

	<p style="text-align: center;">Executive 29th May 2007</p> <p style="text-align: center;">Report from the Director of Housing and Community Care</p>
For Action	Wards Affected: ALL
<p>Supporting People Commissioning Framework and Procurement Plan</p>	

Forward Plan Ref: H&CC-06/7-14

1.0 Summary

- 1.1 In October 2006 Brent Council's Executive asked officers to report back to the Executive regarding the future procurement strategy for Supporting People contracts. A Commissioning Framework and Procurement Programme have been developed and consulted on with a wide range of stakeholders and are attached for approval.
- 1.2 The Procurement Plan (see Appendix A) sets out a timetable showing when Supporting People services will be commissioned and procured in future
- 1.3 The Commissioning Framework (see Appendix B) sets out the ways in which Supporting People services will be commissioned and procured in future

2.0 Recommendations

That the Executive:

- 2.1 Approve the Commissioning Framework setting out how Supporting People funded services will be procured in future.
- 2.2 Approve the timetable for Procurement of Supporting People services set out in the Procurement Plan

3.0 Background

- 3.1 Supporting People (SP) is a national programme worth over £1.7 billion annually. In Brent the SP programme is worth £12.8 million per year, but has reduced in value from

£13.685 million since 2003. The programme aims to enable vulnerable people to live independently in the community, through providing housing support services.

- 3.2 Over 3000 people in Brent receive housing support services funded through Supporting People contracts. The programme in Brent is delivered by 55 providers via 95 contracts, ranging from large national to small local organisations. It is one of the largest single sources of funding for the voluntary sector in Brent.
- 3.3 Supporting People is a preventative programme. Housing support workers, sheltered housing managers, women's refuge workers, etc enable people to maintain their independence in the community, preventing hospital admissions, registered care admissions, evictions, mental ill health, homelessness, anti-social behaviour. Some services are accommodation based, (ie hostels, group homes and supported housing). Other services offer "floating" support which moves between people living in independent housing. The Programme brings benefits to service users and supports many corporate priorities.
- 3.4 The SP programme went live in 2003 as a "legacy programme", ie it inherited historic services. Although much of the programme is very focused on current needs, the programme includes some small capacity/low value providers duplicating each other and some non-specialist service providers which bring little added value to service users. The current profile also offers limited choice of SP providers for some client groups, particularly mental health and learning disability services. In addition, some currently unfunded BME and specialist organisations have indicated that they would like to be able to access funding to meet emerging local needs. One of the main challenges in administering the programme is therefore ensuring services are changed to meet current needs.
- 3.5 A 5 Year Supporting People strategy was agreed by members in April 2005. This set out local priorities for the programme 2005-10, identifying how 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.
- 3.6 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. As budgets reduce, this can only be achieved through contract price savings which means opening services to competition.
- 3.7 The proposed Commissioning Framework and planned procurement programme show when services would be opened up to competition and ensure service changes take place in a transparent way understood by all parties.
- 3.8 The Brent Supporting People Strategy 2005-10 states in general *what* Supporting People services will be commissioned, re-modelled and decommissioned. The Commissioning Framework therefore sets out *how* commissioning and procurement will take place, linking commissioning and procurement to the strategy. The 5 year Procurement Plan accompanying the Commissioning Framework sets out *when* services will be commissioned and procured.

3.9 Supporting People Grant is subject to the Supporting People Grant Conditions and Directions. Supporting People procurement guidance by Office of the Deputy Prime Minister (now Department for Communities and Local Government or CLG) issued in December 2005 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.*
- *An understanding of how appropriate procurement techniques can contribute to the efficient and effective long-term delivery of the local Supporting People programme.....Effective procurement is an important route towards securing the right service at the right price and maximising the level of service provision which can achieved within local SP programmes.*

3.10 Further guidance issued by CLG in October 2006 strongly recommends the use of Procurement Plans to manage procurement of Supporting People services. Opening services to competition and rationalising the market is seen as a way to ensure services meet current needs, improve standards and offer choice for users and Value for Money for commissioners (ie the Council).

3.11 Although there is pressure to introduce competition into the Supporting People Programme subjecting services to tendering simultaneously and without allowing time for proper preparation will de-stabilise the market, pressurise providers, impact on service delivery and be unmanageable for council staff. The vulnerability of service users and the public concern likely over proposed changes to these housing support services also needs to be recognised. The Procurement Plan and Commissioning Framework therefore aim to carefully manage tendering over a 5 year period.

4.0 The Commissioning Framework

4.1 The Commissioning Framework specifically:

- States how we will work with the provider market
- States how tendering will be undertaken in line with Contract Standing Orders, European public procurement rules (where applicable) and good practice in working with the provider market
- States a commitment to work with small providers and maintaining a variety of provision
- Reflects government guidance on working with the Voluntary and Community Sector and good practice in procurement and tendering.
- And proposes the use of Framework Agreements as the main form of contract to be used within the Supporting People Programme in Brent.

4.2 The Commissioning Framework reflects commissioning arrangements and priorities as they are now, and does not look forward to the more flexible arrangements which may arise as a result of more individual service user choice, through individual budgets, or

through the increased links between SP and Local Area Agreements. The Commissioning Framework will therefore be kept under review.

4.3 Wide consultation took place to develop the Commissioning Framework. Over 50% of existing providers commented in detail. The majority of comments from providers related to:

- a desire by providers to maintain stability in the current market of providers
- capacity building and supporting small and specialist providers to compete
- issues relating to ownership of properties and ensuring that accommodation-based services are not lost to the programme
- Broad support for the proposal to use Framework Agreements.

4.4 The Commissioning Framework responds to these points through:

- Encouraging the involvement of small organisations- An action plan will be drawn up, in partnership with Brent's Voluntary Sector Unit and its Procurement Unit to put in place a procurement training programme for providers
- Support for partnership and consortia arrangements to encourage small and specialist providers new to the Supporting People programme.
- Stating a commitment to exploring formal partnering arrangements with some large providers. This could be a beneficial approach to dealing with large landlords of critical services, such as the direct access hostels in the borough.
- Proposing the use of Framework Agreements, recently specifically provided for within Brent's Standing Orders.
- An Impact Assessment pro-forma to be included where closure or major change is proposed.

5.0 Procurement Plan

5.1 The procurement plan is based on a risk assessment of existing contracts. Where new services are to be procured, these will either be drawn into the proposed programme or will require separate procurement projects.

5.2 Services have been prioritised for early tendering where there is significant mis-match with strategic needs and undersupply, where quick wins in terms of contract price should be achievable, for areas prioritised in the Supporting People strategy or where cost benefits will impact on wider budgets.

5.3 Where there are significant property issues to be resolved, services have been left later in the programme (Sheltered Housing and Single Homeless Hostels) to allow time for discussion with council members, providers and service users. Partnering solutions could be considered for some accommodation based services such as direct access hostels.

5.4 The Procurement Plan groups similar services together. The exact services to be procured will be agreed during a Strategic Review which will take place prior to any tendering project and will identify the best options for securing high quality services representing the best value for users and council.

- 5.5 The procurement programme will need review in line with changes to the Supporting People strategy or partner priorities and the staff capacity to achieve the timetable. It is proposed the first review will be March 2008.

6.0 Financial Implications

6. The total value of Supporting People Grant paid to Brent by the ODPM for all contracts is £12.8 million for the current financial year. This funding is ring fenced for the provision of housing related support services, (although from April 2007 the Grant Conditions for Supporting People have been broadened to give discretion to fund a wider range of services defined as non statutory “welfare services”). All new and existing Supporting People contracts will be managed within this budget.
- 6.2 There are significant cost implications in the administration of a large procurement programme, in terms of staffing resources, and professional legal and procurement advice. The costs will be managed within the Supporting People budgets.
- 6.3 There may be scope for pooled funding and for tendering services jointly with Commissioning Partners such as other Local Authorities or the PCT. This will be considered on a case by case basis and the necessary authorities sought at the time. Where joint tendering takes place the related administration costs would also be split.

7.0 Legal Implications

- 7.1 The Council has the necessary powers to enter into the contracts included in the Procurement Programme 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.
- 7.2 The Procurement Plan appended at Appendix A sets out a 5-year programme for tendering services. 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 tender process for that service is completed.
- 7.3 Many Supporting People contracts are High Value (ie exceeding £500,000 in total value) and as services are tendered there will need to be reports before the Executive both to approve the tender process and award the contracts. In many instances it is proposed to group services together by type and set up a multi-supplier framework agreement. Subject to individual Executive approval of the process, a framework agreement allows a range of suppliers to be appointed and facilitates the commissioning of individual services as needs arise and change through a call-off process. The need for individual tenders for each service is therefore reduced.

7.4 Looking at the situation under 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.

7.5 Legal Services will provide on-going advice on the issues associated with the proposed Procurement and tendering programme.

8.0 Diversity Implications

8.1 An Impact Assessment of the Commissioning Framework identified that careful monitoring of the Framework and implementation of the Procurement Plan will be required in order to ensure that small and specialist providers are included.

8.2 At present 22 of 55 providers are disability, gender, age, BME or faith specific organisations (receiving about 22% of SP funding). The Commissioning Framework does not state a target for the range or number of providers of different types to be funded through the SP programme in future. The impact of the Procurement Programme on small and specialist organisations and the pattern of providers will be monitored and the possibility of introducing a target in future will be kept under review by the SP Commissioning Body.

8.3 The Action Plan mentioned in paragraph 4.5 to encourage provider training and development of consortia will assist small and specialist providers to participate. In addition, the Framework Agreement proposed in the Commissioning Framework offers flexibility and the possibility of a range of services being developed to benefit very diverse needs.

9.0 Staffing/Accommodation Implications

9.1 The administration grant provided by CLG has failed to increase in line with inflation. This has put pressure on staffing resources in the Supporting People team which may impact on ability to achieve the proposed timetable. The programme will be reviewed in April 2008 to ensure adequate capacity to deliver.

9.2 Support from Corporate Procurement and Joint Commissioners in PCT will also be required to deliver the Procurement Programme.

Appendices:

A - Supporting People Procurement Plan

B - Supporting People Commissioning Framework

Background Papers

1. DCLG (2007)- Supporting People Grant Conditions
2. Brent Five Year Supporting People Strategy 2005/10
3. ODPM (2005)- Administering the SP Programme after 2006
4. DCLG (2006). A Guide to Procuring Care and Support Services

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Supporting People Exec Report 2007 – APPENDIX A

LONDON BOROUGH OF BRENT – SUPPORTING PEOPLE HIGH LEVEL PROGRAMME OF STRATEGIC REVIEWS/PROCUREMENT 2007/2011			
Start Year	Client Group	Current Contracts- annual value	Procurement methods /Notes
2007-8	Learning Disability Services	£1.1mill	Framework agreement to be discussed with providers and Commissioners. Some pooled funding anticipated.
	Single Homeless/generic and refugee Floating Support services	£1.0 mill	West London Framework Agreement to be used (agreed by Exec April 2007)
	Older Peoples Floating support	£529K	Framework agreement proposed
2008/9	Mental Health Services	£2.73 mill	Strategic review 2007/8 – tendering in 2008 Framework agreement - to be discussed with providers and Commissioners. Some pooled funding with Health and Social Care to be considered.
	Offenders and Drug and Alcohol Services and Young Peoples services (accommodation based and floating)	£694K £477k- YP	Possible use of West London Framework Agreement for floating support.
2009-10	Families Floating Support and Hostels including Teenage Parent and Domestic Violence Services	£623K £508k	Framework agreement proposed
	Single Homeless hostels and accommodation based services (including direct access hostels and Refugee hostels)	£121k- Refugees £1.8mill – Direct Access £543k- other SH hostels	Complex Property issues will need discussion with landlords. Some partnering may be considered.
2010-11	Services for People with Physical Disabilities and HIV	£554K	Framework agreement to be considered with providers and stakeholders
2011	Sheltered Housing for Older People	£1.4mill	Needs careful consideration – Accommodation and Support closely associated
The risk assessment used to identify priorities for re-tendering considered: Number of Service Users Existing Externally validated Quality standards Vulnerability of Client Group in terms of support hours VFM/Hourly Rate Disaster Plan/Business Continuity Plan Strategic Relevance of Service/Criticality Move –on provision from Short term/Long term services			Funding Sources Utilisation Levels Staffing levels THE PROGRAMME WILL BE REVIEWED IN MARCH/APRIL 2008