



Haringey Council

Report for:	Cabinet – 12 February 2013	Item Number:	
Title:	Procurement Report: Haringey Legal, Advice and Infrastructure services		
Report Authorised by:	Mun Thong Phung, Director Adult and Housing Services <i>LISA REDFERN</i> Signed: Date: 01.02.13		
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Ward(s) affected: All	Report for: Key Decision		

1. Describe the issue under consideration

- 1.1 Adult and Community Services funds the voluntary sector to provide a range of information, advice and advocacy services, as well as more direct service provision, including older people, learning disabilities, mental health, physical disabilities, and drug and alcohol services. Adult and Community Services is proposing to review this sector in 2013/14 to ensure a coherent approach to the commissioning of services for people who need support. There is a need to re-design the way in which information and advice services are commissioned in Haringey, particularly in view of the economic climate and Welfare Reform Act 2012, and the changing nature of local authorities' relationships with its citizens.
- 1.2 It is proposed that during 2013/14 the Council's legal, information and advice and advocacy funding streams are amalgamated to streamline commissioned service provision across the borough, to maximise efficiency and effectiveness. This will strategically reshape services funded across the Council, to address priority areas of need, and enable the Council to commission a new three year Legal, Information, Advice and Advocacy service(s) from April 2014.



- 1.3 This report proposes the waiving of contract standing orders for the provision of certain contracts currently due to expire on 31st March 2013 managed by Adult and Community Services, Housing and Children and Young People's Service, and to agree the award of a further one year contract for the period 1st April 2013 to 31st March 2014 to existing providers on new terms.

2. Cabinet Member introduction

- 2.1 Access to high quality information, advice and advocacy services is very important for the residents of Haringey, particularly in view of the key policy changes at a national level and proposed further savings to be achieved at a local level, following further funding reductions planned by the Coalition Government.
- 2.2 Key changes that will affect Haringey residents, from 1st April 2013, are welfare benefit changes as well as access to legal aid where necessary. Haringey Healthwatch will also be operational by 1st April 2013, and I have noted that many of the functions delivered by Healthwatch may result in duplication of services, however this will not become evident until Healthwatch is established and their model of service evolves.
- 2.3 In the context of these key changes, there is a need to complete a strategic review of the needs of Haringey residents in terms of current service provision across information, advice (including legal) and advocacy services, to ensure residents can access what they need, when they need it. Value for money is also critical to the Council, particularly from 2014/15, when further savings proposals will need to be implemented across the Council.
- 2.4 In this context, I support the recommendations set out in this report to award a one year contract to current service providers, to continue the provision of current services, and allow a strategic review of services to be undertaken, paying due regard to the impact of policy changes set out in 2.2 above.

3. Recommendations

It is recommended that Cabinet:

- 3.1 Approves the waiver of tendering requirements of Contract Standing Order 10.01.2(d) on the grounds that it is in the Council's overall interest;
- 3.2 Notes the cessation of core grant aid to those organisations referred to in this report. This is pursuant to the decision on 20th December 2011 by Cabinet whereby they agreed the Voluntary Sector Strategy 2011-2016, and the associated Funding Framework. The Funding Framework set out the Council's intention to terminate core grant aid funding of organisations and move towards a commissioning approach; and



3.3 Approves the award of contracts to the organisations detailed in the exempt part of this report at Appendix 2, for a period of one year from 1st April 2013, with an option to extend for no more than six months.

4. Alternative options considered

4.1 The option of tendering all expiring contracts for 1st April 2013 was considered and discounted on the grounds that:

- (a) A commissioning project group has been meeting since Autumn 2012, consisting of officers from Adult and Community Services, Children and Young People's Service, Housing Related Support and Corporate Procurement. This group recommends that a full strategic review of the sector is undertaken, across the Council to ensure value for money is achieved across the Council, and to ensure there is no duplication of services;
- (b) The proposed strategic review of legal, information and advice services proposed during 2013/14 as set out in this report, require sufficient lead in time to then inform any plans to undertake a procurement exercise;
- (c) It is noted that there are major changes to the welfare benefits system coming, as well as changes to how the legal aid system works, into force on 1st April 2013. Officers recommend that in order to assess more fully the impact of these changes on organisations that provide legal and advice services (and residents using them), the implementation of a full procurement exercise is delayed with an implementation date of 1st April 2014;
- (d) It is also noted that Haringey Healthwatch comes into force on 1st April 2013, and their statutory functions include information, advice and signposting. The strategic review proposed for the next 14 months will have due regard to how these statutory functions evolve within the new Healthwatch Haringey, to ensure other services compliment rather than duplicate services; and
- (e) Tendering for these contracts in the short term is unlikely to provide better value for money ahead of completion of a strategic review across the Council, taking all factors into account. We will, however, negotiate the one year contracts (and extensions if required) with the objective of reducing costs.

4.2 The proposal for an interim one year has been discussed with the Corporate Procurement Team, and it was concluded that the proposed approach represents the best and most appropriate way forward for the Council.



5. Background information

- 5.1 This report specifically covers legal and advice services as well as infrastructure support, and services that are already provided by voluntary sector organisations in Haringey. The current value of these contracts in 2012/13 is £1,095,900, and these contracts are due to expire on 31st March 2013. An additional interim service contract is proposed relating to Housing Related Support from 1st April 2013 for a period of one year, with a value of £30,000.
- 5.2 This report should be read in conjunction with two other reports being considered by Cabinet on 12th February 2012, specifically:
- Procurement Report: Haringey Adult Services Voluntary Sector Contracts; and
 - Procurement Report: Haringey Healthwatch.
- 5.3 A further report in respect of Independent NHS Complaints Advocacy (linked to the implementation of Haringey Healthwatch) is due to be considered at Cabinet on 18th March 2013.
- 5.4 The Council's Voluntary Sector Strategy 2011-2016 and associated Funding Framework were agreed at Cabinet on 20th December 2011. The Funding Framework set out the Council's intention to cease grant-aid funding of organisations and move to a commissioning model of buying services from the Voluntary Sector. Funding for the organisations subject to this report were not included in the implementation of the Investment Fund in 2012, as it was intended to complete the strategic review of the sector set out in this report.
- 5.5 The services proposed for a new one year contract (with option to extend for no more than six months) are as follows. Please see Appendix 1 for a full summary of services provided:
- 5.5.1 Haringey Citizens Advice Bureaux (CAB) currently receives core grant aid, managed by Adult And Community Services, to provide general and specialist advice services for residents in Haringey. This is due to expire on 31st March 2013;
- 5.5.2 Haringey CAB also has a contract with Children and Young People's Service to operate a benefit advice and information service within Children's Centres in Haringey. This is due to expire on 31st March 2013;
- 5.5.3 Haringey's Housing Related Support (HRS) also is proposing to pilot a one year project with Haringey CAB, developing a specific service to meet a gap identified within the Housing Related Support Commissioning Plan, agreed at Cabinet in July 2012. The Commissioning Plan identified that not all community groups have access to a HRS service, therefore to address this it is proposed to pilot



a broader one year service with the CAB. Towards the end of the pilot, an evaluation of the outcomes will give a clear steer as to how the Council wishes to procure this type of service in the future and how this will be delivered. This may be through an organisation such as the CAB or a mix of community groups and the CAB;

- 5.5.4 It is proposed that the above three areas set out at 5.4.1, 5.4.2 and 5.4.3 will each be a component of a new overarching advice and information one year contract between the Council and Haringey CAB, starting from 1st April 2013;
 - 5.5.5 It should be noted that the Council has recently entered into a partnership arrangement with Haringey CAB to provide residents with information on how they might be affected by the imminent Welfare Reform changes. An awareness campaign was launched in November 2013 directing residents to find out more on the Council's dedicated web pages or via a dedicated phone number to Haringey's CAB. The Council has provided funding to Haringey's CAB to provide information and advice over the coming year;
 - 5.5.6 Adult and Community Services also currently fund core grant aid to Haringey Law Centre, providing specialist legal advice services and supporting Haringey residents with legal matters. This is due to expire on 31st March 2013. Further details about the services provided are set out in Appendix 1;
 - 5.5.7 Adult and Community Services also fund core grant aid to the Haringey Disability First Consortium, to provide advice and information specifically to be people with disabilities in Haringey. This is due to expire on 31st March 2013. Further details about the services provided are set out in Appendix 1; and
 - 5.5.8 In respect of the services provided at 5.4.6 and 5.4.7, it is proposed new contracts are awarded for a one year period, starting 1st April 2013, to the two current providers of services.
- 5.6 Historically across the across the Council, funding of information, advice (including legal advice) and advocacy has been disparate. The Council is proposing to review this sector in 2013/14 (starting in February / March 2013) to ensure a coherent, efficient and effective approach to the commissioning of advice services.
- 5.7 There are also two major changes ahead for residents of Haringey, namely the Welfare Reform Act 2012 coming into effect on 1st April 2013, as well as changes to the way in which legal aid works, coming into effect within the same timescale.



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- 5.8 It is proposed that during 2013/14 the Council's legal, information and advice and advocacy funding streams are amalgamated, where possible, to streamline commissioned service provision across the borough and address priority areas of need and commission new three year Legal, Information and Advice, and Advocacy services from 1st April 2014.
- 5.9 It is noted that the Cabinet agreed in principle to savings proposals that will affect the voluntary sector. These savings are specific to the voluntary sector funding portfolio held by Adult and Housing Services, and will be delivered through the strategic review set out in this report and as set out in the report also being considered by Cabinet on 12th February 2013 – 'Procurement Report: Adult Social Care Voluntary Sector Contracts'. The savings proposals and dates to be achieved are set out in the table below:

Adult and Community Services proposed savings within the Council's Medium Term Financial Plan – savings to be achieved:	Savings proposal
By 1 st April 2013	£50k
By 1 st April 2014	£200k
By 1 st April 2015	£100k
Total	£350k

- 5.10 Cabinet is also asked to note one of the requirements of the Health and Social Care Act 2012 (H&SC Act 2012) insofar as it abolishes LINKs (Local Involvement Network) and introduces Local Healthwatch. Local authorities have statutory responsibilities for setting up Local Healthwatch bodies and monitoring their work. Local authorities will also have responsibilities for contracting with organisations to support Local Healthwatch. Healthwatch needs to be established by 1st April 2013. This is also being considered at Cabinet on 12th February 2013.
- 5.11 It is noted that key Healthwatch functions include information, advice and signposting, as well as advocacy. The review outlined in 5.5.4 above will pay due regard to the progress of Healthwatch from 1st April 2013 in delivering its statutory functions, to ensure other organisations delivering these functions complement rather than duplicate Healthwatch services.
- 5.12 In respect of Welfare Reforms that come into play from 1st April 2013 (as per 5.7 above), in late 2012, the Council developed a partnership with Haringey CAB to provide residents with information on how they might be affected by the imminent Welfare Reform changes. An awareness campaign was launched in November 2012 directing residents to find out more on the Council's dedicated web pages or via a dedicated phone number to Haringey's CAB.



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- 5.13 In respect of infrastructure services, Cabinet members are asked to note that in February 2012 the Council undertook a review of infrastructure and capacity building support to the voluntary sector to satisfy itself that it has an appropriate voluntary sector infrastructure and support mechanism in place. It is critical that an umbrella organisation in Haringey is one that supports, capacity builds and helps create and develop a strong Voluntary Sector. The Council also wanted to ensure that the agency providing this should also be able to demonstrate added value for money to the Council.
- 5.14 The Council currently funds Haringey Association of Voluntary and Community Organisations (HAVCO) to provide this service. HAVCO has recently appointed a new chief executive, who is reviewing the service offer to voluntary sector organisations. HAVCO is currently agreeing its new business plan, taking on board the outcome of the review commissioned by the Council, and the views of its membership, to ensure it is able to deliver against the voluntary and community sector and Council priorities. An emphasis on collaboration between organisations is key to the future of the sector. This might include, for example, collaborating on shared services, such as back-office costs, through to consortia arrangements. A full summary of services provided is listed at Appendix 1.
- 5.15 It is important to note that HAVCO were successful in 2012 in securing Transforming Local Infrastructure funding to develop a Consortium for organisations to work in partnership to bid for competitive tenders. HAVCO is hosting the management and support elements of the Consortium during the initial 18 month set up period. The new consortium, called Together North London, is currently incorporating as a company limited by guarantee with a shadow board, including representation from a wide range of key third sector organisations. Together North London will be identifying tendering opportunities and connecting with relevant third sector agencies to plan collective responses to these from early 2013 onwards. Together North London will be launching the new consortium formally at the end of April 2013, when they will be hoping to have a wider dialogue with the sector around commissioning and how organisations respond collectively to future opportunities.
- 5.16 In respect of infrastructure services, Adult and Community Services fund core grant aid for HAVCO to provide support to voluntary organisations across the borough. This is due to expire on 31st March 2013. It is therefore proposed that the Council agrees a one year contract for the current provider. A comprehensive review of the requirements of the sector will be undertaken from Spring 2013 and will include a review of the market to satisfy the Council that infrastructure services, in their current form, continue to provide appropriate services and represent good value for money.



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- 5.17 Officers recommend this approach to Cabinet, to ensure vital services for voluntary sector organisations and residents who use them, are maintained during a period of policy changes at a national and local level, and for officers to undertake a strategic review to ensure the Council achieves good value for money, and satisfy itself that high quality outcomes are achieved for Haringey residents.
- 5.18 All services currently under contract are required to provide monitoring information, and contractual performance that is considered high risk in terms of risk of poor delivery against required outcomes and value for money, requires a monitoring meeting with providers. Providers of services are meet with at least annually for contract monitoring or more often as required. Where services are identified as underperforming, an action plan is implemented to address issues. The current providers of services are considered to be delivering appropriate services.
- 5.19 The efficiency savings of £50k, by 1st April 2013, has been identified through known contracting efficiencies. It is to be noted there is no assumed uplift with this proposal to Cabinet. Should Cabinet agree to the proposal, officers will meet with each provider to agree the terms of the new contract(s), and this may include agreeing further efficiency savings from providers. It is difficult to quantify an additional savings that may be achieved as negotiations are not yet complete.

6. Comments of the Chief Finance Officer and financial implications

- 6.1 This report requests Cabinet approval for new one year contracts from 1st April 2013 for the organisations set out in the body of this report, and the appendices.
- 6.2 The maximum value of the proposed new contract(s) would be £1,125,900, and this is currently budgeted for the respective departmental budget(s).
- 6.3 The waiver of contract standing orders and approval of the contracts without a procurement process means that there is less assurance that these contracts offer best value. However during 2013/14 the Voluntary Sector team intend to undertake a wider review that will provide better value for money in the longer term. Given that there are currently no concerns about the performance of the current services and that in addition efficiencies will be sought in negotiating the new terms for the short term contracts, this approach is prudent and will provide good value for money.
- 6.4 Should demand for these services fall, or not be demonstrated through contract monitoring, these one year contracts allow for termination following a three month notice period.

7. Head of Legal Services and legal implications



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- 7.1 Cabinet is asked to note the cessation of grant aid to the organisations listed in the exempt part of this report. This is pursuant to a decision by Cabinet on 20th December 2011 to adopt the Voluntary Sector Strategy 2011 to 2016 and the associated Funding Framework.
 - 7.2 The legal, information and advice services detailed in this report are not considered priority services under the Public Contracts Regulations 2006. Therefore there is no requirement to follow a European tendering exercise.
 - 7.3 The Adult and Housing Services Directorate (“the Directorate”) seeks a waiver of CSO 9.01 (requirement to tender) on the basis that this is in the Council’s overall interest.
 - 7.4 Because of the value of the contracts referred to in this report, a waiver must be approved by Cabinet in accordance with CSO 10.01.1 (a) (contracts valued at over £100,000).
 - 7.5 Should Cabinet agree the waiver, the Directorate seeks an award of contract for a period of one year to include an option for an extension of up to six months to the organisations listed in the exempt section of the report. Cabinet has power to approve the award under CSO 9.07.1 (d).
 - 7.6 The award of the 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 For the contracts referred to in this report, there are no major changes in service being proposed, therefore an Equalities Impact Assessment is not required at this time.
 - 8.2 However, it is noted that officers propose to complete a strategic review of the services currently provided in this report and as set out in another report being considered by Cabinet on 12th February 2013.
 - 8.3 A full Equalities Impact Assessment and period of consultation will be required, to ensure that the outcome of the strategic review pays due regard to any assessed impact for people who use services.
- 9. Head of Procurement Comments**
- 9.1 The recommendations are in line with the Procurement Code of Practice.



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- 9.2 The contracts will continue to be monitored quarterly to ensure contract compliance, and to mitigate any risk of service failure.
- 9.3 The strategic review and alignment of the current service provision will lead to a more effective and efficient service, giving a better value for money outcome in 2014.
- 9.4 The extensions should be negotiated with the current providers to ensure that we receive a VFM service during the life of the contract extension.

10. Policy Implication

- 10.1 This report should be read in conjunction with Haringey Council's Voluntary Sector Strategy, 2011-2016; the Voluntary Sector Funding Framework; and the Housing Related Support Commissioning Plan 2012-2015.

11. Reasons for Decision

- 11.1 The proposed one year contract(s) and strategic review of the sector planned from Spring 2013 is an approach that will help deliver high quality outcomes for Haringey residents and is in line with the Voluntary Sector Strategy.
- 11.2 The proposed approach is considered to be in the overall interests of the Council.

12. Use of Appendices

- 12.1 Appendix 1 – Organisations affected and summary of services provided; and
- 12.2 Appendix 2 – Exempt information under Schedule 12A.

13. Local Government (Access to Information) Act 1985

- 13.1 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).



1.0 Haringey Citizens Advice Bureaux.

Services include:

- Advice and casework on
 - welfare benefits
 - debt
 - housing
 - employment advice
 - consumer rights
 - immigration
 - utilities
 - taxes
 - education
 - health
 - family
 - financial

- Specialist advice on reviews and appeals on:
 - welfare benefits
 - immigration and nationality

- Advice and guidance on local, regional and national services, and representation to Haringey Council in an advisory and consultation capacity

There are numerous projects based at outreach centres and working by referral. These include:

- The Housing Debt and Welfare Benefits Project
- Mental Health Outreach Project
- HIV/Aids Outreach Project
- Drug Intervention Aftercare Service
- Reaping the Benefits Project
- Legal Services Commission contract for Specialist legal Advice

CYPS currently contract Haringey CAB to deliver benefits and money advice services from eight Children's Centres across the borough. These services are intended to maximise benefit take-up amongst low or no income families in order to reduce the number of children living in poverty. Services are targeted at families with children aged five years and under and form part of an integrated range of services for vulnerable children and their families. The advice services are delivered within the community on an outreach basis.

2.0 Haringey Law Centre

The Haringey Law Centre provides free legal advice and representation for residents of Haringey in the following areas:



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- housing
- welfare rights
- employment
- immigration
- debt advice

3.0 Disability First Consortium

Consortium between Haringey Race and Equality Council (HREC), Haringey Women's Forum, Haringey Citizen's Advice Bureau and Age UK Haringey with HREC as the lead agency for delivery.

Services Include:

- Promotion and aware of disability issues, rights and responsibilities
- Advice and casework
- Disability Forum
- Disability newsletter
- Database of specialist advice

4.0 Haringey Association of Community and Voluntary Organisations

Haringey Association of Voluntary and Community Organisations (HAVCO) is the umbrella organisation for the VCS in Haringey and work with organisations to capacity build and offer support and advice.

HAVCO aims to achieve the following:

- Identifying market needs
- Raising standards
- Enabling communication and collaboration
- Providing a strategic voice for the voluntary sector
- Promoting strategic involvement

In order to achieve the above, HAVCO delivers a whole range of services and activities in terms of voluntary and community sector development and support, liaison, representation, strategic partnership work and promotion of volunteering. Services include:

- Organisational development advice and support
- Capacity building
- Information
- Theme groups and forums
- Training
- Development of consortium to tender for contracts.