
Cabinet Procurement Committee

THURSDAY, 21ST OCTOBER, 2010 at 18:00 HRS - CIVIC CENTRE, HIGH ROAD, WOOD GREEN, N22 8LE.

MEMBERS: Councillors Goldberg (Chair), Bevan, Kober and Reith

AGENDA

1. APOLOGIES FOR ABSENCE (if any)

2. URGENT BUSINESS

The Chair will consider the admission of any late items of urgent business. Late items will be considered under the agenda item where they appear. New items will be dealt with at item 11 below. New items of exempt business will be dealt with at item 18 below.

3. DECLARATIONS OF INTEREST

A member with a personal interest in a matter who attends a meeting of the authority at which the matter is considered must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.

A member with a personal interest in a matter also has a prejudicial interest in that matter if the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the member's judgment of the public interest **and** if this interest affects their financial position or the financial position of a person or body as described in paragraph 8 of the Code of Conduct **and/or** if it relates to the determining of any approval, consent, licence, permission or registration in relation to them or any person or body described in paragraph 8 of the Code of Conduct.

4. MINUTES

To confirm and sign the minutes of the meeting of the Procurement Committee held on 16 September 2010.

5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS

To consider any requests received in accordance with Standing Orders.

6. COMMUNITY SAFETY CCTV MANAGEMENT AND OPERATION

(Report of the Director of Urban Environment): To seek approval to award the contract for fully managed Community Safety CCTV surveillance contract for a period of two years with the option to extend for two years in accordance with Contract Standing Order 11.04.

7. PROPOSED PROCUREMENT PROCESS FOR FRAMEWORK AGREEMENTS FOR THE PROVISION OF CONSTRUCTION RELATED CONSULTANCY SERVICES

(Report of the Director of Urban Environment): To seek approval to procure specialist surveying services via a call off or mini competition within the City West Housing Trust Limited framework agreement.

8. APPROVAL OF THE COUNCIL'S NEW PERSONALISED PURCHASE FRAMEWORK

(Report of the Director of Adult, Culture and Community Services): To seek agreement to adopt and introduce the new personalised purchase framework as described in the report.

9. SUPPORTING PEOPLE CONTRACTS WAIVER AND AWARD - VOLUNTARY SECTOR (BME ORGANISATIONS)

(Report of the Director of Adult, Culture and Community Services): To seek approval to a waiver and award of a one year contract with the possibility of a one year extension for the above-mentioned service.

10. SUPPORTING PEOPLE - WAIVER AND AWARD OF CONTRACTS - OLDER PERSONS SERVICES (EXTERNAL)

(Report of the Director of Adult, Culture and Community Services): To seek approval to a waiver and award of 13 one year (plus one) contracts for the above-mentioned services.

11. NEW ITEMS OF URGENT BUSINESS

To consider any items admitted at 2 above.

12. EXCLUSION OF THE PRESS AND PUBLIC

The following items are likely to be the subject of a motion to exclude the press and public as they contain exempt information relating to the business or financial affairs of any particular person (including the Authority holding that information).

Note from the Head of Local Democracy and Member Services

Items 13 – 17 allow for consideration of exempt information in relation to items 6 – 10 where appropriate which appear earlier on this agenda.

13. COMMUNITY SAFETY CCTV MANAGEMENT AND OPERATION

(Report of the Director of Urban Environment): To seek approval to award the contract for fully managed Community Safety CCTV surveillance contract for a period of two years with the option to extend for two years in accordance with Contract Standing Order 11.04.

14. PROPOSED PROCUREMENT PROCESS FOR THE FRAMEWORK AGREEMENTS FOR THE PROVISION OF CONSTRUCTION RELATED CONSULTANCY SERVICES

(Report of the Director of Urban Environment): To seek approval to procure specialist surveying services via a call off or mini competition within the City West Housing Trust Limited framework agreement.

15. APPROVAL OF THE COUNCIL'S NEW PERSONALISED PURCHASE FRAMEWORK

(Report of the Director of Adult, Culture and Community Services): To seek agreement to adopt and introduce the new personalised purchase framework as described in the report.

16. SUPPORTING PEOPLE CONTRACTS WAIVER AND AWARD - VOLUNTARY SECTOR (BME)

(Report of the Director of Adult, Culture and Community Services): To seek approval to a waiver and award of a one year contract with the possibility of a one year extension for the above-mentioned service.

17. SUPPORTING PEOPLE - WAIVER AND AWARD OF CONTRACT OLDER PERSONS SERVICES (EXTERNAL)

(Report of the Director of Adult, Culture and Community Services): To seek approval to a waiver and award of 13 one year (plus one) contracts for the above-mentioned services.

18. NEW ITEMS OF EXEMPT URGENT BUSINESS

To consider any items admitted at 2 above.

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and Member Services
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MINUTES OF THE CABINET PROCUREMENT COMMITTEE
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Actions arising from Cabinet Procurement Committee are monitored and progress reported by Corporate Procurement. Officers must therefore ensure that all actions assigned to them, are fully addressed and signed off with the Contracts Management Officer in the Corporate Procurement Unit.

Councillors Goldberg (Chair), *Bevan, Kober and *Reith.

*Present

MINUTE NO.	SUBJECT/DECISION	ACTION BY
PROC30.	<p>APOLOGIES FOR ABSENCE (Agenda Item 1)</p> <p>Apologies for absence were submitted by Councillors Goldberg and Kober.</p> <p>In the absence of Councillor Goldberg, Councillor Bevan took the Chair.</p> <p>(Councillor Bevan in the Chair)</p>	
PROC31.	<p>DECLARATIONS OF INTEREST (Agenda Item 3)</p> <p>Councillor Bevan declared a personal interest in respect of Item 10 – Broadwater Farm Lift Improvements.</p>	HLDMS
PROC32.	<p>MINUTES (Agenda Item 4)</p> <p>RESOLVED</p> <p>That the minutes of the meeting held on 22 July 2010 be approved and signed.</p>	HLDMS
PROC33.	<p>EXPANSION OF RHODES AVENUE PRIMARY SCHOOL FROM TWO TO THREE FORM ENTRY - CORRECTION TO RECORD OF BUILDING CONTRACT AWARD (Report of the Director of the Children and Young People's Service - Agenda Item 5)</p> <p>We noted that the report informed us of the decision taken under Urgency Procedures to amend Minute PROC.23 of the meeting held on 22 July 2010 by correcting the name of the contractor awarded the building contract for the Rhodes Avenue Primary School Expansion project.</p> <p>RESOLVED</p> <p>That it be noted that Minute PROC. 23(1) had been varied to read as follows –</p> <p>'That in accordance with Contract Standing Order 11.03 approval be granted to the award of the building contract for the Rhodes</p>	

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	Avenue Primary School expansion to Balfour Beatty Construction Scottish and Southern Ltd. on the terms and conditions set out in the appendix to the interleaved report.'	
PROC34.	<p>IT STRATEGY 2010-13 - PROCUREMENT APPROACH (Report of the Director of Corporate Resources - Agenda Item 7)</p> <p>We noted that the report was to inform us of the planned approach to procurement to be taken within the IT Strategy 2010-2013 which had been approved by the Cabinet on 13 July 2010.</p> <p>RESOLVED</p> <p>That the report be noted.</p>	
PROC35.	<p>IT STRATEGY 2010-13 - HARDWARE FRAMEWORK AGREEMENT (Report of the Director of Corporate Resources - Agenda Item 8)</p> <p>We noted that the report sought our approval to use specified Framework Agreements for the procurement of IT Hardware for the delivery of the IT Strategy 2010-2013, and for business as usual.</p> <p>RESOLVED</p> <p>That approval be granted to IT Services' general procurement approach of using the Buying Solutions and Eastern Shires Purchasing Organisation (ESPO) framework agreements for the procurement of IT Hardware including servers, desktops and peripheral items.</p>	DCR
PROC36.	<p>FURTHER UPDATE ON THE PROCUREMENT OF THE WASTE MANAGEMENT CONTRACT (Report of the Director of Urban Environment - Agenda Item 9)</p> <p>We noted that the report was the third in a series of regular "for information only" reports designed to inform us of the progress of the procurement of the new contract for the Councils "Collection of Waste and Recycling, Street Cleansing and other Environmental Services." We also noted that the procurement was being undertaken under formal OJEU Competitive Dialogue regulations and was expected to result in an Award of Contract recommendation to the Cabinet in December 2010.</p> <p>Clarification was sought of whether consideration had been given to protecting the level of service for the remainder of the current contract if the present contractor was not awarded the new contract. We were informed that the present provider would be contractually bound to continue to provide the service and that monitoring arrangements could be stepped up to ensure compliance. The state of the market was such that should the contractor fail to perform satisfactorily they would also suffer damage to their reputation. Existing employees would have transfer rights and continuity of employment would be protected.</p>	

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	<p>We were also informed that although there had been slippage of about 6 weeks on the original timetable there was sufficient flexibility in it to make up this lost time.</p> <p>RESOLVED</p> <ol style="list-style-type: none"> 1. That it be noted that the procurement procedure currently underway and progress made to date as outlined in the interleaved report be noted. 2. That it be noted that the report was the third in a series of reports scheduled at key stages of the procurement to keep our Committee informed of progress. 3. That it be noted that that the procurement would eventually lead to agreement as a key decision of the award of the contract for an Integrated Waste Management Contract with a total contact value per annum of approximately £17.5 million for a 14 year term with a possible extension for a further period of up to 7 years. 	
PROC37.	<p>BROADWATER FARM LIFT IMPROVEMENTS (Report of the Director of Urban Environment - Agenda Item 10)</p> <p>Councillor Bevan declared a personal interest in respect of this item by virtue of being Chair of the London Housing Consortium.</p> <p>Our Chair agreed to admit the report as urgent business. The report was late because it had taken longer than usual to obtain satisfaction about the listing of 14 procurement related issues that were raised for clarification concerning both the report and the tender that was conducted to give it effect. The report was too urgent to await the next meeting because of the long lead in time required to facilitate bespoke lift manufacturing for each of the 10 blocks involved and to ensure that the tender was accepted by 15 October after which date negotiations would have to be held with the contractors about extending the tender acceptance date.</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p>We noted that the report sought approval to a waiver of the Contract Standing Order requirement in relation to tender procedure to enable the invitation of bids from a selection of contractors from Constructionline (a government managed UK register of pre-qualified construction services) who were invited to tender for the works. We also noted that the report sought our agreement to the award of the contract for lift replacement at Broadwater Farm Estate.</p> <p>Having noted that Section 20 Notices had been issued to leaseholders in accordance with the statutory requirements we noted the estimated</p>	

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	<p>recoverable charges. Clarification having been sought of whether the contingency provision was adequate we were advised that while it was thought it was officers could seek additional resources from the Council's capital programme if necessary.</p> <p>RESOLVED</p> <ol style="list-style-type: none"> 1. That approval be granted to a waiver of Contract Standing Order 8.04 in relation to the Broadwater Farm Lift Improvement scheme. 2. That in accordance with Contract Standing Order 11.01(a) approval be granted to the award of the contract for the Broadwater Farm Lift Replacement scheme to ThyssenKrupp Elevator UK Ltd on the terms and conditions set out in the Appendix to the interleaved report. 3. That the total estimated cost excluding fees as detailed in the Appendix to the interleaved report be noted. 	<p>DUE</p> <p>DUE</p>
PROC38.	<p>MUSWELL HILL LOW CARBON ZONE HOME ENERGY RETROFIT SCHEME (Agenda Item 11)</p> <p>We noted that this item had been withdrawn.</p>	
PROC39.	<p>FRAMEWORK AGREEMENT FOR THE PROVISION OF CLEANING SERVICES FOR THE SCHOOLS WITHIN THE LONDON BOROUGH OF HARINGEY (Report of the Director of the Children and Young People's Service - Agenda Item 12)</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p>We noted that the report sought our approval to the award of a framework for the provision of cleaning services for schools within the Haringey with the schools to 'call off' the framework through 'mini competition' to the contractors listed.</p> <p>Clarification having been sought of how schools would find out about the Framework Agreement we were advised that reference to it would be included in the regular information bulletin circulated to them and details would be published on the web site. An enquiry had already been received from the Sixth Form Centre.</p> <p>RESOLVED</p> <p>That in accordance with Contract Standing Order 11.03 approval be granted to the award of the four year framework for the provision of Cleaning Services for Schools within Haringey to the five contractors named below -</p>	<p>DCYPS</p>

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	<ul style="list-style-type: none"> • Superclean Services Wothorpe Ltd. • Enterprise Support Services UK Ltd. • Indigo Services UK • Birkin Services • Turners Cleaning and Support Services 	
PROC40.	<p>AWARD OF CONTRACT FOR THE FOOD SUPPLIES OF GREEN GROCERY FOR COUNCIL CATERING SERVICE (Report of the Director of the Children and Young People's Service - Agenda Item 13)</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p>We noted that the report sought approval for the award of a Framework Agreement to enable the Council's catering service to "call off" supplies from the framework through a purchase order issued to the provider able to provide the specific supplies and having the highest tender score. This order would form a contract between the Catering Service and the Supplier.</p> <p>RESOLVED</p> <ol style="list-style-type: none"> 1. That in accordance with Contract Standing Order 11.03 approval be granted to the award of the Framework Agreement to the tenderers listed below – <ul style="list-style-type: none"> • H&B Hawkes Ltd. • Prescott-Thomas Ltd 2. That in accordance with the recommendations set out in the report the Framework Agreement be awarded for a period of 3 years commencing from 1 November 2010 to 31 October 2013 with the option to extend for 1 further period up to 12 months. 	<p>DCYPS</p> <p>DCYPS</p>
PROC41.	<p>SUPPORTING PEOPLE - WAIVER AND AWARD OF CONTRACT - HARTS FOR FAMILIES (Report of the Director of Adult, Culture and Community Services - Agenda Item 14)</p> <p>We noted that the report sought our approval of a waiver of the Contract Standing Order requirement to tender and to the award of a contract for a floating support service.</p> <p>Disquiet was voiced about continuity of the level of service which would be provided as the extended contract moved towards its conclusion and we were informed that consideration was being given to other ways of proving the services contained in the contract including through Hearthstone, the Anti Social Behaviour Team as well as by expanding existing services in Homes for Haringey and the Children and Young People's Service. Concern having expressed about whether there would be sufficient capacity in the sectors identified and that the timescales for</p>	

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	<p>transferring the services was too optimistic it was accepted that these issues were outside the remit of the Committee and would need to be taken up elsewhere.</p> <p>RESOLVED</p> <ol style="list-style-type: none"> 1. That in accordance with Contract Standing Order 7.03 approval be granted to a waiver of Contract Standing Order 6.05 (Requirement to Tender). 2. That in accordance with Contract Standing Order 11.03 approval be granted to the award a new contract for the floating support service to HARTS as detailed below: <ol style="list-style-type: none"> a) to allow for a staged reduction in the annual contract price from £2.8m to: <ul style="list-style-type: none"> £2.5m (2010/11) £1.7m (2011/12) £1.7m (2012/13) <p style="padding-left: 40px;">with termination of the contract on 31 March 2013</p> b) to allow for a respective staged reduction of the capacity of the service over the same periods in line with the reducing contract value. 3. That it be noted that the cost of the contract would be met from the Supporting People Programme Grant.	<p>DACCS</p> <p>DACCS</p>
PROC42.	<p>TERMINATION OF MAJOR ADAPTATIONS FRAMEWORK CONTRACTOR (Report of the Director of Adult, Culture and Community Services - Agenda Item 15)</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p>We noted that in accordance with Contract Standing Order 15.03 the report informed us of the termination of Rok Building Limited's (Rok) appointment as a framework contractor providing disabled adaptations to the residents of Haringey.</p> <p>RESOLVED</p> <p>That it be noted that</p> <ol style="list-style-type: none"> 1. The Council's framework agreement with Rok for the provision of disabled adaptations work had been terminated by a notice 	

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	<p>issued on 29 June 2010.</p> <p>2. In accordance with Contract Standing Order 15.02 the decision to terminate the framework agreement had been approved by the Director of Adult, Culture and Community Services.</p>	
PROC43.	<p>OFFICE STATIONERY - AWARD OF CONTRACT (Report of the Director of Corporate Resources - Agenda Item 16)</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p>We noted that the report sought our approval to the award of a contract for the provision of office stationery. Clarification having been sought as to why the quotation of one of the suppliers was significantly higher than all the others we were informed that that they must have made an error but the quotations having been sought on the basis of lowest price it had not been possible to go back to them for clarification. However, once the contract was awarded they would be contacted.</p> <p>RESOLVED</p> <p>That in accordance with Contract Standing Order 11.03 approval be granted to the award of a contract for the provision of office stationery for the Council to Lyreco on the terms and conditions set out in the Appendix to the interleaved report.</p>	DCR
PROC44.	<p>REPORT ON THE IMPLEMENTATION OF CONSRUCTIONLINE (Report of the Director of Corporate Resources - Agenda Item 17)</p> <p>Our Chair agreed to admit the report as urgent business. The report was late because of the need to complete necessary consultations. The report was too urgent to await the next meeting because of the need to commence a procurement process to pre-qualify contractors.</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p>We noted that the report sought our approval to the proposed implementation of pre-qualified lists of specialist works contractors to be managed by Constructionline and the Council's Construction Procurement Group. In response to a question about asbestos removal we were informed that these works were on a separate framework agreement.</p> <p>RESOLVED</p>	

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	That approval be granted to the implementation of pre-qualified lists for specialist works as set out in the interleaved report.	DCR
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The meeting ended at 19.05 hours

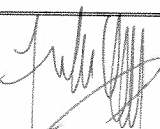
JOHN BEVAN
In the Chair

**[No.]**

Agenda item:

Procurement Committee**On 21 October 2010**

Report Title. Community Safety CCTV management and Operation.

Report of Niall Bolger, Director of Urban Environment
Signed :

 FQW/GG
 11th October 2010
Contact Officer : Sue Philbey, Parking Performance & Development Manager
Contract no; 020 8489 1440

Wards(s) affected: All

Report for: Key

1. Purpose of the report (That is, the decision required)

1.1 To seek the approval to award the contract for a fully managed Community Safety CCTV surveillance contract for a period of two years with the option to extend for two years in accordance with Contract Standing Order (CSO)11.04

2. Introduction by Cabinet Member (if necessary)

2.1. Significant improvements have been made to this operation over the past couple of years. The award of this contract to this experienced operator will help continue with this improvement plan.

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

- Safer communities' strategy.

4. Recommendations

- 4.1 It is recommended that approval be given under Contract Standing Order 11.04 to award a fully managed Community Safety CCTV surveillance contract to the tenderer identified as T3 in Appendix A for a period of two years with the provision to extend for two years.

5 Reason for recommendation(s)

- 5.1 The Parking Service is responsible for the delivery of the Councils CCTV service which includes both Community Safety Surveillance and Parking and Traffic enforcement. The management and operation of the community safety service is delivered by external contractors, while parking and traffic enforcement is delivered in-house.
- 5.2 The existing contract for the management of the Community Safety operation expires in December 2010 and an open tendering exercise has been undertaken to renew this contract.
- 5.3 This is a short term contract, for two years with the provision to extend for a further two years as work is underway on changing the parking services business model and developing a longer term commissioning strategy for the service.

6 Other options considered

- 6.1 The Service explored the option of a shared service with Enfield Council (in view of plans to redevelop the Ashley Road site where the control room is currently based). Based on costs quoted by Enfield there were little or no savings to be had. This option also had significant capital set up costs that could only be funded through the Marsh Lane project.
- 6.2 The parking service is also developing a commissioning strategy that will determine the future business model for parking services and the management and operation of CCTV will be looked at as part of that project.

7 Summary

7.1 Procurement Process

- 7.2 An Open tender process commenced by advertising the requirement on the Competefor Portal, Supply2gov website and on Haringey Council's website. This procurement process is an EU Part B residual service that does not require to be advertised in the Official Journal of the European Journal (OJEU).

- 7.3 The documents made available on Competefor consisted of a Qualification Questionnaire and the Invitation to Tender(ITT). The tenderers submitted their tender documents through Haringey Councils e-tendering portal.

7.4 Six tenders were submitted and evaluated using the evaluation criteria that was set out in the invitation to tender (ITT). The results of this evaluation is contained in Part B Exempt information of this report.

7.5 This contract will be managed in line with the Councils contract management framework. Which will initially consist of monthly meetings while the contract is bedded in and then on a three months basis. Performance issues will be reported to the CCTV Steering Group.

8 Chief Financial Officer Comments

8.1 The costs of this contract can be met within existing budgets

9 Head of Legal Services Comments

9.1 This report is recommending the award of a CCTV operation contract. The contractual services are categorised as security services. These are residual (Part B) services under the Public Contracts Regulations 2006 (PCR 2006). Therefore they are not subject to the full EU procurement regime in particular the requirement to tender in Europe and the detailed rules governing such tendering.

9.2 The contract was tendered under the open procedure provided for under Contract Standing Order (CSO) 8.04

9.3 The service provider identified as T3 in Appendix A has been recommended for award of the contract on the basis that it submitted the most economically advantageous tender in accordance with CSO 11.1 (b).

9.4 As the contract value exceeds £250,000 Members have power to approve the award under CSO 11.03

9.5 In the circumstances, the Head of Legal Services confirms that there is no significant risk in Members approving the recommendation in paragraph 4 of this report.

10 Head of Procurement Comments

10.1 Corporate Procurement Team have given procurement advice and guidance throughout this tendering process and supports this recommendation.

10.2. Contract monitoring will be carried out throughout the term of the contract to ensure compliance with the specification and KPI's.

11.0 Equalities & Community Cohesion Comments

11.1 Equalities and Community Cohesion issues are taken account of in terms of the contract specification and legislation that governs this operation. There are no additional issues arising from this report.

12 Consultation

12.1 No specific consultation was undertaken on this project. Stakeholders were involved and informed through the CCTV steering Group.

13 Service Financial Comments

13.1 The current contract cost is £202k against the proposed cost of £209k per annum. The proposed cost is therefore above existing budget by £7k. However, this is an essential service and Parking will meet the £7k increment from savings within the overall parking services budget.

14 Use of appendices /Tables and photographs

14.1 Appendix A

15 Local Government (Access to Information) Act 1985

15.1 This report contains exempt and non-exempt information. Exempt information is contained in Appendix A and is **NOT FOR PUBLICATION**. The exempt information is under the following category (identified in the amended schedule 12A of the Local Government Act 1972)

15.2 Information relating to the financial or business affairs of any particular person (including the authority holding that information).



Agenda item:

[No.]

Procurement Committee Meeting

On 21st October 2010

<p>Report Title.</p> <p>Proposed procurement process for the framework agreement(s) for the provision of construction related consultancy services.</p>	
<p>Report of</p> <p>Niall Bolger, Director of Urban Environment</p> <p>Signed :</p>	
<p>Contact Officer : Peter Maddison</p> <p>Telephone : 020 8489 1269</p> <p>email: Peter.maddison@homesforharingey.org</p>	
<p>Wards(s) affected: All</p>	<p>Report for: Key</p>
<p>1 Purpose of the report.</p> <p>1.1 The purpose of this report is to seek Members' approval to procure specialist surveying services via a direct call off or mini competition within the City West Housing Trust Limited framework agreement.</p> <p>1.2 These services will provide data that will inform the investment decisions for Year 4 and 5 of the Decent Homes programme. It will also provide key data to construct an updated 30 year investment plan. The estimated cost of this work is £450,000, which is provided for within the existing Decent Homes funding.</p>	
<p>2. Introduction by Cabinet Member.</p> <p>2.1 I support this proposal - even more so as it will give us information that will finally give a complete picture as to the condition of the entire HfH estate.</p> <p>2.2 This will enable planning for required works well in excess of the decent homes time span.</p>	

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

- 3.1 Homes for Haringey supports the Council's Housing Strategy and is committed to providing an excellent housing service while effectively delivering the Decent Homes programme for the residents of Haringey. As its strategic delivery partner, Homes for Haringey is committed to ensuring that the Decent Homes programme meets the aspirations of residents and Members.
- 3.2 Homes for Haringey have in place an Asset Management Strategy and Environmental Sustainability Strategy which provide a strategic framework for delivery of the Decent Homes and associated Environmental Improvements programme. The objectives of these strategies are closely linked to the Council's Greenest Borough Strategy, the Sustainable Procurement Strategy, Regeneration Strategy and Asset Management Plan.
- 3.3 The Decent Homes and Environmental programmes will contribute to the achievement of Council Priorities 1,2,3, and 5 by:
- Improving the environmental performance of Council Housing stock
 - Providing a cleaner and greener environment for residents
 - Providing decent homes and improving well-being
 - Delivering cost effective services through partnering

4. Recommendations

- 4.1 It is recommended that Members agree to procure professional surveying services for Years 4 and 5 of the Decent Homes Programme via a direct call off or mini competition within the City West Housing Trust Limited framework arrangement. The estimated cost of these services is £450,000.
- 4.2 That authority to award the subsequent contract be delegated to the Director of Urban Environment

5. Reason for recommendation(s)

- 5.1 The requirement for all local authority homes to meet the Decent Homes Standard was set out by The Office of the Deputy Prime Minister (ODPM) now known as Department for Communities and Local Government (DCLG) in February 2003.
- 5.2 The Decent Homes programme is a long term programme of major investment to bring all tenanted homes up to a decent standard.
- 5.3 The City West Housing Trust Framework represents improved value for money over the existing procurement arrangements and will assist in bringing all Council homes in Haringey up to the Decent Homes Standard
- 5.4 The surveying function currently rests with the constructor partners in the Decent Homes Framework Agreement. The services to be procured through the City West Housing Trust Framework are wider in range and require specialist surveying skills

and knowledge of the Codeman Asset Management database system. There is no binding agreement to award these services to partners on the existing Decent Homes Framework.

6. Background

- 6.1 2010/11 is the third year of the six year Haringey Decent Homes programme. The programme to date has successfully achieved key project milestones with high levels of resident satisfaction.
- 6.2 The Decent Homes programme is currently delivered through framework agreements with four Constructor Partners and three consultant Compliance Teams. Survey work to establish the detailed scope of work to be included in the Agreed Maximum Prices (AMPs) for the Decent Homes works to date has been procured through these frameworks.
- 6.3 Homes for Haringey has reviewed the surveying and pre-works planning stage of the Decent Homes operation and has concluded that procuring this work through a single consultant will achieve a more consistent and standardised approach to the assessment of investment needs of individual homes, blocks and estates and across all four areas of the Decent Homes programme. It will also give an improved strategic view of the investment needed across the stock.
- 6.4 The survey services to be procured through the City West Housing Trust framework will ensure that Homes for Haringey have comprehensive and detailed stock condition information which will inform the investment requirements of stock included in Years 4 & 5 of the Decent Homes programme and will also provide key information that will inform future asset management strategies, including a 30 year stock investment plan. This information is key to planning current and future stock investment programmes – this is particularly important in the context of planning for potential future changes in funding regimes, including the reform of the HRA .
- 6.5 The Year 4 Decent Homes construction work identified through these surveys will be delivered through the existing Decent Homes framework partners and will start on site in Spring 2011. Procurement arrangements for Year 5 and 6 of the Decent Homes Programme are currently under review and a procurement strategy will be developed early in 2011.

7. Scope of the Survey

- 7.1 The requirements of the survey is to carry out full Stock Condition surveys and Decent Homes surveys to internal, external, and communal areas which includes Energy Performance Certificates (EPCs) and Housing Health & Safety Rating (HHSRS) surveys for all properties which make up Year 4 and 5 of the Decent Homes programme. This represents approximately 40% of Haringey Council's housing stock.
- 7.2 This data will be provided to Homes for Haringey in a format that will enable integration with Homes for Haringey stock condition database (Codeman 4).
- 7.3 The surveying function currently rests with the constructor partners in the Decent

Homes Framework Agreement. The scope of survey works that is now proposed will enhance the quality of the pre-works surveys and will give a greater strategic overview of future stock investment requirements by looking at long term investment needs in addition to current investment requirements. It is considered that a specialist surveying company is required for this work and none of the Decent Homes contractors have the requisite skills to undertake the specialist work we require here, for example:

- We require a mix of Decent Homes Surveying and Stock Condition Surveying
- The consultant will be required to advise on strategic investment options
- The consultant to be familiar with our asset Management database (Codeman) and will ensure that the data is collected in an appropriate format and imported into Codeman.

7.4 Detail of work carried out as part of the Decent Homes programme to date is currently being imported into the Codeman database. The data collected through the proposed further survey work will give a detailed view of the future investment needs of 40% of the stock not yet covered by the Decent Homes programme. This data will be analysed in conjunction with the detail of works completed to date to produce an updated 30 year investment projection for the whole of the stock and will enable strategic planning of future investment.

7.5 The survey will include a 100% survey of the external and common parts of blocks in years 4&5 of the Decent Homes Programme and will inform the works that will be carried out to these areas. Where there are leasehold dwellings in these blocks, a formal consultation with leaseholders will be undertaken before the works commence.

8. Procurement Options

8.1 An option appraisal for the procurement of the surveying services has been carried out to establish which option would provide value for money and fulfil the requirements of Homes for Haringey. Options considered included:

8.1.1 Tendering through an OJEU compliant process: The timescales for OJEU tender would result in a significant delay in the delivery of the current Decent Homes programme and was not considered a viable option

8.1.2 The existing Decent Homes Framework: The estimated cost of this would be £935k and there have been some inconsistencies between the surveys produced to date by the four constructor partners on the framework. The estimate of £935k has been calculated using the lowest price for each element of the survey work from the contractors on the Decent Homes framework - this sum equates to £109 per survey across the total of 8,600 homes and a summary of this cost is included in Appendix 1 of this report.

8.1.3 Existing Frameworks used by Haringey Council: options to use frameworks currently used by Haringey (including the Council's own framework and the Buying Solutions Framework have been explored. However, the scope of services offered by these frameworks do not cover the specialist nature of the work required for this commission (e.g. specific stock condition survey surveying and strategic investment planning, including detailed knowledge of the Codeman Asset Management database system).

- 8.1.3 Existing Frameworks that have been procured through OJEU:** The City West Housing Trust Limited framework is compliant with OJEU procurement regulations and provides services that specifically meet the requirements of this project. The estimated cost of these services is in the region of £450,000, which represents a saving of £485k on the cost that would be incurred through the existing Decent Homes framework.
- 8.2** Procurement of the full scope of surveying services via the City West Housing Trust framework will achieve a significant financial saving and will deliver improved consistency and quality of survey.
- 8.3** The consultancy framework contract provides consultancy services tailored to meet specific and specialist surveys of the type that Homes for Haringey require and their costs are based on an all inclusive rate for the full scope of surveys per property.

9. Summary

- 9.1** The current Decent Homes surveying service has been reviewed and it has been identified that improved consistency, quality and value for money can be achieved through an alternative procurement route.
- 9.2** The City West Housing Trust framework agreement complies with OJEU procurement requirements and can deliver the specialist services required and will deliver improved value for money. It is therefore proposed to procure these services through this framework.

10. Chief Financial Officer Comments.

- 10.1** The cost of these surveys can be funded from the 2010-11 Decent Homes budget and represent the most efficient way of procuring the required works.
- 10.2** However, the future funding of the Decent Homes programme is facing some uncertainty and thus the spend should only be incurred once funding is confirmed. The position is expected to be clarified by the Comprehensive Spending Review in October 2010."

11. Head of Legal Services Comments

- 11.1** The framework which this report relates to has been procured by following an OJEU tendering process under the Public Contract Regulations 2006.
- 11.2** Under this framework contracts can be awarded either by a direct call-off or by undertaking a mini-competition.
- 11.3** Under CSO 11.03 as the value of the contract which this report relates to will exceed £250,000 it may only be awarded by Members.

11.4 Members have the power to delegate authority to award the subsequent contract as recommended in paragraph 4.2

11.5 Please see additional legal comments in **Appendix A**, hereunto.

12. Head of Procurement Comments.

12.1 Homes for Haringey have assessed the City West Housing Trust framework as being suitable for the Decent Homes surveying and stock condition surveys of the remaining properties to the Decent Homes programme by a single surveying provider. This will provide a consistent and standardised approach to the surveys which will inform the future investment programme.

12.2 By using the City West Housing Trust framework it is anticipated by Homes for Haringey that a saving can be made over the cost within the contractors Decent Homes Framework.

12.3 The Head of Procurement supports the exploration of this framework due to the anticipated savings.

13. Equalities &Community Cohesion Comments

13.1 Homes for Haringey's Asset Management Strategy, 2010/2017, covers all investment in the Councils housing stock, including decent homes. In drawing up the Strategy, an Equalities Impact Assessment was undertaken. The findings have been incorporated into Homes for Haringey's planning processes for delivering decent homes. This includes ensuring that all residents receive the same standard of work, and consideration of specific language and other needs are identified and addressed when drawing up programmes of work.

14. Consultation

14.1 Homes for Haringey have consulted council officers in the preparation of the proposed year 2-5 programme, which was approved by the Board in July 2008. The Leader of the Council and the Cabinet Member for Housing have been consulted in the formulation of the proposed programme. Ward member comments have also been considered.

14.2 Residents have been consulted through the Homes for Haringey Asset Management Panel and Leasehold Panel.

14.3 Homes for Haringey have a dedicated team in place to manage resident consultation and involvement throughout programme delivery. They work closely with the constructor partners' Resident Liaison Officers.

15. Service Financial Comments

- 15.1 The total estimated cost of survey work to be procured through the City West Housing Trust Framework is £450k. This works will be funded from the decent homes budget allocation of £33.5m for 2010/11.
- 15.2 We are awaiting details of future government financial support for the Decent Homes programme from 2011/12 onwards. However, government have stated that they wish to continue funding the programme albeit that it will be considered as part of the Comprehensive Review. Government has also proposed that Housing subsidy arrangements will continue in 2011/12 which will include at least £12 million in capital resources. After 2012/13 the expectation is that the Housing Revenue Account will move to a self financing position achieved by Government repaying a substantial part of the existing Housing Revenue Account outstanding debt. This would enable the future borrowing to be financed from the Housing Revenue Account.

16. Local Government (Access to Information) Act 1985

- 16.1 The background papers relating to this project are:
- 'The Award of Framework Agreements to four Decent Homes Constructors Partners'.
 - Pre Qualification Questionnaires (PQQ) Responses from Constructors dated September 2006.
 - Short List Report dated October 2006
 - Invitation to Tender Document dated October 2006
 - Tender Reports dated February 2007

These can be obtained from Pauline Hinds or Larry Ainsworth – Strategic Client Representatives on 020 8489 1151 or 020 8489 1134.

- 16.2 This report contains exempt and non exempt information.
Exempt information is contained in Appendix A of this report and is **NOT FOR PUBLICATION**. The exempt information is under the following category (identified in the amended Schedule 12A of the Local Government Act 1972):
Information relating to the financial or business affairs of any particular person (including the authority holding that information).

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Agenda item:

[No.]

Part A

Cabinet Procurement Committee

On 21st October 2010

Report Title: **Approval of the Council's New Personalised Purchase Framework**

Report of **Mun Thong Phung, Director of Adult, Culture and Community Services**

Signed :

Contact Officer : Margaret Allen, Assistant Director, Safeguarding and Strategic Services

Tel: 020 8489 3719

Email: Margaret.allen@haringey.gov.uk

Wards(s) affected: **ALL**

Report for: **Key**

1. Purpose of the report (That is, the decision required)

- 1.1 This report follows the decision of the Cabinet Procurement Committee in March this year to develop in principle a Personalised Purchase Framework, which will enable residents exercising a Personal Care Budget to choose and commission the suppliers and services they want to deliver their services
- 1.2 In line with this decision the Adults, Culture and Community Services Directorate has been working with the Council's Procurement Service on developing the processes, documentation and support functions needed to deliver the personalised framework of purchasing care and support services.

- 1.3 It should be noted that the framework relates to the individual contract between a resident with a Personal Care Budget and the supplier(s) they choose to commission and purchase from. In line with the aims of the Government's Transforming Social Care programme, including the requirements of statutory guidance issued by the Department of Health, all future contractual arrangements for Council funded social care services will no longer be between the Council and suppliers but will be between suppliers and the residents who choose to commission and purchase their services. However, this report describes the support arrangements that it is proposed the Council offers residents under the Purchase Framework, to ensure they have access to a choice of good quality suppliers as well as mechanisms that will help them address any problems or weaknesses they experience in the delivery of the services they purchase using their personal care budget.
- 1.4 This report seeks Cabinet Procurement Committee agreement to adopt and introduce the new Personalised Purchase Framework as described in section 7 of this report
- 1.5 This report also seeks approval of a waiver of Contract Standing Orders (CSO 6.05) to waive the requirement for a full tendering process for a contract to allow the provision of services from the Council's two existing block contracted suppliers of domiciliary care for up to 12 months after the implementation of the Personalised Purchase Framework.

2. Introduction by Cabinet Member (if necessary)

- 2.1. This is the second report to the Cabinet Procurement Committee, setting out the proposed Council arrangements to support Haringey's residents in using their personal care budgets to commission and purchase their own services.
- 2.2. The proposed personalised purchase framework described in this report offers residents a comprehensive and robust package of support and basic protections. However, the framework has been designed to ensure that residents using personal care budgets are in full control of the commissioning and purchasing of their services, based upon them having access to a broad choice of suppliers and services.
- 2.3. This approach will significantly contribute to the achievement of the Council's key policy commitment and pledge;
- 'We will help people to help themselves and encourage our residents who have disabilities to take control of their own budgets, with our support.'

2.4. I fully support the proposals set out in this report.

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

- 3.1. The Personalised Purchase Framework is one of a number of tools and processes being developed by the Council to help it achieve the national objectives for transforming social care, which were set out in the 2007 Joint Concordat 'Putting People First'
- 3.2. The Concordat was agreed by the Government, NHS, Local Authorities and other agencies involved with the support and care of people with disabilities and with long term limiting conditions and set out a commitment to give individuals needing social care direct control over the resources and budgets used to provide the services they require
- 3.3. The concordat was followed by Government Guidance that required Local Authorities in England to develop arrangements offering personal budgets to people entitled to Council funded care. Local authorities were also required to develop new systems of self assessment and support planning to enable people needing care to direct how their personal budgets are used and how their services are designed to meet their individual outcomes and requirements. These arrangements need to be in place by April 2011.
- 3.4. In addition the Personalised Purchase Framework described in this report is consistent with and supports the delivery of the following key Council Objectives:
- Encouraging life time well being, at home, work, play and learning
 - Promoting independent living while supporting adults and children when needed
 - Delivering excellent, customer focused, cost effective services

4. Recommendations

- 4.1. That the Cabinet Procurement Committee approve the Personalised Purchase Framework detailed in this report, covering the delivery of services and products for residents using a personal care budget
- 4.2. That the Cabinet Procurement Committee further approves a waiver of CSO 6.05 in accordance with CSO 7.02 to permit the purchase of 35,000 care hours from both London Care and Seva Care, who are the Council's two existing block contracted suppliers of domiciliary care, in accordance with the costs set out in paragraph 1.3 of Part B of this report (information exempt from publication). The request to waive the requirement to tender under CSO 7.02 (a) is being sought in

accordance with CSO 7.03 (d) on the grounds that 'it is in the Council's overall interest'.

- 4.3. Pursuant to the recommendation at 4.2 that the Cabinet Procurement Committee further agrees in accordance with CSO 11.03 to the purchase of 35,000 hours of care from Sevacare and 35,000 hours of care from London Care in 2011/12 in line with the provisions set out in Part B (exempt information) to this report
- 4.4. That the Cabinet Procurement Committee notes that the Personalised Purchase Framework will initially be applied to domiciliary care suppliers and other suppliers who deliver support and services to people living in their own home by April 2011 but once it is determined by the Director of Adults, Culture and Community Services and the Head of Procurement that the Framework is working effectively, it will be rolled out throughout 2010/11 and 2011/12 to all other service sectors, including residential care
- 4.5. That the Cabinet Procurement Committee delegates to the Director for Adults, Culture and Community Services (ACCS) the authority, in conjunction with the Cabinet member for ACCS, to apply the new Personalised Purchase Framework to services and supplies within the scope of this report, in accordance with paragraph 4.4 of this report
- 4.6. That the Cabinet Procurement Committee agrees to the Personalised Purchase Framework detailed in this report being used by the Children and Young People's Directorate in relation to the purchase of domiciliary care services for children
- 4.7. That the Cabinet Procurement Committee further agrees to delegate to the Director of the Children and Young People's Service (CYPS) the authority, in conjunction with the Cabinet Member for CYPS, to determine how the new framework is applied within their Directorate, taking account of the outcome of the assessments detailed in paragraph 4.4 of this report

5. Reason for recommendation(s)

- 5.1. The new framework ensures that the Council is able to provide a robust and comprehensive framework of support to residents with personal care budgets, in commissioning and purchasing the services they determine will meet their specified requirements and outcomes detailed in their support plan. This will ensure that the Council is able to meet its statutory obligation to offer residents using Council funded care full control over the commissioning and budgets used to purchase the services they both want to use and need. This is in line with the Government's Concordat 'Putting People First' and subsequent statutory guidance issued by the Department of Health 'Transforming Adult Social Care'

issued in 2009.

- 5.2. The intention is to introduce the new Personalised Purchase Framework to domiciliary care services first, replacing the existing block contracts with Sevacare and London Care and the approved supplier list that are due to expire by March 2011. This sector of services delivers care to over 1,500 people living in their own homes, who are mostly older residents over 65 years.
- 5.3. The recommendation at 4.2 seeking the Cabinet Procurement Committee's approval to waive the requirement to tender and purchase a minimum number of care hours from the two existing block suppliers of domiciliary care for up to a year, will ensure that the Council is able to offer the Council's most vulnerable residents using care a stable process of transition to the new purchase arrangements. Sevacare and London Care provide 80% of the externally purchased domiciliary care hours and this includes offering care to over 500 of the most vulnerable older residents entitled to Council funded care delivered in their home.
- 5.4. With regard to highly vulnerable older people any change in the way their services are delivered to them are potentially risky, unless the changes are well planned and involve both the resident receiving the care and their family carers. Therefore, it is in the Council's overall interest to ensure that there is a process of planned and stable transition covering the significant number of older residents supported by London Care and Sevacare.
- 5.5. This will also allow the Council to work with the two suppliers on supporting the residents using their services in moving from the current arrangements where the Council purchases their care to them being able to make their own purchasing decisions.
- 5.6. The recommendation at 4.5 that the Director for Adults, Culture and Community Services should have the authority to determine when the framework is applied to all services that might come within the scope of personal care budgets, based on a joint assessment with the Head of Procurement, simply reflects that this is a significant departure in the Council's approach to purchasing social care services. In addition, the need for flexibility about the framework is extended not only to reflect the pace of change in terms of more highly vulnerable residents taking up personal care budgets, but also to avoid any unnecessary delays that may restrict and limit the choice of residents using a personal care budget.
- 5.7. The recommendations at 4.7 and 4.8 to extend the framework to domiciliary care services offered to disabled and vulnerable children is simply to remove the need of the Children and Young Person's Directorate having to either separately develop their own accreditation and purchase framework or to set up a specific procurement of domiciliary care services. This will reduce both the administrative burden and cost to the Council, as well as opening up the same level of choice

and control to families using domiciliary care. The Children and Young People's Directorate are planning to develop their own approach to personalised care for families with disabled children.

6. Other options considered

6.1. The March 2010 report to the Cabinet Procurement Committee considered three contracting arrangements, which included block contracting; a traditional framework approach that includes tendering for an approved list of suppliers and the personalised purchasing approach described in this report. A detailed appraisal of each contracting approach was explored, including their benefits and risks and potential to deliver personalised services.

6.2. In addition evidence was presented to the Committee on the adoption of a personalised purchase approach by other local authorities, including the national exemplar and pilot purchasing framework developed by West Sussex County Council. Detailed market intelligence carried out on local care markets by Adults, Culture and Community Services was also considered in the March 2010 report.

6.3. Based on this evidence the Cabinet Procurement Committee agreed in principle to the development of a personalised purchase agreement and new support and quality functions that will help residents with their individual purchasing decisions.

7. Summary

7.1. There are three key components to the proposed personalised purchasing arrangement, which are:

- Supplier Accreditation
- The Personalised Purchase Framework of Standard Terms and Conditions
- The Individual Service Delivery Agreement between a resident using a personal budget and the supplier(s) they choose to purchase from

Supplier Accreditation

7.2. All suppliers who want to offer their services to Haringey residents using a personal care budget and who have opted for the Council to help them manage their budget will be required to apply for accreditation with the Council.

7.3. The accreditation will examine the suppliers competency to deliver services against the following criteria:

- Organisational and Financial competency and sustainability, including whether the supplier has an appropriate level of insurance in place with regard to

- employers, public liability and professional indemnity
- Technical and professional competency, including details of the number of staff employed and their qualifications to deliver the services required
- Whether the supplier has the appropriate adult safeguarding arrangements in place, including having a robust approach to seeking up to date criminal records bureau checks (this includes seeing evidence of up to date CRB clearances on all staff who will be providing the service)
- Does the supplier have a robust quality assurance system in place?
- Does the supplier have robust health and safety policies and procedures in place?
- Does the supplier have a robust approach to equal opportunities?

7.4. In effect many of the criteria included in the accreditation process are similar to the criteria included in the Council's standard pre-qualification questionnaire used for its major procurements.

7.5. However, where a supplier is registered with the Care Quality Commission, which is the statutory regulator and inspector of personal social care services, it is proposed that they will not have to address the criteria related to professional competency; adult safeguarding; quality assurance; health and safety and equal opportunities as these are areas that are already robustly assessed by the Care Quality Commission.

7.6. In addition for those suppliers who are not required to register with the Care Quality Commission but who have less than 5 employees may only be required to provide bank reference (instead of three years audited accounts); a statement detailing how they audit quality and a copy of their health and safety policy with an example of how they assess risk. However, they will still need to satisfy all the other criteria covering insurances, professional competency, safe guarding etc.

7.7. It should be noted by the committee that it is anticipated that residents using a personal care budget will want to purchase from a much broader choice of care suppliers, than would be offered through the Council's standard approach to procurement. It is also anticipated that residents may want to choose from a much broader range and type of services outside the regulated care sector.

7.8. The passporting of regulated and small suppliers through some of the accreditation criteria is felt necessary in order to avoid unnecessary duplication in assessing competency and managing risk, which in turn will help the Council more effectively manage the anticipated high volume of suppliers who will seek accreditation. There is also an expectation that many residents will want to purchase from a variety of local small suppliers and that reducing some of the administrative burden of accreditation will encourage local businesses to apply to be accredited with the Council and to invest in new services.

7.9. Once a supplier is accredited they will be entered on to the Council's list of

accredited suppliers under the Personalised Purchase Framework. It should be noted that this provides no guarantee that accredited suppliers will be offered business or any payment, unless residents using a personal care budget managed by the Council decide to select their service.

- 7.10. Only suppliers on the accredited list will be offered for selection by residents using a personal care budget managed by the Council. The Council's accreditation system will not be limited to suppliers who are required to be registered with the Care Quality Commission and who supply traditional care services. However, suppliers offering non registered and non care related services will be required to demonstrate their competency to deliver the service. This will include evidence of membership of professional governing bodies that the Council determines are appropriate and such evidence on risk management as required by the Council.

Market Development

- 7.11. The Council's Personalisation Market Development Strategy emphasises as a key strand the development of new and small local suppliers (including Haringey's community and voluntary sector groups) and the self employed as a means of opening up more competition and choice and to encourage innovation in the types of services offered. The proportionate accreditation process detailed above will assist with delivering this strand.

- 7.12. Skills and competences in community based business advice are also being developed and utilised to help support both existing and new suppliers to diversify the services they offer and to understand how to develop what they offer centred on the aspirations, demands and requirements of local residents. This includes working with local community and third sector groups on developing new models of service that are resident led and social enterprise models that are not dependent on public sector investment.

Personalised Purchase Framework of Standard Terms and Conditions

- 7.13. The framework of standard terms and conditions are based on the terms and conditions that are included in the Council's standard contract that is used for supplies and services. However, in particular the standard terms and conditions include requirements on adult safeguarding arrangements and how the supplier will work within the Council's Safe Guarding framework.

- 7.14. Residents who request the Council to manage their personal care budget will be supported by a Service Finding and Contract Management function that will support them in deciding which services they want to commission and purchase and from which suppliers on the Council's Accredited list. They will also be required to incorporate the framework of standard terms and conditions in the contracts with the suppliers they select..

- 7.15. Suppliers will be requested to provide a schedule of pricing, in such a format that the Council determines appropriate in order to ensure that their pricing is easy to understand by residents using a personal care budget. Suppliers will be made aware that their schedule of pricing will be made publicly available on the Council's website and through any other media that the Council determines would be appropriate to ensure that Haringey residents have easy access to the prices of all suppliers included in the list of accredited suppliers. This is to enable residents with a personal care budget to choose the services that they determine will offer them the most cost effective services within the personal care budget allocated to them.
- 7.16. It should be noted that the detailed market analysis carried out by the Council's Adult Services, via its market development function, on the domiciliary care sector in North London has found that there is a significant number of good and excellent suppliers (as rated by the Care Quality Commission) and that pricing is very competitive. Further market analysis has been carried out on supported living and residential care services for younger adults and more is planned with regard to services for older people and day opportunity services. This analysis will be used to determine whether and when the new purchasing framework as described in this report will be applied to these sectors.
- 7.17. Based on this analysis and the experience of both West Sussex County Council and Croydon Council who use personalised purchasing arrangements similar to the one detailed in this report, it is anticipated that costs will certainly be contained and with regard to some of the more costly suppliers will be brought down. However, the Contract and Market Development functions within Adult Services will closely monitor pricing and regular reports will be submitted to the Cabinet Member and Director for Adults, Culture and Community and the Council's Head of Procurement. Where significant concern emerges regarding any changes in prices and the adverse effect this may have on the Council budget, then a report will be prepared for the Cabinet Member for Resources setting out the proposed actions to address these concerns.
- 7.18. A key feature of the purchase framework described in this report and as detailed in the standard terms and conditions described above, is the emphasis that each supplier will provide their services in accordance with the requirements and personal outcomes determined by the resident selecting suppliers and services under the personalised purchase process described in this report.
- 7.19. The framework standard terms and conditions stipulate that the Council will on behalf of the resident monitor a supplier's performance against whether they have successfully delivered against the resident's outcomes and requirements to their satisfaction and the purchase framework standard terms and conditions provide that the Council will have the authority to act on the resident's behalf in the event that the supplier fails to deliver. This includes;

- issuing default notices;
- bringing the contract with the supplier to an immediate end and
- imposing an improvement plan on the supplier to rectify deficiencies in services offered to a resident purchasing their service under the individual delivery agreement described in paragraphs 7.20 and 7.21 of this report.

Where any concerns around risk to the resident using services are identified, action will be proactively taken to secure the resident's well-being and safety.

7.20. It should also be noted that the framework standard terms and conditions include some key strategic outcomes that the Council will monitor each supplier against and the Council's assessment of a supplier against these will partly determine whether the Council will allow the supplier to continue on the list of accredited suppliers. The strategic outcomes include:

Outcome 1 – Improving health and emotional well-being

To stay healthy and recover quickly from illness.

Outcome 2 – Improved quality of life

To have the best possible quality of life, including life with other family members supported in a caring role.

Outcome 3 – Making a positive contribution

To participate as an active citizen, increasing independence where possible.

Outcome 4 – Increased choice and control

To have maximum choice and control.

Outcome 5 – Freedom from discrimination or harassment

To live safely, free from discrimination or harassment.

Outcome 6 – Economic well-being

To achieve economic well-being and have access to work and/or benefits as appropriate.

Outcome 7 – Maintaining personal dignity and respect

To keep personal dignity and be respected by others, and be safeguarded against exploitation or abuse

Individual Service Delivery Agreement

7.21. The individual purchasing agreement represents the contract between the supplier and a resident with a personal care budget, which sets out how the services the resident chooses to purchase will be delivered to them. This will reflect the resident's outcomes detailed in the personal support plan they agree

with the Council. However, the Delivery Agreement will also include details of what the supplier has agreed with the resident purchasing their service, in terms of how the service is delivered to meet the resident's particular requirements.

- 7.22. The individual service delivery agreement will include a clause that both the resident and supplier agree to the service(s) covered by the delivery agreement being delivered in accordance with the framework of standard terms and conditions described in paragraphs 7.13 to 7.20 of this report. The delivery agreement will also include a clause that both the resident purchasing the service(s) under the agreement and the supplier agree to the Council acting as the resident's contract manager. This will enable the Council to offer support to the resident in ensuring that the supplier delivers against the standard terms and conditions included in the delivery agreement and in the event that the resident is not satisfied with the supplier's delivery of their services against the agreement.

Support Services and Quality Monitoring

- 7.23. The Adults, Culture and Community Services Directorate are working on developing a single and integrated Service Finding, Quality Monitoring and Contract Function that will;

- provide direct support to residents in helping them decide which services to purchase that are included on the Council's Accredited List
- provide support in relation to helping residents negotiate the specification of services to be covered by their individual service delivery agreement with the supplier they chose and
- provide quality and monitoring support, including helping residents address any significant dissatisfaction they have with the services supplied to them (including unacceptable risks relating to service delivery).

8. Chief Financial Officer Comments

8.1 This report requests approval to the Personalised Purchase Framework detailed above. As Adult Social Care moves towards personalisation offering individual budgets as a funding method for more innovative, modern services the use of block contracts for domiciliary care becomes less necessary.

8.2 The existing block contracts with the Sevacare and London Care are due to expire on 31st March 2011. These contracts provide for a minimum of 50,000 hours per provider. Whilst Haringey Council is currently purchasing in excess of this number the increased uptake of individual budgets allows clients to decide how and from whom to purchase their care, and an obligation to meet such a high minimum number of hours would be a liability. There is, however, a need for a "safety net" during the transitional period, hence the recommendation for a smaller block contract in the short term i.e. one year, which will be funded from within existing resources.

8.3 In general terms, with regard to the Personalised Purchase Framework, the commitment, and therefore financial liability, will arise from the assessment of a client's personal budget rather than the purchase framework itself. The individual will, in most cases, purchase directly from the provider. Adult Social Care must ensure that mechanisms are in place to prevent expenditure from exceeding the cash limit.

9. Head of Legal Services Comments

- 9.1 The report is seeking approval of new arrangements to support Haringey residents in using their personal care budgets to purchase care services for themselves. The new personalised purchasing arrangements consist of 3 key components.
- 9.2 The first element consists of a supplier accreditation scheme and a market development strategy. Suppliers wishing to offer their services to Haringey residents using a personal care budget will have to be accredited by the Council. The Council will also help new suppliers enter into the market.
- 9.3 Council accreditation suggests that the Council is to some extent warranting to residents the safety of using accredited suppliers. Marketing suppliers can have a similar effect. As a result, to minimise risk of liability to the Council, the managers of the new arrangements will need to maintain robust systems both for initially accrediting suppliers and for monitoring that suppliers continue to meet accreditation requirements at all times. The Council should also ensure that residents are clear that they are responsible for satisfying themselves that any supplier offered by the Council for their use is suitable for their needs.
- 9.4 The second element of the new arrangements consists of a personalised purchasing framework. This sets out the basis on which the Council will support residents with a personal care budget in using accredited suppliers. As this will not involve the Council procuring services and supplies from suppliers but instead simply supporting residents to do so themselves, there are no public procurement obstacles to the Council setting up the type of framework described in the report.
- 9.5 The final element is the individual service delivery agreement between the resident and their chosen supplier. Residents will be free to settle the specification of services with the supplier. The Council's role will be one of support including providing the framework standard terms for residents to use. As a result the Council, while facilitating service delivery, will not bear contractual liability for it.
- 9.6 The report is also seeking a waiver of the Council's Contract Standing Orders (CSO 6.05) to permit the award of new contracts to each of the two existing block contracted suppliers of domiciliary care for up to 12 months from April 2011 to coincide with the implementation of the Personalised Purchase Framework. As the value of these new contracts is in excess of £250,000 Members must approve the

waiver, which is sought on the grounds that it is in the Council's overall interest in accordance with CSO 7.03(d).

- 9.7 The award of the two new block contracts must be approved by the Procurement Committee in accordance with CSO 11.03.
- 9.8 Under section 12 of the Local Government Act 2000 the Committee has power to delegate their powers to an officer of the Council in consultation with a Member including to delegate to a Director the power to approve the extension of the new personalised purchasing arrangements as proposed in paragraphs 4.5 and 4.7 of this report.
- 9.9 The Head of Legal Services confirms that, provided Members are satisfied that the grounds for waiver in paragraphs 5.3 to 5.5 of this report are made out in respect of the recommendation for waiver at paragraph 4.2, there is no legal reason preventing Members from approving any of the recommendations in paragraph 4 of this report.

10. Head of Procurement Comments –[Required for Procurement Committee]

- 10.1. The recommendation is supported by the Corporate Procurement unit. The ongoing negotiations should bring about a reduction in the current hourly rate to achieve a saving to the council
- 10.2. The personalised purchase framework has been developed with input from Corporate Procurement and Legal services and moves to a market that regulates itself through the transparency of price and quality that will be available to all service users.
- 10.3. The quality of service and service user satisfaction will be regularly monitored to ensure the agreed service standards are being met.

11. Equalities &Community Cohesion Comments

- 11.1. Residents will be able to specify and choose not only what services they receive but also how those services are delivered to them, to meet their own specific cultural, ethnic and religious requirements. Equally residents with specific gender identifies or residents who would prefer their service to be delivered by a worker of the same sex will be able to decide for themselves, which service best meet these requirements or to put in place their own arrangements for employing their own staff.
- 11.2. Residents with life long and limiting conditions will no longer be limited to those services that have been procured by the Council through block contracting or to accepting the more traditional forms of social care such as residential and day care type services. They will be able to purchase services that they decide will meet their particular outcomes and requirements and to have those services

delivered at times and in locations that suit them. This approach supports Outcome 4 (described in 7.19 above).

- 11.3. It's worth noting that whereas block contracting arrangements can deliver guaranteed standards and prices, offering a good but generalised standard of care to the whole community, this approach has often been unable to deliver against more specific requirements. This includes offering residents the opportunity of using suppliers that specialise in delivering for example culturally specific services.

12. Consultation

- 12.1. A Core Design group comprising representatives from the Older Peoples Forum, the Alzheimer's Society, Age Concern, the Carers Partnership Board, NHS Haringey and senior representation from the Council's Adult Services has been meeting to develop and drive the proposal detailed in this report. The majority of the group's membership is made up of resident and carer representatives.
- 12.2. In addition there have been a number of supplier forums that have discussed the approach and proposals contained in this report. This process has been further augmented by a supplier reference group comprised of both large and small local suppliers and suppliers across several sectors who are focused on delivering care and support to people living in their own homes. The Directorate's Market Development Team has also spoken to suppliers individually about the proposals, helping the Council to move towards a more mature commissioning relationship with suppliers.
- 12.3. It should also be noted that Age Concern and the Older Persons Forum have been commissioned to develop a new market research framework designed to elicit the views of those using social care on whether they would feel confident purchasing their own services; what changes they would make to their services if they are offered a choice and what they require from their services to improve the quality of their lives. They are scheduled to report on the outcome in late autumn 2010 and this will be used to stimulate suppliers on how they should develop their services to meet the results of the market research. This will provide an independent perspective on how the Council is assisting people to improve outcomes.
- 12.4. The consortium managing this research will include organisations that represent BME communities and groups and the need to take account of diversity issues is a core feature of the research model.

13. Service Financial Comments

13.1. There are no financial commitments attached to this report. Financial liabilities to the Council that may arise from the individualised contracting arrangements that are put in place will be more linked to the level of individual budget allocated to each resident who qualifies.

13.2. There will be much less of a direct link between the Council's financial liabilities and supplier costs and prices, although ensuring that there is a healthy and competitive market of services with cost effective prices will enable the Council to confidently control the level of spending by residents using personal budgets

13.3. Paragraphs 7.15 and 7.16 of this report describe how supplier prices will be monitored by the Council and what action will be taken to ensure that the Council can respond to any significant and adverse changes in prices.

14. Use of appendices /Tables and photographs

14.1. This report contains Part B, which is not for publication

15. Local Government (Access to Information) Act 1985

15.1. Putting People First – A shared vision and commitment to the transformation of adult social care [Click here to download document](#)

15.2. DH Local Authority Circular (LAC (DH) (2009) 1) – Transforming Adult Social Care [Click here to download document](#)

15.3. The 30th March 2010 Cabinet Procurement Committee Report - 'Update to Procurement Committee regarding contracting Options for Adult Social Care'

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Agenda item:

[No.]**Procurement Committee****on 21st October 2010**

Report Title: Supporting People Contracts Waiver & Award – Voluntary Sector (BME Organisations)

Report of: **Mun Thong Phung**
Director of Adult, Culture & Community Services

Signed:

Contact Officer : **Nick Crago, Acting Head of Service,**
Adults, Culture & Community Services.
 Tel: 020 8489 3302, Email: nick.crago@haringey.gov.uk.

Wards(s) affected: **All**

Report for: **Key Decision**

1. Purpose of the report

- 1.1 Member's authorisation is sought to agree a waiver and award of a one year contract with the possibility of a one year extension for the above service provided by 10 voluntary BME organisations as allowed under CSO 7.03 (a) & 11.03 in accordance with the recommendations set out in paragraphs 4 of this report. In short, there are very few providers in the market and it is highly unlikely that a costly tender exercise would return the significant level of savings we are able to achieve through negotiations.

2. Introduction by Cabinet Member

- 2.1 The floating support services provided by the 10 voluntary BME organisations listed in this report provide a valuable link in their respective communities ensuring community safety and housing related support. A more consistent method of funding is being introduced to ensure parity across the organisations, which represents better value for money, both in terms of efficiency savings and better quality standards.

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

3.1 Council Plan Priorities

- . Encouraging lifetime well being at home, work, play and learning
- . Promoting independent living while supporting adults and children in need
- . Delivering excellent customer focused cost effective services

3.1.1 The Supporting People (SP) programme specifically provides housing related support to the most vulnerable people in the Borough. Since the inception of the programme these have been categorised into several categories, which include Older People, Single Homeless, Homeless Families, People with Mental Health Problems, People with Learning Difficulties, People with Physical Disabilities, Young People at Risk, Young People Leaving Care, Teenage Parents, Women at risk of Domestic Violence and others

3.1.2 The Supporting People strategy (2005-10) co-ordinates and compliments the following Corporate strategies:

- Community Strategy
- Council Plan
- Wellbeing Strategic Framework
- Children and Young Peoples Plan
- Safer for all (Safer Communities Plan)
- Housing and Homelessness Strategies

3.1.3 The links with these strategies are encompassed into sector reviews and consultation with Corporate Strategic Partners in Commissioning Services, Community Safety and Housing as well as Statutory Partners in the PCT and London Probation. Senior Officers from representative departments continue to sit on the Supporting People Partnership Board (SPPB) and contribute to the governance of this programme.

3.1.4 The Supporting People team are located within the Adults, Culture and Communities Directorate and work closely with Commissioning Managers in Adult Services. A consistent approach is being taken with re-tendering and re-negotiating contracts, which include the development of Framework Agreements.

3.2 Creating a Better Haringey: cleaner, greener and safer

All re-tendering and re-commissioning of contracts include an explicit requirement for compliance, by Support Providers to Sustainable Procurement.

3.3 Promoting independent living while supporting adults (and children) when needed.

The Supporting People programme exists for vulnerable adults and, its very ethos is to promote independent living to some of the most vulnerable, insecure and socially excluded individuals, or groups, in the Borough.

3.4 Delivering excellent, customer focused, cost effective services.

The Supporting People programme has well established recognised, models of governance and monitoring for all services for which they are responsible. These include the completion of quarterly PI workbooks, Value for Money (VfM) assessments and Service Reviews, where the quality standards of the service are reviewed against a national framework (QAF). These are monitored against the Support Provider, for the duration of the Contract. Emphasis is being placed into the new Contract Specification on Performance Outcomes, linked to the Local Area Agreement (LAA) targets.

4. Recommendation

- 4.1 Members approval is sought to waive the requirement to tender as allowed under CSO 7.03(a) i.e. the nature of the market has been investigated and is demonstrated to be such that a departure from the requirements of the CSOs is justifiable and under CSO 7.03(d) that it is the Council's overall interest..
- 4.2 Members are asked to agree to award the contracts as detailed in the exempt Appendix 1 attached.
- 4.3 The cost of the contract will be met from the Supporting People Programme Grant.

5 Reasons for Recommendation(s)

- 5.1 The current contracts expire in March 2011 with no further provision for extension.
- 5.2 Discussions with the Providers have ensured that cash efficiency savings of £93,000 will be delivered in 2010/11 as the new contract start date will be 1st January 2011 and £372,500 in 2011/12. The savings for 2010/11 represents the last quarter of 2010/11.
- 5.3 This is a significant saving that will be realised by the existing providers to an increased capacity as more people shall be supported through increased efficiencies and contract compliance.
- 5.4 The nature of the market for the service being provided has been investigated and is demonstrated to be such, that a departure from the requirements of CSO is justifiable due to the fact that there are limited numbers of providers for each respective client group. The existing providers are recognised as being the definitive provider.
- 5.5 A new specification has been written to accompany the term of the new contract.
- 5.6 The contract will be performed with recognition of LAA targets. Quarterly PI workbooks and annual monitoring review meetings will continue throughout the life

	<p>of the contract.</p> <p>5.7 Through Personalisation, service users will be purchasing their own support, services and will need a transitional period to adjust. The reality is that service users will utilise the same Provider as existing for their respective community, but this waiver and award allows the Council to retain a contract with the BME groups, improve services and market rates and to stabilise the sector, ensuring vulnerable service users continue to be supported during a period of change.</p> <p>5.8 It is in the Councils best interest to waive and award new contracts rather than seek a re-tendering exercise, which is unlikely to return the level of savings identified. To re-tender the current contracts TUPE will apply. The preparation of these contracts is to make the future service more marketable.</p> <p>5.9 The new contract will have a specific break clause which permit the further reduction, or cessation of funding, to the Support Provider, if there is a reduction or cessation of funding in Supporting People Grant from Central Government, or through the Area based Grant allocation by Haringey Council.</p>
	<p>6. Other options considered</p> <p>6.1 A market tendering exercise was considered however, the efficiency savings that have been secured through individual Provider discussions would not have been achieved because of the requirement to apply TUPE to the current contracts and there is no readymade market for more than one provider per BME group, although economy of scale will be achieved by letting all the contracts as one rather than individually.</p> <p>6.2 Each of these Providers has been established in the Borough since 2002 or earlier and is recognised as the definitive provider for their respective client groups. A tendering exercise for each community would not have realised competition.</p> <p>6.3 It is expected that the BME Organisations can be tendered as one sector and this would realise significant competition but the contract price has to be lowered to the market rate first, which is what these individual contract discussions have now achieved. It is important that this process has been followed because to go to the market and change to one encompassing provider would actually de-stabilise all the services so a medium term view has been taken to approach competitive tendering in two stages.</p> <p>6.4 Working alongside the existing Providers will allow better transitional arrangements to be effected towards Personalisation and Framework Agreements.</p>
	<p>7 Summary</p> <p>7.1 To effectively inform the contract discussions with the BME organisations, a sector review was carried out which included a 'mini' review of each of the services which</p>

determined that although in the majority of cases service users were not unhappy with the services they have been receiving, they were unaware of the standard that should be applied. Each of the providers receiving a new contract will receive a more bespoke specification and be more closely monitored to ensure increased quality standards are upheld.

- 7.2 The present levels of funding have been in existence since 2003 and despite significant support and interventions from the Corporate Voluntary Sector Team including Small Provider Network Forums, Provider Workshops and a mentoring scheme, the majority of these providers have retained their customer base for too long. Through the reviews, this area has been identified and providers are now recognising the need for more targeted short term interventions.
- 7.3 Individual contract discussions have realised savings which accumulate to £465,500. Historically these contract prices were set by Transitional Housing Benefit (THB) which were not consistently applied across all the services in this sector. This is now being remedied with a standard formula which applies to all the organisations consistently and does not discriminate between the providers. The formula that has been agreed was taking a market rate for a support worker and allocating a standard caseload and this was then set against the existing contract capacity plus a 10% running cost.
- 7.4 Each of the Providers is contracted to provide housing related support to their respective communities.
- 7.5 The existing services are floating support services which are delivered to ethnic groups and is provided by 10 voluntary organisations to vulnerable people in the Borough with issues such as homelessness and benefits problems.
- 7.6 The present contracts commenced in April 2009, with an expiry date of no later than 31 March 2011 and are funded by Supporting People.
- 7.7 Consultation has been carried out with the existing Support Providers through reviews and provider forums which have all informed the findings. The process is being reported through the Supporting People Partnership Board.
- 7.8 Individual contracts have been negotiated with the respective providers to agree variations to the current provision which will provide services better suited to current needs.
- 7.9 With a contract value reduction the unit costs to each of these services is comparable to or better value for money than the large generic floating support services that presently operate in the Borough.
- 7.10 Through the reviews of the providers in this sector, it was established that many

are providing support to service users above the contracted capacity which infers that the grant payment were greater than were needed. Whilst it is proven that more people receive support, it is the case that by reducing the contract value providers will be obliged to deliver services to the contract capacity. This may have an effect on a number of people in the respective communities not getting support.

- 7.11 We cannot de-commission the services as they provide a valuable gateway for many people into community integration. We cannot re-tender like for like services because there is no competition for individual groups. We can re-tender the services as a whole sector, but TUPE legislations will negate savings at this time. The approach that has been taken allows for a reduction in the overall contract price for the sector and makes the services more marketable for a whole sector tender
- 7.12 It is therefore, in the Councils best interest to waive and award new contracts rather than seek a re-tendering exercise, which is unlikely to return the level of savings identified.
- 7.13 When the contract goes to full market tendering there will be a condition that it will be extended to include more BME organisations.

8. Financial Implications

- 8.1 The current annual contract value is £834,864.
- 8.2 Contract negotiations with the 10 Providers have yielded cash efficiency savings of £465,500 over the financial years 2010/11 and 2011/12, to a revised annual contract value of £462,350 for the financial year 2011/12.
- 8.3 The existing SP contract requires recognition of TUPE legislation. It is therefore not pertinent to offer this contract to open tender in the market as there will be a commitment to honour existing terms and conditions of employment, which are greater than those that have now been offered through the discussions.

9. Policy implications

- 9.1 The Supporting People 5 year strategy (2005-10) is being refreshed which determines that the priority for the Supporting People programme for the years 2011 – 14 will be with accommodation based services.

10. Chief Financial Officer Comments

- 10.1 While the services provided via these contracts are non-statutory services it should be noted that ceasing to provide services could have an impact on Adult Care budgets.
- 10.2 It is likely that the funding allocation against this programme will reduce significantly in the next CSR period; it is even possible that the Area Based Grant will be removed completely. The Treasury announcement is being made on 20 October 2010.
- 10.3 It is therefore recommended that these contracts are offered for 1 year with a possible extension for a further year, however a clause should be inserted into the contracts to allow for termination should funding cease or the Council need to withdraw funding.
- 10.4 This award being subject to the outcome of the CSR on 20 October 2010.
- 10.5 During this time an alternative solution should be sought providing better value for money and reducing expenditure.

11. Head of Legal Services Comments

- 11.1 The contracts which this report relates to are Part B services for the purposes of the Public Contract Regulations 2006. Therefore it has not been necessary to follow an OJEU tendering procedure.
- 11.2 Members have the power to waive the requirement to tender under CSOs 7.03(a) (where the nature of the market for the services to be provided has been investigated and is demonstrated to be such that a departure from the requirements of the CSOs is justifiable), and under CSO 7.03(d) (where it is in the Council's overall interests).
- 11.3 As the value of these contracts exceeds £250,000 the award may only be made by Members in accordance with CSO 11.03.
- 11.4 This is a key decision and the Directorate have confirmed that it has been included on the Forward Plan.
- 11.5 The Head of Legal Services sees no legal reasons preventing Members from

approving the recommendations in paragraph 4.

12. Head of Procurement Comments

- 12.1 The recommendation gives a significant saving over the proposed contract period.
- 12.2 The cost of the services have been benchmarked against other floating support services procured by the Council and found to be either comparable or less expensive than these services. The re-negotiation of these services has allowed service redesign and staffing allocations that would not be available through a TUPE transfer.
- 12.3 New PI's, service specification and contract terms have been written to ensure the quality of service received is fully measurable and gives improved outcomes and improved capacity.

13. Equalities & Community Cohesion Comments

- 13.1 The services are multi cultural across ethnic communities in the Borough. The services presently employ staff that can speak their respective community languages.
- 13.2 Not all ethnic groups in the Borough are represented. Those that are were selected by Transitional Housing Benefit (one of the legacy funding streams for Supporting People in 2003).
- 13.3 Two ethnic groups have been included in the SP programme subsequently and have been contracted separately from this report.
- 13.4 It is expected that when the services in the sector are tendered in 2011 that more ethnic groups will be incorporated. This will be done through consultation and open competition.
- 13.5 It shall be a condition of the new tendering exercise that cultural awareness is demonstrated and a mix of languages should be available through staff recruitment.
- 13.6 There is not expected to be any detriment to any of the equalities groups. Many are supported directly through other SP funded services which will continue, with greater emphasis on community cohesion.

14. Consultation

- 14.1 Individual Provider Service Reviews were held in March & April 2010. All final reports have been shared with the respective Providers.
- 14.2 Quarterly consultation Provider Forums were held in April and June 2010 where providers were advised that efficiency savings are required on these contracts. Next Provider Forum scheduled for 22nd September 2010.
- 14.3 Contract Negotiation meetings were held with individual providers during week of 6 September 2010.

15. Service Financial Comments

- 15.1 The re-tendered contracts provide for improved value for money insofar as while the cost of the contracts are being reduced the expected performance from the organisations is being maintained to the pre re-tendering levels. There is also work with a number of the groups to strengthen the quality of service provision.
- 15.2 The total annual savings achieved from the re-tendering process of £372.5k will contribute to the savings expected from the SP programme by government. There is an expectation that the SP grant will be significantly reducing year on year. The short term nature of the contracts will allow the council to review SP priorities and ensure finite funds are directed to the most appropriate client groups.

16. Use of appendices /Tables and photographs

- 16.1 Appendices 1/1a – Exempt Information

17 Local Government (Access to Information) Act 1985

- 17.1 This report contains exempt and non-exempt information. Exempt information is contained in Appendix A and is not for publication. The exempt information is under the following category (identified in the amended schedule 12A of the Local Government Act 1972): (3) Information relating to the financial or business affairs of any particular person (including the authority holding that information).

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Agenda item:

[No.]**Procurement Committee**

on 21 October 2010

Report Title. **Supporting People (SP) – Waiver and Award of Contract
Older Persons Services (external)**

Report of: **Mun Thong Phung,
Director of Adult, Culture & Community Services**

Signed:

Contact Officer : **Nick Crago,
Acting Head of Service,
Adult, Culture & Community Services.
Tel: 020 8489 3302. Email: nick.crago@haringey.gov.uk.**

Wards(s) affected: **All**

Report for: **Key Decision**

1. Purpose of the report

- 1.1. Member's authorisation is sought to agree a waiver as allowed under CSO 7.02(a) and award of a thirteen (13) one year (plus one) contracts for the above services as allowed under CSO 11.03 in accordance with the recommendations set out in paragraphs 4 of this report.

2. Introduction by Cabinet Member

- 2.1 Older people in Haringey receive a number of accommodation based and floating support services from the Council and its partners. The sheltered housing services and those to people in their own homes, provided by Registered Social Landlords and other agencies in the Borough, are all out of contract in 2011; and new contracts are required to safeguard these services for vulnerable elderly people and ensure their inclusion into the wider Older Persons Housing Strategy which is being presented to Cabinet in November 2010.

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

3.1 Council Plan Priorities

- . Encouraging lifetime well being at home, work, play and learning
- . Promoting independent living while supporting adults and children in need
- . Delivering excellent customer focused cost effective services

3.1.1 The Supporting People (SP) programme specifically provides housing related support to the most vulnerable people in the Borough. Since the inception of the programme these have been categorised into several categories, which include Older People, Single Homeless, Homeless Families, People with Mental Health Problems, People with Learning Difficulties, People with Physical Disabilities, Young People at Risk, Young People Leaving Care, Teenage Parents, Women at risk of Domestic Violence and others

3.1.2 The Supporting People strategy (2005-10) co-ordinates and compliments the following Corporate strategies:

- Community Strategy
- Council Plan
- Wellbeing Strategic Framework
- Children and Young Peoples Plan
- Safer for all (Safer Communities Plan)
- Housing and Homelessness Strategies

3.1.3 The links with these strategies are encompassed into sector reviews and consultation with Corporate Strategic Partners in Commissioning Services, Community Safety and Housing as well as Statutory Partners in the PCT and London Probation. Senior Officers from representative departments continue to sit on the Supporting People Partnership Board (SPPB) and contribute to the governance of this programme.

3.1.4 The Supporting People team are located within the Adults, Culture and Communities Directorate and work closely with Commissioning Managers in Adult Services. A consistent approach is being taken with re-tendering and re-negotiating contracts, which include the development of Framework Agreements.

3.2 Creating a Better Haringey: cleaner, greener and safer

All re-tendering and re-commissioning of contracts include an explicit requirement for compliance, by Support Providers to Sustainable Procurement.

3.3 Promoting independent living while supporting adults (and children) when needed.

The Supporting People programme exists for vulnerable adults and, its very ethos is to promote independent living to some of the most vulnerable, insecure and socially excluded individuals, or groups, in the Borough.

3.4	<p><u>Delivering excellent, customer focused, cost effective services.</u></p> <p>The Supporting People programme has well established recognised, models of governance and monitoring for all services for which they are responsible. These include the completion of quarterly PI workbooks, Value for Money (VfM) assessments and Service Reviews, where the quality standards of the service are reviewed against a national framework (QAF). These are monitored against the Support Provider, for the duration of the Contract. Emphasis is being placed into the new Contract Specification on Performance Outcomes, linked to the Local Area Agreement (LAA) targets.</p>
<p>4.</p> <p>4.1</p> <p>4.2</p> <p>4.3</p> <p>4.4</p>	<p>Recommendation</p> <p>In accordance with CSO7.03 Members are asked to agree the waiver and award of new contracts to the Providers against the services, detailed in Appendix 1.</p> <p>The cost of the contract will be met from the Supporting People Programme Grant.</p> <p>Members' approval is sought to waive the requirement to tender as allowed under CSO 7.03 (d) that it is in the Council's overall interest.</p> <p>Contracts will be for a period of one year + 1.</p>
<p>5.</p> <p>5.1</p> <p>5.2</p> <p>5.3</p> <p>5.4</p> <p>5.5</p>	<p>Reasons for Recommendation(s)</p> <p>The current contracts expire in March 2011. There are 779 older people that rely on these services and it is necessary to have new contracts in place before the current ones expire. New contracts will commence in December 2010.</p> <p>A notice of Termination has been served to end all existing contracts in compliance with the existing terms and conditions of those contracts.</p> <p>The Older Persons Housing Strategy (OPHS) is being reported to Cabinet in November 2010. This strategy is cognisant of all provision of care and support services to Older People in the Borough and takes into account a number of Strategic and Corporate priorities.</p> <p>The OPHS has to consider the long term future of Residential Homes and Domiciliary Care, the increasing demand for extra care housing, the need for enhanced housing management in some schemes, an enlarged Home Improvement Agency (HIA), floating support to people in their own homes as well as retaining existing sheltered housing.</p> <p>It is unlikely that medium, or long term planning will include the required changes</p>

and model of support to the SP Provision before current contracts expire. It is important that re-modelling of any services are Corporate and 'joined up'.

- 5.6 It is therefore appropriate that existing services continue within contract, pending a longer term vision that can include all Older Person provision in a strategic fit across the Borough.
- 5.7 In agreeing new contracts with the existing Providers full year effect efficiency savings in the region of £168,000 have been made.
- 5.8 The contracts will be performed with recognition of LAA targets. Quarterly PI workbooks and annual monitoring review meetings will continue throughout the life of the contract.
- 5.9 The reason for the term of contract being one + 1 is due to the uncertain nature of future grant allocations from the Treasury; although the contract will contain a break clause to allow for funding to end, if the grant to the Council ceases. There is also the expectation that services will change in the next two years through the findings of the OPHR and the implementation of the Transforming Social Care Agenda, which introduces Personalisation and the payment of Individual Budgets. The commitment now is to ensure stability to the sector through a time of transition.
- 5.10 The new contract will have a specific break clause which permit the further reduction, or cessation of funding, to the Support Provider, if there is a reduction or cessation of funding in Supporting People Grant from Central Government, or through the Area based Grant allocation by Haringey Council.

6. Other options considered

- 6.1 A wholesale tender of all SP funded OP provision, including LBH Sheltered Housing was considered, however this is not considered viable as the Council is presently undertaking a supported Housing Review of 4 of its existing blocks (being reported to Cabinet in November 2010) and the OPHS which is considering greater use of Extra Care, Enhanced Housing Management for which the Council's own stock is prime. There is also the potential to change the use of existing LBH stock for other strategic priorities which could include other client groups.
- 6.2 A market tendering exercise was considered for the external SP funded services only however, as all of the Providers are the landlords of their own stock, as well as the Support Provider, there were complications in asking these landlords to assume a different support provider into their buildings. It was also considered that the elderly occupants would not respond well to a possible change of Provider and then further changes as part of the OPHS. Consultation needs to be kept to a minimum in these circumstances
- 6.3 The Council's OPHS will inform the Strategic priorities for all Older Person Care

and Support provision in the Borough. A tender process for SP services alone would not have aligned these services to the other strategic priorities.

7. Summary

- 7.1 The Older Person's services funded by Supporting People have been the subject of Review with the aim of identifying quality standards and value for money ahead of issuing new contracts. This report identifies the outcome of these reviews.
- 7.2 The Review took the form of both desk top assessment and scheme visits. The findings of individual reviews determined that there are a number of services from which contract price efficiencies could be secured.
- 7.3 The Review identified a generally high and consistent level of quality of service across most schemes
- 7.4 The term of the new contracts will be for one year +1 and in ensuring continuity of service, will also require the respective Support Providers to meet the changing needs of eligible clients in the borough through the Personalisation Agenda and prepare their services for re-modelling to a "hub and spoke" type of service provision.
- 7.5 Presently there is an apportionment of £930,241 in SP grant allocation for the externally funded services, which is awarded in differing amounts to 12 separate Providers. The majority of the service provision is through sheltered accommodation, although does include a floating support contract.
- 7.6 The award of new contracts for one year +1 will allow for an appraisal of what future housing and support, including sheltered housing, for older people in Haringey should look like linked to the delivery of Haringey's Joint Older People's Housing Strategy and other related strategies and plans such as the Older People's Commissioning Framework and Adults Commissioning Framework for Personalised Care.
- 7.7 The current model of service provision in the Borough is not aligned to national trends and is managed on traditional sheltered accommodation model which generally is inflexible and expensive.
- 7.8 The sector review has identified a better 'fit for purpose' service model, which is known as 'hub and spoke'. This model will allow for greater flexibility in that support can be provided to clients irrespective of tenure, it is without the inherent higher cost that is associated with all accommodation based models.

Further, this model allows for greater joint working with NHS Haringey and other statutory agencies as well as the local community both on an operational basis and strategically.

- 7.9 The Council is currently working on four strategic commissioning pilots, which are aiming to:
- Improve its approach to commissioning and develop a common commissioning framework across the Council;
 - Support the delivery of its future commissioning intentions and priorities; and
 - Successfully deliver the Council's commissioning priorities within the context of significantly reduced public spending.
- 7.10 One of the projects has focused on commissioning adult services, within the context of determining the impact of developing extra care sheltered housing. This project has looked at a comprehensive matrix of evidence including;
- demographic data for older people;
 - 20 year projections of the number of older people with long term and limiting conditions;
 - Projections over the same time period of the number of older people who are likely to require local authority care; and
 - detailed socio-economic and neighbourhood analysis of typical older persons household types living in Haringey.
- 7.11 Additionally the pilot has been looking at national examples of good practice in the delivery of housing, care and support services for older people and has worked up several service models that explore how to improve service outcomes for vulnerable older residents while at the same time achieving significant efficiencies in commissioning spend. The service models have been developed within the context of how housing and support services for older people can be funded on the basis of personalised services.
- 7.12 The pilot is now examining approaches to planning services for older people within the context of a diverse Borough, including considering the increasing ethnic diversity of the Borough's older population. Within this context it is also examining the most effective approaches on how to involve and consult with various communities on what the future shape of services should look like.
- 7.13 Linked to the Commissioning Pilot the Council's Housing Service in partnership with Adults Culture and Community Services have been considering options to develop some of the Council's sheltered housing provision to provide extra care supported housing for older people in the east of the Borough. This project is the subject of a separate report going to the Cabinet Advisory Board.
- 7.14 During the period of contract extension the proposal is to develop the future model of housing, care and support for older people, including sheltered housing, through the strategic commissioning framework that emerges from pilots that are currently being conducted. However, the framework is subject to the approval of the Cabinet. This will take account of the outcome of the options appraisal mentioned

and the implications of any decision of the Cabinet Advisory Board on that appraisal for the whole of the Borough's sheltered housing provision.

- 7.15 It is therefore, in the Councils best interest to waive and award new contracts to the SP services, rather than seek a re-tendering exercise, at the present time.

8 Financial Implications

- 8.1 The current annual contract value of these services is £1,060m based on full capacity. However they are paid as subsidy contracts that require payment only to be made for those tenants that are in occupation. The actual contract expenditure, therefore, based on average units in use is £930,241 (Appendix 1 Table 1).

- 8.2 Since the inception of Supporting People in 2003, the Budget Monitoring reports to the Supporting People Partnership Board (Commissioning Body) has always reported projected expenditure on subsidy contracts based on the average number of units in use and this has been a consistent and reliable indicator to Contract expenditure.

- 8.3 Contract discussions have now taken place with the respective Providers of Older Person's services and where contract values (based on existing units in use) are below £10,000, there has been no adjustment to the contract value.

- 8.4 Where the existing contract value is above £10,000, there has been a reduction of 10% applied to one Provider contract and 25% levied to the remaining 8 remaining contracts. The average saving on existing units in use is therefore 18% value.

- 8.5 Appendix 1 Table 1 details the existing contract values.

- 8.6 Appendix 1 Table 2 details the proposed contract values.

- 8.7 It will be seen that this realises a full year effect efficiency saving of £168,000.

- 8.8 There shall be no diminution in the services being delivered as a consequence of these new contracts.

- 8.9 The average unit cost per scheme per annum will become £28,200 under the new contract values which compares with Enfield Council at £32,288.

9 Policy implications

- 9.1 Sheltered accommodation has played an important part in meeting the housing needs of older people in the Borough for many years. This will continue, but with an ageing population and increasing demands for older people to remain in their own homes and receive support, the Council need to deliver more strategic services.

- 9.2 The OPHS will inform the future commissioning of such services alongside Care Commissioning and the Housing Strategy.
- 9.3 Existing services provide 779 units of accommodation to elderly people in the Borough three of the services that are presently paid for by SP are BME specific.
- 9.4 The development of the hub and spoke model meets the aims of the Older Persons commissioning strategy 'Experience Still Counts' in that it responds to all the outcomes of the strategy such as staying healthy, having safe comfortable homes, living with support and getting out and about.

10. Chief Financial Officer Comments

- 10.1 While the services provided via these contracts are non-statutory services it should be noted that ceasing to provide services could have an impact on Adult Care budgets.
- 10.2 It is likely that the funding allocation against this programme will reduce significantly in the next Comprehensive Spending Review (CSR) period; it is even possible that the Area Based Grant will be removed completely. The Treasury announcement is being made on 20 October 2010.
- 10.3 It is therefore recommended that these contracts are offered for 1 year with a possible extension for a further year however, a clause should be inserted into the contracts to allow for termination should funding cease or the Council need to withdraw funding.
- 10.4 This award is subject to the outcome of the CSR on 20 October 2010.
- 10.5 During this time an alternative solution should be sought providing better value for money and reducing expenditure.

11. Head of Legal Services Comments

- 11.1 These contracts are not classified as priority services under the Public Contract Regulations 2006 so there is no requirement to tender in Europe.
- 11.2 A waiver of the CSO requirement to tender is now being sought to facilitate the award of eleven (11) one year (plus one) contracts with the eleven (11) providers listed in Appendix 1 to this report.
- 11.3 The waiver is sought on the grounds set out in CSO 7.03 (d); namely that it is in the Council's overall interest.

11.4	CSO 7.2 (a) empowers the Procurement Committee to grant a waiver of CSO's in respect of tendering.
11.5	The value of one of the contracts, as set out in Appendix 1, is in excess of £250,000 and therefore Procurement Committee approval for its award is required under CSO 11.03. There is no reason preventing Procurement Committee from also awarding the other 12 contracts.
11.6	The Head of Legal Services confirms that there are no legal reasons preventing the Procurement Committee from approving the recommendations in this report.
12.	Head of Procurement Comments
12.1	This report gives details of 18% savings and benchmarks the new prices against prices paid by a neighbouring borough, this information shows an improved value for money outcome for the Council.
12.2	The recommendation allows for the preparation and realignment of services for Older People, ensuring that service users receive a stable service until the outcome of the Older Peoples Housing Strategy is known and implemented.
12.3	The current services have been monitored and actions taken in regard to poor service. A process for monitoring both the current and the proposed new contract is included and should allow for the identification and resolution of any issues as they arise.
13.	Equalities & Community Cohesion Comments
13.1	The re-negotiated service will provide better Value for Money, and much more flexible model of support which will meet the various levels of need of the Older Persons client group. Further it will enhance the Partnership working approach for the identified cultural and other diversity aspects of the service.
13.2	Three of the Older Persons services within the Programme are BME specific; meeting the needs specifically of Asian, Greek and Cypriot Elders.
13.3	Other BME groups are supported in their own accommodation through separate Supporting People contracted services.
13.4	It is envisaged that the hub and spoke model will allow for wider cultural specific services to be brought in the homes of individuals who are both within the Sheltered Schemes provision and those living in the local community irrespective of tenure.
14.	Consultation
14.1	Two Forums for Providers of Older Person services only were held in April and

July 2009 Individual Provider service reviews were held in April, May and June 2010, and the completed reviews have been shared with the respective Providers.

- 14.2 Quarterly Provider Forums (all Providers) are held and at those in April and July 2010, Providers were advised that efficiency savings are required on these contracts and invited to discuss any impact of the reduction in funding.
- 14.3 A further Forum for Providers of Older Person services only is scheduled for 1st November where the future strategic direction will be discussed.

15. Service Financial Comments

- 15.1 Supporting People Programme Grant Budget 2010/11 £16,991,270.
- 15.2 During the 2010/11 financial year a vast major of SP contracts will be re-tendered. The total value of all SP allocations will not exceed £16,991,270 Supporting People Grant funding for London Borough of Haringey.
- 15.3 There are 12 providers providing 26 subsidy contract and 1 block gross contract. The current total contract based on full unit capacity is £1,192,867 with a projected expenditure based on units in use (actual performance against contract) as £973,981.
- 15.4 The proposed revised contracts total contract based on full unit capacity is £869,883 with a projected expenditure based on units in use (actual performance against contract) as £761,741.
- 15.5 The proposed saving includes two schemes ending in December 2010.
- 15.6 The indication from Central Government is a planned three year SP grant reduction, so the planned efficiency saving being applied are in line with the reductions anticipated.
- 15.7 It is note that service performance is expected to remain at the same level and will not impact on the service user.

16. Efficiency Savings

- 16.1 The De-commissioning and Termination of two services will realise a full year Contract value saving of £40,000.
- 16.2 The contract discussions with Older Person Support Providers has realised contract price reductions of £168,000 (full year effect - see appendix 1 Table 2).

17. Use of appendices /Tables and photographs

17.1 Please see Appendix 1.

18 Local Government (Access to Information) Act 1985

18.1 This report contains exempt and non-exempt information. Exempt information is contained in Appendix A and is not for publication. The exempt information is under the following category (identified in the amended schedule 12A of the Local Government Act 1972): (3) Information relating to the financial or business affairs of any particular person (including the authority holding that information).

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