



Executive
16 December 2010

**Report from the Director of
Housing and Community Care**

Wards affected:
ALL

Authority to approve extension of contracts for housing support services for people with physical disabilities

1.0 Summary

- 1.1 This report seeks exemption from full tendering requirements and approval to re-commission services with existing providers of Supporting People funded housing support for people with physical disabilities.

2.0 Recommendations

- 2.1 That the executive approve an exemption from the usual tendering requirements of Contract Standing Orders in relation to the accommodation services and floating support services for people with physical disabilities, on the basis that there are good operational and/ or financial reasons for doing so as set out in Section 3 of the report.
- 2.2 The Executive approve an extension of one year from 17th December 2010 to 16th December 2011, for all the seven Supporting People funded Physical Disability/Sensory Impairment contracts, (as listed in paragraph 3.4 of this report) with the scope to extend for up to another year to 16th December 2012 (2 years in total) if the services continue to be strategically relevant, demonstrate good value for money, and continue to demonstrate satisfactory performance.
- 2.3 Should the Executive not support the recommendation set out in 2.1 and 2.2 above, it is requested that a 12 month extension to the current contracts be granted to allow sufficient time for a tender exercise to be undertaken. This extension would take the existing contracts up to 16th December 2011.

3.0 Detail

- 3.1 The Supporting People (“SP”) Programme is a national programme for the provision of housing related support services for vulnerable people to gain, increase or maintain their independence. Currently SP funds the provision of “accommodation based services” (support tied to accommodation) and “floating support services” (support to service users in their own home). Services assist clients in maintaining their accommodation, i.e. help with; accessing benefits, budgeting, ensuring bills paid, education, training, employment, healthy living, community engagement etc.
- 3.2 The SP Programme commenced in April 2003. The Programme in Brent was valued at £13.7 million in 2004/5 and has reduced to £12.3 million for 2010/11. It is anticipated that further reductions will take place in 2011-12 and beyond, following the October 2010 Comprehensive Spending Review.
- 3.3 In May 2007, the Executive approved a five year future procurement strategy for Supporting People contracts. An element of this procurement strategy was undertaking a strategic review in 2011 and the procurement of contracts for services to people with a physical disability in 2011-12. To enable time for this strategy to be implemented, the Executive granted approval for exemption from tendering requirements and award to the existing providers for contracts for physical disability contracts. These contracts were for a period of two years from 1st December 2006 (ie up to 30th November 2009) with an option to extend under chief officer delegated powers for one year, plus one year. The contracts have already been extended under those powers to 30th November 2010.
- 3.4 Supporting People currently funds 7 housing-related support services for people with a physical disability/sensory impairment to a total cost of £360,490 for 2010-11. A total of 135 people with physical disability/sensory impairment receive these specialist services from 7 different providers. Two of these services are accommodation-based housing support service for 12 people with a sensory impairment. There are also four floating support services funded addressing the complex needs of people with a physical disability/sensory impairment, some of whom may have dual diagnosis

Provider	Capacity	Annual contract price 2010-11 £	Service Type
Apna Ghar HA	81	125,669	Floating
Association of Muslims with Disabilities	15	54,235	Floating
Genesis Housing Group	10	35,086	Floating
Middlesex Association For the Blind	17	26,729	Floating
RNID	6	105,849	Accommodation Based
Stadium HA	6	6,312	Floating
Salvation Army	8	6,610	Accommodation Based

- 3.6 As can be seen from the table above, the individual contract values for these services are comparatively small, given that some Supporting People contracts are valued at over £1 million per year. Given the current reduced budget for the Supporting People programme and the significant efficiency savings required annually, the cost of a full re-tendering exercise limited to these services is prohibitively high. Extending the contracts will allow us to carry out a strategic review in the light of reduced funding availability following the Comprehensive Spending Review. This will take place early in 2011. More significantly, it will also allow us to consider opportunities for obtaining economies of scale for these services through tendering any future requirements jointly with the West London Alliance as part of wider Procurement Plan to be developed jointly over the next few months with all West London local authorities.
- 3.7 This report seeks approval to extend the contracts with the incumbent providers of physical disabilities and sensory impairment for one year with the scope to extend for up to another year (2 years in total) if the services agree contract price reductions and continue to be strategically relevant and to demonstrate satisfactory performance. This will allow for a strategic review and consideration of joint with West London and will be the subject of report to Executive in 2011.

4.0 Financial Implications

- 4.1 The Supporting People budget is currently £12.3 million per year. However, the Comprehensive Spending Review reduced the amount nationally available over the next four years by 12%. The exact amount available to Brent has yet to be notified to the council. However, the Supporting People Grant has been un-ring-fenced since 2008. It is expected that SP services will therefore need to contribute to larger spending cuts required across the council. Negotiations are ongoing with all providers of Supporting People contracts, with the aim of significantly reducing overall Supporting People spending over the next 2 years.
- 4.2 Contract negotiations for these services will therefore ensure that the any future agreed contract sum is equal to or less than the current contract price, with our target being a reduction of a minimum of 12% on current contract values of £360,490 and service providers will have the benefit of a contract extension. The services would continue to be funded within the existing Supporting People budget.
- 4.2 There are no additional financial implications arising from the recommendations set out in this paper.

5.0 Legal Implications

- 5.1 The report recommends the award of accommodation based services and floating support services identified in paragraph 3.10 above. Such contracts are required by standing orders to be tendered. Where any contract is proposed not to be tendered, then only the Executive can approve this under Standing Order 84 on the conditions that there are good operational and / or financial reasons for doing so. The

Executive therefore needs to consider whether the grounds identified in section 3 of this report constitute good operational and financial reasons for not tendering.

- 5.2 In addition, Members may only grant an exemption from tendering where there is no breach of European public procurement requirements. These services are Part B services under the Public Contracts Regulations 2006 (the EU Regulations) and are thus exempt from the full tendering requirements of the EU Regulations. Most importantly, there is no strict requirement to advertise and tender Part B contracts in accordance with EU Regulations. However award of Part B contracts is subject to over-riding obligations of fairness and transparency and there is certainly EU case law to suggest that even part B contracts should be subject to some form of advertised process. However this is subject to an analysis of the nature of the service and whether there is likely to be cross-Europe interest. This is unlikely with most social services contracts, and so the risk of a challenge is considered low.
- 5.3 As Part B services, the award of accommodation based services and floating support services would still require notification of contract award to the EU Publications Office.
- 5.4 The award recommends the extension of existing accommodation services and floating support services. As these contracts have already been extended using delegated powers, Executive approval to such extension is required.

6.0 Diversity Implications

- 6.1 The new contracts will require providers of housing support services to deliver services which are culturally sensitive by providing cultural awareness training for all staff, matching specific language requirements where possible and recruiting a local workforce which reflects the communities of Brent.
- 6.2 In providing a range of training, employment, leisure and social activities the service will be open to all members of the surrounding community. Partnering arrangements with local community groups and specialist providers will be encouraged as part of the contract terms for the service.

7.0 Staffing/Accommodation Implications (if appropriate)

- 7.1 There are no staffing implications or accommodation implications for the Council.

Background Papers

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