

Commissioning Homelessness Services

A good practice guide



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Chapter One

Introduction



What is commissioning?

Commissioning is a well-established role in many parts of the public sector, although not everyone commissioning services is called a 'commissioner'. People sometimes confuse commissioning and procurement. The Association of Chief Executives of Voluntary Organisations (ACEVO) offers the following definitions:

Commissioning is the process which establishes what services are required, now and in the future, to meet the needs of local people, and to ensure that they are planned and delivered in a way which meets any statutory duties.

Procurement ensures those services are purchased, delivered and managed in a way which secures best value from public resources and ensures legal compliance.

Many different versions exist of a so-called 'commissioning cycle' but most recognise four stages in the cycle – analyse/plan/secure services/review. Stages do not have firm boundaries but rather blend into each other (see right).



Some versions of the commissioning cycle show a procurement cycle as an inner ring within the commissioning cycle ([see ACEVO Commissioning and Procurement Cycle](#)).

Who is this guide for?

This guide is targeted at local government officers responsible for commissioning housing-related support services (e.g. hostels, supported housing, outreach services) for single homeless people with support needs. These services will often be either a legacy of the Supporting People programme or developed since 2018 with funding from the Rough Sleeping Initiative (RSI) and other programmes that have been principally designed to meet the needs of rough sleepers.

Large unitary local authorities and combined authorities will often have teams of commissioners, one or more of whom will specialise in commissioning homelessness services. At the other end of the spectrum, smaller authorities and, in particular, district councils, may not have any officer with 'commissioning' in their job title but will nevertheless still commission homelessness services, most often through the RSI programme.

What will this guide cover?

The guide will describe and give examples of good practice at each stage of the commissioning cycle. It starts, however, with a chapter highlighting good practice approaches to commissioning and regulatory requirements that should be followed across the whole cycle.

It will not always be possible for commissioners to follow all four stages of the cycle due to the timescales imposed by funding programmes. At one end of the spectrum are services commissioned by a public body for a lengthy contract period, e.g. five years, while at the other end are services commissioned in response to an unanticipated funding allocation with a short decision-making timeframe, e.g. in-year allocations of funding from government to local authority rough sleeping teams. In circumstances towards the latter end of the spectrum, common sense must dictate what elements of this good practice guidance can be followed.

Chapter Two

**Foundations of
good practice**



Overview

Whilst the rest of this guide considers good practice in relation to specific activities that need to take place at each of the different stages of the commissioning cycle, this chapter considers good practice approaches and regulatory requirements that should be followed across the whole cycle.

Trauma-informed commissioning

It has been recognised for many years now within the homelessness sector that delivering services in a trauma-informed way is critical to achieving good outcomes for service users. This has resulted in much emphasis being placed on the development within services of [trauma-informed care \(TIC\) and psychologically informed environments \(PIEs\)](#) and of [strengths-based or assets-based approaches](#).

Both the intent, and outcomes, of services adopting PIE or TIC are essentially the same – they aim to improve the psychological and emotional wellbeing of people accessing or working there. Both approaches stem from the recognition that an individual's experiences will impact how they present and engage with support. The main difference between the approaches is that PIE describes a broader approach (including consideration of the built environment) within which a range of choices can be made about the psychological framework adopted. In a service that uses TIC, the psychological framework adopted is explicitly trauma theory and research. Trauma awareness is the framework that provides a consistency in understanding and response from which all other changes in the design and delivery of the service are viewed. Therefore, it could be said that a service adopting TIC is a model of PIE.

If commissioners expect their providers to deliver services in a trauma-informed way, they need to ensure that their whole approach to commissioning is trauma-informed and not limited to simply including certain key phrases in service specifications. The government has published a [Working Definition of Trauma-Informed Practice](#), which states that the six principles of trauma-informed practice are:

- » **safety** – the physical, psychological and emotional safety of service users and staff is prioritised
- » **trustworthiness** – transparency exists in an organisation's policies and procedures, with the objective of building trust among staff, service users and the wider community
- » **choice** – service users are supported in shared decision-making, choice and goal setting to determine the plan of action they need to heal and move forward

- » **collaboration** – the value of staff and service user experience is recognised in overcoming challenges and improving the system as a whole
- » **empowerment** – efforts are made to share power and give service users and staff a strong voice in decision-making, at both individual and organisational level
- » **cultural consideration** – move past cultural stereotypes and biases based on, for example, gender, sexual orientation, age, religion, disability, geography, race or ethnicity.

Commissioners should therefore seek to embed these principles in the relationships that they have with colleagues, service users, other stakeholders and the wider community across all stages of the commissioning cycle. Many local authorities have formed 'trauma-informed coalitions' of organisations within their area or joined together with other local authorities to form a regional coalition. One example is the West Midlands Trauma Informed Coalition, which has published [Trauma Informed Commissioning Guidance](#). Commissioners of homelessness services should check to see if such a coalition exists in their area and, if it does, get involved in its work.

Below are two examples of local authorities that have taken a trauma-informed approach to commissioning.

CASE STUDY:

A journey to psychologically informed commissioning – Westminster City Council (WCC)

WCC commissions a range of accommodation services for rough sleepers from outreach, hostels and supported housing to Housing First and supporting health and wellbeing services. WCC has been promoting Psychologically Informed Environments (PIEs) from the inception of the term. Now most of its services would call themselves PIE services and WCC think of it as a PIE pathway. All commissioned services have features like reflective practice, there is a free PIE training programme for all workers, and the majority have therapeutic services going into the services.

To reach the stage where all services are on the PIE journey, WCC have focused on four things: promoting, brokering, building PIE into procurement and bids, and wider system change work. WCC started with promotion, simply putting an emphasis on PIEs, creating

networking opportunities, and creating and linking in with free training. Casting the net wider, WCC started working on the ecosystem of services, thinking about linkages with external services, and started brokering ways to forge connections across the gaps. As confidence grew in PIE, WCC were able to build it into new procurement and existing contracts management and, crucially, into bidding opportunities.

WCC have learnt that to authentically commission for PIE you have to understand it, you can't just "tick box" it, which fundamentally impacts your approach as a commissioner to data collection, output measurements and everyday contract management, e.g. looking at serious incident reports that come in. For more information on WCC's PIE journey, [see here](#).

CASE STUDY:

Embedding PIE in homelessness services – Basingstoke and Deane Borough Council

Basingstoke and Deane Borough Council commission a range of support services for people experiencing homelessness. Since 2016, the Council has been working with partners to create a psychologically informed pathway of services, embedding PIE into the approach to support the built environment and the commissioning methods used. Highlights of the Council's approach include:

- » **clinical psychologists in services** – available for clients, operating independently from the support provider and outside existing statutory health pathways, including no waiting lists, no cut off for non-engagement and a tailored intervention for each individual. This has been effective in preventing eviction by de-escalating behaviours and giving people tools to manage their situations. It has encouraged positive move on from hostels and ended the cycle of repeat homelessness in cases where past trauma has been addressed.
- » **commissioning approach** – service specifications, co-produced with members of the Social Inclusion Partnership, including people with lived experience of homelessness, require all support providers to work with Outcome Home (the local psychology and peer mentor team provider), to make space, and complement their own processes for the work being carried out.

- » **reflective practice** – a permanent reflective practice offer, delivered by a clinical psychologist, rolled out to all homeless support services including front line officers at the local authority (customer services, community safety officers, and housing), to ensure a psychologically informed approach is embedded into the wider system and improve the experience of people accessing services at any point in their “journey”.
- » **training** – a comprehensive and continuous programme of training funded, by the local authority, for all services in the homeless support pathway, which includes sessions on Resilience (both for managers and front-line staff), Trauma Informed Care (TIC), and PIE.

For more information, please contact Rachel Fletcher on 01256 845373
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Gender-informed commissioning

Women experience homelessness differently to men. Causes of homelessness and experiences while homeless are unique to each person, however a person’s gender and relationship to their gender informs this experience. Homeless Link has therefore developed the ‘[Gendered Lens Framework](#)’ to support frontline workers, service managers and commissioners to take a gender-informed approach.

The Framework is particularly useful for commissioners who are responsible for the design of homelessness services, whether they are looking to provide a gender specific service or to improve an existing offering, because it sets out seven approaches to service design and delivery that will help them consider the impact of gender on a person’s experience of homelessness and ability to access the service.

One of the approaches set out in the Framework is co-production. The Framework includes several case studies, one of which is the co-produced Medway Council’s Ladies Night. For more information on this, see the case study in the section below.

Co-production

Co-production is a term that has become increasingly familiar within the homelessness sector in recent years. The Co-production and Commissioning section of Homeless Link's [Co-production Toolkit](#) states that:

Co-production is a way of working that involves people who use health and care services, carers and communities in equal partnership; and which engages groups of people at the earliest stages of service design, development and evaluation. Co-production acknowledges that people with 'lived experience' of a particular condition are often best placed to advise on what support and services will make a positive difference to their lives.

The Toolkit, published in 2018, offers ideas and tips for how to co-produce commissioning. Another valuable source of ideas and tips is the Think Local Act Personal website, which suggests that there are two main ways that commissioning can involve co-production in public services:

- » **Commissioning co-production.** When councils encourage providers to co-produce services, they are commissioning co-production. Making sure that local providers design and deliver services in a co-produced way is an important step and something that should be encouraged.
- » **Co-producing commissioning.** Co-producing commissioning means equally involving people who use services, carers, families and communities throughout the commissioning cycle. Here, people will help to:
 - Explain about local needs, aspirations and assets.
 - Make important decisions about what things are needed to make sure people have better lives and how to make these things happen.
 - Decide which providers are chosen to provide services and support.
 - Check and feedback about how well providers are doing and how they could do better.

The Toolkit provides one example of co-production good practice in commissioning homelessness services, but others have emerged since 2018 (see the case study below, and in the section on Service Design in Chapter 4).

CASE STUDY:

Rough Sleeper Forum – Medway Council

Medway Housing staff, with a background of support delivery to former rough sleepers, along with a local voluntary sector soup kitchen provider, meet at a variety of venues with people who are currently sleeping rough or who have recent experience of sleeping rough. Prior to commissioning services for people needing accommodation and support, a session was held to explore the issues and challenges of sleeping rough and what people felt would improve their situation. Participants were also asked their views on current services and how these could be improved.

The outcomes from this session were shared with Medway's Homelessness Forum and the growing recognition of needs resulted in a number of commissioning actions, including: a focus on enhancing the Somewhere Safe to Stay project, which has evolved from a shared space available at night, with sleeping bags and limited shared facilities, into a provision of single occupancy rooms with bathrooms, a kitchen/laundry space, and staff on site 24 hours per day; expansion of the Housing First pilot to 10 flats; a recognition of the specific challenges faced by women sleeping rough, which led to the setting up of a Ladies Night project, named by women involved in the service design. The project is a social event, with multi-agency staff available for women to consult if they choose, and open until 11.00pm for women sleeping rough or sex working who often do not access services that are typically only available during 9-5 hours. Listen to Series 5, Episode 5 of [Homeless Link's 'Going Beyond' Podcast](#) to hear more about the Ladies Night project.

This lived experience approach also fed in to how Medway delivered its 'everyone in' programme, where support and security staff were available 24 hours a day and a team of volunteers was co-accommodated in the hotel that was used for people sleeping rough. However, not all commissioning has been successful in delivery. For example, an employment project meant to improve outcomes for the group had little impact, as people did not feel they were ready to engage at the level required. Notwithstanding this, the issue of having interesting and enriching activities was built on effectively through the subsequent development of an arts/theatre project. For more information, contact chris.giles@medway.gov.uk

The ultimate way to involve people with lived experience in the commissioning of homelessness services is to employ them within commissioning teams. A rare example of this is provided in the case study below.

CASE STUDY:

GROW Trainee – GMCA Systems Change

In September 2024, Greater Manchester Combined Authority (GMCA) in collaboration with Shelter successfully recruited to a Getting Real Opportunities of Work (GROW) traineeship to sit within GMCA's Homelessness and Migration Team. The GROW programme facilitated by Shelter is designed to break down barriers to employment for people with lived experience of homelessness. This is done by providing the individual with person-centred support and meeting their well-being needs, alongside their personal and professional development goals.

The development of this role is important strategically for GMCA and aligns to the aims of the Greater Manchester Homelessness Prevention Strategy (GMHPS) 2021–2026. The GMHPS provides a mission-based approach to homelessness prevention across Greater Manchester including commitments to guide how stakeholders including GMCA should act. These are:

- » **To work with People;** being truly person-centred, building wellbeing and addressing inequality.
- » **To build Participation;** where people participate in decisions that affect their lives and lived experience is highly valued.
- » **To embed Prevention;** ensuring public services create the conditions for success.

Given the range of activity and work delivered by the GMCA Homelessness and Migration Team, the aim is to provide a flexible approach involving the trainee in their policy and commissioning work. Opportunities will be designed collaboratively with the team and based on the trainee's own interests and areas in which they wish to develop. This may include a focus on

- » **rough sleeping** – looking at commissioning and reviewing GMCA programmes
- » **migration** – providing input into the development of a new Greater Manchester Migration Strategy
- » **temporary accommodation** – working towards actions that are included with the GM Temporary Accommodation Action Plan

The development of the GROW traineeship programme within GMCA provides a practical example of how explicit opportunities for employment within commissioning teams aimed at people with lived experience of homelessness can be delivered. For further information, contact james.walker@greatermanchester-ca.gov.uk

Working in partnership with Procurement

It is important for staff in commissioning and procurement teams to be clear about roles and responsibilities during the different stages of the commissioning cycle. Usually, commissioners will be specialists in the services being commissioned while procurement staff will be more generalist, working with commissioners across several different service areas.

One local authority (LB Camden) has set out the roles and responsibilities of the two teams at each stage of the commissioning cycle as follows:

Commissioning stage	Commissioning responsibility	Joint responsibility	Procurement responsibility
 Analyse	<ul style="list-style-type: none"> » Needs Analysis » Service User Engagement » Demand Mapping 	<ul style="list-style-type: none"> » Spend Analysis » Market Engagement » Savings Plan » Benchmarking » Tollgate 0 (Strategic Assessment) 	<ul style="list-style-type: none"> » Advertise Market Engagement » Category Plan
 Plan	<ul style="list-style-type: none"> » Commissioning Strategy/Intentions » Specification » Service User Engagement 	<ul style="list-style-type: none"> » Tollgate 1 (Procurement Strategy) » Risk Assessment » Award Criteria » Attend Governance Meetings 	<ul style="list-style-type: none"> » Manage Governance Process » Procurement Approach » Project Plan
 Do	<ul style="list-style-type: none"> » Tender Evaluation » Service User Engagement » Approve Tender Documents 	<ul style="list-style-type: none"> » Tollgate 2 (Contract Award) » Attend Governance Meetings 	<ul style="list-style-type: none"> » Approve Tender Documents » Manage E-Tendering and Panel Evaluation » Audit Trail
 Review	<ul style="list-style-type: none"> » Contract Monitoring » Contract Management » Tollgate 3 (Contract Review) » Service User Engagement 	<ul style="list-style-type: none"> » Spend Analysis 	<ul style="list-style-type: none"> » Challenge

Tollgates 0-3 are LB Camden governance reports produced at each stage of the commissioning cycle. For more information on LB Camden's approach, see their [Roles and Responsibilities presentation](#) and/or contact patrick.walsh2@camden.gov.uk

Compliance with Supported Housing Regulations

Organisations providing supported accommodation to people experiencing homelessness are now subject to regulations, including [Ofsted regulations](#) for those providing supported accommodation to 16 and 17 year olds. As of August 2025, the full implementation of the Supported Housing (Regulatory Oversight) Act (2023) is still under consultation and has not yet come into effect, but the legislation sets out that it will:

- » Create a national expert advisory panel to monitor the sector, which will report to the Secretary of State
- » Require local housing authorities to carry out a review of supported housing in their area and, in light of that review, publish a supported housing strategy, which includes an assessment of the availability of, and need for supported housing in the area over the next five years
- » Introduce national supported housing standards, which will provide minimum standards for both the property and the care or support provided in supported housing
- » Require local authorities to create local supported housing licensing schemes.

When the Supported Housing (Regulatory Oversight) Act is enacted, Commissioners will need to be familiar with the National Supported Housing Standards, the conditions of the national licensing framework, exemptions where a supported housing licence is not required, and the associated guidance issued by the Government. Once the regulations are in force, commissioners should ensure they are aware of their local supported housing strategy and how the licensing scheme operates in their area.

Chapter Three

Commissioning Cycle Stage One: Analyse



Overview

When commissioning homelessness services, it is important to understand in as much detail as possible what the needs are of the people that you wish to support. Equally important is understanding what resources you have at your disposal to meet those needs, and what market exists of providers with the necessary skills, experience and willingness to deliver such services in your area.

To develop this understanding, it is advisable to undertake some combination of a needs analysis, resource analysis and market analysis. As noted in the previous chapter, local housing authorities will soon be required by the Supported Housing (Regulatory Oversight) Act 2023 to publish a supported housing strategy. This will include an assessment of the availability of and need for supported housing in the area over the next five years. Commissioners of homelessness services will need to ensure that they are involved in the development of this strategy and that the needs of their client group(s) for supported housing are fully recognised within it.

Needs analysis

Very few, if any, local authorities will be starting with a blank slate when it comes to commissioning homelessness services, particularly since the advent of the RSI programme in 2018. A good place to start when analysing need, therefore, is to consider the needs of the people who are making use of existing homelessness services in your area. This is a good example of how the stages of the commissioning cycle blend into each other, as information gathered from the evaluation of services in the Review stage (see Chapter 6) can feed into the needs analysis for the next commissioning round.

It is obviously not enough to simply consider the needs of people who are being supported by existing services. It is equally important to consider the needs of people who, for whatever reason, are not being supported by these services. This information could be obtained from several sources, including through consultation with local support agencies and people with lived experience of homelessness, and the collection of data:

- » showing why referrals were not accepted by existing services
- » from the H-CLIC quarterly submissions that local housing authorities submit to government (Homelessness Case Level Collection (H-CLIC) is the system used by government to collect statutory homelessness statistics from local housing authorities – for more information see the [Government website](#))
- » on the needs of single homeless people placed by local housing authorities in Temporary Accommodation

Undertaking a thorough needs analysis of this type can be a daunting exercise. Collecting and analysing data is time-consuming and often difficult to fit in around the day-to-day delivery of other commissioning tasks. Some local authorities may have staff whose role is to carry out such analysis, but the financial pressures under which local authorities have been operating over recent years has meant that such roles often no longer exist.

Many local authorities therefore turn to consultants to carry out needs analyses. Homeless Link itself offers a [consultancy service](#) that has experience in carrying out such analysis, providing authorities with the evidence they need to make informed decisions.

Resource analysis

Funding is obviously crucial for commissioning, so it is important to be clear about how much is available, for how long, and what strings, if any, are attached to it. Funding may be internal or external to the local authority that is doing the commissioning. If internal, commissioners will need to ensure that they have clear information about their budget allocations and what assumptions they can make about these in the years to come. If external, commissioners will need to ensure that the funding body has been explicit about the terms and conditions attached to the funding.

One option that commissioners should consider when analysing the availability of funding is what opportunity there is to pool resources with either other teams within their local authority or with other local authorities or public bodies. Certain services lend themselves better to joint commissioning by two or more local authorities or public bodies. This could be, for example, where the need within one local authority area is not deemed large enough to justify the commissioning of a service but the need across a region or county would justify it. In some parts of the country, networks of commissioners have been established that are exploring opportunities for joint or co-commissioning and aligning budgets (see case study below).

CASE STUDY:

Changing Futures Sussex Commissioning Network

The [Changing Futures Programme](#) (CFP) is a Pan Sussex Local Authority led programme seeking to achieve sustainable (systems) change for people experiencing multiple disadvantage / multiple compound needs. Individuals with needs spanning housing / homelessness, mental ill health, problematic drug and alcohol use, contact with the criminal justice system, and domestic abuse need to interact with services funded and commissioned by multiple organisations, often designed to deal with a single issue. The result of this 'siloes' approach to service design and delivery can lead to both duplication and gaps in provision. It can also feel overwhelming for individuals with the multiple service pathways they are expected to navigate to address different aspects of care, support and housing.

The current commissioning environment is challenging, with reducing budgets, uncoordinated non-recurrent national funding streams and workforce pressures. In late 2022, Changing Futures surveyed commissioners in Sussex to see whether there was an appetite to explore some of these issues together and to seek opportunities for overcoming some of the challenges and working more collaboratively in the future. The survey responses showed a high level of interest and a desire to come together in an informal collegiate space to try to work differently.

The Sussex Commissioning Network was established in May 2023, and in-person workshops have been held about once a quarter since. Generally, about 20-25 people attend each session. The mailing list of commissioners numbers over 100, spanning those in commissioning roles in all three Sussex upper tier local authorities, covering Public Health, Adult Social Care and Safer Communities; from NHS Sussex (ICB), Office of the Police & Crime Commissioner, and Probation, as well as District and Borough Housing representatives. The group is also diverse in levels of seniority spanning Assistant Directors, Heads of Service, Managers, Procurement Leads and Officers.

Since the network has been running, collaborative activity across Sussex has strengthened. Joint (cross directorate) commissioning groups have been established in all three Local Authorities, and a Joint Commissioning Framework has been developed by NHS Sussex. Active conversations are now underway regarding co-commissioning and aligning budgets. This culture of collaboration can only be a positive thing for the planning and design of services for those with multiple and intersecting needs and ultimately represents system change in action.

For further information please contact jo.rogers@westsussex.gov.uk

When the term 'resource' is mentioned, people will, understandably, tend to think of funding. Whilst funding is obviously the key resource for commissioning, it is important to remember that it is not the only resource that commissioners need to consider. Other resources that commissioners need to take account of include:

- » staffing
- » complementary services
- » buildings
- » move on accommodation

Commissioners will not be able to commission homelessness services effectively without support from other staff within their organisation, at different stages of the commissioning cycle. It is important, therefore, to analyse what staffing resources will be needed during the commissioning process and, where gaps exist, to flag these up appropriately.

At this early stage of the cycle, commissioners should seek to identify services that could complement the work of the services they will be commissioning, and to calculate how useful a resource they could be. Examples could be substance misuse services commissioned by Public Health and mental health outreach services commissioned by Adult Social Care and/or the NHS.

Buildings are obviously a key resource not only for accommodation-based homelessness services but also for non-accommodation-based services like outreach teams, which will need a base to operate from. As noted above, very few authorities will be starting with a blank slate, so it is likely that several buildings are already in use. Useful questions for commissioners to consider at this stage are:

- » Who owns the existing buildings being used to deliver services?
- » Can the owners confirm that the buildings will remain available for use by commissioners?
- » If the owners are also the existing support provider, what are the implications of this for the procurement approach?
- » Are existing buildings fit for purpose?
- » If not:
 - Is funding available to adapt them to make them fit for purpose?
 - Are other buildings available in the area that would be more suitable?

Finally, as most accommodation-based homelessness services only provide temporary accommodation, identifying available good quality self-contained independent accommodation in the area that people can move on into from those homelessness services is crucial at this stage of the cycle. Such move on accommodation might be social housing and/or private rented sector housing and, in each case, commissioners should consider what action they might need to take to increase availability.

Market analysis

It is important for commissioners to understand what market of providers exists for delivering the types of services that they ultimately decide to commission. Commissioners' understanding of this will vary depending on how mature the provider market is within their local authority area.

If there are few homelessness services within the area, it would be advisable for commissioners to research what services exist in neighbouring areas, who provides those services, and whether those providers might be interested in delivering services in their area. It may be that there are many homelessness services within the area and those services have been around the commissioning cycle more than once already, in which case commissioners may feel that they know the provider market well. Nonetheless it would still be worth commissioners finding out the same information as markets change over time due to a variety of factors.

Chapter Four

Commissioning Cycle Stage Two: Plan



Overview

Once commissioners have gained some understanding of needs, resources and the provider market, they should be well set to move to the planning stage of the commissioning cycle. This will usually involve some combination of service design, market testing, development of a business case, and setting out intentions and priorities in publicly available documents, e.g. Commissioning Strategy, Procurement Strategy.

Service design

Service design is an element of the commissioning cycle for which co-production is critical (see case study below).

CASE STUDY:

Co-production of SHAP service – Leeds City Council (LCC)

In response to the government announcement of the £200m Single Homeless Accommodation Programme (SHAP), LCC formed a SHAP Partnership Group in 2023 comprised of 18 organisations from all pathways, bringing together the skill, knowledge and expertise of the third sector, the housing/homelessness sector, health, criminal justice, DWP, substance misuse and combined services of the local authority. A consultation took place involving front line staff, clients with lived and lived in experience, and learning from the existing housing related support pathways. This method of coproduction allowed LCC to submit a strategic gap analysis identifying the direct need in the city, develop a new and innovative housing and specialist support model, and, together with Bridge-It Housing, submit successful bids that have provided a £7.4m injection of funding into the city.

Since receiving confirmation of the grant award, LCC has continued to consult with the SHAP partnership group, has held collaboration days to gain input and commitment to the model, and has involved delivery partners in the development of the service specification. It has also, crucially, established a separate coproduction group that invites people with lived and / or lived in experience, as well as front line staff members who often enough

have their own lived experiences, and service leaders who can make decisions, to come together to discuss key topics and themes around how the SHAP service should be delivered. This group has been working on developing a new name for SHAP with clients, as well as involving them in the design and development of their tenancy agreement. Within meetings, a safe space has been created to discuss people's past experiences of services, which will help the development of a customer information leaflet for SHAP.

LCC recognises that this coproduction group needs to develop to include current SHAP tenants in their support planning, service design and delivery, and any learning that can be taken forward in flexing the offer for this scheme. People receiving the SHAP service will be key to monitoring the success and the performance of the service and will help LCC cocreate the outcomes and performance measures for the project. For more information, contact lisa.fisher@leeds.gov.uk

As with most elements of the commissioning cycle, the work needed on service design will depend in large part on whether what is being commissioned is a completely new service (as in the example above) or a possible redesign of existing services. If a completely new service is being commissioned, the information gathered through the co-production process and from the market analysis in the previous stage of the cycle should enable commissioners to design a service that makes use of available resources to meet the need that has been identified.

If, on the other hand, the results from service evaluations carried out in stage four of the commissioning cycle (see Chapter Six) and in which co-production is also embedded suggest that existing services are meeting the needs that have been identified reasonably well, it may well be that only a minor redesign of existing services will be required. If existing services have been under contract for several years, it is likely that some element of redesign will be required to take account of developments that have occurred over that period and that should have been flagged up in the service evaluations.

Further resources to assist commissioners with service design can be found in:

- » the [Evidence Notes](#) that have been compiled by the Centre for Homelessness Impact
- » the Homeless Link [Gendered Lens Framework](#) for Homelessness Services, which includes seven approaches for embedding gender-informed practice into homelessness services
- » the Homeless Link [Housing First Fidelity Assurance Framework](#), which contains two self-reflection tools designed to support fidelity to the principles of Housing First in England

Commissioning Strategy

During this stage of the cycle, it is important for commissioners to be transparent about their intentions and priorities. Many choose to do this through the publication of a Commissioning Strategy that summarises what they have discovered during previous stages of the cycle, and what conclusions they have reached based on this about their priorities for the forthcoming period. One example of this is the [LB Camden Adult Pathway Commissioning Strategy 2022-25](#).

Development of a business case

The development of a business case is more likely to be a requirement if a completely new service is being proposed rather than simply the recommissioning of existing services, although the straitened financial position faced by many local authorities might make this a requirement in most circumstances. Local authorities will have different templates for the contents of business cases, but this is where the information gained from the analysis carried out in the previous stage of the cycle should come in useful.

Market testing

It is common at this stage of the commissioning cycle for commissioners to test the market for delivering the service(s) that they wish to commission. This can be done by holding an event at which commissioners explain their commissioning priorities and the key design features of those services. Invitations to the event would be sent to existing providers plus others that had been identified by the market analysis carried out in the previous stage of the cycle.

At a very basic level, interest in delivering the services can be gauged by the number of providers that attend such an event. Bear in mind, however, that some providers may only attend to keep well-informed about a local authority's commissioning priorities without having any intention of tendering for the services under consideration. Serious interest in tendering can be better measured by whether providers ask any questions at the event and, if they do, what those questions are about.

Procurement Strategy

The market analysis and resource analysis carried out in the previous stage of the cycle, together with the market testing and awareness of procurement rules, should all inform the drawing up of a procurement strategy. The need to be aware of procurement rules means that this strategy should be drawn up collaboratively by commissioning and procurement teams.

Local authorities have Contract Standing Orders (CSOs) that set out the approval processes that need to be followed for the procuring of any particular contract, depending on its value. CSOs usually require contracts with a value over the full contract period that is over the UK [procurement threshold](#) (£214,904 from 1st January 2024) to be put out to competitive tender. CSOs will, however, usually specify exceptional circumstances in which a waiver to this requirement can be sought. This might, for example, enable a direct award to be made to an existing provider if evidence can be given that shows no other provider is likely to tender for the contract.

If the Procurement Strategy states that contracts will be put out to tender, it will set out the timetable for the tender process, including the tender period (from the issuing of the Invitation to Tender (ITT) to the deadline for tender submissions), the tender evaluation and clarification period (during which an evaluation panel will meet to assess the tenders), and the contract award and start dates. The Strategy will also detail the evaluation criteria that will be used to assess the tenders.

The usual expectation is that each contract will be awarded to an individual provider, which is a tried and tested approach that has generally served commissioners well over the years. Some local authorities have, however, decided to take slightly different approaches, for a variety of reasons. Those approaches include:

- » **Lead provider/partnership or consortium model** – under this model, the local authority will indicate in the Procurement Strategy that, in addition to tenders from individual providers, it is prepared to consider tenders from groups of providers to deliver a 'lot' (group) of services on a lead provider/partnership or consortium basis (see case study below)

CASE STUDY:

Lead Provider Model – Bristol City Council

In 2017, Bristol City Council (BCC) introduced the lead provider model, dividing its provision of 850 beds for single homeless people with support needs into a men-only pathway, a women-only pathway, a mixed pathway, and a specialist substance misuse pathway. For each pathway, BCC entered into a seven-year contract with a lead provider, who held sub-contracts with other providers delivering services within that pathway. The drivers for introducing the model were a wish to increase collaboration and partnership working and to enable smoother transitions between services for clients. Each lead provider employed a 'Pathway Lead', whose role as contract manager was to achieve shared KPIs, troubleshoot issues, co-ordinate client moves between services, and meet with BCC officers in contract monitoring meetings.

The experience that BCC commissioners have had of applying this model has been mixed. Collaboration and partnership working has undoubtedly improved, and client moves between services have been smoother and more client focused. Issues have arisen, however, around lead providers being able to hold sub-contracted providers sufficiently to account on their performance, particularly in relation to planned departures from services and void times. With contracts due to end in 2025, BCC conducted extensive consultation as part of its recommissioning process, seeking views on, amongst other things, future contractual relationships

After assessing feedback from this consultation, BCC has decided, for three of the four pathways, to move away from the lead provider model and instead contract individually with each provider. BCC feels this will better reflect the reality of existing relationships, make it simpler to implement variations, and avoid incurring unnecessary contract administration costs. For these pathways, BCC will also bring the day-to-day coordination and monitoring of contracts in house, which it hopes will help to align services more closely with the Council's strategic priorities, and facilitate closer working and better communication between BCC and pathway providers. On the other hand, BCC will retain the lead provider model for the specialist substance misuse pathway as it is only made up of three providers, and the lead organisation has additional responsibilities for coordinating the partnership that aren't present in the other pathways (e.g. overseeing one shared waiting list for all providers), which is more representative of a true lead provider/contractor relationship. For more information contact homelessness.contracts@bristol.gov.uk

- » **Alliance contracting model** – under this model, the local authority will indicate in the Procurement Strategy that there will be one contract between the commissioner and an alliance of parties who deliver the project or service. Typically, there is a risk share across all parties and any 'gain' or 'pain' is linked with good or poor performance overall and not to the performance of individual parties (see case study below).

CASE STUDY:

The Plymouth Alliance

In Plymouth, there had long been a drive to move to a commissioning approach based on purpose, relationships and learning together. The Council had already set up a series of groups of providers who were meeting regularly to look at whole-system improvements on different topics. One group was focused on those with disadvantages, whether related to homelessness, drug and alcohol misuse, mental health issues or offending. The group was made up of organisations with a long history of working together in the city. Plymouth City Council and the NHS had set up integrated commissioning in the late 2010s, and the Director of Integrated Commissioning at the time picked up on alliancing as a way of commissioning services for this group that would create further integration and collaboration.

The Plymouth Alliance (TPA) went live in April 2019 following a procurement and negotiation period that commenced in June 2018. The Contract award was for an initial 5-year period with options to extend for a further 2+2+1 years. The Contract was extended, for the initial 2-year extension period, in March 2024 until March 2026. TPA is made up of seven partner organisations who are contracted as an Alliance so that these suppliers share responsibility with the Council for achieving outcomes and are mutually supportive, making decisions based on the best outcome for the service user. TPA commission a further five sub-contractors to the main contract. Funding is allocated to the Alliance as a whole, with agreed budget allocations to each service that have flexed with the needs of the wider system.

TPA is commissioned to provide a system response and the delivery of homelessness-related prevention services. Interventions provided under the Alliance include a variety of sustainable temporary and longer-term accommodation, advice and information, ongoing support and drug & alcohol, & mental health treatment, access to a range of meaningful activities and group work and an opportunity to reduce social isolation. The Alliance model is focused on creating systemic change; changes to culture, funding structures, commissioning and policy which supports new ways of working together.

Much has happened in TPA's first five years, and those involved are unequivocal that working as an alliance has allowed them to do things that would not otherwise be possible. For further information on The Plymouth Alliance see [The Plymouth Alliance in Plymouth, England](#), and on alliance contracting more generally see [Alliance Contracting in Health and Social Care](#).

Chapter Five

Commissioning Cycle Stage Three: Secure Services



Overview

Having completed all the necessary analysis and planning, commissioners should be ready to secure the services that they wish to commission to meet identified needs. In some versions of the commissioning cycle, this stage is simply called 'Do'.

This stage is essentially about implementing the Procurement Strategy and is the one that involves commissioners working most closely with colleagues in procurement. As noted in the section on the Procurement Strategy in the previous stage, if a tender process is being followed, this will usually involve:

1) Issuing of Invitation To Tender (ITT)

Once the Procurement Strategy has been approved, the Invitation To Tender (ITT) for each service or 'lot' (group) of services can be drawn up. This is then placed on an established public procurement portal, and providers who have expressed an interest during the market testing exercise can be notified. The ITT should include:

- » instructions to tenderers
- » background to the tender
- » service specification
- » scope of tender, scale and capacity
- » tender document, to be completed and returned by the provider

Local authorities will have their own templates for service specifications regardless of the nature of the services being commissioned. Sections within service specifications will usually include:

- » Vision
- » Summary of services
- » Service objectives
- » Staffing
- » Monitoring and quality evaluation
- » Service outcomes

- » Social value
- » Safeguarding
- » Data protection
- » Equality and diversity

It is vital that trauma-informed commissioning (see Chapter 2) is embedded in service specifications. Commissioners should think carefully about the desired outcomes for the service and ensure that they embed relational approaches throughout specifications. An example of such a service specification for a homelessness service can be [found here](#).

2) Tender evaluation and clarification

It is customary for a small panel to be convened to evaluate the tenders that have been submitted. Evaluation consists of:

- » reading through the submitted tenders
- » seeking clarification from tenderers on any points within the tenders that are unclear
- » interviewing the tenderers
- » scoring the tenders in accordance with the criteria set out in the Procurement Strategy

The panel will usually consist of a member of the commissioning team and one or two colleagues with an interest in the service being commissioned, e.g. from a rough sleeping or substance misuse team. Ideally, the panel will also include a person with lived experience, but it can be difficult to find someone with the necessary skills and abilities to carry out all the tasks involved in evaluation. Commissioners have therefore tried several different ways of involving people with lived experience in this stage of the commissioning cycle, e.g. requiring tenderers to do presentations to a group of people with lived experience, whose comments on the presentations are passed on to the panel.

Members of the procurement team will not usually be part of the panel. Their role is to sit alongside the panel to ensure that the panel operates in full accordance with procurement rules. Procurement staff will sometimes describe their function in this process as being that of a 'critical friend'.

3) Contract Award

This is the term applied to a formal part of the procurement process, and the target date for the contract award will have been flagged up in the Procurement Strategy. As noted in the section on the Procurement Strategy in the previous stage, local authorities have Contract Standing Orders (CSOs) that set out the approval processes that need to be followed for the procuring of any particular contract, depending on its value. This includes which senior officer within the Council or Council committee has the authority to award contracts up to a certain value. A formal report recommending contract award is submitted to the officer or committee, and s/he or they will approve it, with their decision formally recorded and notified to tenderers in due course.

4) Implementation period

The period between contract award and start date will vary according to the circumstances. If the contract has been awarded directly to an existing provider with relatively few changes having been made to the service design and/or specification, there should be no reason why the period could not be quite short.

If, on the other hand, the contract that has been awarded is for a completely new service, or if it has been awarded to a new provider for an existing service, it is usual to allow a reasonable time (the 'implementation period') between contract award and start date, e.g. three months, for the provider to make the preparations necessary for taking on the new contract. These preparations should have been itemised within an Implementation Plan that the provider submitted with its tender document. Many local authorities require the Implementation Plan to cover not just the implementation period but also the first 6-12 months of the contract, in recognition of the fact that it may not be possible to get all elements of the service up and running from day one.

During this implementation period, the provider can either, if it is a completely new service, recruit staff or, if it is an existing service with a new provider, transfer staff from the previous provider into its employment through the process known as [TUPE \(Transfer of Undertakings Protection of Employment\)](#), as well as undertaking other preparatory tasks that will enable the service to effectively 'go live' on the contract start date. It is important that commissioners work closely with the provider during this period through, for example, holding regular implementation group meetings with them, and that they recognise the challenges that they are likely to be facing in mobilising a new service.

Collaboration with other statutory bodies

Not all commissioning involves tender processes that result in the local authority contracting with a separate organisation to deliver services. Sometimes commissioners, or those effectively carrying out commissioning roles, will enter collaborative arrangements with other statutory bodies to get services delivered. An example of this is given in the case study below.

CASE STUDY:

Mental Health Nurse – collaboration between New Forest District Council and Hampshire and Isle of Wight Healthcare NHS Foundation Trust

In 2021, New Forest District Council (NFDC) and Hampshire and Isle of Wight Healthcare NHS Foundation Trust (formerly Southern Health NHS Foundation Trust) launched a new and innovative collaboration to change the way mental health and homelessness support was delivered to rough sleepers and single homeless people in temporary accommodation. Both NFDC and the Trust recognised that the organisational systems at that time were failing the most complex individuals, who cycled round health crises, in-patient care and temporary accommodation, at great cost to the individuals' health, and great cost to the public purse and staff who were responding.

NFDC had successfully taken advantage of the Rough Sleeping Initiative (RSI) funding since 2019 to begin building up a support team for rough sleepers with complex needs and found that access to the most appropriate mental health treatments, given at the most opportune moments, was a key missing piece in getting rough sleepers off the streets and sustaining accommodation. In 2020, the Trust created a new Director level post focused on housing, with a brief to look at collaborative commissioning and revenue bids to develop services that moved away from purely medical models of health and wellbeing towards social models that embed health.

The NFDC Service Manager who was responsible for the RSI-funded services liaised with the Trust Director to put together a bid for further RSI funding for a multi-year mental health nurse post, which was successful. The nurse is employed by the Council but has

an honorary contract with the NHS as well, which provides her with access to the Trust's clinical records system and regular clinical supervision.

This initiative has helped to reduce rough sleeping numbers from over 17 pre-RSI, to two in November 2023. It has also reduced hospital admissions, enhanced communication between community mental health teams and housing teams, and promoted early intervention for mental health issues within the community, which has benefited the health and well-being of many single people facing and experiencing homelessness. A target group of eight highly complex and entrenched rough sleepers has been accommodated over a 3-year period.

For further information, [watch this short video](#) or contact jon.pritchard@southernhealth.nhs.uk or chris.pope@nfdc.gov.uk

Chapter Six

Commissioning Cycle Stage Four: Review



Overview

At last, the new service, or recommissioned existing service, is up and running and at this point commissioners, often exhausted after a lengthy and time-consuming procurement process, not to mention the work carried out during the previous two stages of the commissioning cycle, could be forgiven for heaving a sigh of relief and feeling it is job done. If the service is to operate effectively, however, the work of the commissioner is, of course, in one sense, only just beginning.

Much depends on the length of the contract that has been awarded. This will have been flagged up in the Procurement Strategy and confirmed by the Contract Award. Contracts are usually awarded for X years with the option of one or more extensions of Y years. Commissioners will often refer in shorthand to contracts being, for example, 5+2, which means a five-year contract with the option of two one-year extensions or one two-year extension. In this example, therefore, this stage of the cycle could run for seven years, when the previous three stages might have only lasted around two years at most.

In these circumstances, it is important for commissioners to be clear with providers from the start of their contracts how they intend to work with them to ensure that services are delivered effectively and the desired outcomes for service users are achieved.

Manage contracts and providers

In some local authority service areas, particularly those that are not related to the delivery of care and support, the relationship between the officer(s) commissioning a service and the organisation contracted to deliver it can often be adversarial, with fixed numerical targets set for the outcomes from a service and penalties imposed if the targets aren't met. In the not-too-distant past, this would occasionally have been the approach adopted by local authorities when commissioning homelessness services, particularly in situations where contract monitoring was delegated to procurement teams rather than commissioners.

These days, however, it is far more common for commissioners of homelessness services to not only take responsibility for contract monitoring and review but also to develop different approaches that emphasise the importance of taking a non-adversarial partnership approach with providers.

In addition to traditional data-collection methods of performance monitoring, e.g. submission of quarterly returns showing performance against Key Performance Indicators (KPIs) set out in the contract, commissioners often now prioritise the development of constructive relationships with providers.

This is where the adoption by commissioners of the six principles of trauma-informed practice (safety, trustworthiness, choice, collaboration, empowerment and cultural consideration) in their relationships with providers is so important. The lead provider/partnership or consortium model and the Alliance Contracting model referred to in the Procurement Strategy section are examples of approaches based on partnership and collaboration. Another example is the Human Learning Systems approach that has been adopted in Liverpool City Region (see case study below).

CASE STUDY:

Human Learning Systems approach – Liverpool City Region Combined Authority (LCRCA)

In 2019, LCRCA decided to commission an Assertive Outreach Service that covered the six local authorities that make up the LCRCA (Halton, Knowsley, Liverpool, Sefton, St Helens, and Wirral) based on the Human Learning Systems (HLS) approach. LCRCA saw the adoption of this different approach as an opportunity to test and learn. It was felt that services had hitherto been held to account for hitting targets that they almost certainly couldn't control, and that this enabled the manipulation of data and outcomes, which in turn produced misleading information for commissioners.

The service specification required the successful provider to take a learning-based approach to their delivery. It was recognised within the contract that the approach to contract monitoring must understand that outcomes are produced by whole systems, rather than individuals, organisations or projects. The stated priority was to develop a 'healthy' system, in which people could be honest and collaborate more effectively. Central to this was the concept of employing a System Steward – someone who looked after the 'health of the system'. This role has been taken by the Contract and Review Lead.

In developing a HLS approach to commissioning with the Assertive Outreach team, the focus for the Contract and Review Lead has been on increasing the provider's understanding of a HLS approach, encouraging the development of a trusting and open commissioner-provider relationship, and introducing a learning system within the contract and monitoring process, particularly around the reporting requirements.

Central to this has been the ability to allow providers to deliver a service that is flexible. One that is able to adapt and respond to needs rather than driven by outcomes that may not meet the needs of the individuals accessing the support. Specifically, the focus has

been on working to encourage an honest response within the commissioner-provider relationship around service delivery. This is so that the role of the Contract and Review Lead can be developed to support the service to adapt and respond to demand within the traditional contract monitoring relationship.

For further information see the [Living the New World Report](#).

It is interesting that one of the drivers that led LCRCA to adopt the HLS approach was a feeling that KPIs that had hitherto been used to monitor provider performance were flawed because the provider often couldn't completely control the KPI and this could lead to manipulation of data and misleading information for commissioners. The ability of commissioners to adopt the HLS approach may, however, be restricted when an external body is providing the funding for the service and determining what the KPIs will be. In such circumstances, commissioners have an important role to play in explaining KPI data to the funding body.

Evaluate services

There is, of course, an extent to which commissioners should be constantly evaluating services over the full length of their contracts. A more thorough formal one-off evaluation should be carried out, however, before a decision is taken to extend any contract and, again, when the contract is coming to its end. As part of this evaluation, commissioners should seek to identify trends and/or system barriers that have emerged during the contract period and consider what steps could be taken to address these.

As with the needs assessment in the first stage of the cycle, carrying out thorough evaluations of several services can be a time-consuming exercise. Some local authorities have developed templates for this purpose, but others have brought in consultants to undertake the evaluation(s), with the added advantage this brings of an outside objective view on performance. One example of a local authority that has done this is given below.

CASE STUDY:

Supported Housing Strategy Review – Royal Borough of Kensington and Chelsea (RBKC)

The primary aims of RBKC's supported housing programme are to:

- » provide accommodation for homeless vulnerable people
- » support vulnerable homeless people to live independently and maintain their housing tenancies
- » prevent vulnerable homeless people from accessing more acute and expensive accommodation and services at a point of crisis

RBKC recognised there was a need to review the Council's commissioning strategy to ensure that services were still needed, strategically relevant, fit for purpose and providing value for money. It was also seen as important to objectively review the Council's needs assessment and supported housing programme.

The Council therefore commissioned Homeless Link to conduct strategic reviews to determine the efficacy of the supported housing services and the ability to deliver further savings with this programme. A major part of the work carried out by Homeless Link was a thorough needs assessment.

The Supported Housing Strategy Review will be used by the Council to:

- » set out the Council's supported housing requirements for the period 2025-30 with a robust analysis of objectively assessed supported housing needs consistent with national planning policy, practice guidance and good practice
- » understand local supported housing needs to inform developmental briefs
- » determine the efficiency of the supported housing services
- » determine the ability to deliver further savings with this programme

For further information, contact hideo.ikehara@rbkc.gov.uk

It is notable that, in the example above, a major part of the review that was carried out was a needs assessment, which demonstrates the way that the different stages in the commissioning cycle do not have firm boundaries and can often blend into each other.

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What We Do

Homeless Link is the national membership charity for frontline homelessness services. We work to improve services through research, guidance and learning, and campaign for policy change that will ensure everyone has a place to call home and the support they need to keep it.



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