

Item No.	Classification: Open	Date: 09 April 2014	Meeting Name: Strategic Director of Finance and Corporate Services
Report title:		Gateway 3 - Extension Approval for Supporting People services	
Ward(s) or groups affected:		Electoral ward(s); All	
From:		Head of Children's and Adults Services Commissioning Team	

RECOMMENDATION

1. That the strategic director of finance and corporate services agree the contract extensions for the 6 contracts detailed for a period of 12 months from the dates shown in tables 1 and 2 for the contracts below, including a break clause which will allow the council to terminate on 6 months notice as summarised below:
 - Brook Drive & Fort Road Floating Support Service - In Touch
 - Gateway project - Look Ahead Housing and Care
 - Joe Richards House – Look Ahead Housing and Care
 - Southwark Refuge service - Refuge
 - Older People Vulnerable Adults AB service – Riverside Group
 - Bermondsey project - Thamesreach

2. That the strategic director of finance and corporate services agree the contract extensions for the 4 contracts detailed for a period of 18 months from the dates shown in tables 1 and 2 for the contracts below, including a break clause which will allow the council to terminate on 3 months notice as summarised below:
 - Manor Place – Look Ahead Housing and Care
 - Young People Floating Support service – Look Ahead Housing and Care
 - Vulnerable Adults Dispersed Support Service – St Mungos
 - Integrated PD/HIV Floating Support Service – Sanctuary Carr Gomm

3. That the strategic director of finance and corporate services notes the following:
 - Each of these individual contracts has been detailed within this one composite report, as opposed to individual reports, for matters of efficiency. Each contract was let using the Southwark and Lewisham Supporting People Framework which allows for two extensions of one year.

BACKGROUND INFORMATION

4. The Southwark and Lewisham Supporting People framework was established in April 2010 and comes to an end on the 31 March 2014. Work is currently underway to develop a framework which will allow the procurement of housing-related support services. The extensions requested within this report will provide sufficient time for the procurements to be completed and contracts to be called off and any strategic changes to be agreed.

5. Since the Supporting People Framework has been in place, 43 contracts have been called off, achieving savings of £4.2m. This represents a saving of 42% of the total value of those contracts prior to call off. Appendix 1 indicates the savings that have been achieved for each of the ten contracts, covered by this report, through the use of the framework.
6. The nature of the services that the council commissioned from the framework agreement are focused on providing a broad range of practical advice and support and sign posting to other services for vulnerable people in order to promote and maintain independent living in the community.
7. The contracts recommended for extension in this report are set out below in tables 1 and 2 below. Supporting people services contracts are provided for a number of client groups primarily aimed at enabling them to develop and maintain their independence in the community, whether they are living within supported accommodation or in independent accommodation. The service may also assist people in the transition from moving from temporary accommodation to alternative accommodation suitable to their needs.
8. The contract prices for the services covered by this report have remained stable throughout the contract period with no inflationary increases, representing a real terms saving. However, as indicated above it is believed that there is scope to achieve savings on the hourly rates for some of these services. In the course of the next six months work will be undertaken with providers to achieve overall contract price reductions where considered appropriate.
9. The original terms and conditions of the existing contracts allow, after the initial term of 3 years, for an extension for up to two further periods of one year. There have been no previous contract variations or contract extensions in respect of these contracts.

Table 1: Supporting People Floating Support services

Contract Provider Name	Service Name	Description of service	Current contract end date	Length of contract extension	Value of contract including extension	As percentage of contract value %	Full Annual Contract Value	Value of contract extension
In Touch Support	Brook Drive & Fort Road Floating Support Service	Service for disabled adults supporting independence in their own homes	30-Sep-14	12 months	£979,332	25%	£244,833.00	£244,833.00
Look Ahead Housing and Care Ltd.	Young People Floating Support service	Service supporting young people at risk and leaving care into the independent living	31-Jul-14	18 months	£1,200,420	33%	£266,760.00	£400,140.00
Sanctuary Carr Gomm	Integrated support service for HIV/disabilities	Low support service for people with physical disabilities and HIV	30-Jun-14	18 months	£818,902	33%	£181,978.57	£272,967.86

Table 2: Supporting People accommodation-based services

Contract Provider Name	Service Name	Description of service	Current contract end date	Length of contract extension	Value of contract including extension	As percentage of contract value %	Full Annual Contract Value	Value of contract extension
Look Ahead Housing and Care Ltd.	Gateway project	Service for people young people at risk and care leavers	30-Sep-14	12 months	£1,988,980	25%	£497,245.00	£497,245.00
Look Ahead Housing and Care Ltd.	Manor Place	24/7 service for vulnerable women with a history of homelessness, substance misuse and mental health issues	30-Apr-14	18 months	£1,167,885	33%	£259,530.00	£389,295.00
Look Ahead Housing and Care Ltd.	Joe Richards House	24/7 service for vulnerable men/women with a history of homelessness, substance misuse and mental health issues	30-Sep-14	12 months	£1,270,918	25%	£317,729.89	£317,729.89
Refuge	Southwark Refuge service	Service for women at risk of domestic violence	30-Oct-14	12 months	£522,600	25%	£130,650.00	£130,650.00
St Mungos	Vulnerable Adults Dispersed Support Service	Medium support service for vulnerable men and women	31-Jul-14	18 months	£1,459,042	33%	£324,231.69	£486,347.54
Riverside Group Limited	Older People Vulnerable Adults AB service	Service for vulnerable older men and women with a history of homelessness and substance misuse issues	31-Dec-14	12 months	£996,148	25%	£249,037.00	£249,037.00
Thames Reach	Bermondsey project	Medium support service for men and women with severe and enduring mental health problems	30-Nov-14	12 months	£917,348	25%	£229,337.00	£229,337.00

KEY ISSUES FOR CONSIDERATION

Key Aspects of Proposed Variation

10. This report recommends contract extensions of either 12 months or 18 months (outlined in table 1 and 2), dependent on the end date of the current contracts, that will allow for the establishment of the accommodation-based framework. All of the existing contracts are due to end between 30 April 2014 and 31 December 2014.
11. The original annual contract values for each of the 10 contracts are indicated in tables 1 and 2.
12. As indicated previously the expectation is that a new accommodation-based framework will be established by April 2015, allowing for the recommissioning of the accommodation-based contracts. Assuming this is the case and allowing for the strategic plans for these contracts to be developed, the likelihood is that the 6 month break clauses will be enacted for each of these contracts to allow for the necessary changes such as call offs from the new framework.
13. In the case of the floating support services, the expectation is that the procurement of community-based services, which includes the floating support contracts, will be completed by July 2015. The existing contracts have been extended to allow for this procurement and will include a 3 month break clause.
14. The proposed contract extensions represents either 25% or 33% of the full contract values as indicated in table 1 and 2 above.

Reasons for Variation

15. The current contracts are due to expire on and after 30 April 2014, with the final of the 10 contracts due to expire on the 31 December 2014.
16. The Supporting People Framework Agreement was established in 2010 for a period of 4 years from 01 April 2010 to 31 March 2014. The new proposed Southwark and Lewisham framework arrangement for accommodation-based services 2014 -18 is scheduled to be operational by April 2015. Consequently this leaves a one year gap without a framework arrangement in place for accommodation-based services
17. In addition there is work underway to develop a procurement approach for community-based services. This will be complete by July 2015 and the extensions to the 4 floating support contracts will take the contract end dates beyond this date, in case there is any slippage in the timetable.
18. The extension period will allow for the procurement of the new proposed framework arrangement and allows for any potential 'call off from the new framework and any possible period of service decommissioning.
19. Each of the contracts subject to the extension recommended within this report is responding to key local and national strategic drivers (detailed below and in the 'Policy Implications' section of this report). In order for children's and adults services to support the delivery of these objectives officers have opted to recommend the extension of the current contract.
20. All of the contracts have been subject to a call off in the lifetime of the existing framework and as a consequence significant savings have been achieved for each of these services.

In addition a number of these contracts were established through the consolidation of a number of services into a single contract, delivering further value for money.

21. Nevertheless, the hourly rates listed indicate that there is variation in terms of the value for money provided by these services. This reflects a number of facts. Firstly that during the lifetime of the existing framework there is been a consistent and gradual reduction in hourly rates so that services commissioned at later dates show lower hourly rates. Secondly, these services are varied in terms of the client groups served, the service offered and the outcomes achieved.
22. The extension of the contracts will also allow sufficient time to undertake a comprehensive review of the value for money offered by services within what was the Supporting People to be completed. This will inform the timetable for procurement following the establishment of the new framework.
23. The contracts recommended for extensions are all subject to the quality assurance framework developed under the Supporting People programme and are required to submit quarterly monitoring returns as well as participate in annual monitoring. There is significant evidence that these services are performing at or above the agreed performance levels for housing-related support services.
24. The performance for each of the contracts subject to this report are highlighted below and the performance against the key performance indicators is summarised in appendix 1:

In Touch Support – Brook Drive & Fort Road FS service: the service is exceeding targets across all KPI's and in the key areas of utilisation and throughput is performing highly. Throughput represents the number of service users that utilise the service as a percentage of the number of units available. The fact that it exceeds 100% indicates that in every quarter people are moving on from the service positively.

Look Ahead - Young People FS service: This service has performed well against all KPI's although the fact that the utilisation is below 100% highlights issues that the service experienced in terms of the number of referrals received. This was addressed through work with the council's leaving-care team which has led to full utilisation in the latter part of 2013/14.

Sanctuary Carr-Gomm – Integrated PD/HIV FS service: the service is performing in line with the other floating support services within this report and compares favourably against the KPI's.

Look Ahead – Gateway: the service is performing well across the majority of KPI's at or above the targets for SP1 to SP4. The performance regarding move on is good but not at the level necessary to provide the capacity that is required within the housing support portfolio for young people. Work is underway with the provider to identify increased move on options for service users and will be overseen through the contract management team.

Look Ahead – Manor Place: The service is generally performing well particularly as it works with some of the most vulnerable women in the borough and faces significant challenges in addressing entrenched substance misuse issues. Move on is positive for a service facing challenges in terms of accessing independent accommodation.

Look Ahead - Joe Richards House: The service has some issues regarding utilisation. This reflects some challenges in terms of managing the balance between male and female service users and allocating units to achieve a safe environment. There are significant challenges in terms of moving service users on and this reflects the very

entrenched nature of the service users' presenting needs, often substance misuse. Due to the issues that the hostel is managing, a joint initiative has been developed with community safety and piloted at the project which takes a more assertive approach to supporting service users to engage with substance misuse services and move on planning. This pilot has completed recently with positive results in terms of improved move on, which will lead to the approach being embedded longer term.

Refuge – Domestic violence accommodation-based service: the service is performing well against all KPI's other than move on. The service is open to non-Southwark residents, as is the nature of DV services, and there remain issues in terms of securing settled accommodation for women once their programme of support has been completed and they are ready to return to their host borough, as appropriate. This reflects the widespread and ongoing challenges around access to private rented accommodation and we are working with providers to address.

St Mungos – vulnerable adults dispersed support service: the service is performing well across all KPI's including move on and reflects the creative work that the organisation has done to develop routes out of the service and into independent living.

Riverside Group – Specialist older people accommodation service: the service is performing at or above expected performance levels for all KPI's other than staffing levels, which although low is still within an acceptable range, particularly as they are achieving positive outcomes

Thamesreach – Bermondsey project: the service is performing well across all KPI's and is delivering positive outcomes for service users with severe and enduring mental health problems, particularly around moves into lower support and independent accommodation.

Future Proposals for the services

25. Services covered in this report are not statutory services but are provided for a number of client groups for whom the council retains a statutory responsibility. In particular this applies to young people at risk, people with disabilities and mental health problems and women at risk of domestic violence.
26. This means that there are a number of approaches under consideration for these services that reflects the particular context in which they operate.
27. In some areas there is likely to be significant service redesign and new services commissioned from the new framework arrangement.
28. The proposed contract extensions will allow children's and adults services commissioning and, in the case of the mental health services, the Clinical Commissioning Group, CCG, to fully explore the range of options for these services with an even greater emphasis on improved outcomes supporting the council's statutory duties in respect of supporting vulnerable adults and young people.
29. In addition, and as mentioned previously the time will allow for the procurement of the new accommodation-based framework. This process is currently underway and the timetable below is attached to demonstrate the confidence that the framework will be in place when the contract extensions elapse.

Timetable for the procurement of the accommodation-based framework

Activity	Key tasks	Deadline
Advertise the FA and invite expressions of interest	Issue of OJEU	16 May 14
Closing date for PQQ	(30 days)	27 Jun 14
PQQ evaluation		17 Jul 14
Issue Invitation to tender		18 Jul 14
Closing date for ITT	(40 days)	29 Aug 14
ITT Evaluation	(8 weeks)	27 Oct 14
DCRB	Approval of Gateway 2: Contract Award Report	31 Oct 14
CCRB GW2		10 Nov 14
Agenda Planning deadline		18 Nov 14
Agenda Planning meeting		26 Nov 14
Deadline for final reports		28 Nov 14
Cabinet		09 Dec' 14
Framework activation date		1 Jan 15
Service Contract start date		1 Apr 15

30. There is also the intended procurement programme for the community-based services and the timetable below indicates the completion date of July 2015.

Activity	Key tasks	Deadline
Advertise the FA and invite expressions of interest	Issue of OJEU	Nov 14
Closing date for PQQ		Dec 14
PQQ evaluation		Jan 15
Issue Invitation to tender		Jan 15
Closing date for ITT	(40 days)	Mar 15
ITT Evaluation	(8 weeks)	May 15
DCRB	Approval of Gateway 2: Contract Award Report	May 15
CCRB GW2		Jun 15
Agenda Planning deadline		Jun 15
Agenda Planning meeting		Jun 15
Deadline for final reports		Jun 15
Cabinet		Jun 15
Contract start date		July 15

Alternative Options Considered

No	Option	Disadvantages	Advantages
1.	Extend the existing contracts with providers	<ul style="list-style-type: none"> • Limited scope to deliver further efficiencies for these contracts • Lack of strategic approach • Allows for limited service redesign only 	<ul style="list-style-type: none"> • Ensures service continuity and vulnerable adults and young people receive on going support • Cover the procurement of the new proposed prevention and inclusion framework arrangement and allows for any potential 'call off' from the new P&I FA and any possible period of service decommissioning. • Provides a degree of flexibility to consider the future commissioning options of for the services whilst considering any unforeseen circumstances and/or uncertainties. • Allows for service remodeling negotiations to take place
2.	Call off services from current FA	Not practicable as the Supporting People Framework Agreement expires 31 March 2014	<ul style="list-style-type: none"> • Likely to deliver significant savings • Open and transparent process
3.	Undertake a procurement programme for each of the contracts	<ul style="list-style-type: none"> • Significant demand on resources • Not practicable in the case of some contracts due to time 	<ul style="list-style-type: none"> • Scope to develop focused service specifications for each client group • Open and transparent process
4.	Do nothing (this is included for comparative purposes only)	<ul style="list-style-type: none"> • The contracts for the services will lapse • Without service provision a significant number of vulnerable adults and young people could become homeless or at risk of homelessness due to the increased risk of tenancy breakdown • Potentially lead to increased use B & B/temporary accommodation • Lead to the council failing to meet it's statutory duties 	<ul style="list-style-type: none"> • No additional upfront resource required • Simplicity of process

31. On the basis of the alternative options outlined above this report recommends (option 1) the extension of the contract highlighted by way of a contract variation to existing contracts to take effect on the contract anniversary dates or as soon thereafter as possible.

Identified risks for the extension

32. There are no compliance or performance concerns with the existing contracts. Performance and utilisation are regularly monitored as part of the standard contract monitoring protocols.
33. The current and ongoing challenges relating to the financial climate may require additional savings from the housing-related support portfolio and from the contracts covered by this report. The CCG have already indicated that they intend to undertake a major programme of change regarding accommodation-based services for people with mental health problems during the lifetime of this extension. This risk is mitigated by the fact that there is a 6 month break clause to be included in each of the accommodation-based contracts and 3 for the floating support contracts to allow for any major contractual change.

Policy implications

34. There are a number of key local and national drivers impacting on the delivery of this service.
35. The Council Plan provides the key strategic driver for the Supporting People, Adult Social Care departmental priorities and for this piece of commissioning. The framework has a key role in terms of enabling the programme to achieve the agreed objectives within the given timeframe.
36. The Council Plan sets out the 10 fairer future promises that demonstrate how the council will achieve the vision in the plan. Point 6 states that the council will: 'Support vulnerable people to live independent, safe and healthy lives by giving them more choice and control over their care.'
37. In addition Southwark 2016: Sustainable Community Strategy sets out 2 cross cutting priorities; 'Improving individual life chances' and 'Delivering quality public services'. This procurement process will enable the Supporting People programme to support the delivery of the following priorities in the strategy:
- Achieve economic well-being
 - Achieve their educational potential
 - Be healthy
 - Stay safe
 - Enjoy cultural and leisure opportunities
 - Value diversity and be active citizens
- With public services that are:
- Efficient and modern
38. The Adult Social Care business plan reflects the above commitments and sets out the objective to 'redesign supported housing services to secure greater value for money and support independence.' The use of the framework has been instrumental in delivering this priority to date. The establishment of a new framework offers the opportunity to secure further value for money and improve service delivery beyond April 2014.

39. In addition the business plan makes a commitment to maximising people's choice and control through the personalisation of services. The framework will enable personalisation to be embedded in the relevant services through service specifications that reflect this commitment.
40. It is also anticipated that during the proposed contract extension periods, the services will be delivered in line with the proposed new prevention and inclusion framework service specification, which is in its advanced stage of development.

Contract management and monitoring

41. The contracts will be managed through current contract management arrangements and therefore this will not increase the burden on finite contract compliance resources through the establishment of a new service and contract.
42. Monitoring of the contract will be based around the Quality Assessment Framework (self assessments and validation by council contract monitoring officers), quarterly performance reporting, visits both planned and unannounced, service user consultation and discussions with management and staff. Views from other stakeholders such as social workers and the registered social landlords (RSL) are also sought and considered.

Community Impact Statement

43. The proposed contract extension will ensure that housing related support provision for current and future service users served by this service is maintained.
44. The Equality Act 2010 outlines a number of 'protected characteristics' which are the groups of people that are liable to discrimination and have been considered in terms of the use of the framework.
45. An impact assessment has been completed with regard to the impact of the framework and services procured through it which considers the six strands of the equality agenda. The impact on the service users and the provider organisations affected has also been considered.
46. There are not considered to be any adverse impact upon the community in relation to race, gender, disability, sexual orientation and gender identity, religion and faith, marriage, pregnancy and child care responsibilities, alongside that of age.
47. In addition, services funded through the former supporting people programme are for a wide range of vulnerable and socially excluded groups. Housing-related support services therefore have the opportunity to reach out to a wide range of groups and ensure they can access the support needed to maintain their independence and improve their health and well being.

Economic considerations

48. There is an expectation that all housing related support providers are committed to achieving a broad range of outcomes including financial inclusion e.g. accessing employment training and education and income maximisation for the service users.
49. The service is monitored against a performance framework that includes enabling service users to access employment, training and education.
50. There is also an expectation that providers will continue to work closely with the

Employment Academy and the service users will have employment opportunities as a consequence.

Social considerations

51. All providers have confirmed that all their employees in connection with the contract funded support hours of this service are paid at the current London Living Wage rate.
52. The services support social inclusion for vulnerable adults and help them to build links with the wider community. As housing-related support services, there is a requirement to support social inclusion as a key area of performance through developing links with community resources such as leisure activities, education and training and maintaining links with family and friends.

Environmental considerations

53. The current provider has an environmental policy in place which includes promoting sustainable processes, waste management and recycling, reduction of paper use and energy efficient processes.

Financial Implications (FI:/1049)

54. The contract extensions proposed in paragraph 1 are fully funded in 2014-15 financial year from the Supporting People budget.
55. These contracts will provide a preventative housing support service at the cost set out in tables 1 and 2. The tables indicate the full value of the contracts, the value of the extensions and the hourly cost of support for each service.
56. Funding requirement for 2015/16 onwards is subject to the overall Council wide budget setting process and cost pressures.

Legal Implications

57. Please see the comments from the director of legal services below.

Consultation

58. Given that this is an extension to the existing contract commissioning officers deemed not necessary to consult with service users.
59. As referred to in paragraph 37, the service is regularly monitored by Children's and Adults Services' monitoring officers and they report that service user satisfaction with the service is positive.
60. The proposed contract extension will in fact have a potentially positive impact on service users given the expected continual and concentrated focus on service delivery outcomes.

Other implications or issues

61. There are no other implications or issues.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

62. This gateway three report is seeking approval to extend 10 supporting people services contracts, 6 for a period of 12 months and 4 with a period of 18 months. The extension periods for all ten contracts are being aligned to allow wider service decisions to be made going forward. By the end of the revised contract periods it is envisaged that a new framework arrangement will be up and running which will be used to secure future supporting people service contracts as required.
63. The report confirms that all of these contracts have extension provision which can accommodate the recommended extension periods.
64. The report confirms that whilst these services are not statutory, they provide services to support client groups that the council retains a statutory responsibility for.
65. Paragraphs 23 – 24 provide performance information for all ten providers. All providers are reported to be either meeting or exceeding performance targets set. There appear to be some issues on one project but a pilot is running to address these issues.
66. Paragraphs 41 to 42 confirm that the existing management and monitoring arrangements will continue during these extension periods.

Director of Legal Services

67. This report seeks the approval to the extensions of a number of contracts relating to the supporting people services as further detailed in paragraphs 1 and 2. As the values of these contracts exceed £250k and the variations are more than 10% of those contract values then approval is required from the strategic director of finance and corporate services.
68. As noted in paragraph 9 all of these contracts include provision to allow an extension of up to 2 further years after the original contract period has expired. The variations proposed (the periods of which are noted in paragraph 9) are within that intended extension period. The reasons for extending these contracts are noted in paragraphs 15-18, and will allow the new framework agreements for accommodation and community based services to be procured.
69. Contract standing order requires that no steps should be taken to vary a contract unless the expenditure involved has been identified. Paragraphs 54-56 confirm the financial implications.


Strategic Director of Finance and Corporate Services

70. This report seeks approval to various contract extensions for Supporting People services. The financial implications are contained in paragraphs 54 to 56.
71. It is noted that significant savings have already been achieved through this framework and that further work will be done to ensure best value. Any future extensions to these contracts will be subject to the councils procurement policies and procedures.
72. Officer time to enact this decision can be contained within existing resources.

1.

FOR DELEGATED APPROVAL

Under the powers delegated to me in accordance with the council's Contract Standing Orders, I authorise action in accordance with the recommendation(s) contained in the above report.

Signature  Date 17.4.14

Designation STRATEGIC DIRECTOR OF FINANCE AND CORPORATE SERVICES

BACKGROUND PAPERS

Contact	Held At	Background Papers (all available on request)
Mark Taylor, commissioning manager	Strategy and Commissioning, Children's and Adults Services	Gateway 2 - Lewisham and Southwark SP framework (Final - open) 120310a.doc
Mark Taylor, commissioning manager	Strategy and Commissioning, Children's and Adults Services	Gateway 1 - Procurement Strategy Approval: The Southwark and Lewisham Supporting People Framework – December '12

APPENDICES

No	Title
	None

AUDIT TRAIL

Lead Officer	Jonathan Lillistone - Head of Children's and Adults Services Commissioning Team
Report Author	Mark Taylor, Commissioning manager
Version	Final
Dated	09 April 2014

Key Decision?	Yes	Yes
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Head of Procurement	Yes	Yes
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Head of Specialist Housing Services	No	No
Cabinet Member	No	No
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
Cabinet Member	Yes	No
Date final report sent to Constitutional/Community Councils/Scrutiny Team	9 April 2014	

