall be treated by the Contractor as confidential except where prior written consent has been given by London Councils that such information may be disclosed. The dissemination of information within your organisation should be on a need-to-know basis.
	2. All intellectual property rights arising from the work will reside with London Councils.

**Annex Two: Example of cost structure**

**Example of cost table:** Below is an example of a clear cost structure. Other cost breakdowns will be accepted; however a clear structure that will allow London Councils to easily assess value for money – including cost per stage and/or days/hours per person – should be used.

1. Available at <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-governent> [↑](#footnote-ref-1)
2. Available at <https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/576427/161129_Appraisal_Guidance.pdf> [↑](#footnote-ref-2)