

NOTICE 2

HERTFORDSHIRE COUNTY COUNCIL

The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 (the '2012 Regulations')

This is formal notice pursuant to Regulation 10 (3) of the 2012 Regulations setting out the reasons why compliance with regulation 9 is impracticable with regard to the Single Tender Action (STA) Contracts/Providers Extension of Contract

Reasons

The Single Tender Action has to be delivered from the 1 April 2025 to continue the Housing Related Support service (HRS) to young people aged 16 to 25 years (including Care Leavers aged 18+) across Hertfordshire County Council and its 10 District/Boroughs.

Accordingly, there is insufficient time to include this decision in the next Forward plan and wait the 28 days required by regulation 9 before making the decision.

There are existing historical leasing arrangements between the District/Borough Councils and the five accommodation Providers (accommodation payable via the Housing Benefit element of Universal Credit). There are different arrangements for leasing the properties (may have been built on gifted land or are gifted properties), resulting in an exclusive right arising. Consequently, Providers are not permitted for another provider to place their own staff in the Providers leased building when they already have their staff in situ, with funding being provided through HRS to increase those staffing hours to enable them to support young people aged 16 and 17 years and Care Leavers aged 18+. Therefore, the direct award is justified under the following paragraphs of PCR2015.

Regulation 32 justifications for a Single Tender Action Procurement.

6.3.1 there is only one possible supplier of the goods, service or works.

6.3.3 only a proprietary item or service is suitable, or acceptable to customers, or the product consists of repairs or works to an existing proprietary product.

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PCR 2015, Regulation 32(2)(b)(ii).

Only one provider can deliver the contract for technical reasons, competition is absent;
AND

- There is no reasonable alternative or substitute; AND
- The absence of competition is not the result of an artificial narrowing of the parameters of the procurement.

The five Registered Social Landlords have confirmed that they have long term lease arrangements linked to the ten District/Borough Councils (peppercorn rents or gifted land), which provides unique access/nomination rights for those young people living in properties within these districts. Any competitor would not be able to offer a similar priced service, taking into account the market rental costs of buildings, to either rent/build the premises to provide the service, making any competition unfair. A full procurement would be artificial, as the only providers capable of being successful the tender are highly likely to be the incumbent providers because of the unique arrangements in place. These historical arrangements are not controlled by HCC, and given that the young people who reside in

supported accommodation (hostels) who have support from Childrens Services or support services provided by Childrens Services not utilising these buildings would not make economic sense, depriving the young people from benefiting from low cost, unique arrangements for provision of Housing Related Support.

The District Councils previously awarded 75/100-year leases to the incumbent providers on either properties (or land) where the properties have been built (for peppercorn rents). There are no further opportunities for leases to be provided to new providers.

There are currently 300 bed spaces across Hertfordshire that are occupied by vulnerable young homeless people aged between 16-25 years, with potential drug misuse and mental health issues, who may have been in situ for up to 2 years. These service users will have established links (education, employment, training and social networks) in the local areas which they reside. For them to function on a day-to-day basis, they require the support functions provided by Housing Related Support. Removing such an existing service and having to re-house these vulnerable young people would present significant challenges (and costs). Also, re-commissioning via a tender process would likely result in significant costs being incurred by Childrens Services and District/Borough Councils to provide the same level of service, due to market rent issues (as mentioned above). There is a need for continuity to this service in order to retain these provisions for homeless and vulnerable young people within the District/Borough Council areas.

The Social Value Act (2012) applies to public services that are over EU thresholds, including all public service markets from health and housing, to transport and waste. Commissioners are required to factor in Social Value at the Pre-Procurement phase, allowing them to embed Social Value in the design of the service from the outset. This act is flexible and allows commissioners to consider the local context and needs for each District, addressing a lack of social housing. Social Value is “the benefit to the community from a commissioning/procurement process over and above the direct purchasing of goods, services and outcomes”. By using the two local providers that have leases with the District/Borough Councils will ensure the most cost-effective price in public spending (value for money) in the interest of the local economy and also using a workforce of local residents of Hertfordshire.

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7 March 2025