## City of London Corporation Committee Report

| **Committee(s):** | **Dated:** |
|---|---|
| Projects and Procurement Sub-Committee – For decision<br><br>Finance Committee – For decision<br><br>Community & Children's Services Committee – For information<br><br>Homelessness and Rough Sleeping Sub-Committee – For information | 27th May 2026<br><br>2nd June 2026<br><br>30th June 2026<br><br>26th May 2026 |
| **Subject:**<br>City of London Street Homelessness Outreach and Support Service – Stage 1 Procurement Strategy Report | **Public report:**<br><br>For Decision |
| **This proposal:**<br>• **delivers Corporate Plan 2024-29 outcomes**<br>• **provides statutory duties** | Providing Excellent Services Actions 5 and 6<br><br>Provides Statutory Duties under the Homelessness Reduction Act 2017 and Housing Act 1996 Part VII |
| **Does this proposal require extra revenue and/or capital spending?** | N/A |
| **If so, how much?** | |
| **What is the source of Funding?** | City Fund<br><br>Central Government Grant for Rough Sleeping Prevention and Relief |
| **Has this Funding Source been agreed with the Chamberlain's Department?** | Yes |

| | |
|---|---|
| **Report of:** | Judith Finlay – Executive Director, Department of Community and Children's Services<br><br>Genine Whitehorn – Commercial Director - Director of Commercial Change & Portfolio Delivery |
| **Report author:** | John Barker – Commissioning Manager, Homelessness & Rough Sleeping<br><br>Mohammad Mostafa – Procurement and Contracts Manager |

## Summary

This report seeks member approval for the recommended procurement strategy and evaluation criteria to be used in the selection of a preferred supplier for a Street Homelessness Outreach and Support service contract, supporting the work of the Department of Community and Children's Services. This is required under Section 16.3 of the Corporation's Procurement Code Part One as the estimated contract value exceeds £2m.

In accordance with the Procurement Code Section 16.2 the contract value has been determined as up to £8.3 million dependent on funding opportunities over the life of the contract, which is proposed for a core term of 3 years and an optional extension of two further years.

The recommendation is to undertake a procurement under the Open Procedure as outlined by the Procurement Act 2023 to procure the contract with the evaluation criteria ratio on a 55 / 15 / 30% Quality / Responsible Procurement / Price ratio, reviewed and approved by the DCCS Category board on 26th Match 2026.

## Recommendation(s)

Members of the Projects and Procurement Sub-Committee; and Finance Committee are asked to:

- Approve the procurement strategy under the Open Procedure (Procurement Act 2023) and the evaluation criteria on a 55 / 15 / 30% Quality / Responsible Procurement / Price ratio.

Members of the Community and Children's Services Committee; and Homelessness and Rough Sleeping Sub-Committee are asked to:

- Note the report.

## Main Report

### Background

1. The City of London Corporation has historically contracted a Street Outreach service to identify and support rough sleepers within the Square Mile.
2. This provision has been complimented by two additional rough sleeper support services working with clients temporarily accommodated as a route from the streets and those clients with long term history of street homelessness and more complex needs.
3. Since 2018, Central Government has made specific funding available to address street homelessness across the United Kingdom and the current Outreach Service, alongside the related services, has benefitted from the addition of these resources to boost its reach and effectiveness.

### Current Position

4. The Corporation has co-designed a new multi-functional Street Homelessness Outreach & Support Service taking on board the learning from previous initiatives and challenges alongside input from people with lived experience of street homelessness and service access; that will comprise three of the currently separately contracted services under one contract with a single provider.
5. This service will meet the potential challenges of the next five years with flexibility, agility and the ability to take on new initiatives over its lifespan. This is reflected in the potential value and scope of the tender. This modular approach will also allow the Corporation to react to changing need, demand and priorities over the lifetime of the contract

### Flexible Service

6. The contract will be based on a primary service, consisting of Street Outreach, Peripatetic Support for clients placed in temporary accommodation settings and Long Term Casework for individuals with more entrenched or complex and multiple needs.
7. The contract will also outline a number of potential additions to the service over the lifetime of the contract enabling the service to react to change on a local, sub regional or national level.
8. Optional extras may include but are not limited to:
   8.1 Specific premises from which to provide the service

8.2 Weather / Seasonal related responses such as providing enhanced support during cold or hot weather in addition to the normal service function during severe weather

8.3 Providing support to specific demographics of clients such as those identifying as women and those with complex immigration issues

8.4 Health improvement interventions

8.5 Providing a bespoke response to the emergence or existence of “hot spots” or rough sleeping encampments in the City of London

8.6 Providing an enhanced day service for street homeless individuals

8.7 Responding to potential legislative changes or strategic developments nationally in reducing rough sleeping

8.8 Providing an enhanced reconnection service

8.9 Research and investigation into wider national initiatives and market best practice

8.10 Specific Pilot projects to aid learning and development of practice

8.11 Prevention initiatives, especially those targeted at preventing a return to the streets

9. Each optional or potential service addition will be subject to a series of activation triggers including the availability of funding, ensuring the Corporation is able to react quickly to potential future funding opportunities; using the learning from the 5 years since the Covid Pandemic where funding opportunities have arisen for specific interventions.
10. The flexibility built into this this procurement is made transparent and explicit within the tender documentation.

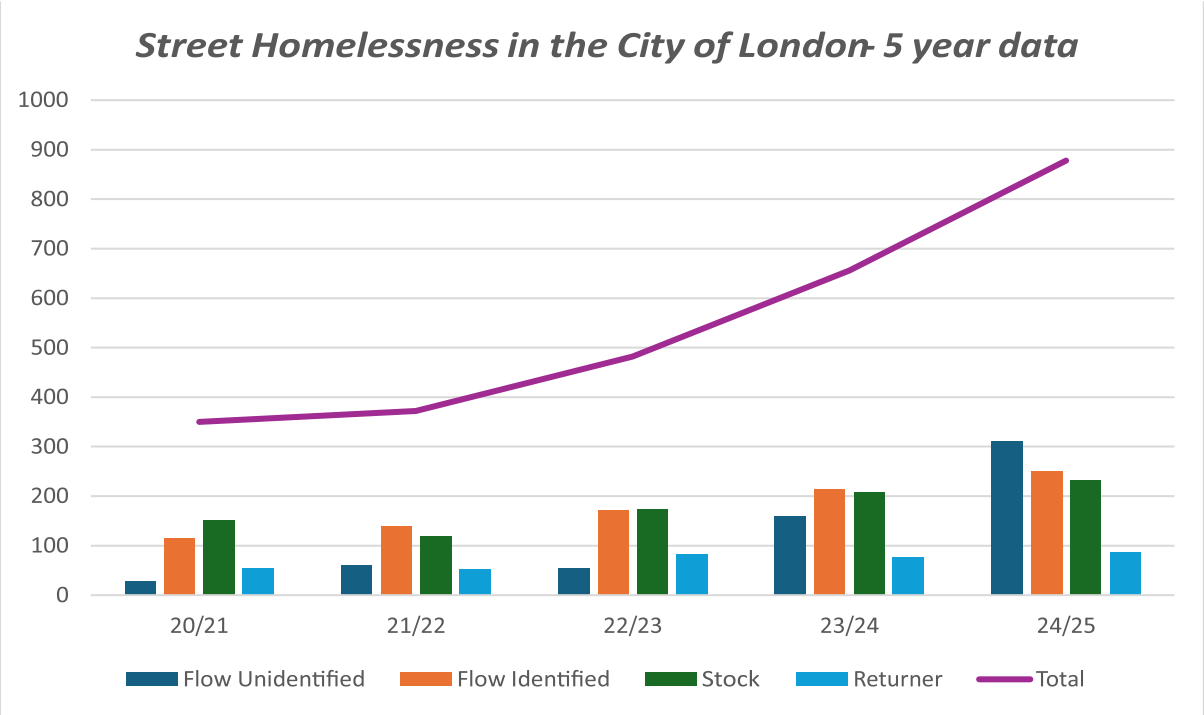
**Funding**

11. The table in Appendix 1 sets out the funding and budget structure for this procurement. It is based on opportunities that have risen in the past and that might reasonably be expected to arise over the lifetime of this contract.
12. The total contract value is structured around the potential to flex the service delivery alongside the funding opportunities that may become available over the lifetime of the contract.
13. The Corporation may also look to renegotiate the service delivery based should continued availability of funding become uncertain and both of these factors are made explicit within the Service Specification
14. The primary service will not exceed a cost that can be met within the Homelessness Prevention and Rough Sleeper Service budget including the current awarded grant funding.
15. In accordance with the Procurement Code Rule 14 the contract value has been determined at a potential £8.3 million (total amount payable)

## Key Data

16. High level data over the last 5 years demonstrates that street homelessness in the City of London has continued to rise: *(source: "Rough sleeping in London (CHAIN reports)" - https://data.london.gov.uk/dataset/chain-reports/)*

| | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 |
|---|---|---|---|---|---|
| **Flow Unidentified** | 29 | 60 | 55 | 160 | 310 |
| **Flow Identified** | 115 | 140 | 171 | 213 | 250 |
| **Stock** | 151 | 120 | 173 | 207 | 232 |
| **Returner** | 55 | 52 | 83 | 76 | 86 |
| **Total** | **350** | **372** | **482** | **656** | **878** |
| **Increase** | | **6.25%** | **29.5%** | **36.1%** | **33.8%** |




| Category | Description |
|---|---|

| | |
|---|---|
| **Flow** | People who had never been seen rough sleeping prior to 2024/25 (i.e. new rough sleepers). Those within this category are further subdivided as follows:<br>• Unidentified - those new rough sleepers recorded without a name, and with only one contact.<br>• Identified - those new rough sleepers recorded with a name, and/or with more than one contact. |
| **Stock** | People who were also seen rough sleeping in 2023/24 (i.e. those seen across a minimum of two consecutive years). |
| **Returner** | People who were first seen rough sleeping prior to 2023/24 but were not seen during 2023/24 (i.e. those who have had a gap in their rough sleeping histories). |

17. This continued rise in numbers supports the change of approach to a flexible service that can be enhanced and adjusted to meet changing need and demand.

## Procurement Strategy Options

18. The following Route to Market Options have been considered:

18.1 **Option 1** – Open procurement process under Procurement Act 2023

| Advantages | Disadvantages | Risks |
|---|---|---|
| Relevant to contract value | Potential for high response rate and associated time pressure | Small risk of a high number of tenders needing to be evaluated |
| Allows full market access | No shortlisting stage can be undertaken | |
| Allows for appropriate level of competition given the limited size of the provider market | Does not allow for a provider interview stage | |
| Consistent with the commissioning timeframe | | |
| Evaluation can be based on both submitted responses and a prepared presentation | | |
| Possible to completed within the desired procurement timeframe | | |

18.2 **Option 2** – Competitive Flexible Procedure under Procurement Act 2023

| Advantages | Disadvantages | Risks |
|---|---|---|
| Greater flexibility for the Corporation | More complex process needing input to refine it | Additional time and resource needed to input into the service would result in the planned timeline for the procurement being missed |
| Scope for provider interviews | Designed for a higher level of competition then expected in this market | |
| | Time consuming to a level outweighing its advantages in this procurement | |
| | Providers could be granted a second stage of tender submission that would delay the procurement unnecessarily | |

**Proposals**

19. The Recommended Procurement Strategy is Option 1, which is to undertake a procurement under the Open Procedure outlined by the Procurement Act 2023
**Procurement Timetable**

20. Key dates in the procurement are:

    20.1 Tender opens – June 2026

    20.2 Tender closes – July 2026

    20.3 Identification of Successful Provider – August 2026

    20.4 Contract Notification – November 2026

    20.5 Mobilisation of service – January / February 2027

    20.6 Service Commencement – 1st March 2027

**Corporate & Strategic Implications**

Strategic implications

21. This procurement allows the Corporation to continue to meet its statutory obligations under the Homelessness Reduction Act 2017 and also under the Housing Act 1996 Part VII

22. Additionally the procurement will contribute to the Corporate Plan to Provide Excellent Services and contribute to the Homelessness Strategy Priorities 1,2, 3 & 4.

Financial implications

23. The proposed procurement has an estimated maximum contract value of up to £8.3m over a potential five-year period, inclusive of optional service elements. The core outreach service will be funded from existing Homelessness Prevention and Rough Sleeping budgets and confirmed Central Government grant funding. Any additional or optional elements of the service will be subject to the availability of external funding and agreed activation triggers and will not be committed unless funding is secured. The procurement therefore does not create an unfunded pressure and can be delivered within the existing financial framework and budgetary approvals.

Resource implications

24. In activating any additional elements of this service over its lifetime, there will be a resource implication for the Commissioning Team, Comptrollers and officers from the Homelessness Prevention and Rough Sleeping service, however this will be less than resources needed to commission such schemes separately.

Legal Implications

25. The Comptroller and City Solicitor has been consulted in the preparation of this Report, and comments as follows:-

    25.1 The recommended Procurement Strategy is supported.

    25.2 The legal framework for the procurement will not only be governed by the Procurement Act 2023 (PA2023) but also by the following key secondary legislation:-

    - The Procurement Regulations 2024.
    - The Procurement Act 2023 (Consequential and Other Amendments) Regulations 2025.

    25.3 Given the anticipated contract value will be in excess of £5m, it is a mandatory requirement under the PA 2023 for a contracting authority to set at least three Key Performance Indicators (KPIs) which would have to be set out in the Contract Details Notice.

    25.4 Whilst a mandatory 8 day standstill period will not apply to a light touch contract, it is advisable given the value to apply a voluntary standstill period to mitigate the risk of a successful challenge.

    25.5 Break clauses will need to be considered for the contract terms in the event there are funding implications. Furthermore, given the proposed wider scope for the procurement of the contract, the potential risks will have to be carefully considered in consultation with the Chamberlain's Risk Management & Insurance Team to determine whether the insurance indemnity limits agreed for the current Outreach contract should be reviewed.

25.6 If the intention is for the successful bidder to occupy or partly occupy accommodation in Guildhall as in the case of the current Outreach contract, then consultation will have to take place with the City Surveyor as to the terms for a Licence. Should this be the intention, then the contract award will also be conditional on the successful bidder entering into the Licence. All bidders will need to be aware from the outset.

25.7 In order to mitigate any data protection risk, a Data Protection Impact Assessment must be undertaken in accordance with Article 35 of the UK GDPR. Any UK GDPR implications, and information sharing implications will have to be considered. CHAIN namely the Combined Homelessness & Information Network multi agency database will apply to an Outreach service. The City Corporation has previously entered into a Data Processing Agreement for CHAIN.

25.8 Exit implications such as TUPE etc for any current contracts will have to be considered.

Risk implications

26. The inherent risks in commissioning and procuring this service range between market interest / availability, provider failure, reputational risk by association and the risk of challenge from the market on the flexible nature of the proposal. These common risks are mitigated through the City of London Corporation's contract management arrangements, Commercial Services and Legal input.

27. Risks associated with the potential to bring in optional elements of the service will be mitigated by adherence to the procurement change control process and utilising the DCCS Category Board for approval.

Equalities implications

28. An Equalities Impact Assessment has been carried out in tandem with the service design for this scheme

Climate implications

29. The City of London Corporation has a Climate Action Strategy which sets out how we will achieve net zero carbon, build climate resilience and champion sustainable growth, both in the UK and globally. The commitment of the Supplier in supporting the City's Climate Action targets is fundamental. The Supplier will consider the lowest possible whole life carbon option and deliver year-on-year improvements relating to sustainability when providing goods, works and services on this contract. Improvements could be through obtaining data, minimising energy use, adopting circular economy principles, utilising sustainable procurement practices, trialling innovation or any other relevant means as discussed with the City Corporation. For every contract year, at least one recommendation should be made as to how to either improve data quality or reduce carbon emissions.

30. Annual footprint reporting will be required for this contract. The Supplier must share all annual reports that reference sustainability, the environment and/ or carbon emissions with the City's Climate Action team

(climateaction.pgs@cityoflondon.gov.uk) and work with the City Corporation to devise and deliver a strategy that measures, monitors and reduces your carbon footprint year on year in a clear and transparent way. The City Corporation calculates the footprint of the goods and services it buys annually and may request the Supplier to provide data relating to its organisational carbon footprint (including Purchased Goods & Services) or the footprint of goods and services provided through this contract.

Security implications

31. None

**Conclusion**

32. Following due consideration, the proposed procurement strategy and process outlined in Paragraph 12.1 above provides a compliant, efficient and competitive route to market appropriate to the scale and nature of this contract.

**Appendices**

Appendix 1 – Contract Value and Funding Calculation

John Barker
Commissioning Manager, Homelessness & Rough Sleeping
DCCS Commissioning
T: 020 3834 7204
E: john.barker@cityoflondon.gov.uk

# Appendix 1 – Contract Value and Funding Calculation

## Outreach Contract Potential Finances

Spreadsheet designed to calculate potential contract value of 5 year Outreach contract providing flexibility to adapt the service to need and opportunity

| | Element | Source | Yr1 | Yr2 | Yr3 | Yr4 | Yr5 | Totals |
|---|---|---|---|---|---|---|---|---|
| 1 | City Funding for Outreach Provision | CoL | £480,000 | £494,400 | £509,232 | £524,509 | £540,244 | **£2,548,385** |
| 2 | Grant Funding awarded to the City of London *17th December 2025* | MHCLG | £500,000 | £500,000 | £500,000 | £500,000 | £500,000 | **£2,500,000** |
| 3 | Sub Regional Funding Supplement | MHCLG | £300,000 | £300,000 | £300,000 | £300,000 | £300,000 | **£1,500,000** |
| 4 | Potential for Ad Hoc Award | Any | £350,000 | £350,000 | £350,000 | £350,000 | £350,000 | **£1,750,000** |
| | **Totals** | Combined | **£1,630,000** | **£1,644,400** | **£1,659,232** | **£1,674,509** | **£1,690,244** | **£8,298,385** |

Primary Outreach

Optional

The potential additional funding opportunities in Rows 3 & 4 are based on opportunities that have arisen during the life of the current service; and are not guaranteed. The service specification notifies providers that the corporation may wish to renegotiate the value of the contract should there be a material change in funding.