

Appendix B: Options Appraisal

Commissioning options:

The commissioning options below have been informed through a series of stakeholder engagement surveys and workshops, a well-attended market engagement exercise and benchmarking with other London Boroughs, in addition to strategic consideration of the changing central government funding landscape.

The following options have been considered:

1. Do nothing – allow contract to expire
2. Insource services and deliver in-house
3. Direct award to current provider to continue delivery
4. Re-commission services with relevant updates to existing model via open procurement
5. Tender lots for the Hub and Outreach service delivery elements

Option 1: Do Nothing – allow contracts to expire

The current contract is due to expire on March 31st 2026 and has no provision for further extension. The service could be decommissioned over the remainder of the contract term. A new service or series of services could be developed to achieve the outcomes the service has been commissioned to deliver.

This option is not recommended. This service is a core element of rough sleeping delivery in Camden, with other services having been commissioned additionally to strengthen overall provision. The model of Hub and Outreach should be retained.

Not providing any service is unviable as rough sleeping levels are already reaching record highs and are predicted increase further. This would leave the borough without options for achieving its strategic aims of reducing rough sleeping.

Option 2: Insource and Deliver in House (Not recommended)

This approach was considered but was considered unviable due to overall costs, the time period needed to insource being incompatible with the current contract termination and the recognition that outreach is a specialist service being well delivered by a number of third sector organisations across London.

Insourcing is viewed as a financially unviable strategy and would place considerable strain on current in-house services, requiring substantial investment in workforce expertise and back-office functions. Considering the challenging financial environment, this is unlikely to deliver the quality of provision needed.

The service requires 24/7 delivery, including coordinating a complex shift rota, and is likely to require a team of 25 - 35 employees. Insourcing would require the development of robust procedures and practices not currently in place. Costs would likely increase given the increased remuneration local authority pay scales provide for.

Outsourcing the provision to specialist providers also has advantages, especially organisations delivering outreach-based support are often in the voluntary and community sector, which provides alternative expertise, experience of delivering these service models and, often, a flexible, strength-based ethos.

The council retains key internal roles dedicated to addressing rough sleeping, including a Rough Sleeping Manager who coordinates activities and operations across the rough sleeping pathway and undertakes contract monitoring with providers.

Option 3: Direct Award (Not recommended)

This option would not be compliant with the procurement regulations. It would also mean that suppliers would not have an opportunity to bid for the contract opportunity. The recent market engagement exercise has indicated that there are a number of suppliers in the market that are able to deliver the services. Furthermore, this option:

- Limits market engagement and potential innovation.
- May result in higher costs without the competitive pricing mechanism.
- Reduces transparency and fairness in the procurement process.

Option 4 – Open Process under the Procurement Act 2024 (Recommended)

The Open Procedure under the Procurement Act 2024 to procure an appropriate contract would be used as officers will be able to design a process that best suits the services being procured and the market.

This approach involves a competitive process where the opportunity will be publicly advertised to allow various suppliers to submit bids.

The approach will involve:

- Development of detailed service specifications and evaluation criteria
- Public advertisement of the process to invite bids from potential suppliers
- Evaluation of bids against predefined key criteria to select the most suitable supplier
- Award of contracts and commencement of service delivery on or around 1st April 2026.

**Option 5 – Tender Lots for the Outreach and Hub service delivery elements
(Not recommended)**

Consideration was given to splitting the Outreach element and the assessment Hub element into lots, allowing for different providers to deliver each element under a separate contract. This approach offers some advantages in terms of specialist agencies delivering each element.

However, the approach is not recommended due to foreseen challenges including reduced value for money, additional administrative and operational processes required to achieve effective integration, and increased monitoring requirements.