



Haringey Council

Agenda item:

[No.]

Procurement Committee

On 31 March 2009

Report Title. **Extension of Supporting People Bridging Contracts**

Report of **Director, Adults, Culture and Community Services**

Signed : 

Contact Officer : **Nick Crago**, Lead Officer Supporting People
ext 3302 ; nick.crago@haringey.gov.uk

Wards(s) affected: **All**

Report for: **Key**

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

- 1.1. This report sets out the background and present position with regard to the contractual arrangements that exist between Haringey Council and providers of Supporting People (SP) Services. It explains that present contracts are due to expire on 31 March 2009 and that an extension to these contracts is necessary to allow further time for re-tendering of these services.
- 1.2. This report is being placed before the meeting to seek Procurement Committee approval to the extension of Supporting People Bridging Contracts which expire on 31 March 2009, for up to 2 years, as per the attached schedule.

2. Introduction by Cabinet Member (if necessary)

The need to extend the number of contracts is regrettable, but has developed historically. We now need to progress this in order to improve value for money and market testing in this area, with continued stability of supply, while re-tendering is carried out

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

3.1. Council Priorities –

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 the following client groups:

- People with Alcohol Problems
- People with Drug Problems
- People with Mental Health Problems
- People with Learning Disabilities
- People with Physical/Sensory Disability
- People with HIV/Aids
- Offenders or People at Risk of Offending
- Mentally Disordered Offenders
- Single Homeless with Support Needs
- Homeless Families with Support Needs
- Older People with Support Needs
- Frail Elderly
- Young People Leaving Care
- Young People at Risk
- Teenage Parents
- Women at Risk of Domestic Violence
- Rough Sleeper
- Travellers
- Refugees
- Generic

The focus of housing related support is to provide individuals with independent living skills to be able to attain, or maintain their tenancy, or accommodation. It supports them in accessing their entitlement to welfare benefits and engagement in the community. It also includes support to access, training, education, or employment.

These services contribute to the Council's priorities in the following ways :

Creating a Better Haringey: (cleaner, greener and) safer

Through ongoing contract monitoring, the services are constantly evaluated for performance and quality standards, which include robust risk assessments for the service itself, service users being supported and the wider public.

Through strategic planning meetings with statutory partners; the efficiency and effectiveness of the services are continuously appraised to ensure their appropriateness to meet the needs and demands being placed upon them.

Encouraging lifetime well-being, at home, work, play and learning

Key to the success of the support being provided to individuals is the life skills that learned, or re-learned, to enable independent living and quiet enjoyment of the home and environment in which they live. This translates to equality of opportunity to access and sustain engagement in training, education employment and the community

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

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

The programme does extend to Teenage Parents, Young People Leaving Care and Young People at Risk and Families, so minors are included in the assessment and evaluation of many of the services. It is also the case that vulnerable adults have children of their own, or are visited by children (e.g. grandparents in sheltered housing, so it is a requirement of SP funded services that, additionally, Child Protection policies and procedures are in place.

Delivering excellent, customer focused, cost effective services.

The SP programme has well established and recognised, models of governance and monitoring for all services for which they are responsible.

These include the completion of quarterly Performance Indicator workbooks, Value for Money (VfM) assessments and Service Reviews, where the quality standards of the service are reviewed against a national framework – the Communities and Local Government (CLG) Quality Assessment Framework. Service users are at the heart of all Performance Monitoring. SP has established a Service User Steering Group to advice and advocate on the needs of service users and how these are being met through existing services.

Throughout 2008, more emphasis was placed on Performance Outcomes from these services. Through 2009, these will be measured against the Local Area Agreement targets for Haringey.

The completion of a Service Review will identify Action Points for continuous improvement.

3.2. Council Strategies

Supporting People is required to have its own 5 year strategy (2005-2010) which references the following Corporate strategies:

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

The links with these strategies have been well established during the 'shadow' strategy (2003-2005) and the four years that the present SP strategy have existed, since the programme has been live. Senior Officers from a range of stakeholder agencies continue to sit on the Supporting People Partnership Board (SPPB) and contribute, alongside the Council, to the governance of the programme.

4. Recommendations

4.1. That the Cabinet Procurement Committee ;

Approve the extensions to the Supporting People Bridging Contracts to 31 March 2009, for up to 2 years, as per the attached schedule (Appendix A)

5. Reason for recommendation(s)

5.1. At the time the programme was created in 2003, all the contracts were awarded at the same time. This has created a 'pressure point' in the programme, which would make it almost impossible to re-tender all contracts at the same time.

5.2. It is not possible to re-tender all the contracts without a framework and timetable for sustained, managed and effective tendering processes to be implemented and accomplished for new, re-commissioned, or re-modelled services in the SP programme.

5.3. To attempt to re-tender all the contracts simultaneously would potentially destabilise and risk the current service provision to vulnerable client groups.

5.4. An extension will allow the Council to have in place expressed contracts for all these services and time to introduce a planned and strategic approach to ensure that future contracts in the programme become staggered and allow for more effective, controlled, contract management

6. Other options considered

6.1. there are no other immediately available options

7. Summary

7.1. Supporting People (SP) came into effect on 1 April 2003 as the mechanism by which housing related support was to be paid to Providers of services in the Supported Housing sector and those services were to be monitored and managed. Funded through Central Government, the programme is administered by Local Authorities. Previously unregulated as a sector from both a financial and quality perspective; Providers were then committed to contractual obligations to deliver services. Every Provider which entered the SP programme was given an Interim Contract which each had a duration of 3 years with an option for a one year extension.

7.2 The SP 5 year Strategy details that, following the expiry of Interim Contracts, the procurement of further services would be through re-tendering. In January 2007, the Procurement Committee gave approval to the issuing of Bridging Contracts to all of the Providers (with the exception of Older Persons) to ensure a contractual obligation through the re-tendering of the services.

7.3 Bridging contracts for Older Persons services were approved by the Procurement Committee in July 2008

Present position

7.4 As at 31st March 2009, these contracts will all expire.

7.5 In the intervening period, the SP Mental Health contracts were successfully re-tendered. The creation of the Commissioning and Strategy division required a significant shift of staff within the Directorate which resulted in an unfortunate delay in re-tendering contracts for other adult care groups.

7.6 As a consequence, there is now a need to request an extension to allow for a detailed re-tendering programme to be established between (i) Commissioning and Strategy in Adults, Culture and Communities and (ii) Corporate Procurement Unit.

7.7 It is proposed to extend all bridging contracts in the attached schedule by 2 years to the 31 March 2011. This will also fulfil contractual obligations to the end of the present SP spending round set by the Treasury (2008-2011)

7.8 The new spending round will be incorporated as ABG in the CSR for 2011-2014.

7.9 The Supporting People Strategy is to be refreshed in 2010 for three years (to 2013).

7.10 The complexity of the range of Providers means that a number of re-tendering processes will need to be progressed across the 2 years. It is proposed that groups of contracts (identified within the remaining care groups) be re-tendered together e.g. frail elderly, alcohol and drug services, floating support, etc. This means that not all current contracts will require the full 2 year extension which is requested.

7.11 The programme will be time tabled jointly between (i) Commissioning and Strategy in Adults, Culture and Communities and (ii) Corporate Procurement Unit.

7.12 A specific variation clause has been drafted which allows for the contract to be ended sooner, upon then conclusion of a service (or sector) review which determines the need for ending, re-modelling, or re-tendering of an individual service, or contract, so there shall be no commitment to a contract for a full 2 period, where it shall not be in the best interests of Haringey Council.

8. Chief Financial Officer Comments

- 8.1 Contract Standing Order 13.02 allows a Cabinet Member to vary or extend a contract providing that to do so is consistent with the provisions of Financial Regulations.
- 8.2 This report requests an extension of 100 contracts with external providers with an annual value of £12.46m and 19 SLA's with in house providers with an annual value of £3.68m. Thus the total value of extensions requested is £16.14m per annum.
- 8.3 The extension period is *up to 2 years* which will allow sufficient time for a rolling programme of tenders to be completed.
- 8.4 The tender process must ensure that efficiencies are made to bring committed expenditure across the whole programme in line with Supporting People Welfare Grant allocation for 2009/10 £19.65m

9. Head of Legal Services Comments

- 9.1 SO 13.02 provides that the Cabinet may extend a contract providing that to do so is consistent with the provisions of Financial Regulations.
- 9.2 The contracts to which this report relates are Part B services for the purposes of the Public Contract Regulations 2006. Therefore it will not be necessary to comply with the requirements to tender in accordance with EU legislation.
- 9.3 The Head of Legal Services sees no legal reasons preventing the Cabinet from approving the recommendations set out in paragraph 4.1

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

- 10.1 This report is seeking approval to extend existing Supporting People Bridging Contracts for up to 2 years which expire 31 March 2009 in order to carry out necessary re-tendering.
- 10.2 The extended contracts will include specific termination clauses in order to allow the Council to terminate, if a new provider is appointed sooner within the 2 year extension.
- 10.3 It is understood that the value of the contracts would amount to approx £16m which is above the EC threshold for the procurement of services (£139k) and therefore it is necessary for a Part B – Contract Award Notice to be published in OJEU, which should be organised via Corporate Procurement. This process does not prevent the award of contract from taking place following the usual Council "call in" period.
- 10.4 The Head of Procurement notes the intention of the service to put in place a programme of contract reviews and re-tendering, and would recommend that a Framework Agreement is established under which individual contracts could be created. The re-tendering programme & timetable needs to be established within 3 months along with sufficient resources.

11 Equalities &Community Cohesion Comments

- 11.1 There are two components of Haringey's approach to ensuring black and minority ethnic community issues are addressed through the SP programme. These are developing capacity amongst local black and minority ethnic community providers and ensuring that all providers are able to respond to black and minority ethnic community needs.
- 11.2 All SP contracts are monitored and providers must demonstrate that they meet the language and cultural needs of their actual and potential service users.
- 11.3 Equalities issues are a core part of Supporting People contracts and work and is undertaken to ensure that the service provider really can deliver on all equalities issues in terms of service delivery and employment

12 Consultation

- 12.1 Consultation is an ongoing process with all Support Providers in the SP Programme through quarterly Provider Forums and six weekly Practitioner Group meetings. The subject of Contracts is a standing item on the PractitionerGroup agenda and will always be raised at appropriate times within the wider Provider Forum. The Support Providers were made aware of this Procurement Committee Agenda item at their quarterly meeting in January 2009. The Chair of the Provider Forum sits on the SPPB and has been included in the paper and discussions with regards to the extension of Bridging Contracts, most recently at the SPPB meeting on 24 February 2009.

13 Service Financial Comments

- 13.1 The Annualised Value of all contracts in the SP Programme is £20m for which the extension sought, in this report, is £16.14m
- 13.2 MH Contracts to the value of £3.2m have been approved separately by the Procurement Committee in October 2008
- 13.3 Interim Contracts to the value of £1.4m were discussed by Procurement Committee on 19 March 2009
- 13.4 The Supporting People Grant from the Treasury in the three years 2008 – 2011 is as follows :
- 2008/09 - £ 20,682m
 - 2009/10 - £ 19,640m
 - 2010/11 - £ 18,660m

14 Use of appendices /Tables and photographs

- 14.1 Appendix A includes a table of all Supporting People services for which the extension of Bridging Contracts is sought.

15 Local Government (Access to Information) Act 1985

15.1 List of background documents:

- Supporting People Grant Directions 2008/09 (issued by CLG)
- Supporting People Grant Conditions 2008/09 (issued by CLG)
- Supporting People Five Year Strategy 2005 – 2010 (approved by Council Executive on 22 March 2005)
- Haringey Supporting People Value for Money Policy (Approved by Haringey's Supporting People Partnership Board on 12 September 2006)
- Health, Social and Quality of Life Needs in People with Mental Health Problems: Matching Housing Related Support to Need in Haringey (report commissioned by Haringey Supporting People, completed in 2005)

These documents are available from Commissioning & Strategy, ACCS by contacting:

Nick Crago – Supporting People Lead Officer

2nd Floor, 40 Cumberland Road

Wood Green, London N22 7SG

Tel: 0208 489 3419

E-Mail: nick.crago@haringey.gov.uk

- 15.2 Exempt information under Schedule 12A of the Local Government Act 1972, namely:

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