

Part A report

REPORT TO:	Cabinet Member for People and Communities
AGENDA ITEM:	not applicable
SUBJECT:	Supporting People Contract for Learning and Physical Disability Housing Support Service
LEAD OFFICER:	Hannah Miller, Executive Director of DASHH
CABINET MEMBER:	Cllr Louisa Woodley, Cabinet Member for People and Communities And: Cllr Simon Hall, Cabinet Member for Finance and Treasury
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT: Supporting People services, procured through Croydon's Supporting People Framework Agreement, play a significant role in relation to the corporate priority "providing better and fairer access, improving health and social care" by enabling vulnerable people to lead independent lives. These services will enable service users to receive a planned support programme that enables achievement of independence and skills. These services contribute to Croydon Counts performance indicators previously known as National Indicators 141 and 142.	

FINANCIAL IMPACT

This service has been the subject of a mini-competition from the Supporting People Framework Agreement. The Framework Agreement was developed to be a more cost effective means of procuring housing related support services. This is a contract award for a Learning and Physical Disability Housing Support Service for a period of 3 years, 1 November 2014 to 31 October 2017, with the option to extend for a further year. The award offers efficiency savings of 24% compared to the current contract price

FORWARD PLAN KEY DECISION REFERENCE NO: 466

This is a Key Decision as defined in the Council's Constitution. The decision may be implemented from 1300 hours on the expiry of 5 working days after it is made, unless the decision is referred to the Scrutiny & Strategic Overview Committee by the requisite number of Councillors.

1. RECOMMENDATIONS

1.1. The Cabinet Member for People and Communities in consultation with the Cabinet Member for Finance and Treasury is recommended to:

1.2. Approve the award of a contract to the recommend bidder for the provision of Learning and Physical Disabilities supported housing service at a value of £1,896,102 for a term of three with an option to extend for up to 1 further year for a total maximum contract value of £2,528,136 to the bidder and on the terms as detailed in Part B report made up of:

a) The tender amount of £1601,787 by the recommended bidder for 615 support hours per week

b) For the reasons detailed in para. 3.12 and subject to approval to negotiate with the recommended bidder a further amount of up to £294,315 in respect of additional services of 113 support hours per week

1.3. Note that subject to the approval of the above recommendations, the name of the successful bidder shall be published in the decision minute.

2. EXECUTIVE SUMMARY

2.2 The Supporting People Framework Agreement (the Framework Agreement) was established in 2011/12 in line with European Union procurement law and the Council's Tenders and Contracts Regulations. The appointment of 38 organisations to the Framework available for the supply of supported housing services for a term of 3 years starting 1 April 2012, with an option to renew for a further year as approved through the former Corporate Services Committee on 29 February 2012 Minute reference number B08/12.

2.3 Use of the Framework Agreement is an efficient means of enabling compliance with Tenders and Contracts Regulations and delivers achievable efficiency for the Council and structured measurable outcomes as well as benefits to the potentially Learning disability and physical disability clients supported by these services.

2.4 Supporting People operates as a partnership between the Council and NHS Commissioners and London Probation service and is constituted as the Supporting People Commissioning Body made up of senior officers from each of these organisations. The Commissioning Body is supported by a Steering Group which consists of relevant commissioning managers from each of these organisations plus representatives of the Supporting People Provider Group. The Commissioning Body, Steering Group and Provider Group are consulted on the proposals to contract Supporting People services through the Framework Agreement. They will continue to be consulted regarding the future procurements.

2.5 The report seeks the approval of the award of a contract in respect of the provision of Learning and Physical Disabilities supported housing service and the extension to the contract hours as detailed below. Awarding this contract will ensure the statutory responsibilities to provide housing support services for people with a Learning or Physical disability.

3. REPORT DETAIL

- 3.1 The Learning and Physical Disability Housing Support service (the service) has been redesigned as a result of the Supporting People review of services for people with a learning disability. This review included considerable service user involvement and consultation; a consultation event held on 17 July 2013 was hosted by Croydon People First -service user group supported by the Council's customer engagement team, the council's speech and language therapists from the joint community learning disability team and commissioners from the Supporting People and Learning disability commissioning teams.
- 3.2 The event held at Fairfield Halls brought together service users from; the existing Supporting People services, young people in transition, people in other supported housing services, people living independently in the community and family carers.
- 3.3 The event was designed to be fully inclusive with a range of inclusion mediums and tools designed to engage people with a range of disabilities including; a video booth, the speech and language therapists designed story mats, series of pictures that they could use on a one-to-one basis to enable people with limited communication skills to participate. Croydon People First provided a range of photos that could be used by the facilitators to make their questions clearer to participants and the participants could use them to give an answer to questions. Finally a feedback wall gave participants in the event an opportunity throughout the session to post comments or concerns. A report was published on the Council's internet page and easy read versions of the report was distributed to participants and to service users who had been unable to participate on the day.
- 3.4 A call off tender from the Framework Agreement has been carried out through a mini-competition to remodel existing learning and physical disability supported housing. This process involved amalgamating existing services into a single contract to provide an innovative core and cluster service model, with a more effective pathway to independence for service users. The new model has been generated as a result of a recent review, which has involved considerable stakeholder consultation, including service users, research and has resulted in a redesigned service.
- 3.5 The current service is a mixture of 12 accommodation based and floating support services delivered by 6 organisations, one of which is an in-house Council service. Existing contracts are due to expire on 31 October 2014. Staff consultation has taken place for the inclusion of the existing in-house Council scheme in the scope of this contract award and Transfer of Undertakings

(Protection of Employment) Regulations (TUPE) will apply in respect of those staff.

- 3.6 All thirteen approved organisations within both ‘the Learning Disability’ and ‘Physical Disability’ Lots of the Framework Agreement were invited to express an interest and were provided with the specification for the new service; relevant building profiles for accommodation based elements of the proposed services and TUPE information. Four organisations submitted an expression of interest.
- 3.7 The four organisations were requested to supply: their hourly rate tender for 615 hours of support per week, taking into account the TUPE information provided by the incumbent contractors; respond to one qualitative question and provide a response to two case studies one for each client group. Additionally, the organisations were asked to submit draft implementation and mobilisation plans for information purposes only.
- 3.8 The evaluation process was split in two stages as follows: Stage 1: scoring of the price and the responses qualitative questions: Stage 2: A presentation that was evaluated. The top three providers from Stage one progressed to Stage two and delivered their presentation on two further best value questions.

Evaluation Section	Criteria	Weighting
Quality	1 Qualitative Question and two case study responses	40%
Price	Hourly rate for 615 hours of support per week to be provided	60%
Total		100%

- 3.9 **Stage 1** – quality and price: the award criteria involved weightings of 40% to Quality and 60% to price based on an hourly rate for 615 hours of support a week
- 3.10 **Stage 2** – was evaluated based on the presentation which responded to the additional questions and related weightings listed below. The evaluation at this stage involved an assessment of presentations by the three providers, intended to understand how they would deliver the new service model, whilst providing best value and sound social value. The evaluation panel included two members of the Making a Difference group.

Providers were required to explain their proposed approach within their responses to two best value questions. The new model is expected to include the following: a fully redesigned housing related support service which is outcome based and person centered, delivering a high level of quality together with asset based needs assessment and support planning.

The panel also required the providers to demonstrate how they would provide the council with a service which meets best value criteria; delivering significant cost savings through moving people on, deescalating services where necessary and providing services for more people more of the time for less

money.

Providers also had to demonstrate how they would achieve the journey from current service to the new model. The two areas were each scored out of 50% giving a total score out of 100%.

Additional Questions	Weighting
Q1 – How does your organisation envisage providing a service which delivers on the aims and objectives and Outcomes detailed in the service specification?	50%
Q2 – What will the journey from the current services to the new model look like?	50%
Total	100%

- 3.11 The award is therefore based on: Stage one the commercial score (60%) and the assessment of quality (40%); and Stage 2: best value evaluation of those organisations that were shortlisted at Stage 1 (100%). Service users from the Making a Difference which is made up of people with a learning disability and physical disability group participated in stage 1 & 2 evaluations of tenders.

The Making a Difference Group, participated in the evaluation of the submissions of the tender process. The group wrote one of the stage 1 tender questions and decided how they would evaluate the response. Three people from the group evaluated the question and the accessibility of the response. Two members of the group were active members of the evaluation panel at stage 2.

Additional Services

- 3.12 Following the mini-competition a provider of similar services informed the Council that it was withdrawing from the care and support market. Had the provider withdrawn earlier, these services (additional services) would have been in scope for inclusion and award as part of the mini competition. It was therefore decided to consider inclusion of the additional services within the contract for those which had been tendered. To that end, officers reviewed the outcome of the evaluation exercise and are satisfied that it would not have changed had the additional services been included as part of the initial tender exercise. Consequently approval is sought pursuant to Regulation 8 of the Council's Tenders and Contracts Regulations to negotiate the inclusion of the additional services support hours as part of the contract recommended for award under this report at no more than the hourly rate tendered by the successful provider. This will safeguard the current recipients of the additional services and mitigate against fragmentation of service provision.
- 3.13 The additional services will involve an extra 113 hours per week. This will increase the total support hours provided under the contract to 728 hours. As a consequence the additional services hours the contract price will increase from £1,601,787 over its 3 year life up to a maximum of £1,896,102 (with an option to extend for up to a further 1 year bringing the overall cost to a maximum of £2,528,136).

4. CONSULTATION

- 4.1 Service users were consulted on the review of current services, the service redesign and were involved in the call off process at both stages. The service specification, staffing levels and key performance indicators have been discussed and agreed with the head of integrated commissioning – working age adults & contracts support services, the Supporting People provider group representatives, the Director of ICU.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 1.1. Budgetary provision for these services exists through the Supporting People budget and Commissioning plan.
- 1.2. The Supporting People Framework Agreement is a cost effective and timely way of procuring services

Specifics of the organisation to which the contract award is recommended are detailed in the Part B report on this agenda.

1.2.1. **Effect of the Decision: Detailed in part B of this report.**

1.2.2. **Risks:** To mitigate risks a review of the successful bidder's financial health check score was undertaken, they achieved a good rating and their annual turnover at end of financial year 2013 was £4 million

1.2.3. **Options:** The service users in receipt of these services have been assessed as having an eligible social care need. The current contracts are ending and therefore a new award is required. If members choose not to make the award an alternative service would be required.

1.2.4. **Future Savings / Efficiencies:** The Supporting People Framework Agreement enables the Council to achieve the efficiency targets set out in the Supporting People Commissioning Plan. The Supporting People Framework Agreement is a cost effective way of procuring these services.

- 1.3. **(Approved by: Lisa Taylor – Head of Finance and Deputy S151 Officer.**

6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

- 6.1 The Council Solicitor comments that the tender process for the call-off as detailed in this report meets the requirements of the Council's Tenders and Contracts Regulations and the Council's Constitution, and fulfils the Council's duty of Best Value, under the provisions of the Local Government Act 1999.

- 1.4. **Approved by: Gabriel Macgregor, Head of Corporate Law on behalf of the Council Solicitor & Monitoring Officer**

7. HUMAN RESOURCES IMPACT

- 7.1 This paper makes recommendations involving outsourcing services which may invoke the effects of the Transfer of Undertakings (Protection of Employment) 2006 Legislation and its subsequent 2014 amendments. If this was the case, then all staff that predominantly work in the identified service would be transferred to the new contractor on their existing terms and conditions of service (with the exception of pension rights, which have to be broadly comparable as set out in the Government's "Fair Deal" policy revised in 2013); this is likely to impact four members of staff. The Council's TUPE Protocol and all other related policies and procedures must be followed, particularly the duty to consult. Consideration should be given to involve Trade unions and staff in the tender process and specification, which would ensure their engagement. Trade Unions and staff welcome a reasonable consultation period following the successful bid, which gives the council and the contractor good time to consult on any potential 'measures' and to deal with any potential 'objections'. The Provider has confirmed the hourly rate paid to staff will be higher than the London Living Wage.
- 7.2 Any changes recommended after the consultation period which affect staff, should be managed in accordance with the Council's HR procedures.
- 7.3 **Approved by: Michael Pichamuthu, Strategic HR Business Partner (on behalf of Heather Daley, Director of Workforce)**

8. EQUALITIES IMPACT

- 8.1 A full EIA for the Supporting People Framework Agreement was carried out and a full EIA for the Learning Disability Review was carried out. An initial EIA has been carried out for this contract award and no further significant impacts have been identified. The award of this contract will enable service users to live more fulfilling independent lives and will provide opportunity for additional service users to benefit from the service.
- 8.2 The provider will make a social care contribution in helping service users engage more effectively with the community; helping service users access work placements and volunteering opportunities, promoting peer support through asset based assessments and linking with local voluntary sector organisations. The Council will monitor the extent to which these social value objectives are achieved.

9. ENVIRONMENTAL IMPACT

- 9.1 The Framework Agreement specification required providers to have an Environmental Policy and Action Plan. Providers are required to demonstrate through the provision of services that a contribution is made to improving Croydon's environment. Relevant actions include, for example, staff travel planning, encouraging people to recycle and reducing the environmental impact of buildings used for supported housing.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 These support services make an important contribution to reducing crime and ensuring safety for victims of crime in particular by enabling the rehabilitation of offenders, helping people with substance misuse problems to live drug-free lives, and providing safe accommodation for people who have experienced domestic violence.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

11.1 The provider which was assessed as having the highest score following the evaluation and being the most economically advantageous tender is identified in the Part B report on this agenda item. It is therefore recommended that they supply this service for the duration of the contract.

12. OPTIONS CONSIDERED AND REJECTED

12.1 A full tender outside of the Supporting People Framework Agreement was considered, but as there are an appropriate number of quality providers with the right skills and prices on the Framework Agreement, officers considered a call off the most effective way of delivering a best value redesigned service. It was therefore agreed to undertake a competitive tender process through a call off from the Framework Agreement. This gave providers on the Framework Agreement for the two client groups the opportunity to submit a tender.

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CONFIDENTIAL APPENDICES: Part B Report
(exempt under paragraph 3)

