



Executive
9th October 2006

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

For Action

Wards Affected:
ALL

Supporting People Contracts

Appendix 3 of this report is not for publication

Appendix 3 is not for publication as it contains the following category of exempt information as specified in paragraph 3 of Schedule 12A Local Government Act 1972 namely

“Information relating to the financial or business affairs of any particular person (including the authority holding that information)”

Forward Plan Ref: H&CC-06/07-14

1.0.1 Summary

- 1.1 This report asks the Executive to AGREE that a number of specific Supporting People contracts due to ‘good operational and financial reasons’ need not be let in accordance with the tendering requirements as ordinarily required by the Council’s Contract Standing Orders.

2.0 Recommendations

- 2.1 This report asks the Executive to:
- 2.1.1 AGREE that the following Supporting People services should not be tendered for good operational and financial reasons and that 3 year contracts be awarded to the existing providers following a full contract review:

- Willow Housing Association (sheltered housing services) (contract start date April 1st 2007)
- ECHG Single homeless (hostel) (contract start date October 10th 2006)
- ECHG mentally ill homeless hostel (contract start date October 10th 2006)

2.1.2 AGREE that the Hestia Housing and Care (Offenders) Supporting People service should not be tendered at the present time for good operational and financial reasons and that the contract with the existing provider is extended for 2 years from January 10th 2007 to ensure stability of the service and enable the council to tender the services in the longer term.

2.1.3 AGREE that the St Mungo's (Single Homeless Hostel) Supporting People service should not be tendered at the present time for good operational and financial reasons and that two year contract be awarded to the existing provider from October 10th 2006 on the basis that it implements the recommendations of the full contract review of the previous provider.

2.1.4. AGREE that the English Churches Floating Support Supporting People contract should be extended by 8 months from December 1st 2006 to allow a review of future procurement to be concluded.

2.1.5 NOTE that the Supporting People team is currently developing, in consultation with providers and other stakeholders, a revised review procedure and a programme of strategic reviews of Supporting People services which will take place over a period of 3 years.

2.1.6 AGREE that officers report back to the Executive within the next 6 months regarding the future procurement strategy for Supporting people Contracts

3.0 **Detail**

3.1 The Supporting People Grant was introduced nationally by the Government in April 2003. It has been the subject of reports to Executive in March 2002, October 2002 and February 2003, November 2003, and April 2005.

3.2 In Brent over 90 Supporting People contracts with over 50 organisations were entered into with providers of Housing Support with effect from 1st April 2003. These were all existing services, previously funded through a range of routes. The Supporting People Unit within Housing and Community Care administers the contracts and funding. They were issued with what are known as Interim Contracts.

3.3 Organisations funded through Supporting People Grant provide Housing Support services and are an essential element of the pattern

of local provision available to meet identified needs. Many of the services are accommodation based, (ie hostels, group homes and supported housing) where the landlord is also the housing support provider.

- 3.4 Supporting People Grant is subject to the Supporting People Grant Conditions and Directions which required that all services taken into the Supporting People Programme in April 2003 were subject to contract review prior to April 2006.
- 3.5 Supporting People Grant Conditions required that a Supporting People Commissioning Body agreed on recommendations relating to contract reviews, on the Supporting People Strategy and funding priorities. The Supporting People Commissioning Body purpose and membership is set out in Appendix 4. Contract reviews of all the services listed in Appendices 1 and 2 have been reported to, and discussed by the Commissioning Body, and the outcome of the contract reviews agreed by this group.
- 3.6 All Supporting People services in Brent, including those listed in the recommendations in paragraph 2, were reviewed against the following key criteria:
 - A1 The service is strategically relevant, or the provider has agreed to a contract variation which ensures this
 - A2 The compulsory quality standards relating to Protection from abuse; Fair access, diversity and inclusion, needs assessment and support planning, Health and safety have all been met as stated in Appendix 4
 - A3 Service users and stakeholders have expressed satisfaction with the service
 - A4 The price of the service is comparable with the average for other similar services in London or other local benchmarking areas
 - A5 The provider meets accreditation standards relating to finance, management and governance
- 3.7 A 5 Year Supporting People strategy was agreed by members in April 2005. This set out local priorities for the Brent Supporting People programme 2005-10, identifying how future allocation of resources, re-configuration of existing services and development of new services and award of contracts will clearly link to local needs and priorities agreed by members as set out in the Corporate Strategy and local related commissioning strategies.
- 3.8 During contract reviews the strategic relevance of all services was assessed against a Shadow (interim) Supporting People Strategy for services reviewed prior to April 2005, and for those reviewed in 2005-6, against the Supporting People Strategy 2005-10. On the completion of the reviews then there is a process of moving providers from Interim Contracts onto what are known as Steady State contracts, subject to satisfactory reviews.

- 3.9 In November 2003 the Executive authorised the Director of Housing to agree that for services which had been subject to contract review and which were valued at under £1 million over the term of the contract should not be tendered as otherwise required by Contract Standing Orders as ,long as the review had highlighted that:
- (a) the council was receiving a best value service from the provider; or
 - (b) that the disruption caused to vulnerable users would outweigh the benefit that might be obtained by tendering; or
 - (c) there was no alternative provider in the market.

Authority was also delegated to award contracts for those same services. This was given in recognition of the need to promote stability in the market at a time of great change for Supporting People providers, and in recognition of the very large volume and variety of contracts and resources required to tender all contracts.

- 3.10 Three of the six services that are the subject of this report are valued at more than £1 million and so need specific Executive approval for the exception from tendering requirements and for contract award. Contract values are included in Appendix 3. The further three contracts require Executive approval for a contract extension, 1 of these contracts is also valued at over £1 million.
- 3.11 Authority is now sought to agree an exception to the tendering of the contracts listed in Appendix 1 and award Steady State contracts to the current providers who have been delivering the services since April 2003 following a successful contract review showing that the services meet all the review criteria, including offering good value for money. Summaries of the contract reviews and details of the financial and operational reasons for not tendering appear in Appendix 1.
- 3.12 The services listed in Appendix 2, relate to the recommendations 2.1.2 – 2.1.4. The Hestia service and the St Mungo's service providers that have been running the service for a shorter length of time, however the services were reviewed under the previous providers and both the current providers have committed to implementing the recommendations of the contract reviews. In relation to the English Churches Housing Association service referred to at recommendation 2.1.4, this was previously tendered. Options for future procurement, including the ability to utilise a framework agreement being tendered by a consortium of local authorities, are being looked at. As this contract has already been extended once by the Director, approval for a further contract extension needs to be given by the Executive, from December 2006. Further details of the financial and operational reasons for not tendering each of the contracts is contained in Appendix 2.
- 3.13 Although the 2 steady state contracts with ECHG and the Willow (sheltered housing services) contract will be entered into for a period of 3 years they will contain break clauses enabling the council to

terminate the contracts if the council's new procurement strategy (discussed below) identifies that they should be tendered earlier.

4.0 Future Service Planning

4.1 Supporting People providers have been providing housing support to vulnerable adults in Brent (and nationally) for many years. The new funding regime, Supporting People, introduced in April 2003 has introduced significant changes to the Supported Housing sector, with the introduction of contracts and contract management to the provision of existing housing support services, and the development of Supporting People strategies to identify local priorities for funding.

4.2 Over 3000 people are receiving housing support services via Supporting People contracts. It is best seen as a preventative programme, with housing support workers, sheltered housing managers, women's refuge workers, etc enabling people to receive support to maintain their independence in the community, preventing hospital admissions, registered care admissions, evictions, mental ill health, homelessness, anti-social behaviour; bringing benefits to service users and supporting many corporate priorities.

4.3 Contract reviews followed thorough procedures, effectively providing a Best value review approach to contract review. The main purpose of the reviews was to enable the Supporting People team to:

- determine whether services are meeting the strategic objectives for the Supporting People programme at a local level;
- assess whether there is a continued demand for the service;
- evaluate the quality and performance of services;
- assess the extent to which continuous improvement is taking place;
- risk assess services to inform the future level of monitoring and frequency of validation visits; and
- highlight whether significant changes should be considered (e.g. service remodelling or decommissioning).

4.4 The service review process provided the opportunity, prior to the expiry of the Interim Supporting People contract, to draw together a wide range of information about the strategic fit of all services and how they perform. There were five key criteria against which services should be assessed. These are their ability to:

- operate in accordance with the local Supporting People Strategy (i.e. their strategic relevance);
- meet identified current and future demand for the service;
- provide a quality service which effectively meets the needs/preferences of service users and potential users;
- perform efficiently and effectively; and
- be cost effective.

A wide range of information is considered during contract reviews:

- Evidence of Need for the service and local demand

- Review of policies and procedures and staff training to assess quality of service
- Validation Visit and interviews with service users
- Stakeholder views are considered
- Benchmarking of costs and staffing levels with other similar services using data provided by ODPM London-wide.

4.5 For the future, Supporting People procurement guidance by Office of the Deputy Prime Minister (now Department for Communities and Local Government or DCLG) issued in December 2004 indicated that the procurement of a Supporting People service should be “governed by three key factors:

- *Compliance with the authority’s relevant procurement strategy and standing orders*
- *Compliance with the requirements of EU procurement rules. This should already be reflected within the procurement strategy and standing orders, although Accountable Officers and Lead Officers should check that that is the case.*
- *An understanding of how appropriate procurement techniques can contribute to the efficient and effective long-term delivery of the local Supporting People programme. The technique followed would need to be appropriate and proportionate to the ability of the provider market to respond to it, but effective procurement is an important route towards securing the right service at the right price and maximising the level of service provision which can be achieved within local SP programmes.*

It is important that any decision on or strategy for procurement of SP services is derived from proper and informed discussions between Supporting People professionals (who will understand the current context of the local SP programme and the position and objectives which the programme is seeking to move towards) and procurement professionals (who can advise on the strategies and techniques for using procurement as a tool to move the local programme forward)”

4.6 DCLG also indicate in their guidance that it is good practice to agree a procurement strategy with the Commissioning Body. Further guidance on how this could be developed was expected in September 2006 but has not yet been issued. A procurement strategy for Brent will be developed over the next 6 months as the programme of strategic reviews mentioned in paragraph 2.1.4. is agreed. The procurement strategy will take into account the following issues in addition to the requirements of EU procurement law and Standing Orders:

- The high volume of Supporting People contracts (more than 96 Supporting People contracts with 55 providers)
- The significant resources needed to for the re-tendering and change process

- The administration required to negotiate contract terminations, specify and re-tender all contracts within a 3 year period which could not be managed within current staffing resources.
- It is very unlikely that any further funding for administration of Supporting People will be forthcoming from central Government, so costs of re-tendering would need to be found locally.
- Vulnerability of service users and the public concern likely over proposed changes to these housing support services,
- Change will need to be prioritised on the basis of cost, risk, knowledge of the housing support market, vulnerability of clients, strategic fit with current priorities and carefully managed in order to avoid de-stabilising the housing support sector locally.
- The cost of managing disruption to vulnerable users of housing support services compared to any additional costs associated with continuing with current providers.
- A number of contractors provide specialist services for which there is not a ready market therefore tendering would be administratively costly but not produce viable alternatives.
- Informed decisions made on the basis of quantitative performance data, and qualitative feedback about the quality of all services provided at present

5.0 Financial Implications

- 5.1 The total value of Supporting People grants allocated to the services listed in Appendices 1 and 2 is £4.34 million per annum. Expenditure is currently being incurred through the allocation of Supporting People grant funding to these organisations in the form of contract sums paid monthly as per DCLG instructions and grant conditions for Supporting People grant.
- 5.2 The total value of Supporting People Grant paid to Brent by the ODPM for all contracts is £12.2 million per annum for the current financial year. This funding is ring fenced for the provision of housing related support services. All Supporting People contracts are managed within this budget.
- 5.3 If the recommendations are not agreed and tendering is required, the cost to the council of employing adequate additional officers and specialist professional advice to support the tendering of these contracts within the next year would be in the region of £50-£70,000 for 2006-8. This could not be managed within existing budgets.

6.0 Staffing Implications

- 6.1 There are no staffing implications arising from this report. However, if tendering of all services is required, this would have staffing implications in terms of managing change, reporting and tendering processes, as significantly more staffing resources within the Supporting People Unit in Housing would be needed.

7.0 Legal Implications

- 7.1 There are a wide variety of powers that the Council has to assist and give provision to those in need. Some of this assistance and provision is provided through third party service providers. In the case of Supporting People the award of contracts is subject to the Supporting People Grant Conditions and Directions and other DCLG guidance, as well as needing to comply with the Council's own Contract Standing Orders and Financial Regulations, and relevant EU public procurement regulations and other requirements.
- 7.2 The services set out in Appendices 1 and 2 are health and social services and therefore Part B services as set out in Schedule 3 of the Public Contracts Regulations 2006 and therefore not subject to the full application of the regulations with regards to competitive tendering. However an Interpretive Communication was issued by the European Commission in July 2006 which indicates that best practice for Part B services requires advertising and some form of competitive process before contract award, depending upon the nature of the services being procured and whether the contract is likely to be of interest to overseas EU providers. While it is considered unlikely for these contracts to be of interest to overseas providers, there is a theoretical risk of challenge on the basis of breach of general European law principles of non-discrimination and equal treatment if the contracts are not advertised. Therefore it is necessary to develop a strategy for the future review and procurement of Supporting People contracts over a reasonable timeframe.
- 7.3 The Council's Contract Standing Orders provide that contracts with a value of £144,371 and above should be let by inviting competitive tenders.
- 7.4 However, the Council's Contract Standing Orders paragraph 84a states:
- 'Every contract entered into by the Council shall be entered into pursuant to or in connection with the Council's functions AND shall be procured in accordance with all relevant domestic and European legislation and unless for good operational and/or financial reasons the Executive agree otherwise with Contract Standing Orders and the Council's financial regulations'
- Appendices 1 and 2 set out the operational and financial reasons for exempting the services listed there.
- 7.5 Members will note that these contracts have high values and that government guidance referred to in section 4 above requires compliance with Brent's procurement strategy and standing orders. Members need to be satisfied that agreeing to the recommendations about excepting from tendering requirements is for good operational and financial reasons, and that the proposed contract awards and extensions will deliver best value for the Council.

7.5 Local authorities are given powers to pay out Supporting People funds through s93 of the Local Government Act 2000. Administration of the Grant is subject to Directions and Conditions of Grant issued by ODPM (now DCLG) in March 2003 (revised and updated April 2006).

8.0 Diversity Implications

8.1 There are no diversity implications to this report. All Supporting People contract reviews include a thorough review of performance in relation to diversity issues, and the contracts are assessed as meeting the required standard with regard to diversity in both service delivery and employment.

9.0 Background Information

9.1 Council's Contract Standing Orders and Financial Regulations updated July 2006.

9.2 Grant Conditions and Directions ODPM (February 2003 and October 2003, updated April 2006)

9.3 LB Brent Supporting People Strategy 2005-10

9.4 Monitoring and Review of Supporting People services (ODPM December 2002)

9.4 Next Steps (DCLG July 2006)

9.5 Position Statement on position in respect of the procurement of new Supporting People services (ODPM Dec 2004)

9.6 Administration of the Supporting People programme from 2006 (ODPM Dec 2005)

9. Contact Officer

All the above documents are available from:

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APPENDIX 1 – INTERIM TO STEADY STATE CONTRACTS (VALUED AT OVER £1MILLION)

Total contract value over £1,000,001 – details of contract value in Appendix 3		
Provider	Capacity	Name of Service
1. English Churches Housing Group	20	ECHG Homeless Mentally Ill temp accom.
Period of Steady State Contract to be awarded: 3 years Start date: October 10 th 2006		
<p>Background</p> <p>The service is strategically relevant, providing housing support and 24 hour cover in a hostel for homeless mentally ill people, with all referrals made from Housing Resource Centre or Brent Mental Health Service. The service operates at full capacity and voids are filled very quickly. Feedback from partner agencies is very positive.</p> <p>Summary of Contract Review</p> <ul style="list-style-type: none"> • The contract was reviewed and reported to the Commissioning Body in May 2004, it therefore terminated in May 2005 and has been continuing on exchange of letter since. • The contract price has been re-negotiated following the review, making a saving of £140,723 per annum. The price is now close to the benchmark for other high support services for people with severe and enduring mental health problems and is unlikely to be improved on through tendering. • The service met the required quality standards and a good action plan is in place to further improve quality • The reviews received very good feedback from service users and stakeholders and evidence of good outcomes for service users, including some innovative work with service users on further developing the service • Performance indicators confirm good performance • The reviews evidenced many areas of good practice <p>Reasons for Recommendation</p> <ul style="list-style-type: none"> • This is the first Steady State Contract to be issued for this service following review of the interim contract. • Tendering the support could not be done without considering the views of service users and without considering the future of housing support provided to people with mental health problems elsewhere in the borough. This requires considerable resources. It is unlikely that tendering will achieve a lower price or higher quality for this service as the current provider has reduced price and put in place a very effective improvement plan. • The costs of tendering this contract are felt to be outweighed by the benefits of awarding a contract to the existing provider. Given the Supporting People and Procurement Teams have only limited capacity to manage tendering of contracts, reviews of other services have identified services where risks or poor value of money need to be addressed more urgently and these should be prioritised above these services. <p>The high standards and cost savings achieved following this review are unlikely to be improved on through tendering the service formally. It is therefore recommended that the contract is awarded for 3 years to the current provider without tender.</p>		

Total contract value over £1,000,001 -- details of contract value in Appendix 3		
Provider	Capacity	Name of Service
2. English Churches Housing Group	92	English Churches- Hostel for Single Homeless
Period of Steady State Contract to be awarded: 3 years Start Date: October 10 th 2006		
<p>Background</p> <p>The services are strategically relevant, providing housing support to homeless single people with a range of complex needs, including high numbers with drug and alcohol issues and 16 and 17 year olds, refugees and people with mental health needs. The service offers very high quality services and accommodation. The service operates at full capacity and voids are filled very quickly.</p> <p>Summary of Contract Review</p> <ul style="list-style-type: none"> • The contract was reviewed and reported to the Commissioning Body in April 2005 it therefore terminated in April 2006 and has been continuing on exchange of letter since. • Price reductions were sought following the contract review, and additional capacity has been added through the opening of a new wing for single homeless 16 and 17 year olds. The price is close to the benchmark for other high support services for single homeless people. The value of the contract has increased by only 3% in 3 years. • The service is one of the top performing housing support services in Brent, it met (and continues to meet) the required quality standards at the highest standard possible, achieving level A in the "quality assessment framework" on all 6 criteria¹. This service is the only service in Brent to achieve these very high standards. • The reviews received very good feedback from service users and stakeholders and evidence of good outcomes for service users, including innovative work with service users on further developing the service • Performance indicators confirm ongoing good performance <p>Reasons for Recommendation</p> <ul style="list-style-type: none"> • This is the first Steady State Contract to be issued for this service following review of the interim contract • Tendering the support could not be done without considering the views of service users and without considering the future of housing support provided to single homeless people elsewhere in the borough. This requires considerable resources. • The costs of re-tendering this contract are felt to be outweighed by the benefits of awarding a contract to the existing provider. Given the Supporting People and Procurement Teams have only limited capacity to manage tendering of contracts, reviews of other services have identified services where risks or poor value of money need to be addressed more urgently and these should be prioritised above this service. <p>The exceptionally high standards and the price achieved on this contract are unlikely to be improved on through tendering the service formally. It is therefore recommended that the contract is awarded to the current provider without tender for a period of three years.</p>		

Total contract value over £1,000,001 -- details of contract value in Appendix 3		
Provider	Capacity	Name of Service

¹The Quality Assessment Framework Criteria assessed during the contract review are:
Needs Assessment and Risk Management
Support Planning
Security, Health and Safety
Protection from Abuse
Fair Access, Diversity and Inclusion
Complaints

3. Willow Housing and Care	c700	Willow Sheltered Housing
Period of Steady State Contract to be awarded: 3 years Start Date: April 1 st 2007		
<p>Background</p> <p>This contract funds sheltered housing managers for Willow Sheltered Housing properties. The sheltered housing managers are responsible for providing housing support to older people in properties owned by Willow, including those transferred from Brent Council.</p> <p>The contract value will vary as the Supporting People contract only funds clients eligible to receive subsidy following Housing Benefit and Fairer Charging assessments. This varies from month to month.</p> <p>Summary of Contract Review</p> <ul style="list-style-type: none"> • The service was reviewed and reported to the Commissioning Body in March 2006 and therefore terminates in March 2007. Following the review, two contracts (one for the ex council stock, the other for Willow's other sheltered schemes) were merged together into one contract for ease of contract management. • Capacity has increased over the past 3 years as new services have been developed within Willows development programme and incorporated into the original contract. The total contract value has increased by only 3.6% over 3 years, and capacity has increased by more than 5%. • The price is now close to the benchmark for other sheltered housing services for older people and is unlikely to be improved on through re-tendering. • The services are strategically relevant, providing housing support to older people, many of whom have additional support needs, such as with alcohol issues, disability, refugee status or dementia. • The service met the required quality standards and a good action plan is in place to further improve quality • The reviews received very good feedback from service users and stakeholders and evidence of good outcomes for service users, including some innovative work involving service users • Performance indicators confirm good performance • 		
<p>Reasons for Recommendation</p> <ul style="list-style-type: none"> • This is the first Steady State Contract to be issued for this service following review of the interim contract • The operational factors involved in tendering the contract are complex. Tendering could not be done without full consultation with Willow housing service users. In order to ensure equity with other sheltered housing service users, wider consideration of the future of housing support provided to older people in sheltered housing elsewhere in the borough would be advisable. This requires considerable resources to be allocated by the council and would need a further policy decision to be made by elected members. It is considered that this is not a priority at present as the service offers good value for money and good quality. • The costs and risks of tendering this contract at present are felt to be outweighed by the benefits of awarding a contract to the existing provider. Given the Supporting People and Procurement Teams have only limited capacity to manage re-tendering of contracts, reviews of other services have identified services where risks or poor value of money need to be addressed more urgently and these should be prioritised above this service. <p>The high standards and price achieved on this contract are unlikely to be improved on through tendering the service formally, and the operational resources involved in re-tendering are better employed elsewhere on higher risk services representing less good value for money at present. It is therefore recommended that the contract is awarded to the current provider without tender for a period of three years.</p>		

APPENDIX 2 – OTHER CONTRACTS

Provider	Capacity	Name of Service
4. English Churches Housing Group	200	English Churches- Floating Support
Period of extension proposed: 8 months Start Date of extension: December 2006 End Date: August 1 st 2007		
Background This service was originally formally tendered and awarded following competitive tender in November 2002. The service is strategically relevant, providing floating housing support to homeless single people living in the community with a range of complex needs. The majority of clients are living in temporary accommodation, particularly bed and breakfast and are referred by Housing Resource Centre or the Housing Advice Service. Clients have mental health issues; drug or alcohol issues or are young homeless people of 16 and 17 years old.		
Summary of Contract Review The contract was reviewed and reported to the Commissioning Body in February 2006. The service review showed that the service offered was high quality.		
Value for Money The contract review showed this service to be high cost compared to other similar services, although service standards were good. The review led to a significant expansion in the capacity of the service, from 149 clients to 200 people now receiving a floating housing support service. This was achieved at no extra cost to the council, through increasing the number of clients supported by each staff member, and by asking staff to specialise on the needs of young people, older people or those with mental health issues. The total cost of this service has reduced by 4% since 2003/4, but recent benchmarking indicates that it is likely further savings could be made through re-tendering.		
Reasons for Recommendation- Contract Extension Given the high cost of the service the Director of Housing and Community Care used delegated powers to extend the contract for one year until December 2006 to allow for a re-tendering process to take place. The Supporting People is currently developing options for re-tendering. A framework is currently being developed jointly with other West London authorities and will be available shortly. This will be the subject of a separate Executive Report in due course. To allow for a tendering framework to be further considered, authority is requested to extend the current contract by a further 8 months, until August 1st 2007.		

Provider	Capacity	Name of Service
5 Hestia Housing and Support	35	Hestia (offenders)
Period of extension proposed: 2 years Start Date of extension: 10 th January 2007		
Background This contract was formerly held by Novas. The contract was reviewed during 2004 and the Commissioning Body received a recommendation in Nov 2004 to defer the issuing of a Steady State Contract for six months, to allow for a timetabled action plan to be implemented to improve identified standards, address health and safety concerns and to allow consideration of the remodelling of support levels at some of the services. These recommendations were not achieved by the expiry date of the 12 May 2005, and following a change in management within the provider, they agreed to terminate the contract. This resulted in an urgent need to appoint a new contractor and insufficient time to conduct a tendering process. A six month contract was awarded to Hestia Housing and Support commencing on 10 July 2006		

Executive approval is also sought to extend the Supporting People six month contract awarded for the provision of services to offenders to Hestia Housing and Support on 10 July 2006, for a further 2 years until January 2009 to ensure stability of the service and allow the contract to be tendered in the longer term.

The value of this contract is currently £290,000p.a, although a detailed proposed budget for remodelling of the service with significantly higher staffing levels in order to provide increased evening cover has been received from the provider. The Supporting People team is still in negotiation about the exact staffing levels, and therefore the exact contract price. The price will be c£300,000 per annum and will reflect the benchmark Supporting People hourly rate for each hour of front line staff provided.

This service provides housing support to ex-offenders living in 4 hostels in Brent. Service users are supported to improve their independent living skills, avoid criminal behaviour and to find permanent accommodation. The service is provided with active support by staff within the Probation service.

Contract Review

- The service has previously been subject to intense media attention due to a very serious incident at one of the hostels, whilst managed by the previous provider. In addition to this incident, there have been many other incidents of concern in several of the properties over a long period.
- The clients provided with services through Supporting People are vulnerable clients who need regular assertive support within clear structures. Staff need strong management and good policies and procedures in which to operate.
- Service users and staff have experienced previous poor support with ineffective management. They have requested a period of stability and re-building of the service.
- Hestia, the new provider, has a good track record dealing with this client group. Hestia are progressing well since recent transfer of the service but need time to stabilise, empower service users and manage and train up staff who have transferred to their organisation from the previous provider.
- The new provider has developed a comprehensive action plan for improving standards at this high risk service, including re-modelling one property to improve safety standards.
- The contract price proposed by Hestia is close to the benchmark for a service of this type and will offer value for money which is very unlikely to be improved on through tendering, particularly as the field of specialist providers of similar services is small.
- Hestia has provided a proposal, following discussion with Supporting People and Probation Services, for remodelling of the 4 offender services included in this contract. This proposal contributes towards the development of Corporate Strategic Priorities, improving service delivery and health and safety.
- The development of good multi agency working and information sharing has been established by the new provider, to include Probation, Metropolitan Police and Community Safety Team.
- Hestia is working closely with the owning RSLs, this includes refurbishment works which will require one property to be de-canted.

Reasons for Recommendation

The 2 year extension will give the new provider a period to re-stabilise this sensitive service in order to minimise risk involved brought about by frequent change and allow the council time to tender the contract. It is therefore recommended that the current contract be extended for a period of 2 years .

Provider	Capacity	Name of Service
6. St Mungos	78	St Mungos Single Homeless Hostel
Proposed Contract Period: 2 years		
Contract Start Date : October 10 th 2006		
<p>Background</p> <p>This service provides housing support to homeless single people with a range of complex needs, living in large hostels. The majority of clients are referred by Cricklewood Homeless Concern and Housing Resource Centre, and have mental health issues; drug or alcohol issues or are refugees. The service provides intensive temporary support prior to supporting people to move on independently into either Private Rented or Council/RSL properties.</p> <p>The service was being carried out under an interim contract and was reviewed and reported to the Commissioning Body in April 2005. The provider at that time was Novas Ouvertures. Following the contract review Novas Ouvertures notified that council of an intention to novate a large number of contracts in several boroughs to another specialist provider of single homeless hostels, St Mungo's. This took place in December 2005. St Mungos have agreed to the recommendations of the review given to Novas. The novated interim contract expired in April 2006 (12 months after the review) and has been continuing on exchange of letter since then.</p>		
<p>Review</p> <ul style="list-style-type: none"> • This is the first Steady State Contract to be issued for this service following review of the interim contract and the novation to St Mungos • At the time of the review the hostels were found to be in poor condition and in need of significant resources to upgrade them. The DCLG and Housing Corporation agreed to provide the new provider, St Mungos, with these resources. Funds have now been identified to improve conditions and decanting is in progress. • During the Supporting People contract review the contract price charged by Novas was found to be high compared to other similar services. St Mungos have agreed to reduce costs. • However, the services are strategically relevant, providing emergency hostel accommodation housing support to single homeless people, many of whom are not eligible to be considered Statutorily homeless but have additional support needs, such as with alcohol issues, disability, refugee status, mental ill health. • When reviewed, the service met the required quality standards and a good action plan was submitted to further improve quality • The review received good feedback from service users and stakeholders and evidence of good outcomes for service users 		
<p>Reasons for Recommendation</p> <ul style="list-style-type: none"> • It is considered that, as the properties included in this contract are all due for major decant and refurbishment or re-build, it is impractical to re-tender the service at present. St Mungos are both the owners of the property and the housing support provider and need to focus on the complex building contracts and decanting at present, as well as ensuring good service delivery to very vulnerable service users during this transition period. <p>The costs and risks of tendering this contract at present are felt to be outweighed by the benefits of awarding a 2 year steady state contract to the existing provider, at a reduced price reflecting the decanting programme, and benchmark prices for similar services.</p> <p>Given the Supporting People and Procurement Teams have only limited capacity to manage tendering of contracts, reviews of other services have identified services where risks or poor value of money need to be addressed more urgently and these should be prioritised above this service.</p>		

Appendix 4

Purpose of the Brent Supporting People Commissioning Body

The Supporting People Commissioning Body has strategic responsibility for the Supporting People Programme within Brent. It will agree and recommend to members a Supporting People strategy for Brent, an annual plan, identify and allocate revenue resources and prioritise capital allocation.

In June 2001 Members agreed that Brent Senior Management Group (now Brent Health and Social Care Partnership Board) should take responsibility for the Commissioning Body role for Supporting People. This group has now set up a sub group in order to meet the Supporting People Grant Conditions and Directions.

The Body does not have statutory powers, it is a partnership body to ensure consensus in the allocation of Supporting People resources within Brent. All partners will be asked to provide written agreement to the Supporting People strategy.

Subject to para 2-5 and schedule 1 of the Supporting People Grant Directions (March 2003) the Commissioning Body may regulate its own proceedings

Membership of Brent Supporting People Commissioning Body

The membership will come from the three statutory agencies of Brent Council (where there will be a representative from Housing and Social Services), Probation and Health. Where a partner agency fails to nominate a representative LB Brent (the Administering Authority) shall inform the Secretary of State immediately. The group may also invite others to attend meetings as appropriate but they will have no decision-making powers.

Housing and Community Care

Director of Housing and Community Care – Martin Cheeseman

(In Attendance) Supporting People Manager - Helen Duckworth

Adult Social Care

Assistant Director - Lance Douglas (Asst Director- Quality and Support)

Health (Brent PCT)

Commissioning - Samih Kalakeche (Head of Joint Commissioning)

Probation

London Probation Service - Mike Bland (Brent Area Director)