

**SURREY COUNTY COUNCIL****CABINET****DATE: 4 FEBRUARY 2014****REPORT OF: MR MEL FEW, CABINET MEMBER FOR ADULT SOCIAL CARE****LEAD OFFICER: DAVE SARGEANT, INTERIM STRATEGIC DIRECTOR, ADULT SOCIAL CARE****SUBJECT: HOUSING RELATED SUPPORT SERVICES (SUPPORTING PEOPLE)**

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**SUMMARY OF ISSUE:**

This report seeks approval to award new contracts for Housing Related Support Services from 1 April 2014.

Supporting People (SP) services provide housing-related support services to a range of people who require support to live independently within Surrey. This includes older people, those with learning disabilities, those with mental health issues, vulnerable young people, those with an offending history, those experiencing domestic abuse and those who are at risk of homelessness – detailed costs are included in Annex 2 (circulated separately for Members as item 20 in Part 2 of the agenda).

**RECOMMENDATIONS:**

It is recommended that:

1. New contracts for Housing Related Support Services be awarded that will be run on a continuous contract basis with on-going service reviews and fixed annual reviews effective from 1 April 2014. The Contract values are detailed in Annex 2 (circulated with Part 2 of this agenda as item 20); and
2. The information relating to the contract process as set out in this report be noted.

**REASON FOR RECOMMENDATIONS:**

There is a need for a localised provision that enables individuals to stay in their communities and continue to be supported by friends, family and the community thus reducing costs to the wider social care system. The current block contracts do not enable that flexibility.

The approach of this contracting strategy will align to the wider commissioning intentions of Adult Social Care (ASC) and recognise the needs of individuals who want continuity of providers and the support they receive. The services target the preventative end of support and enable people to remain active in their communities. It also recognises the on-going partnership arrangements with, and objectives of, the District and Borough Councils.

The Contract strategy proposed allows for continuation of supported housing services, but with new efficiencies and remodelling. This will include reviewing how

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services are delivered, staffing levels and the amount of support provided. This will be done in partnership working with the District and Borough Councils. This also aligns with the strategy being adopted with Adult Social Care providers, many of whose providers are the same.

To achieve the proposed strategy, contracts for Housing Related Support Services will be on a continuous basis with annual reviews giving the Service the flexibility to develop services and manage links between contracts within both SP and ASC. In addition, the strategy will also make the process of contract issue and renewal more efficient and simple for both parties.

The contracts would be subject to variations in contract price due to alignment with wider ASC contracts (already being delivered at better rates) and/or efficiencies achieved to deliver required savings. In some cases there is also the opportunity for service remodelling to enable more focussed service and VFM delivery.

#### **DETAILS:**

1. Supporting People (SP) is a partnership programme, overseen by a multi-agency Management Board which includes District and Borough Councils. As well as preventing the need for more intensive Adult Social Care (ASC) services, SP supports those who do not meet the eligibility of ASC, but who would eventually need more reactive, intensive intervention if these services were not there. SP is there for those people who would otherwise be homeless, reducing acute hospital admissions, prevention of re-offending, supporting those with substance abuse issues to turn their lives around and individuals suffering from domestic abuse
2. There are currently four refuges in Surrey offering 65 places. Supporting People also contribute to an outreach service which provides advice, guidance and support throughout the county. Partnership working is part of this service - partners involved are Surrey County Council's Community Safety Unit, the Police and the Police and Crime Commissioner's Office. All of which helps significantly reduce the future cost and need on ASC and wider care based budgets due to its preventative nature.
3. In 2009 the CLG commissioned the consulting firm Cap Gemini to research the impact of the supporting people programme on other public services. They designed a tool that calculates an approximate estimate, for the whole range of client groups, of the financial benefits of Supporting People (SP) services. The tool is founded on the premise that if supported housing services were not available other public services would have to take on the burden of supporting vulnerable and marginalized people. The cost to these other services, principally the NHS, is considerably in excess of the cost of SP services.
4. The SP programme is a genuine 'invest to save' item of public expenditure throughout the country, every £1 spent on supported housing will save other public services, not least the NHS, £2 by providing not just a cheaper alternative but one that engages the client and provides a route to greater independence and dignity.
5. In 2009 the total savings for Surrey were £33.4 million for expenditure of £18 million and this outcome is replicated for all English Administering Authorities.

With the same rationale for 2014/15 for budgeted expenditure of £12.2 million savings would be £22.5 million.

6. Currently there are ranges of contracts (176) with 80 providers and with annual values ranging from £2,000 – £415,000. The individual Contract values are detailed in Annex 2 (circulated separately as a Part 2 annex).
7. The MTFP Budget commitments which have the planned savings built in for the next three years are:-
  - 2014/15 - £12.6 million
  - 2015/16 - £12.2 million
  - 2016/17 - £11.8 million
8. Almost all housing related support services have integrated housing management and support arrangements. Accommodation is either owned or is on a long-term lease arrangement as supported housing to the provider. If these arrangements were separated out from SP services there are risks to individuals, which could include losing valued accommodation, that may cause major disruption to those receiving services.
9. The existing suppliers are working well with Surrey County Council and are delivering efficiency savings and increased flexibility in line with Adult Social Care (ASC) strategies. In April 2012 commitment was given to a SP Programme for the five years from April 2012 - March 2017 with a savings target of £2 million. Savings of £950,000 have already been delivered.
10. The recommended approach to award new contracts as detailed in this report has been taken to minimise the risk of disruption to individuals receiving the services as well as aligning with the Adults Social Care commissioning strategy. The contracts will be reviewed annually unless otherwise terminated. This gives Adult Social Care the flexibility to develop and review the market thus ensuring value for money, that services remain targeted where required, plus providers also have some element of continuity that enables them to plan, invest and to deliver efficient Value for Money (VFM) services.

## Background

11. Funding for housing related support has been provided by the Supporting People (SP) programme since 2003. From April 2014 this support will become part of the mainstream commissioning service provided by ASC under their preventative agenda.
12. The SP Programme has committed to a five year funding programme from April 2012 - March 2017 with a savings target of £2 million and a list of expectations from SCC that included :
  - That the SP Programme remains a key element of preventative agenda;
  - To support the alignment of SP with the wider ASC Commissioning function and the streamlining of processes;
  - Contracts/Services were to be aligned and mainstreamed within the respective areas of Commissioning;
  - Where there was crossover between Supporting People and Adult Social Care, there should be an alignment of rates where appropriate (this mainly

affects services for People with Learning Disabilities & Physical Disabilities);

- A full benchmarking review and rate alignment of all other contracts and work categories that are being provided for by the same Provider;
  - A review of all current/future contract requirements.
13. All current contracts expire on 31 March 2014. This is the final extension year as 3 + 3 year contracts were issued in 2008. There is a range of contracts (c170) with annual values ranging from £2,000- £415,000. In the last six years there has been ongoing programme of strategic reviews, savings, decommissioning and service repositioning. As a result the £2 million saving is on target to be met by March 2017.
14. The Supporting People Procurement Plan for 2012-2014 has a focus of remodelling and piloting services to enable housing-related support to be delivered in a more flexible manner.

### **Procurement Strategy**

15. Several options for procuring the services were considered. These were:
- Option 1: do nothing. This is not viable as contracts expire on 31 March 2014;
  - Option 2: Tender the requirements. Almost all accommodation based supported housing services currently have integrated housing management and support arrangements. To tender effectively the support and accommodation would have to be separated out. This goes against the strategy of aligning and integrating Supporting People with Adults Social Care (ASC) as this would lead to a different delivery model for both services. This would be disruptive both to individuals and to the market and would lead to fragmented services, which would cost more. This was also not the favoured strategy with key partners in the District and Borough Councils.
  - Option 3: Award new contracts on a continuous basis to be reviewed annually from a commercial perspective. This will align with the contracting strategy in ASC and also deliver less bureaucracy and enable continuity as providers can plan on a longer-term basis.
16. After an options analysis, which took account of individuals' feedback and needs, it was agreed that Option 3 is the recommended approach. These contracts will be more dynamic and flexible as they can be tailored to an individual's needs and react to future budget constraints. This will also enable flexibility to consider requirements under the Care Bill (2015).
17. Option three is allowable under European procurement legislation as social care services
18. A key aspect of the service moving forward is that the needs of the Individual must be recognised – simplifying their support arrangements and not increasing the number of providers.
19. The recommended model will provide the flexibility procurement and commissioning need to meet future requirements.

20. Contracts will be simplified and standardized and will be in place from 1 April 2014. If there are several contracts with the same provider they will be consolidated into one contract thus simplifying the process for and engagement with providers for both parties.
21. Procurement & Commissioning have built up a good understanding of the market over the last few years. Supporting People has a long history of working with providers and have built up good and constructive relationships – many of these are reliant on key partnerships with the District and Borough Councils. The view is that the market is stable and more value can be obtained by working with providers as outlined in the procurement plan.
22. The above review and flexibility will make it easier to ensure the best service value, quality and delivery in the right area of prevention on an on-going basis.

### Next Steps

23. To continue delivering value for money :-
  - A new / improved service specification will be developed to allow contracts to be personalized and meet an individual's needs that will be fit for purpose and linked with the outcomes model and wider ASC strategies such as Aging Well
  - Through ongoing review continued progress will be made in aligning rates and challenging costs; this will include close scrutiny & budget monitoring from finance to track that efficiencies are on target
  - Decommissioning of services which are no longer deemed necessary
  - There will be focus on locality based commissioning ensuring Providers are local to the individual. Providers will be encouraged to be more flexible and provide support where it is needed rather than being tied to specific premises
  - As part of their continuous improvement Providers will be encouraged to introduce new services at no extra cost
  - Robust contract monitoring will be in place to ensure Providers are delivering best value and meeting the needs of individuals. Service will be monitored
  - Ongoing partnership working with the District and Borough Councils
  - Local, preventative services will help support the Family friends and communities agenda.

<b>CONSULTATION:</b>
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24. Co-design has included representatives from the following:
  - The Learning Disability Partnership Board (a small sub-group has inputted to design, planning and evaluation);
  - Current providers of services and wider market providers (input to specification and design and planning);
  - District and Borough housing (officer level input to specification, and commissioning strategy input and sign off with management level through Supporting People Joint Management Board);
  - Adult Social Care Commissioning (officer level input to specification and evaluation, and management sign off);

- Adult Social Care Personal Care and Support (officer level input to specification and management input to planning);
  - Right to Control project team;
  - Finance.
25. Reference is made to the following reports, that have influenced the process leading up to seeking to let these contracts:
- The Learning Disability Public Value Review;
  - A Review of Supporting People for People with Disabilities.

<b>RISK MANAGEMENT AND IMPLICATIONS:</b>
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26. All contracts include a Termination Clause. This will allow the Council to terminate with three months notice should priorities change or funding no longer be available.
27. To mitigate any shortcomings should these arise in delivering services the Terms & Conditions of the Contract include standard provision for:
- Recovery of monies on behalf of the council
  - Default
  - Dispute resolution.
28. As part of the original on boarding process Providers have already successfully completed satisfactory financial checks as well as checks on competency.
29. The following key risks associated with the proposed contract awards have been identified, along with mitigation activities:

Category	Risk Description	Mitigation Activity
Financial	Budget changes	Specification is designed to facilitate flexibility in service levels if needed.
		The contracts and services delivered will be reviewed annually to ensure they are meeting the need of the individuals accessing the service.
Reputational	Impact for current providers business	The proposed strategy will offer better continuity for providers.
Service	Change in model of delivery	Performance monitoring to ensure service delivery.
		Providers of the services have been consulted with regarding the changes.

## **Financial and Value for Money Implications**

30. Supporting People was previously a ring-fenced budget within Adult Social Care and a partnership programme with District and Borough Councils, and had its own team of commissioners and separate system to monitor work being undertaken in this field. Originally, this service was tendered and had a defined list of suppliers. The ring fence was removed from the budget in 2009. The budget is being reduced through efficiency improvements and prioritisation by £2m over 5 years at £400k per year until 2017.
31. A review was undertaken within Adult Social Care of the Supporting People function and it was decided to bring the Supporting People function and budget into the Adult Social Care Commissioners budget. This means that Adult Social Care Commissioners will be able to take a more holistic approach on how to best to commission services and also help to remove duplication of provision.
32. The total budget is
- 2014/15 - £12.6 million
  - 2015/16 - £12.2 million
  - 2016/17 - £11.8 million
33. The base budget includes a year on year reduction applied through to 2017 as part of the Medium Term Financial plan. The planned reductions have been accounted for in the planning for the three years.
34. The funding comes from a previous partnership programme with District and Borough Councils with joint strategic aims to meet the needs of vulnerable and homeless households. District and Borough Councils were considered equal stakeholders as they have secured funding over the last 30 years to enable the Supported Housing market to develop.
35. From 2003 to now management of the funding for support has been through a Joint Management Board. This approach respects the partnership with District and Borough Councils.
36. Commissioning intentions may well change over the short to medium period with regards to how to use the Supporting People funding, coupled with the fact there is no clarity on future funding from 2017.
37. Full details of the contract values and financial implications are set out in the Annex 2 (Part 2).

## **Section 151 Officer Commentary**

38. This proposal rationalises ongoing arrangements whilst building in the existing savings programme, and so represents a stable, flexible and good Value for Money means of taking these services forward.

## **Legal Implications – Monitoring Officer**

39. Supporting People is a national programme for funding, planning and monitoring housing related support services, which also forms part of Surrey's social care services for vulnerable adults. Its aim is to improve the quality and



effectiveness of the support services at a local level, and the proposed contracts will support this programme. The procurement strategy set out is reasonable in the circumstances and has been approved by PRG.

40. The Terms and Conditions of contract were last reviewed in 2008. We have reviewed these against the generic T & Cs for ASC services and these have been approved by Legal Services.
41. Members' attention is drawn to the Equality Impact Assessment (the EIA) at Annex 1 and the action plan in paragraph 9 of the EIA Under section 149 of the Equality Act 2010 Cabinet must comply with the public sector equality duty, which requires it to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; (b) advance equality of opportunity between persons who share a relevant characteristic and a person who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. Members should therefore take account of the matters raised in the EIA in reaching their decision.

**Equalities and Diversity**

42. An equalities impact assessment has been completed and is attached as Annex 1 to this report. The EIA was reviewed and approved by the Department Equality Group in January 2014. A summary of the key implications is included below.

<b>Key impacts (positive and/or negative) on people with protected characteristics</b>	The far reaching effects of the Procurement Plan may have unforeseen positive & negative impacts across all of the protected characteristics. This EIA will be reviewed at six-monthly intervals, taking into account Provider feedback, to identify areas of inequality. All Supporting People Providers will continue to work to the County Council's Equality & Diversity objectives, as stated in their contracts.
<b>Changes you have made to the proposal as a result of the EIA</b>	The Action Plan has been drawn up to maximise positive impact or mitigate negative impact. The EIA will also be reviewed at six monthly intervals.
<b>Key mitigating actions planned to address any outstanding negative impacts</b>	N/A
<b>Potential negative impacts that cannot be mitigated</b>	N/A

43. The contracts will be managed and monitored in line with Surrey's obligations under the equalities monitoring framework.

**Safeguarding responsibilities for vulnerable children and adults implications**

44. The terms and conditions of the Contract, which the providers will sign, stipulate that the providers will comply with the Council's Safeguarding Adults and Children's Multi- Agency procedures, any legislative requirements,



guidelines and good practices as recommended by the Council. This is monitored through contractual arrangements.

#### **WHAT HAPPENS NEXT:**

45. Following approval by Cabinet, new Contracts to be awarded by 1 April 2014 to the providers as named in Annex 2 – (Part 2) Commercial Details for the value shown on the spreadsheet.
46. For any contracts for new SP services we would come back for separate approval under the requirements of the Procurement Standing Orders.

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#### **Contact Officer:**

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#### **Consulted:**

Learning Disability Partnership Board  
Supporting People Joint Management Board  
Anne Butler – Assistant Director for Commissioning  
Christian George – Category Manager, Adults Procurement and Commissioning  
Joanne Parkinson – ASC Commissioning  
Carmel McLaughlin – Legal Services  
Paul Carey-Kent – Strategic Finance Manager – Adults

#### **Annexes:**

Annex 1 – Equality Impact Assessment Summary of Impact and Actions  
Annex 2 – (Part 2) Commercial Details

#### **Background papers:**

None

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