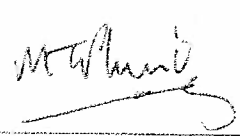


Haringey Council

Report for:	Cabinet on 13 November 2012	Item Number:	
-------------	-----------------------------	--------------	--

Title:	Waiver of tendering requirements and award of Housing Related Support Contracts
--------	---

Report Authorised by:	Mun Thong Phung Director of Adult and Housing Services
Signed	
Date:	31.10.2012

Lead Officer:	Rosie Green Commissioning Manager (Housing Related Support) E-mail: rosie.green@haringey.gov.uk Tel: 0208 489 4526
---------------	---

Ward(s) affected: All	Report for: Key Decision
-----------------------	--------------------------

1. Describe the issue under consideration

- 1.1 The Housing Related Support programme currently has 73 contracts to provide services to a wide range of clients for both short or long term support, depending on need. Of these contracts, 42 cease between January and March 2013.
- 1.2 This report proposes the waiving of contract standing orders for these 42 contracts, and their award to existing providers on new terms, in order that negotiated savings can be achieved in accordance with the priorities in the Housing Related Support (HRS) Commissioning Plan agreed by Cabinet in July 2012.

2. Cabinet Member introduction

- 2.1 Housing Related Support provides much needed services for vulnerable people in Haringey, enabling them to live as independently as possible in their own community.



2.2 There have been significant funding cuts to the programme with a further £1.5m planned for 2013/14. In order to make these savings the Council has to ensure that it procures the appropriate services for Haringey residents.

2.3 The award of these 42 contracts is consistent with the HRS Commissioning Plan and will achieve significant savings. The waiving of tendering requirements will ensure that staff resources are not tied up unnecessarily and reflects the positive relationships with providers that will achieve good value for money outcomes through negotiation.

3. Recommendations

It is recommended that Cabinet:

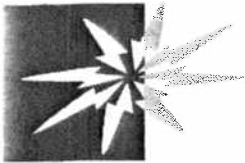
- (a) Approves the waiver of the tendering requirements of Contract Standing Order 10.01.2(d), on the grounds that it is in the Council's overall interest; and
- (b) Approves the award of contracts as detailed in the exempt part of this report, appendix 2.

4. Alternative options considered

4.1 The option of tendering all expiring contracts was considered but discounted on the grounds that:

- (a) In order to deliver the priorities within the Commissioning Plan, a procurement strategy is needed that is appropriate for each client sector, particularly where short term transitional arrangements are required, rather than a uniform approach for all contracts.
- (b) The tendering of these contracts is unlikely to provide better value for money than that which can be achieved via negotiation, taking all factors into account.
- (c) Significant HRS and Corporate Procurement staff resources would be required for tendering, an investment that would not necessarily provide value for money.

4.2 The option of tendering all expiring contracts was discussed with the Corporate Procurement Team, and it was concluded that the proposed approach represents the best way forward for the Council. No other options were considered.

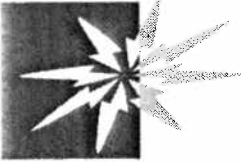


5. Background Information

- 5.1 The Supporting People (SP) Programme (now known, in Haringey, as Housing Related Support) began on 1 April 2003, bringing together seven housing-related funding streams from across central government.
- 5.2 Housing Related Support (HRS) is support that helps vulnerable citizens improve their quality of life and wellbeing by enabling them to live as independently as possible in their community. It is provided to a wide range of clients including homeless households, older and disabled people, people with mental health or learning disabilities, people at risk of domestic violence and young people including care leavers. Contracts vary in unit capacity, length of years and cost. Services can be short term (up to 2 years) such as support for victims of domestic violence, or long term such as older people in sheltered housing.
- 5.3 Support typically comprises help to access welfare benefits, employment or training, health services; support to deal with issues such as correspondence, paying bills and managing finance; reducing or eliminating antisocial behaviour. In essence it is not personal or domiciliary care but support to maintain independence. It may be delivered alongside care services.
- 5.4 The HRS programme is required to make savings of £0.5m in 2012/13 and £1.5m in 2013/14. This will reduce the HRS programme to £10.7m by 2014/15, from more than £17m in 2010/11.

Commissioning and Procurement Approach

- 5.5 Given the scale of budget reductions required, the approach was to develop an evidenced based Commissioning Plan which identifies where future investment should be made in order to help deliver the Council's strategic priorities and achieve the required savings. This Commissioning Plan was agreed by Cabinet at its meeting on 10 July 2012.
- 5.6 The Commissioning Plan sets out the strategic framework for the achievement of the budget savings required for HRS. The inclusive way in which the Plan was developed has ensured that it is robust and that it has captured the views of providers and stakeholders including service users.
- 5.7 The procurement approach that has been developed therefore has to strike an appropriate balance. Value for money, savings, service user needs, support continuity, provider relationships, performance and the need to meet strategic priorities by shifting spend where appropriate, all had to be taken into account when assessing the future of the HRS contracts.
- 5.8 This assessment, conducted in conjunction with the Corporate Procurement team, has led to the formulation of the proposed approach, set out below for each client sector and listed in appendix 1.



Black and Minority Ethnic Groups

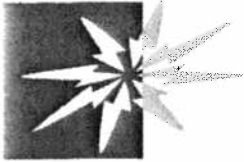
- 5.9 The Commissioning Plan identifies that the current services do not provide support to the newer community groups in Haringey and that the current contracts should be maintained short term until further consideration has been given to how HRS is provided in the future without increasing expenditure.
- 5.10 There is also potential duplication across Children and Young People, Adults Services and HRS. Officers have started to map this and to establish the potential for services to be jointly funded and monitored. Given this position it is proposed that contracts are awarded for a further 1 year, plus 1 year at the Council's discretion.

Learning Disability

- 5.11 Adult and Community Services are currently reviewing their contracted services for this sector. In order to provide a more consistent approach in the future it is proposed that joint commissioning by Adults and HRS for supported living is explored. This should result in efficiencies, improved performance and outcomes.
- 5.12 In 2013/14 there will be a significant budget reduction to these services as the reviews evidenced that personal care is being funded by HRS. Work has been ongoing with Adult Services and providers to remove this and align tasks to the correct funding streams.
- 5.13 The timescale for Adult and Community Services is different than for HRS, therefore it is proposed that for accommodation based services, contracts are awarded to the current providers for a further 1 year plus 1 year at the Council's discretion. It is intended that learning disability floating support services are tendered and this work has commenced.

Older People

- 5.14 HRS contracts with housing providers to deliver support at sheltered housing schemes. This constitutes very low level support and is obviously long term. These services are in addition to the Council's own sheltered housing service. Most of the services are low cost compared to benchmarks across the North London Strategic Alliance (NLSA) and the support is provided along with the accommodation. It is not expected that the service will change over the lifetime of the contract.
- 5.15 It is proposed that that these contracts are awarded for a further 5 years plus 1 year at the Council's discretion. For one provider where there are performance issues it is proposed that this contract is awarded for 1 year plus 1 year to give them sufficient time to implement changes. This contract will be reviewed again in 2013.



Offender and Substance Misuse, Single Homeless and Young People

- 5.16 For these sectors the Commissioning Plan prioritises the development of a formal pathway model. This will give consistency across these services and the aim is to agree levels of provision and support and length of stay at each level; develop common processes and forms; introduce an effective referral process; improve performance and reduce voids. As part of this work the role of Council services funded by HRS needs to be assessed and evaluated.
- 5.17 The pathway model will be agreed by October 2013 and then tendered for. In the meantime the current services need to continue; therefore it is proposed that contracts are awarded for a further 1 year plus 1 year at the Council's discretion.

Physical Disabilities

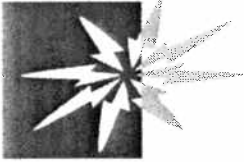
- 5.18 The proposed pathway may impact on this sector. This together with funding cuts elsewhere and the potential impact on this sector necessitates further consideration of the type of model we want to have in place for Haringey. Therefore it is proposed that contracts are awarded for a further 2 years plus 1 year at the Council's discretion.

Other Client Sectors

- 5.19 Tendering processes have already started (or will start by January 2013 for the following sectors:
- Generic floating support
 - Domestic violence refuges and floating support
 - Learning Disability floating support services
 - Multi-Agency Public Protection Arrangements (MAPPA) – ex offender service jointly commissioned by the 6 North London sub region authorities.

Contract Negotiations and Savings

- 5.20 In order to address the challenging savings target, almost all the 73 HRS contracts have been reviewed in the past year using the national Quality Assessment Framework (QAF) Value for Money assessment and benchmarked across the North London Strategic Alliance (NLSA). These reviews are carried out to confirm that the services are proven to be of strategic relevance, perform well, achieve good outcomes and offer value for money.
- 5.21 All contracts for which a waiver is proposed have been reviewed in the last year. Where costs are higher than benchmarking data suggests it should be, negotiation



Haringey Council

over price is undertaken to bring costs into the NLSA parameters. This will ensure that the savings for HRS in 2013/14 are met. There is no assumed inflation uplift for the life of the contracts.

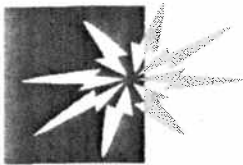
- 5.22 Where services have underperformed, an action plan has been implemented and services re-reviewed before consideration was given to award a contract without tendering.
- 5.23 Regular reviews of services take place as part of ongoing contract management. All support providers submit quarterly Performance Indicator Workbooks which are monitored and analysed. The workbooks record availability, utilisation, staffing and throughputs including planned departures.
- 5.24 The savings that will be achieved by the approach set out in 5.5 to 5.19 above have been estimated. For those providers where the requirement to tender is waived, the contract awards (although negotiations will not be complete for some time) will result in estimated annual savings of approximately £0.5m. Further savings will be achieved as a result of tendering but it is not possible to quantify these at present. The current annual value of the client sectors that will be tendered is £2.5m and savings of 10% may be achievable.
- 5.25 The contracts where the requirement to tender is waived is proposed are set out in the exempt part of this report, appendix 2.

6. Comments of the Chief Finance Officer and financial implications

- 6.1 The Housing Related Support Service is required to make savings in the sum of £0.5m in 2012/13 and a further £1.5m in 2013/14. A review of all live contracts has taken place and a tendering process has commenced on 10 contracts. New contracts with savings need to be entered into for the remaining 42 contracts and if tendering requirements are waived, it will be possible to deliver these savings faster and more efficiently. This will help the Service meet their savings targets on time. It is expected that it will be possible to save up to £4.2m over the lifetime of the contracts listed in appendix 1.

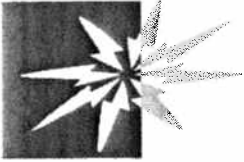
7. Comments of Head of Legal Services and legal implications

- 7.1 The contracts which are the subject of this report are not considered priority activity services under the Public Contracts Regulations 2006 and are therefore not subject to European tendering requirements.
- 7.2 Adult and Housing Services Directorate (the Directorate) seeks a waiver of the tendering requirements set out in CSO 9.01 (requirement to tender).
- 7.3 The waiver is based on the grounds set out in CSO 10.01.2 (d) i.e. that a waiver is in the Council's overall interest.



Haringey Council

- 7.4 Because of the value of the contracts, a waiver must be approved by the Cabinet in accordance with CSO 10.01.1 (a) (contract value of more than £100,000).
- 7.5 Should the Cabinet see fit to approve the waiver, awards of contract are also recommended. This is in accordance with CSO 9.07.1 (d) (contracts valued over £250,000).
- 7.6 The decision to award these contracts will be a key decision and, as such, needs to be included in the Forward Plan. The Directorate has confirmed that this has taken place.
- 7.7 The Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendations in this report.
- 8. Equalities and Community Cohesion Comments**
- 8.1 A detailed Equalities Impact Assessment (EqIA) was completed in respect of the HRS Commissioning Plan and signed off by the Corporate Equalities Team. One of the actions from that EqIA was that for any major changes in service that arise from it will be subject to a separate EqIA.
- 8.2 For the contracts referred to in this report, there are no major changes in service therefore separate EqIAs are not required.
- 9. Head of Procurement Comments**
- 9.1 The recommendations are compliant with the Procurement Code of Practice,
- 9.2 The HRS Commissioning Plan sets out a long term approach to deliver a VFM service that meets the needs of the residents of Haringey.
- 9.3 Contract monitoring is in place to ensure that the risk of non compliance is minimised and the quality of service provision is sustained.
- 9.4 Contract prices have been benchmarked against the NLSA to ensure we are receiving competitive prices.
- 10. Policy implication**
- 10.1 The Council's policy is set out in Haringey's Housing Strategy 2009-2019, Homelessness Strategy 2012-2014 and Haringey's Housing Related Support Commissioning Plan 2012-2015.
- 10.2 The Council's policy priorities include support to enable older people to live independently for as long as possible, ensuring that support is targeted at those most in need and that HRS resources are used appropriately to ensure the best possible value for money.



Haringey Council

10.3 The proposed approach to contract negotiations and awards is in line with these priorities.

11. Reason for Decision

11.1 The proposed procurement approach helps to deliver the priorities within the HRS Commissioning Plan and makes a significant contribution to achieving the required savings. The tendering of the specified contracts will not provide better value for money than that which can be achieved with negotiation and the effort and timescales involved would not provide better value for money.

11.2 The proposed approach for the 42 contracts ending by 31 March 2013 is in the overall interests of the Council.

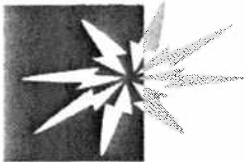
12. Use of Appendices

12.1 Appendix 1 – Proposed contract awards and waiving of tendering requirements

12.2 Appendix 2 – Exemptions under schedule 12A

13. Local Government (Access to Information) Act 1985

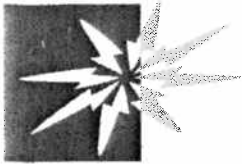
13.1 Haringey's Housing Related Support Commissioning Plan 2012-15



Haringey Council

Proposed contract awards and waiving of tendering requirements

Provider	No. of units	Service Floating (F)/ Accommodation based (A)	Contract end date	Proposed length of contract (years)
BME				
CYPRLOT COMMUNITY CENTRE	16	F	30/01/2013	1+1
CYPRLOT ELDERLY & DISABLED GROUP	43	F	30/01/2013	1+1
EMBRACE UK	11	F	30/01/2013	1+1
HARINGEY CHINESE COMMUNITY CENTRE	18	F	30/01/2013	1+1
HARINGEY SOMAIL COMM & CUL'TRAL CTR	44	F	30/01/2013	1+1
KAC (formerly Kurdish Advice Centre)	46	F	30/01/2013	1+1
KURDISH COMMUNITY CENTRE	33	F	30/01/2013	1+1
PEEC FAMILY CENTRE	20	F	31/03/2013	1+1
TURKISH CYPRLOT WOMEN'S PROJECT	45	F	30/01/2013	1+1
Learning Disabilities				
HAIL LTD LDP	4	A	31/03/2013	1+1
HAIL LTD SHEBA HOUSE	10	A	31/03/2013	1+1
HAIL LTD SUPPORTED LIVING	26	A	31/03/2013	1+1
MARCUS AND MARCUS	2	A	31/03/2013	1+1
NORWOOD SUPPORTED ACCOM	4	A	31/03/2013	1+1
Older People				
ANCHOR TRUST	56	A	30/01/2013	5+1
ASRA	33	A	30/01/2013	5+1
CHRISTIAN ACTION HOUSING ASSOCIATION	6	A	30/01/2013	5+1
CIRCLE SUPPORT Swallow House	35	A	30/01/2013	5+1
HANOVER HOUSING ASSOCIATION	60	A	30/01/2013	5+1
HILL HOMES	24	A	31/01/2013	5+1
HORNSEY HOUSING TRUST	102	A	31/01/2013	1+1
METHODIST HOMES HOUSING ASSOC	26	A	30/01/2013	5+1
METROPOLITAN SUPPORT TRUST Alarm only	45	A	30/01/2013	5+1
METROPOLITAN SUPPORT TRUST	158	A	30/01/2013	5+1
SANCTUARY HOUSING ASSOCIATION	67	A	30/01/2013	5+1
WILLOW HOUSE	63	A	30/01/2013	5+1
Offender and Substance Misuse				
HARINGEY ADVISORY GRP ON ALCOHOL	55	F	31/03/2013	1+1
ST MUNGOS/HAGA (Pathway)	65	A/F	18/07/2013	1+1
Physical Disabilities				
APNA GHAR HOUSING ASSOCIATION	12	A	31/03/2013	2+1
HABINTEG HOUSING ASSOCIATION	24	A	31/03/2013	2+1
HARINGEY PHOENIX GROUP	21	F	31/03/2013	2+1



Haringey Council

Provider	No. of units	Service Floating (F)/ Accommodation based (A)	Contract end date	Proposed length of contract (years)
----------	--------------	---	-------------------	-------------------------------------

Single Homeless

BROADWAY HOUSING ASSOCIATION	23	A	31/03/2013	1+1
CENTRAL AND CECIL	22	A	31/03/2013	1+1
CHRISTIAN ACTION HOUSING ASSOCIATION	23	A	31/03/2013	1+1
PHOENIX COMMUNITY CARE LTD	10	F	31/12/2012	1+1
ST IGNATIUS HOUSING ASSOCIATION	57	A	31/03/2013	1+1
ST MUNGOS HOUSING ASSOCIATION (Vartry Road)	35	A	31/03/2013	1+1

Young People

CATCH 22	12	A	31/03/2013	1+1
CHRISTIAN ACTION HOUSING ASSOCIATION	4	A	30/03/2013	1+1
CIRCLE SUPPORT YP	8	A	30/03/2013	1+1
ONE HOUSING GROUP	36	A	31/03/2013	1+1
STONEWALL HOUSING ASSOCIATION	6	A	31/03/2013	1+1