



Executive
14 March 2011

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

on

Wards
Affected: ALL

**Supporting People Procurement Plan and related contract
issues**

1.0 Summary

- 1.1 In May 2007 Brent Council's Executive agreed a 4 year Procurement Plan for contracts funded through Supporting People Grant. As the period covered by this plan is coming to an end, this report sets out a Procurement Plan for Supporting People funded services for the next 3 years.
- 1.2 Funding for Supporting People, now subsumed within Formula Grant, will have fallen by 19.5% by March 2013 and is set to fall further over the following two years. The Procurement Plan (see Appendix A) sets out a timetable showing when Supporting People services will be procured in future, including participating in a West London joint framework agreement tender project. This will allow the council to meet its legal obligations to procure services effectively when contracts end, and should also allow savings to be achieved to meet reduced budget availability.
- 1.3 The report also requests authority to approve the award of new contracts for Supporting People funded contracts providing services for women escaping violence and homeless families and services for single homeless people in order to allow sufficient time for them to be procured in line with the Procurement Plan.

2.0 Recommendations

That the Executive:

- 2.1 Note the timetable for procurement of Supporting People services set out in the Procurement Plan attached at Appendix A

- 2.2 Approve participation in a collaborative procurement project to tender a joint Framework Agreement for housing and support services with other West London boroughs and agree that this project be exempted from the normal requirements of Brent's Contract Standing Orders on the basis of the reasons set out in section 5 of the report.
- 2.3 Agree to an exemption from tendering requirements for the reasons set out in section 6 of the report, and approve the award of new contracts for Supporting People funded contracts providing services for Women Escaping Violence and Homeless Families (as listed in para 6.2 of this report). The new contracts will be for 15 months from 1st April 2011 to 31st June 2012, with the scope to extend for up to 9 months to 31st March 2013 (2 years in total) in order to allow time for new contracts to be put in place.
- 2.4 Agree to an exemption from tendering requirements for the reasons set out in section 7 of the report, and approve the award of new contracts for Supporting People funded contracts providing services Supporting People funded contracts providing services for Single Homeless (as listed in para 7.2 of this report). The new contracts will be for fifteen months from 1st April 2011 to 31st June 2012 with the scope to extend for up to another year to 31st March 2013 (2 years in total) in order to allow time for new contracts to be put in place
- 2.5 Should the recommendation stated in paragraph 2.3 and 2.4 not be supported, it is requested that a 12 month extension to the contracts listed in paragraphs 6.2 and 7.2 of the report be granted to allow sufficient time for a tender exercise to be undertaken. This extension would take the existing contracts to 31st March 2012.

3.0 Background

- 3.1 The Supporting People is a preventative programme which aims to enable vulnerable people to live independently in the community, through providing housing support services. Housing support workers, sheltered housing managers, women's refuge workers, etc support people to prevent hospital admissions, evictions, mental ill health, homelessness, anti-social behaviour. When budgets were un-ring-fenced funding criteria were broadened, so the programme now provides a range of non statutory welfare services including handyperson, accident prevention, hospital discharge support etc.
- 3.2 Supporting People is a national programme, previously funded as a standalone grant, un ring-fenced in April 2009, and since April 2010 incorporated into Area Based Grant. The recent Comprehensive Spending Review notionally protected the programme nationally, with a reduction of 12% over 4 years. However, as the budget has been un-ring-fenced and incorporated into Formula Grant, many local authorities are being forced to make cuts in their local Supporting People budgets to contribute to savings targets. Such possible cuts to services for vulnerable people have resulted in considerable national press interest.

- 3.3 In Brent, the local Supporting People programme cost £12.358 m in 2010-11. Despite a notional 11.3% cut in funding, the proposed budget has been reduced by only 10% for 2011-12 to £11.16 m as part of council-wide savings. A further savings, currently forecast as at least £600,000, are being planned for 2012-13.
- 3.4 It is anticipated that the savings for 2011/12 will be achieved through negotiations with current providers. Providers are generally suggesting savings which do not impact on front line staff, so protecting existing services. However, this will not be sustainable in the long run. Savings for the following year and beyond are likely to be achieved through this proposed Procurement Plan and the number of service users receiving SP services or time for which they receive services may need to be reduced in order to maintain costs within the available funding, depending on the prices achieved through market testing. By maximising competitiveness through a tendering process we aim to maintain as many services as possible at the highest possible quality.
- 3.5 When the programme started in Brent in 2003, c3,000 people at any one time received housing support funded via the programme. There were 55 providers, ranging from large national to small local organisations, and 95 contracts. Following the implementation of the Procurement Plan agreed in 2007 the programme now provides to over 3,500 people at any time, funds 42 providers, and 71 contracts. The SP programme is one of the largest single sources of funding for the voluntary sector in Brent.
- 3.6 A 5 Year Supporting People strategy was agreed by members in 2009. This set out local priorities for the programme 2009-13, identifying how the future allocation of resources, re-configuration, development of new services and award of contracts will link to local needs and priorities set out in the Corporate Strategy and local commissioning strategies. There is a stated aim in the Brent SP strategy to achieve VFM and improve the quality offered by SP contracts, and also to expand the number of service users receiving services. However, when the Supporting People Strategy was developed in 2009 the scale of recent public sector cuts and budget cuts to the Programme was not anticipated.
- 3.7 Appendix A proposes a Procurement Plan for the period 2011-13. The proposed Procurement Plan programme shows when services will be opened up to competition. Opening services to competition and rationalising the market is seen as a way to ensure services can be managed within available reduced budgets, address current priorities, improve standards and offer choice for users and Value for Money for commissioners. By using the Procurement Plan we allow procurement for a large number of services to be done in a planned and managed way, ensuring that we do not de-stabilise services for vulnerable people or put provider organisations at undue risk.

- 3.8 The Supporting People Strategy states *what* will be commissioned, the Procurement Plan sets out *when* services will be commissioned and procured.

4 Procurement Plan

- 4.1 The Procurement Plan shown in Appendix A is based on existing contracts end dates. Where new services are to be procured, these will usually be drawn into the proposed programme. Services have also been prioritised for early tendering where there is significant mis-match with strategic needs, where we believe contract price reductions should be achievable and where cost and benefits will impact on wider budgets.
- 4.2 The Procurement Plan groups similar services together. The exact configuration and capacity of services to be procured will be agreed during reviews which take place prior to tendering. These will identify the best options for securing high quality services representing the best value for users and council.
- 4.3 The Procurement Plan will need review in line with changes to the Supporting People strategy or partner priorities and the staff capacity to achieve the timetable.
- 4.4 As can be seen from Appendix A the majority of future requirements will be met by using the two frameworks described in section 5 below.

5.0 West London Joint Housing Support Framework Agreement

- 5.1 Adult social care including Supporting People is one of the areas of interest for the West London Alliance, collaborating in order to achieve greater efficiencies from the care and support market. The two main objectives are cost savings and improving the quality of services. The proposed Procurement Plan makes use of a collaborative procurement exercise which has already completed. This procured a multi supplier Framework Agreement¹ for home support, and floating support for older people, people with learning disabilities and physical disabilities which was tendered jointly by the West London authorities in 2009-10. The Executive approved the award of contracts from this framework for the council's main home care requirements in August 2010, however it can also be used for integrated home care and housing support, and for housing support for older people.
- 5.2 The proposed Procurement Plan also refers to making use of a multi supplier Framework Agreement for housing support services to be tendered during 2011 jointly by the 7 West London boroughs, supported by the West London Alliance (WLA) joint procurement unit. This new framework will cover all client

¹ Framework definition – a number of providers who have been approved to provide services and who have agreed the terms of trade (including the price) before an actual contract has been formed. The contract is formed once services are called-off from the Framework

groups for which services are procured in Brent, however for some client groups it may be more appropriate, or timely, to use a Brent specific tender.

- 5.3 The London Borough of Hammersmith and Fulham and Royal Borough of Kensington and Chelsea have been asked to lead the procurement project for a new Framework Agreement which will supply housing support services. These boroughs have previous experience in developing joint frameworks for Supporting People services, and therefore have a model ready for all Boroughs to consider. The other reason was both LBH&F and RBKC existing framework contracts are due to expire and replacements are required.
- 5.4 Governance structures are being set up (a project board made up of reps from all the authorities, and a project manager). Brent will be represented by the Lead Officer for Supporting People. A procurement officer and a finance officer will be engaged in the development of the specifications and terms and conditions, and we will be fully involved in the selection process. The work of the Board is accountable via the West London joint procurement unit to the Directors of Adult Social Care. The project will be sponsored by the Chair of the west London Social Care Directors.
- 5.5 The project started in January 2011, for completion by February 2012, and call off by individual boroughs should be possible from about April 2012. The Procurement Plan shows that call off from the West London Framework will start in Brent immediately the Joint Framework is ready.
- 5.6 It is proposed that the joint West London Housing Support Framework Agreement will cover all Supporting People client groups, and will cover both accommodation based services, such as hostel staff and women's refuge services, and floating support services. Although the Framework will be tendered jointly individual boroughs will call off the Framework according to their own needs, budgets and circumstances.
- 5.7 Learning from earlier joint borough Supporting People Framework Agreements, it is proposed that broad outcome based service specifications based on wide client categories will be used. Each service specification could have 5 or 6 overarching outcomes. An implication of this is that the project will not be tendering for specialist services, but will group services for socially excluded groups (ie including Young People, offenders, Single Homeless, Drug and Alcohol needs, mental health needs) and for Community Care client groups. Where local authorities want to commission specialist services there will be an additional optional menu of outcomes. This will make the Framework very flexible for individual authorities and encourage flexible holistic services to be provided by providers.
- 5.8 The pricing and scoring methodologies and the service specifications for the West London Housing Support Framework have yet to be agreed by the project board. The specifications will ensure that only providers that meet minimum standards in terms of the quality of their service can be included in

the framework agreement. The service specification will be outcome based which we believe will represent a significant improvement. It is proposed that the joint Framework will reflect the personalisation agenda and test providers' readiness for personalisation. There will be a clause in the contract re variations in prices if service users decide to use a Direct Payment to purchase their own care and support.

- 5.9 There are many benefits in participating in this project, the most significant being the competitive prices being achieved through collaboration. The combined West London Supporting People budgets are over £50million pa, and even when budget reductions are made will still represent a very significant market for providers. The joint West London Framework for Home Support services saw significant price reductions. Providers will be asked to offer lower hourly prices should they receive large volumes of hours from the Framework. By working together we maximise the possible savings. We also benefit from pooling procurement resources, saving staffing resources and benefiting from experience and skills across the sub-region, and we reduce the need for individual tenders for each service being required, this is a significant benefit in terms of resources for the council, and beneficial to providers, who need tender once, to get on to the Framework.
- 5.10 The Framework Agreement also has the benefit of allowing each local authority to call off individually according to their local demand, budget and circumstances, keeping local control of commissioning alongside the benefits of the joint procurement.
- 5.11 The timetable at Appendix A identifies the options for procurement. The exact Framework Agreement to be called off, or procurement route to be used for each group of contracts in order to achieve the most beneficial outcome for the council, will be notified to Executive at the time when approval to tender is sought.

6.0 Authority to approve the issuing of new contracts for housing support services for women escaping violence and families at risk of homelessness

- 6.1 This report seeks approval to extend the Supporting People funded contracts with existing providers of services for women escaping violence and homeless families in order to provide time to call off from the Framework as set out in the Procurement Plan.
- 6.2 Existing contracts for women escaping violence and for homeless families end in March 2011. Details of existing services are set out in Table 1 below. These services were reviewed in 2009. The outcome of the reviews was a recommendation to tender the services, which was reported to Executive and approved in December 2009. However, tendering did not take place, because both the domestic violence providers proposed a joint partnership, without prejudice to the procurement process, would deliver the recommended

configuration of services and cost savings. We have been working with providers to negotiate some contract price savings and now consider that best value will be achieved by issuing new contracts and calling of through the West London Framework early in 2011.

Provider Name	Contract	Capacity (Accom based)	Capacity (Floating Support)	Service Type	Price 2010/11	Negotiated Price 2011/12
HESTIA	BWA	19	32	Refuge + floating support	£224,489	£224,489
ASRA	Asian Womens Refuge	6	15	Refuge + floating support	£85,000	£74,800
STADIUM	Press House	48	10	Accommodation for homeless families and floating support	£202,000	£146,300

7.0 Authority to approve issuing of new contracts for housing support for single homeless people.

- 7.1 This report seeks approval to issue new Supporting People funded contracts with existing providers of services for single homeless people provided through 6 contracts for hostels and other supported accommodation and one for floating support.
- 7.2 Existing contracts for Supporting People funded services to single homeless people end in March 2011. These services were reviewed in 2009. The outcome of the reviews was a recommendation to tender the services, which was reported to Executive and approved in January 2010. However, tendering did not take place, as following discussions with providers it was considered that greater efficiencies could be achieved through negotiations. These negotiations are still ongoing. The Procurement Plan attached at Appendix A shows these services will now be called off the new West London framework agreement in early 2012. This will enable us to benefit from the competitive rates expected to be available through the framework agreement mentioned in section 5 above.

7.3 Details of existing services are:

Provider Name	Contract	Capacity	Service Type	Price 2010/11	Negotiated Price 2011/12 (%saving on 2010/11)
Broadway	Housing service	22	Accommodation	£110,000	£96,833 (-12%)
English Churches Housing Group	Refugees	19	Accommodation	£73,440	£65,629 (-9%) Negotiations ongoing for further reductions

Provider Name	Contract	Capacity	Service Type	Price 2010/11	Negotiated Price 2011/12 (%saving on 2010/11)
Innisfree H A	Move on Support	43	Floating Support	£74,562	£65,615 (-12%)
Innisfree H A	Hostels Single Homeless	26	Accommodation	£125,698	£110,614 (-12%)
Single Homeless Project	SHP Hostels	38	Accommodation	£159,298	In negotiation to remodel for Ex-Offenders
St Mungos HA	Single Homeless Short Term Services	30	Accommodation	£150,478	£136,144 (-9.5%) In negotiation for further reductions
St Mungos HA	Single Homeless Long Term Services	48	Accommodation	£156,697	£142,364 (-9.1%) In negotiation for further reductions

8.0 Financial Implications

- 8.1 In 2010/11 the total value of the Supporting People programme is £12.358m. It is anticipated that the budget for the programme will reduce to £11.16m in 2011/12 and that a further reduction of least £600,000 is anticipated in the following year. All new and existing Supporting People contracts will be managed within this reduced budget, which may mean specifying lower volumes when services are called off the framework in future, in order to keep spending within available funding.
- 8.2 There are significant cost implications in the administration of a large Procurement Plan, in terms of staffing resources, and professional legal and procurement advice. The costs will be managed within the Supporting People budget.
- 8.3 Considerable scope exists for pooled funding and for commissioning services jointly with Commissioning Partners such as other Local Authorities or health commissioners. This will be considered on a case by case basis when contracts are procured and the necessary authorities sought at the time. Where joint tendering takes place the related administration costs would also be shared.

9.0 Legal Implications

- 9.1 Procurement of Supporting People funded services must comply with the relevant procurement strategy and standing orders and the requirements of EU procurement rules.

- 9.2 The Council has the necessary powers to enter into the contracts included in the Procurement Plan under (amongst other provisions) s21, s26 and s29 of the National Assistance Act 1948, s45 of the Health Services and Public Health Act 1968, s2 of the Chronically Sick and Disabled Persons Act 1970, and s2 of the Local Government Act 2000. The Council also needs to comply with any conditions imposed on the Supporting People Grant it receives.
- 9.3 The Procurement Plan appended at Appendix A sets out a programme for procuring services through use of an existing West London framework, or by use of the new West London framework mentioned above which has not yet been tendered. Some of the current contracts for these services will terminate before the proposed tendering can take place. These current contracts may therefore need extending or may be the subject of reports to the Executive to waive tendering requirements in order to award new contracts to the current provider until such time as the procurement process for that service is completed.
- 9.4 Where approval is being sought to award new contracts to current providers, an exemption from the usual tendering requirements of Contract Standing Orders is required. The Executive can only grant such an exemption where it is satisfied that there are good operational and/or financial reasons (CSO 84(a) and that there would be no breach of EU procurement law.
- 9.5 This report is also asking for approval to participate in a collaborative procurement with other West London boroughs. As this will mean that the procurement is conducted according to the Contract Standing Orders of another borough, the approval of the Executive is required in accordance with Standing Order 85.
- 9.6 The Public Contracts Regulations 2006 (the EU Regulations) contracts for social care and support are Part B Services under the EU Regulations and are therefore not subject to the full application of the tendering rules in the EU Regulations. They are however, subject to the overriding EU principles of equality of treatment, fairness and transparency in the award of the process.
- 9.7 Many Supporting People contracts are High Value (ie exceeding £500,000 in total value). As contracts are proposed for call off from current or future frameworks, Executive approval will be required.
- 9.8 Legal Services will provide on-going advice on the issues associated with the proposed Procurement programme.

10.0 Diversity Implications

- 10.1 Careful monitoring of the implementation of the Procurement Plan will be required in order to ensure that small and specialist providers are able to provide services where appropriate. We will be encouraging partnerships and sub-contracts in order to ensure that such providers are not disadvantaged.

We will monitor diversity and ensure that any partnerships and sub-contracts do not disadvantage users or providers.

- 10.2 At present 13 of the 42 Supporting People providers in Brent are disability, gender, age, BME or faith specific organisations. They jointly receive about 26 % of current funding. Although the number of specialist organisations has reduced over the years since the programme started, with a general reduction in the number of providers, the share of the programme provided by small and specialist organisations has actually increased from 22% in 2007, as a result of small specialist organisations such as Brent Mencap and Elders Voice winning competitive tenders.
- 10.3 The West London boroughs are planning provider training and development of consortia to assist small and specialist providers to continue to participate in providing Supporting People funded services. In addition, the Framework Agreement offers flexibility and the possibility of a range of services being developed to benefit very diverse needs. It is hoped that the tendering project may lead to new specialist organisations being selected to provide in Brent.
- 10.4 Where it is proposed to change any service then an Equalities Impact Assessment will be carried out to identify the impact on any particular group and the mitigating steps that need to be taken.

11.0 Staffing/Accommodation Implications

- 11.1 Funding reductions have led to reductions in the staff within the Supporting People team and careful monitoring along with support from procurement category managers will help ensure that this does not impact on the ability to achieve the proposed timetable. Participating in the West London Framework will maximise efficient use of staff resources.
- 11.2 Support from Corporate Procurement and legal colleagues will be required to deliver the Procurement Plan.

Background Papers

1. Brent Five Year Supporting People Strategy 2009-13

Appendices:

- A- Supporting People Procurement Plan

Contact Officers

Martin Cheeseman, Director of Housing and Community Care

020 8937 2341
martin.cheeseman@brent.gov.uk

Helen Duckworth- Lead Officer for Supporting People
020 8937 2283
Helen.duckworth@brent.gov.uk

APPENDIX A

**LONDON BOROUGH OF BRENT –
SUPPORTING PEOPLE PROCUREMENT PLAN 2011-13**

Client Group	Contract end dates /extensions	Tender Process Start Month/Year	Contract approx annual value 2010-11	Next steps and options being considered
PROCUREMENT IN PROGRESS:				
Young Peoples Services	September 2011	February 2011	£0.8mill	Local Framework Contract Tender in progress. New service providers to be in place by 1 st Sept 2011.
PLANNED PROCUREMENT:				
Domestic Violence Services	March 2012 (+ possible 1 year extension) (subject to approval by exec)	April 2011	£0.57mill	West London SP Framework
Families	March 2012 (+ possible 1 year extension) (subject to approval by exec)	April 2011	£0.5mill	West London SP Framework
Learning Disability – floating support	August 2010 + 2 years (currently negotiating extension price)	Depends on outcome of negotiations with current provider	£0.45m	Either existing West London home support Framework or new West London SP framework
Learning Disability- Accommodation Based	April 2011 +1 year possible extension	Preparation starts August 2011 Call off WL February/March 2012	£0.27mill	Call off either existing West London home support Framework (service would need considerable re-configuring) or new West London SP framework
Older People (sheltered)	March 2012 + 1 year possible extension	Preparation starts with Exec report August 2011	£1.2mill	Sheltered Review in Progress due to report to Executive by August 2011. The outcome will determine future configuration of services and capacity. Either call off existing West London home support Framework, West London SP Framework
Mental Health Services	November 2011 with possibility of 1 year extension	Preparation starts August 2011 Call off WL February/March 2012	£2 mill (reduction of £0.4 negotiated for 2010-11)	West London SP Framework

**LONDON BOROUGH OF BRENT –
SUPPORTING PEOPLE PROCUREMENT PLAN 2011-13 continued**

Client Group	Contract end dates /extensions	Tender Start Month/Year	Contract approx annual value 2010-11	Next steps and options being considered
Single Homeless - hostels	March 2012 + 1 year possible extension (subject to Exec approval)	Preparation starts June 2011 with call off in February/March 2012	£2.2mill	Call off new West London SP framework
Single Homeless Floating support	August 2012 and March 2013 (2 contracts)	call off as required from June/July 2012	£1.3 mill	Call off new West London SP framework
HIV services	Feb 2012 with possibility of 1year extension	Preparation starts Sep 2011 call off in February/March 2012	£0.05m	Call off West London SP Framework Agreement (with other floating support services)
Older People (Floating support)	June 2012 with possibility of extension one year	Call off date will depend on price reduction negotiations and contract extension agreed with existing provider.	£0.79mill	Call off either existing West London home support Framework or new West London supporting people framework
Services for People with Physical Disabilities and HIV	November 2011 with possibility of one year extension	Call off WL February/March 2012	£0.33million	Call off West London home support Framework or WL SP framework
Offenders services	December 2012	June 2012	£0.43mill	Call of f from West London SP Framework
Drug and Alcohol Services	December 2012	June 2012	£0.32mill	Call of f from West London SP Framework
Teenage Parent services	September 2012 with possibility of one year extension	Late 2012/early 2013	£0.2mill	Call of f from West London Framework