



**Executive
18 January 2010**

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

Wards affected:
ALL

**Outcome of re-negotiation of existing housing support
contracts for Offenders and People with Drug and/or
Alcohol issues**

Forward Plan Ref: [H&CC-09/10-24](#)

1.0 Summary

- 1.1 The Executive meeting in May 2009 considered the current contracts for housing support services for offenders and people with drug and / or alcohol issues, and how to reprovide these services in view of their expiry on 31st December 2009. The Executive approved an exemption from the usual tendering requirements of Contract Standing Orders, to allow negotiations with the existing providers, with a view to allowing new or extended contracts to be awarded from 1st January 2010 until 31st December 2012. A key factor in the negotiations was that satisfactory efficiency savings and / or added value be achieved. The Executive requested a report back on the renegotiations before awarding any contracts.
- 1.2 Accordingly this report sets out the outcome of the re-negotiation exercise carried out with existing providers of housing support contracts for services for Offenders and people with Drug and / or Alcohol issues, and requests approval to extend the existing contracts.

2.0 Recommendations

- 2.1 The Executive to note the outcomes of the re-negotiation meetings and the efficiency savings achieved.

Meeting
Date

Version no.
Date

1

2.2 The Executive to approve the extension of the current contracts in relation to all the offender and drug and / or alcohol services funded by Supporting People, as listed in sections 4 and 5 of the report, to 31st December 2012.

3.0 Background – Supporting People

3.1 The Supporting People (SP) programme is a national programme to commission the provision of housing-related support for vulnerable people to help gain, increase or maintain their independence. Supporting People funds the provision of ‘floating support services’ (support to service users in their own home where the Support Worker moves to support someone else when support is no longer needed), and ‘accommodation based services’ (support tied to accommodation where the client living in a hostel or supported housing scheme receives support as a condition of occupation).

3.2 The Supporting People programme commenced in April 2003, with the grant funding for the programme in Brent standing at £12.8 million for 2009/10.

3.3 Members will recall that at their meeting in May 2007, they approved the Supporting People Commissioning Framework setting out a procurement programme for SP services over a five-year period. This involved the completion of a Strategic Review of groups of services according to client group to inform future procurement, commissioning and tendering of SP services.

3.4 The Executive meeting in September 2008 agreed to give approval for pre-tender considerations and criteria to be used to evaluate tenders for five framework agreements for housing support services, including services for offenders and people with drug and alcohol issues.

3.5 The SP Strategic Review of both services was completed and reported to the Supporting People Commissioning Body in November 2008. The findings from both Reviews evidenced high quality services that provided good value for money, and that were also able to demonstrate added value from the particular skills and expertise available within the organisations in working with vulnerable people with particular specialist needs. The Commissioning Body supported the recommendation in the Strategic Review that these services not be tendered in accordance with Contract Standing Order 84, on the grounds that these are very specialist organisations with particular expertise in the field, and to this end would very likely be the only organisations to tender for the existing contracts should an exercise be required.

3.6 The Core Strategy Group and Strategic Commissioning Body partners, in particular Probation and NHS Brent, supported the recommendation in the May 2009 to not tender the services.

3.7 Accordingly in May 2009 the Executive was asked to consider a different approach with regard to these contracts. In May 2009 the Executive agreed:

- (i) that approval be given to an exemption from the tendering requirements of Standing Orders in relation to all the offender and drug and alcohol services funded by Supporting People, in accordance with Contract Standing Order 84;
- (ii) that approval be given to a re-negotiation of the existing Supporting People contracts for Offenders and People with Drug and Alcohol issues, as listed in sections 4 and 5 of the report, to allow new contracts to be awarded from 1st January 2010 until 31st December 2012;
- (iii) that a further report be submitted on the results of the re-negotiation exercise and to consider whether new contracts should be awarded to the organisations listed in sections 4 and 5 of the report as a result of that renegotiation exercise.

3.8 After the Executive Meeting in May 2009 individual negotiation meetings were held with the providers listed in Section 4 of that report. The meetings were held jointly with a representative from the Brent Procurement Team. The providers were advised that we were seeking cashable and / or non cashable savings. The outcome of those negotiations is set out in section 6 below.

4.0 Current pattern of SP funded provision of housing support for Offenders

- The SP grant spent on specialist Offender housing support services is £480K per year (2008/09), or about 3.7% of the annual SP budget
- The number of services users funded for support is 65, with thirty five people receiving accommodation-based support and the remaining thirty in receipt of floating support services
- Existing services are provided by organisations with specialist knowledge and expertise of working with this particular client group

4.1 The Supporting People contract start and end dates for Offender services currently in place is detailed below:

Contract Name	Service Type	Contract Start date	Contract End date
Hestia	Accommodation	10.01.07	31.12.09
St Mungo's	Accommodation	01.01.07	31.12.09
St Mungo's	Floating Support	01.05.07	31.12.09.

5.0 Current pattern of SP funded provision of housing support for people with Drug and Alcohol issues

- The SP grant spent on specialist Drug and Alcohol housing support services is £279K per year (2008/09), or about 2.2% of the annual SP budget

- The number of services users funded for support is 100, with twenty nine people receiving accommodation-based support and the remaining seventy one in receipt of floating support services
- Existing services are provided by organisations with specialist knowledge and expertise of working with this particular client group

5.1 The Supporting People contract start and end dates for Drug and Alcohol services currently in place is detailed below:

Contract Name	Service Type	Contract Start date	Contract End date
CHC	Accommodation	26.10.06	31.12.09
St Mungo's	Accommodation	01.04.07	31.12.09
CHC	Floating Support	01.04.07	31.12.09
PCHA	Floating Support	01.04.07	31.12.09

6. Outcome of the Negotiations with Providers

6.1 The main outcomes of the negotiation meetings are as follows (all figures given are annual):

Provider	Outcome of Renegotiation
Hestia	Ex-offender Accommodation Based Service – restructure of staff resulting in £19,500 efficiency savings
St Mungos	Ex-offender Accommodation Based Service - £24,215 efficiency savings Ex-offender Floating Support Service - £5,048 efficiency savings Alcohol Accommodation Based Service – No achievable savings and / or added value. Current contract running in deficit. SP to increase funding by £1,747
CHC	Drug & Alcohol Accommodation Based Service – No achievable savings, small low value contract with excellent outcomes Reducing Drug & Alcohol Floating Support - Increase number of units by 10 at a total cost of £16,470
PCHA	Drug & Alcohol Floating Support – Increase number of units by 5 at a total saving of £13,395

Summary: Offender Services

Contract	Current Costs	Re-negotiated Cost / units	Difference	Comments
Hestia Accommodation	£331,000	£311,500	£19,500	Savings achieved
St Mungos Accommodation	£ 57,288	£ 33,073	£24,215	Savings achieved
St Mungos Floating Support	£100,968	£ 95,920	£ 5,048	Savings achieved

Summary: Drug and / or Alcohol Services

Contract	Current Costs	Re-negotiated Cost / Units	Difference	Comments
CHC Accommodation	£55,246	Nil	Nil	Excellent small low value contract with no achievable savings
St Mungos Accommodation	£94,450	£96,197	SP funding increase of £1,747	Current contract price unsustainable, SP agree additional funding
CHC Floating Support	£32,946	10 additional units	£16,470 non-cashable savings	10 additional units at no extra cost to SP
PCHA Floating Support	£93,977	5 additional units	£13,395 non-cashable savings	5 additional units at no extra cost to SP

Overall Cash Savings	Overall Non-Cashable Benefits
£47,016 p.a.**.	Increase in capacity by 15 additional floating support units per year equivalent to £29,865***
Overall savings in excess of of £76,881 p.a. Savings are also implemented in current year whereas potential savings through re-tendering would have taken another year to implement	

** cash saving

*** non-cashable saving/ efficiency

6.2 In conclusion the Executive asked to approve the recommendations contained in section 2 of this report. The outcome of the negotiations reported in section 6.1 above are the best concessions that can reasonably be obtained, note that 2 contracts have not resulted in savings and indeed one is to receive extra funding, but consider these should still be recommended for award because they offer good value for money when benchmarked against other similar services..These contracts will be funded from within the existing Supporting People budget. With the contracts on new revised terms to improve value for money, quality and improved outcomes, a contract expiry date of December 2012, will enable this review work to have fully embedded and the Council to see evidence from the new approach.

7.0 Financial Implications

7.1 This report updates members on negotiation of SP contracts that were exempted by the Executive from Tendering requirements in line with Standing Orders.

7.2 These contracts are being funded from within the overall SP budget currently £12.8 million for 2009/10.

7.3 Contract negotiations for these services have resulted in overall savings of in excess of£76,881 to the SP budget. There are no additional financial implications arising from the recommendations set out in this paper.

8.0 Legal Implications

8.1 The Executive has already approved an exemption from the tendering requirements of Contract Standing requirements in relation to the services described in sections 4 and 5 of this report. However it did not approve the award of contracts to the current providers on the basis that it wanted a report back on the result of contract negotiations before agreeing to the award. Accordingly this is the purpose of this report.

8.2 Most of the contracts as extended will also need to be varied to reflect the change in prices or units provided. These variations do not require Executive approval as they fall within the delegated authority of the Director of Housing and Community Care. In addition, the Director has also approved a short extension to the current contracts from 1st January 2010 until 19th January 2010, to enable continuity of service pending approval by the Executive to a longer-term extension.

9.0 Diversity Implications

9.1 Contracts currently 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;

- able to offer service users a male or female Support Worker if specifically requested
- Partnering arrangements with local community groups and specialist providers is encouraged

9.2 The proposed new contracts will continue to require providers to deliver services in the same way. Therefore the proposals in this report have been subject to screening and officers believe that there are no diversity implications that require further assessment.

Background Papers

Supporting People Grant Conditions (CLG)
Brent Supporting People Strategy 2005/10
Strategic Review of Offender services (November 2008)
Strategic Review of Drug and Alcohol services (November 2008)

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