

AGENDA ITEM: 11 Pages 75 – 82

Meeting	Cabinet Resources Committee
Date	13 January 2011
Subject	Prevention Services for Vulnerable Adults – Extension of Contracts
Report of	Cabinet Member for Adults
Summary	This report recommends that the Council extends certain existing contracts for housing related support and voluntary sector prevention services.

Officer Contributors	Kate Kennally, Director of Adult Social Services
Status (public or exempt)	Public
Wards affected	All
Enclosures	None
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

Contact for further information: James Taylor, Deputy Head of Strategic Commissioning (Adult Social Services), 020 8359 4886.

1. RECOMMENDATIONS

- 1.1 That requirements of paragraph 5.6.2 of the Contract Procedure Rules be waived to allow**
- (a) the extension of the contracts for services in receipt of housing related support services funding as listed in the schedule at Appendix 1 of the accompanying exempt report, subject to a maximum duration of one year.**
 - (b) the entry into interim funding agreements for prevention services commissioned by the Council's Adult Social Services as listed in the schedule at Appendix 2 of the accompanying exempt report; subject to a maximum duration of two years.**
- 1.2 That authorisation be given to the following arrangements for further decisions in respect of implementation of the procurement of domestic violence provision and a Framework Agreement for supported housing provision**
- (a) the procurement of domestic violence provision be undertaken following consideration of the recommendations of the Task and Finish Group's work on this topic and subject to approval by the Cabinet Member for Children's Services.**
 - (b) the procurement of a Framework Agreement for supported housing provision for Adult Social Services clients be undertaken subject to endorsement by the Commercial Director and approval by the Cabinet Member for Adults.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1** Cabinet Resources Committee, 30 March 2006 (Decision item 18) – approved the extension of certain contracts for housing related support services for 12 months until 31 March 2007.
- 2.2** The Cabinet Resources Committee, 28 November 2006 (Decision item 21) – approved the extension of contracts for sheltered housing services for older people until 31 March 2009 and the extension of contracts for certain other housing related support services until 31 March 2008.
- 2.3** Cabinet Resources Committee, 25 March 2008 (Decision item 13) – approved the extension of certain contracts for housing related support services due to be tendered during 2009/10 until 31 March 2010 and the extension of contracts for certain other housing related support services until 31 March 2011.
- 2.4** Cabinet Resources Committee, 22 July 2008 (Decision item 11) – approved the establishment of a corporate framework covering commissioning and procurement from the third sector including grant awards.
- 2.5** Cabinet Resources Committee, 8 December 2009 (Decision item 7) – approved the strategy document 'Looking After Yourself – Implementing a Prevention Framework for Adult Social Care in Barnet' and approved the virement of budget provision for certain voluntary organisations from the Community Grants and Charitable Awards Unit to Adult Social Services.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1** The Council's prevention programmes in the Borough provide a wide range of support services in order to help vulnerable people to live independently and safely in the community. The programmes are cross-cutting, supporting all customer groups.

- 3.2 The programmes and the specific commissioning plans summarised in this report are intended to serve the three priorities of the Council's Corporate Plan:
- Better services with less money;
 - Sharing opportunities, sharing responsibilities; and
 - A successful London suburb.
- 3.3 The Council is responsible for ensuring that value for money is obtained from public expenditure and that commissioning activity is managed in ways that provide continuity of support and that minimise disruption for vulnerable service users. The recommendations of this report for extensions to contracts and grant agreements pending further procurement activity are intended as a balanced response to these requirements.

4. RISK MANAGEMENT ISSUES

- 4.1 The recommended extension of contracts is consistent with the council's Medium Term Financial Strategy and with proposed budget reductions that are subject to current consultation. Contract extensions would be terminable on three-months notice.
- 4.2 The Council has carried out reviews of the services to ensure that they are in compliance with appropriate standards in terms of their strategic relevance, quality and value for money. Services that are unsatisfactory in quality or that have insufficient strategic relevance have been decommissioned or remodelled.
- 4.3 Risks associated with the proposed procurement projects will be mitigated by:
- ensuring that provision to be procured is consistent with budget resources and savings targets;
 - carrying out advance market-testing with potential providers;
 - requiring production of detailed service mobilisation and transition plans; and
 - requiring prospective providers of refuge and supported housing services to have access to suitable premises.
- 4.4 The risk that new contracts tendered out will not achieve VFM will be mitigated by:
- designing service specifications which reflect best practice and experience;
 - ensuring contracts are outcomes focused and related to Barnet's key indicators and objectives; and
 - better use of Council resources as a result of fewer contracts.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 The housing related support services and voluntary sector prevention services are intended to enable vulnerable people to live as safely and independently as possible. They operate inclusively for all vulnerable customer groups, including people with illnesses or disabilities and elderly people as well as other groups such as homeless families, ex-offenders, people the subject of domestic violence, families with children at risk, young care leavers and people with substance misuse problems.
- 5.2 Contracts require providers to comply with quality standards that include best practice concerning equality of service access and delivery. Procurement plans are intended to ensure continuous improvement in standards of compliance and will directly support the Council's public duties to eliminate unlawful discrimination and harassment, promote equality of opportunity, and promote good relations between people.

- 5.3 The Council's Procurement Equalities policy will be followed in the specification of providers' relevant duties and in tender assessment criteria, including evaluation of tenderers' equalities and diversity policies concerning employment and service delivery.

6. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 6.1 The housing related support services were funded by the national Supporting People Grant arrangements until 31 March 2010 and are funded currently from Area Based Grant allocated to the Adult Social Services base budget. From 1 April 2011, Area Based Grant will be rolled into the Council's formula grant allocation from the Government but this change is not expected to affect the Adult Social Services base budget.
- 6.2 Voluntary sector prevention services are funded from community care funding and Area Based Grant allocated to the Adult Social Services base budget, and various specific grants allocated by the Government.
- 6.3 Proposals to reduce relevant budget provision in 2011/2 are under consideration, comprising in respect of housing related support services; £492K in both 2011/12 and 2012/3, and £362K in 2013/4; and in respect of voluntary sector prevention services, £350K in 2011/2 and £550K in 2012/3.
- 6.4 The contract extensions and procurement arrangements recommended in this report would not restrict the Council's ability to achieve budget targets.
- 6.5 The recommendations of this report have no specific staffing, ICT, or property implications.

7. LEGAL ISSUES

- 7.1 The contracts for the housing related support services will expire on 31 March 2011. Contracts and grant agreements for voluntary sector prevention services have already expired or will do so on 31 March 2011.
- 7.2 Contract Procedure Rule 5.6.2, which deals with contract extensions, requires specified criteria to be met before a contract can be extended. The criteria are that:
- 5.6.1.1 the initial contract was based on a competitive tender or quotations;
 - 5.6.1.2 the initial contract has not been extended before; and
 - 5.6.1.3 the value of the extension is less than half the cost of the existing contract without the extension.

The criteria are not met and, as such, this report seeks waiver of Contract Procedure Rule 5.6.2.

- 7.3 Due to the nature of the services proposed for procurement it is anticipated that they will fall under Annex B of Article 21 of the Public Procurement Directives 2004/18/EC, which will mean that procurement will not be subject to the full EU tendering process.
- 7.4 With reference to paragraphs 9.30 and 9.31, below, appropriate legal documentation will need to be drawn up and executed to record the agreements reached with property owners and, where relevant, separate organisations.

8. CONSTITUTIONAL POWERS

- 8.1 The Council's constitution in Part 3, Responsibility for Functions, paragraph 3.6 states the functions of the Cabinet Resources Committee including agreeing exceptions to standing orders.
- 8.2 The Council's Contract Procedure Rules in Paragraph 5.6.2 states the acceptance parameters for Contract Extensions.
- 8.3 Contract Procedure Rules – Paragraph 5.8 – A waiver of the Contract Procedure Rules may be agreed by the appropriate decision making body if they are satisfied after considering a written report by the appropriate officer that the waiver is justified because:
- (5.8.1) the nature of the market for the works to be carried out or the supplies or services to be provided has been investigated and is demonstrated to be such that a departure from the requirements of Contract Procedure Rules is justifiable; or
 - (5.8.2) the contract is for works, supplies or services that are required in circumstances of extreme urgency that could not reasonably have been foreseen; or
 - (5.8.3) the circumstances of the proposed contract are covered by legislative exemptions (whether under EU or English Law); or
 - (5.8.4) there are other circumstances which are genuinely exceptional.
- 8.4 The Council's Contract Procedure Rules in Paragraph 5.1-5 set out the arrangements for authorisation before quotations or tenders for supplies, services or works may be sought and for the subsequent acceptance of tenders or other purchase arrangements. In the case of the proposed procurements specified at Paragraph 1.2, authorisation and acceptance by the Cabinet Committee is required in view of the expected value of the contracts.
- 8.5 The Council's Contract Procedure Rules in Paragraph 6.9 specify that before promoting the procurement of a new or joining a pre-existing framework agreement, the Commercial Director must be satisfied that such an approach represents the most economically advantageous solution for a service work, supply or utility provision and complies with the Relevant EU Rules on the use of such agreements.

9. BACKGROUND INFORMATION

- 9.1 This report concerns contracts for the programme of housing related support services commissioned by Adult Social Services, Housing and Children's Service; and the voluntary sector prevention programme commissioned exclusively by Adult Social Services. These two programmes are considered individually below.

Housing related support services - Contracts and Procurement

- 9.2 A schedule of current services with contracts due to expire in March 2011 can be found in the accompanying exempt report at Appendix 1. There are 60 in total with a current annual value of £4.3M. They represent around half of the services and value of the original programme. Following reviews, many services have been decommissioned and new services procured in accordance with the Council's contract procedure rules and not therefore included in Appendix 1. Further procurement projects are in train in order to address the remainder of the programme.
- 9.3 Key commissioning principles applied in re-modelling the remaining programme are as follows:
- generic service provision that work across customer groups unless service users' needs lie outside the mainstream;

- services that can deliver support flexibly wherever people are living and that are not tied to particular types of housing;
- emphasis on short-term interventions that will make a measurable difference within a defined period; and
- where supported housing is needed for people with substantial needs, housing and support provision are procured separately.

9.4 Contracts with minor exceptions are exclusively concerned with the purchase of staff to provide support to service users. There are three main sectors:
Floating Support (£3.6M) – this sector provides visiting support to service users wherever they are living, including owner-occupiers, council and housing association tenants and private tenants.
Supported Housing (£2.1M) – this sector provides support staff in buildings used exclusively for the accommodation of vulnerable people, for example, women’s refuges, young people’s foyer and shared houses for people with learning disabilities.
Sheltered Housing (£1.1M) – this sector provides warden and emergency alarm services for older people living in sheltered housing provided by Barnet Homes, housing associations and charities.

Housing related support services – Budget Management

9.5 The commissioning lead for the SP programme is shared between Housing Service, Children’s Service and Adult Social Services, with each taking responsibility for groups of services relevant to their particular strategic objectives. However, in accordance with previous national arrangements, the budget and contracts have been administered by Adult Social Services on behalf of corporate partners.

9.6 Removal of the national Supporting People arrangements make it appropriate to clarify budget accountabilities for housing related support services. It is therefore intended to disaggregate budget resources allocated to the programme with effect from 1 April 2011 by transferring relevant base budget provision from Adult Social Services to Housing and Children’s Service, subject to appropriate approval of the necessary virements. The following table shows the current distribution of funding and contracts with summary reference to approved and proposed procurement projects.

Service Area	2009/10 Value	No of Contracts	Service Types	Procurement Projects
Adult Social Services	£4,637,554	53	Extra care services for older people; supported housing for people with mental illness and learning disabilities; generic and specialist floating support	<ul style="list-style-type: none"> • Decommissioning of sheltered housing warden services • Procurement of Sheltered Plus service provision for older people at risk • Framework Agreement for supported housing including
Housing	£978,853	7	Homelessness prevention services, private sector tenancy access services, community safety excl domestic violence	<ul style="list-style-type: none"> • In-house service provision re-modelled on LEAN principles • Joint procurement of housing advice and tenancy access services

Service Area	2009/10 Value	No of Contracts	Service Types	Procurement Projects
Children's	£1,408,412	12	Supported housing and Foyer services for young people, womens refuges, domestic violence support services	<ul style="list-style-type: none"> • Procurement of domestic violence provision to replace existing contracts • Framework Agreement for young people's support

- 9.7 This report seeks authorisation of the following arrangements for further decisions in respect of implementation of the procurement of domestic violence provision and the Framework Agreement for the provision of supported housing:
- 9.7.1 That the procurement of domestic violence provision be undertaken following consideration of the recommendations of the Task and Finish Group's work on this topic and subject to approval by the Cabinet Member for Children's Services.
- 9.7.2 That the procurement of Framework Agreement for the provision of supported housing for Adult Social Services clients be undertaken subject to endorsement by the Commercial Director and approval by the Cabinet Member for Adults.
- 9.8 It is recommended that as an exception to contract rules the housing related support contracts due to expire on 31 March 2011 as specified in Appendix 1 of the accompanying exempt report be renewed for a further 12 months. In order to ensure capability to implement budget savings and manage procurement projects efficiently. Proposed contract extensions will specify a reduced notice period of three months, consistent with national Compact guidance concerning relationships with the voluntary sector.
- Adult Social Services Voluntary Sector Programme**
- 9.9 During the past year, Adult Social Services has analysed its commissioning requirements for preventative services in order to deliver the objectives of *Looking After Yourself – A prevention framework for Barnet*, and has reviewed the services that voluntary sector organisations are providing at present. A procurement plan will be recommended to Cabinet in Q1 2011/2 following decisions on future budget resources to be taken by members shortly and further consultation with relevant organisations.
- 9.10 Key principles that will be applied to re-commissioning prevention services within approved budget resources are as follows:
- efficiency savings that avoid or minimise the impact on service users, for example by reducing back-office expenditure and overhead costs;
 - reduction of the number of separate contracts and overhead costs by combining similar services and forming consortia and partnerships;
 - user-led service management, with strong links to Barnet's Centre for Independent Living;
 - Increased use of volunteers and other social capital, both in supporting service users directly and in service management and administration;
 - innovation in enabling people and communities to define and find solutions to their own support and well being needs; and
 - development of a user-led market that provides affordable services for direct purchase by Individual Budget holders as well as by people who do not qualify under Adult Social Services' eligibility criteria.

Voluntary Sector Services

- 9.11 The range of support provided through the programme at present is very wide. The programme includes:

- practical support services (e.g. home from hospital, gardening, shopping) which support independence;
- carer breaks and support services that improve information, contingency and emergency respite responses;
- group support such as exercise classes, lunch clubs and social events for older people; and
- individual support such as bereavement counselling, specialist advocacy, and befriending services.

9.12 The table below shows the distribution of funding across different customer groups.

Customer Group	LBB Funding	% Funding	Organisations	Services
Generic	239,651	9	4	6
Learning disabilities	317,795	12	5	15
Mental ill-health	444,327	17	8	12
Older people	1,006,351	38	17	26
Physical / Sensory Imp't	10,200	<1	1	4
Carers / Respite	645,554	24	5	23

Contracts and Procurement

- 9.13 The Council's *Third Sector Commissioning Framework* approved in 2008 defined principles and guidelines for the Council's commissioning and financial relationships with the voluntary. In line with the Framework, Adult Social Services agreed formal contracts or service level agreements with most voluntary organisations in receipt of funding while continuing to operate simpler grant arrangements for those receiving low amounts of funding. Almost all these agreements have now expired or will do so on 31 March 2011.
- 9.14 Proposals announced to providers earlier this year identified the following priority areas for procurement:
- carers' support and respite services;
 - Information, advice and advocacy services; and
 - day services for people with mental ill-health.

It is intended that these service areas will be re-commissioned during 2011/2 and that remaining service areas will follow on for completion in 2012/3.

- 9.15 Pending implementation of the programme, it is proposed that interim funding agreements with voluntary sector organisations be extended for a period of up to two years. The interim agreements would then be terminated incrementally in line with completion of staged procurement activity and as necessary to achieve budget savings targets. To ensure capability to implement budget savings as required, agreements with providers would include provision for termination on three months notice.
- 9.16 It is accordingly recommended that as an exception to contract rules the Council enter into interim funding agreements with the voluntary sector organisations as listed in Appendix 2 of the accompanying exempt report, in a form approved by the Council's Legal Service and for a period not exceeding two years.

10. LIST OF BACKGROUND PAPERS

10.1 None.

Legal – PD
CFO – MC/JH