

## SUPPORTING PEOPLE PROGRAMME AND SHELTERED HOUSING

<b>Cabinet Member</b>	Councillor Philip Corthorne
<b>Cabinet Portfolio</b>	Social Services, Health & Housing
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<b>Papers with report</b>	None

### HEADLINE INFORMATION

<b>Purpose of report</b>	Standing Orders for procurement raise issues for tendering-out housing support services in sheltered housing because they can serve to adversely disaggregate the holistic housing management and support regime. The report will explain the issue for the services provided by Hillingdon Homes and offer a solution.
<b>Contribution to our plans and strategies</b>	To continue to support service user's independence, assist people to remain in their own homes and prevent calling on statutory responsibilities to provide more extensive – and expensive – services.
<b>Financial Cost</b>	There are no direct costs arising from this report and its recommendation. All costs are contained within Area Based Grant.
<b>Relevant Policy Overview Committee</b>	Social Services, Health and Housing
<b>Ward(s) affected</b>	All

### RECOMMENDATION

That Cabinet enter into a new Service Level Agreement with Hillingdon Homes for the housing related support that they provide as part of their sheltered housing service in their current 21 sheltered housing schemes for an annual sum of £742,106 pro rata for the period 1<sup>st</sup> August 2010 until the operation is brought in-house on 1st October 2010.

### INFORMATION

1. Hillingdon's strategy for sheltered housing includes retention of the traditional and holistic service to council tenants.

2. In July the council's service level agreement with Hillingdon Homes for the housing-related support service it provides at each of the council's sheltered schemes expires. All services should be subjected to market testing, particularly where the contract for them expires. However to tender-out just the support service in sheltered housing would serve to fracture the holistic approach. And in October all Hillingdon Homes' operation are due to come in-house (a decision made by Members at their Cabinet meeting of the 18<sup>th</sup> February 2010; the operative date subsequently brought forward by mutual agreement).
3. Given the short period between the above two events it is the officer's view that best value is secured through seeking agreement to a single tender action in accordance with the Council Constitution Procurement & Contract Standing Orders Schedule H, that is negotiating a new Service Level Agreement with Hillingdon Homes for the housing related support that they provide for the period 1<sup>st</sup> August 2010 until the operation is brought in-house in October 2010 at the same annual magnitude of payment that is being made under the current Agreement, pro-rated for the period. The Appropriate Delegated Officer and Cabinet Member are satisfied that if this course of action is taken Standing Orders will be complied with. And officers will ensure that value for money continues to be obtained.
4. In October, when the operation is brought in-house, running conterminously it is planned to replace the Council's Service Level Agreement with Hillingdon Homes with an in-house service level agreement.

#### **Reasons for recommendation**

5. There are two months between the cessation of the current service level agreement with Hillingdon Homes for the housing support services that it provides at the council's sheltered housing schemes and when the council absorbs Hillingdon Homes' operation. Authority is needed for an interim arrangement for this period.

#### **Alternative options considered**

6. Two alternative options were considered:
  - a) Tendering-out the services would also meet the requirement of Standing Orders of Procurement. However, Hillingdon Homes are currently providing a value for money service which meets the council's objectives for continuous improvements and increased efficiency. Should another contractor have secured the business there would necessarily be a disintegration of the holistic service provided to tenants – which would not represent best value.
  - b) Another option is to let the service lapse after July, and have the council take over the operation then. However, it is thought to be more efficient and effective for all of Hillingdon Homes' operations to be brought in-house at the same time rather than this component be brought-in two months before the rest.

#### **Comments of Policy Overview Committee(s)**

7. None.

#### **Supporting Information**

8. Hillingdon's Strategy for Extra Care and Sheltered Housing includes retention of the traditional service provided by Hillingdon Homes where generally site-based staff offer a

combination of housing management, support and other services: A holistic service to the council's tenants residing in their schemes.

9. The council has a service level agreement with Hillingdon Homes for the housing-related support services provide at each of its 21 sheltered housing services – see Appendix 1. On 31st July 2010 this agreement expires. The terms of the agreement do not allow for (further) extension. However, it is planned for Hillingdon Home's operations to be brought in-house in October.
10. As a principle under the Council's Standing Orders for Procurement all services should be intermittently subjected to competitive tender, or at least market testing. However to tender-out just the sheltered support service in the council's sheltered housing would serve to fracture the holistic approach.
11. Given the short period between the above two events it is officer's view that in this instance best value is secured by seeking agreement to a single tender action in accordance with the Council Constitution Procurement & Contract Standing Orders Schedule H.
12. The recommended single tender action involves the obtaining of a tender from a single contractor, service provider or supplier, the terms, conditions or value of which has been determined by a process of negotiation. Section 7.21 of the Procurement and Contract Standing Orders – Code of Practice allows for the obtaining of such tenders provided that the Appropriate Delegated Officer is satisfied, and has obtained agreement from the appropriate Cabinet Member, that negotiations with a single contractor would be more practical or prudent and that:
  - a) one or more of the criteria stated in paragraph 7.20 are satisfied; and
  - b) there is a sound basis for the negotiation, e.g. similar work carried out under similar circumstances, as a result of competitive tendering; and/or
  - c) there would be a demonstrable financial or other service advantages to the Council, thereby contributing towards meeting the obligation under Standing Order 1.4 to obtain value for money; and/or
  - d) there would be a demonstrable saving in time, when time is of the essence, or achievement of quality where quality is most important
13. The Appropriate Delegated Officer is so satisfied, and has obtained agreement from the appropriate Cabinet Member, on the basis that:
  - a) criteria 7.20 (a) (i) is satisfied: It is not reasonably practicable or prudent in meeting the Council's objectives to obtain competitive tenders or quotations
  - b) there is a sound basis for the negotiation
  - c) there would be a demonstrable service advantages to the Council
  - d) there would be a demonstrable achievement of quality.
14. In 2009 Hillingdon Homes sheltered housing services were assessed as mainly operating at level 'B' against the Supporting People Quality Assessment Framework ('C' being the lowest satisfactory level of performance) and have recently agreed a 1% grant reduction for these services for 2010/11. And officers will continue to ensure that value for money is obtained by applying the West London Supporting People Performance Management Framework, including:

- expecting continuous improvements and increased efficiency of Hillingdon Homes
- monitoring performance through return of prescribed and completed performance forms
- cyclical contract meetings and site visits,

15. In October, when the operation is brought in-house, running conterminously it is planned to replace the service level agreement with Hillingdon Homes with an in-house service level agreement, subject to the same monitoring. The in-house agreement is expected to contain clauses identical to those contained in the current Agreement. Thereupon, for the immediate future under the 'Teckal' case there is a case law exemption to the normal procurement rules, the effect of which is that it is not necessary for us to tender for these services when we then have them provided in-house.

## **Financial Implications**

16. There are no direct financial implications arising from this report's recommendations: Continuing to pay for the sheltered housing services that Hillingdon Homes provide has been budgeted for.

## **EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES**

17. What will be the effect of the recommendation? The general objectives of the Supporting People programme are:

- to ensure the delivery of a quality of life and the promotion of independence for the vulnerable people who are users of services
- that services are of a high quality, strategically planned, cost effective and complement care services where present
- that the planning and development of services is needs-led.
- that there is a working partnership of local government, probation, health, voluntary sector organisations, housing associations, support agencies and service users.

18. It is believed that the recommendation will be in the best interests of council tenants and residents in need of sheltered housing services in the future.

## **Consultations Carried Out or Required**

19. Consultation is a standing facet of the Supporting People programme and includes:

- senior council officer representation for at least three of the key client groups for SP on the SP Core Strategy Group.
- Provider and service user representation on the SP Core Strategy Group.
- engagement with Providers through Provider Forums
- engagement with service users through a Service User Forum
- gleaning the views of service users through Focus Group meetings
- informal engagement with community and voluntary groups

20. The recommendation made in this report has been the subject of consideration by the Supporting People Commissioning Body and Hillingdon Homes.

## **CORPORATE IMPLICATIONS**

### **Corporate Finance**

21. Corporate Finance has reviewed this report and is satisfied that any costs associated with the new service level agreement for Hillingdon Homes, for the supply of housing related support services, will be contained within existing budgets.

### **Legal**

22. As mentioned in the comments provided by Corporate Procurement, under paragraph 19 of the Council's Procurement and Contracting Standing Orders – Schedule H Cabinet may approve the recommendation to enter into a further SLA with Hillingdon Homes Ltd from 1<sup>st</sup> August 2010 until the service is brought back in-house in October of this year on the basis that it would not be prudent or practical to invite tenders for this service. It should also be borne in mind that because of the nature of the business relationship that exists between the Council and Hillingdon Homes there is a case law exemption which means that it would not be necessary to go out to tender for this service.

### **Corporate Property**

23. Not applicable

### **Relevant Service Groups**

24. Not applicable

### **Corporate Procurement**

25. In accordance with the Council Constitution, Procurement & Contracting Standing Orders, Schedule H (paragraph 19); Code of Practice, paragraph 7.20, competitive tenders are not required if the Appropriate Delegated Officer is satisfied that it is not reasonably prudent or practicable in meeting the Council's objectives to obtain such competitive tenders.
26. In the context of the specific circumstances relating to the decision to bring the Hillingdon Homes operation back in-house, Corporate Procurement support the recommendation made to award an interim contract with Hillingdon Homes for housing related support services at the sheltered homes listed in Appendix 1.

## **BACKGROUND PAPERS**

27. None

**Appendix 1: Hillingdon Homes' sheltered housing related based services which are contractually part-funded by Supporting People.**

<b>Annual contract value</b>	<b>Service Name</b>
£68,891	Langworth Drive
£57,555	Cobden Close
£54,939	Roberts Close
£45,346	James Court
£43,602	Manor House
£40,986	Barr Lodge
£38,370	The Gouldings
£35,754	Missouri Court
£34,882	Mandela Court
£34,882	Michael Shersby House
£32,265	Darrell Charles Court
£31,393	The Buntings
£27,905	Rylestone
£27,905	Ascott Court
£27,033	Barden Court
£26,161	St Catherines Farm Court
£25,289	Wallis House
£24,417	Sibley Court
£21,801	Childs Court
£21,801	Yiewsley Court
£20,929	Drayton Court
£742,106	All services