

**OVERVIEW AND SCRUTINY MANAGEMENT
COMMITTEE**

9 November 2006

SUPPORTING PEOPLE PROCUREMENT PROGRAMME

Purpose of Report

1. To update Members on progress made on the Supporting People programme for which the Council has lead responsibility since 2003.

Background

2. The programme accounts for £8.3m of expenditure for housing related support services for a number of care groups including people who are homeless, older people in sheltered accommodation, young people, offenders, women fleeing domestic violence and other vulnerable groups not accommodated in residential care homes. In November 2005 115 contracts were established incorporating 358 services. Since this date the number of contracts has been reduced to 95 covering the same number of services. Subject to the outcome of strategic reviews further rationalisation and efficiencies will be sought. At their meeting in November 2005, Members agreed that contracts would be tendered as services were reviewed and that these contracts would be exempted from contract regulations pending the completion of the strategic reviews (see Appendix 1).
3. In addition, further feedback from Members was requested on 4 key areas: the outcome of the individual service review programme, the outcome of the strategic reviews undertaken, actions taken to meet the Department for Communities and Local Government's (DCLG) requirements to achieve 5% reductions year on year and a review of the performance of the 4 main housing providers (Salisbury District Council, Sarsen Housing Association, West Wiltshire Housing Society and Westlea Housing Association).

Outcome of Individual Service Review Programme:

4. Individual reviews have now been completed on 358 services and action plans developed to identify service improvements required. Areas for improvement include: risk assessment, protection from abuse, equal opportunities, needs assessment and value for money.
5. "Mainstream" contracts have been negotiated to replace the interim contracts that were in place at the commencement of the programme. The Supporting People programme has a nationally developed review tool that is applied in Wiltshire and enables each service to be evaluated against national benchmarking data in terms of performance, quality and value for money.

- Appendix 2 details the outcome of the service reviews undertaken (rationalised contracts for older people are shown as one entry).
6. The mainstream contracts established with the four main housing providers (older people) and homelessness services were negotiated on the basis of the information generated via the service review process (see point 10 below).
 7. Regular reports are made to the Supporting People Partnership Board which has representation from all the key stakeholders and includes Members of Wiltshire County Council. Scrutiny may also wish to identify a Member to be involved in service reviews and tendering exercises and to receive regular reports on progress made.

Strategic Review Programme:

8. This is a rolling programme of reviews that takes a “whole systems” approach to the services purchased through Supporting People and by DACS. The objectives of these reviews are to ensure that services represent value for money, strategic relevance as identified in the Supporting People commissioning strategy and that economies and efficiencies are achieved wherever possible. A recent illustration of a review undertaken is that of floating support services where a number of previously separate contracts were tendered against a new service specification and one contract awarded to a consortium of providers. This has resulted in significant savings.
9. This work will continue across the whole programme and will enable the Council to rationalise the current number of contracts.
10. As each strategic review is completed, services will be tendered that will rationalise the existing contracts and where possible achieve, savings through efficiencies. On the outcome of the strategic review of generic floating support services a tender activity was undertaken which ultimately reduced the provider base from 25 to 4 providers working under a consortia arrangement. (The Council was instrumental in promoting the consortia initiative in order to allow small medium enterprises (SME's) to compete effectively for large contracts).

5% Savings:

10. Funding for this Programme comes from the DCLG with an expectation that there will be efficiency savings achieved year on year of 5%. For 2006/07 the actual reduction has been announced as 2%. This means that savings of approximately £400,000 will be required for this financial year. In order to achieve this a number of measures have been implemented:
 - a. Carrying forward the 05/06 underspend of £270k
 - b. Not awarding the RPI increase (saving £200k)
 - c. Negotiating cost reductions with service providers (saving £200k)
 - d. Implementing the generic floating support contract (saving £300k)

11. Savings identified from this work have been used to commission new services against those identified in the Supporting People Strategy. (This budget is ring fenced and can only be used for housing related support services).

Outcome of Service Reviews of the 4 Main Housing Providers:

12. The Supporting People review programme considers 5 core quality objectives: needs assessment, health and safety, protection from abuse, complaints and fair access. Services are graded on a scale of A to D where A represents excellent practice and D is below minimum standard.

Salisbury District Council:

13. These contracts cover 22 sheltered housing schemes primarily for older people offering 511 units of accommodation for 370 residents. An average of 13,900 hours of support is provided for an annual contract value of £257,000.
14. The District Council has recently replaced its resident wardens with peripatetic housing support officers giving rise to some anxiety amongst residents. Despite staffing shortages in some schemes the services are seen to have performed well with quality being rated a standard level C in all areas.

Sarsen Housing Association:

15. These contracts cover 40 sheltered housing schemes with 604 units and 474 residents in Kennet and North Wiltshire. An average 32,400 hours of support is provided at an annual contract value of £348k. In quality terms Sarsen was awarded C,C,B,B,A in the core elements.

West Wiltshire Housing Society:

16. These contracts cover 76 sheltered housing schemes with 1532 units providing accommodation to 1116 people. The services have achieved a level C for quality in all core areas. An average 177,000 hours of support is provided at an annual contract value of £1.01m.

Westlea Housing Association:

17. These contracts cover 37 sheltered housing schemes with 696 units providing accommodation to 445 people in Kennet and North Wiltshire. The services have also achieved a level C in the core elements. An average 21,101 hours of support are provided at a cost of £258k per annum.

General:

18. All these services were reviewed during 2005/06 and as a result of this savings of £225,000 were achieved through negotiation utilising benchmarking data. It has been agreed that pending the outcome of the older persons strategic review that block contracts could be put in place with these providers for 2 years on an interim basis. However, it is difficult to see how these services could be tendered realistically when both the service and

the accommodation is provided by the same organisation. The risk would be that if the existing provider did not win the housing related support contract, the accommodation could also be at risk. This is a national issue that is being reviewed.

Proposal

19. That Members note the progress made on the Supporting People programme and agree whether a representative could be identified to lead on the programme on behalf of the Committee.

Financial Implications

20. Savings targets have been identified and met resulting in the programme operating within the ring-fenced budget allocated to the Council by the DCLG.

Conclusion / Summary

21. The programme is progressing well and contract regulations are being applied appropriately in consultation with the Corporate Procurement Unit.

Recommendation(s)

22. It is recommended that:
 - i Members note the report and identify a lead Member to ensure the appropriate application of the Council's procurement regulations.

Reason for the Decision

23. The programme represents a significant area of work for the Council bringing together a number of funding streams and stakeholders, further involvement of Members would be welcomed in developing this work.

Alternative Options Considered

24. None

Ian Davey

Interim Director of Adult and Community Services

Unpublished documents relied upon in the production of this report: None

Author: Nicola Gregson, Business Support Manager, Contracts

Telephone: 01225 771673