

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.

<p>3.4 <u>Delivering excellent, customer focused, cost effective services.</u> 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. Recommendation</p> <p>4.1 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>4.2 The cost of the contract will be met from the Supporting People Programme Grant.</p> <p>4.3 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>4.4 Contracts will be for a period of one year + 1.</p>
<p>5. Reasons for Recommendation(s)</p> <p>5.1 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>5.2 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>5.3 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>5.4 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>5.5 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).