

Agenda item:

**[No.]**

**Procurement Committee**

**on 6th July 2010**

Report Title. **Supporting People (SP) Contracts Update Report**

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

Signed:

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Wards(s) affected: **All**

Report for: **Key Decision**

### **1. Purpose of the report**

1.1 To appraise Members of the status and progress of the present and future contracting arrangements within the SP Programme.

### **2. Introduction by Cabinet Member**

2.1 The SP team are working towards the re-tendering, or re-contracting of all SP Contracts by March 2011. This report presents the work that continues to be undertaken to achieve that objective. The SP Programme is worth £18.6m in 2010/11 and it is considered that the Cabinet Procurement Committee need to be made aware of the important work that is being carried out in this area.

### **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; and
- . Delivering excellent customer focused cost effective services.

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

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); and
- Housing and Homelessness Strategies.

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 NHS Haringey 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.

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 within the Procurement process 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 successful Support Provider, for each of their respective services, 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 are asked to note this report.

## **5 Reasons for Recommendation(s)**

5.1 Members are asked to note the progress of this report and be aware of the reasons for regular reports being presented for decision, by Supporting People

## **6. Other options considered**

6.1 Not Applicable

## **7. Summary**

- 7.1 On 31 March 2009, Procurement Committee gave its agreement to the extension of the Supporting People Bridging Contracts for a period of up to 2 years, dependent upon re-tendering, or re-negotiating of the Contracts.
- 7.2 The Cabinet Member commented that there was a need to improve value for money in the contracts and to ensure market testing for strategic relevance of the ongoing services, There was also the over-riding necessity to ensure stability of existing services throughout the transitional period.
- 7.3 The extension was granted to allow the Council to have in place expressed contracts for all these services and 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.
- 7.4 Since April 2009, the Supporting People team have begun carrying out market sector analysis of all services in the Supporting People programme and this report is presented to appraise the Procurement Committee of:
- (i) the achievements so far;
  - (ii) ongoing visits, negotiations and preparations; and
  - (iii) the remaining sectors and services to be addressed.
- to be appraised of the reports for decision that will be presented over the next 12 months.

### **7.5 Achievements**

- 7.5.1 Mental Health services have been re-tendered and are now into the 2<sup>nd</sup> year of 5 year contracts;
- 7.5.2 Offender and Substance Misuse services have been re-tendered and a new Contract begins on 1<sup>st</sup> July 2010;
- 7.5.3 The Sixty Plus service has been extended for a further 12 months to plan the introduction of a framework agreement to include the pilot of a new model of service;
- 7.5.4 Accommodation based services (Sheltered Housing) for Older People are being re-negotiated on a scheme by scheme basis, in preparation for the 'hub and spoke' model of service delivery. This requires major planning and consultation across the sector and is linked to the pilot service being re-modelled from the Sixty Plus service (see 3.3 above). It is anticipated that new, two year, contracts, at re-

negotiated contract prices, will allow sufficient time to introduce and establish new Supporting People services in this sector;

- 7.5.5 The Community Alarm Service is subject to Cabinet Member approval reported for Waiver and Award of a new Contract;
- 7.5.6 The Home Improvement Agency is unique in the services that it provides in the Borough and the way that it has been established. It is an excellent service, and delivers excellent value for money. A report will be presented at the 20<sup>th</sup> July 2010 Procurement Committee seeking the Waiver and Award of a new contract to this Provider, for this service;
- 7.5.7 HARTS for families is a large, generic floating support service which provides individual support to families on a range of tenancy related and family matters. This service has the largest contract value of any SP service. It has a good reputation among service users and stakeholders and efficiencies have been identified, which are being negotiated with the Support Provider. A report is expected to be presented to the Procurement Committee on 21 September 2010;
- 7.5.8 Key Support is a large, generic floating support service which provides support to individuals who are homeless and or have another diagnosis, such as Drug, or Alcohol addiction, or Offending history. This service has a large contract value and efficiencies have been identified, which are being negotiated with the Support Provider. A report is to be presented to Agenda Clearing on 17 June 2010 to be presented to the Procurement Committee on 20 July 2010; and
- 7.5.9 Services for Teenage Parents are being re-modelled with extensive consultation with CYPS. Two accommodation based services have been de-commissioned and a new Supported Living service is being established at a value of £70,000 (with additional resources being funded by CYPS). The existing Floating Support Service is being re-negotiated to realise an efficiency saving.

Note : There is an anticipated efficiency saving of £1m in the re-negotiating of these contracts

## **7.6 Ongoing visits, negotiations and preparations**

- 7.6.1 Voluntary Sector services (including Travellers). Reviews have been carried out across all the services and a Provider forum held to consult on the options. Reports are still being written, together with a Specification and Pre-Qualification Questionnaire. Further market analysis is being undertaken to standardise quality and costs. There are efficiency savings in this sector. A final report will be brought to Procurement Committee in the Autumn / Winter 2010 for a decision on future procurement of these services.
- 7.6.2 Learning Disability services – Reviews of services have been carried out in this sector and meetings have been held with the LD Partnership to consider joint initiatives / commissioning. Some services are unique and a Waiver and Award will be sought, others are being re-modelled and others will be subject to Restricted Tender. A final report will be brought to Procurement Committee in the Autumn / Winter 2010 for a decision on future procurement of these services.

## **7.7 Remaining sectors**

- 7.7.1 Single Homelessness/Young People – Given the nature of these two client groups, they will be re-modelled, re-negotiated and re-tendered together. A Procurement Committee report will be presented early in 2011.
- 7.7.2 Physical Disabilities – This is a very small sector in the Supporting People programme and is likely to be re-modelled and re-negotiated, with a report to Procurement Committee before 31 March 2011.
- 7.7.3 Domestic Violence services will be the last to be re-tendered. This is a significant sector, in terms of value of contracts and scale and type of provision. Some re-modelling is required and one Support Provider has already begun thinking about changes they could make in the market.  
A Procurement Committee report will be presented early in 2011.

## **8 Chief Financial Officer Comments**

- 8.1 The current contracting programme in place for supporting people is on track to deliver the full level of efficiency savings to ensure it operates within its cash limit, as it currently stands, in 2010/11 and into 2011/12. It should be noted that the Government is currently looking at budget cuts across the public sector as a whole, both in this financial year and for the future years. It is therefore currently unknown whether the current level of SP grant (£18.6 million) will continue in the future, or will even remain untouched for 2010/11.

## **9 Head of Legal Services Comments**

- 9.1 As the purpose of this report is to update Members there are no legal implications at this stage.

## **10 Head of Procurement Comments**

10. 1 Corporate Procurement continues to be involved with this programme of work and colleagues in ACCS are making very good progress.
- 10.2 A principle concern is to ensure continuity of service delivery and to thus avoid undue disruption to vulnerable people who are reliant on these services.

## **11 Equalities & Community Cohesion Comments**

- 11.1 Throughout the tender process equalities were taken into consideration.
- 11.2 An equalities impact assessment was conducted through the evaluation of workforce development, capacity, collaborative working and service users.
- 11.3 All contracts require that providers to comply with all relevant legislation.

## **12 Consultation**

- 12.1 Consultation continues to be made with Support Providers through regular meetings of the Practitioner Group and quarterly Provider Forum.

### **13 Service Financial Comments**

13.1 The SP Programme grant in 2010/11 is £18.6m. The grant supports 112 contracts of which 15 that fund SP eligible Haringey services. The planned commitments against the grant are £18.4m, therefore current unallocated grant of £300k. In addition, the SP budget also includes a roll forward from 2009/10 of £988k. The grant is expected to decrease in next financial year by up to 20% and this is equal to £3.7m.

#### **13.2 Efficiencies**

Therefore in addition to the current tendering exercise to improve the VFM of existing contracts, there is also work undertaken by the SP team to review and reduce contract values in readiness for the grant reductions in next financial year. A report has been presented to CEMB, which identifies how such savings (through the Area Based Grant) may be realised in the financial years 2010/11 and 2011/12, if the SP Grant is reduced by 20%.

### **14 Use of appendices /Tables and photographs**

14.1 Not Applicable

### **15 Local Government (Access to Information) Act 1985**

15.1 Not Applicable