

Cabinet

5 MARCH 2012

**CABINET MEMBER
FOR COMMUNITY
CARE**

*Councillor Joe
Carlebach*

**AWARD OF THE WEST LONDON HOUSING
RELATED SUPPORT JOINT FRAMEWORK
AGREEMENT 2012 - 2016.**

**Wards:
All**

Seeking approval for delegated authority to award the West London Housing Related Support framework agreement to be granted to the Cabinet Member for Community Care in conjunction with the Executive Director of Adult Social Care and the Executive Director of Finance and Corporate Governance.

The framework agreement covers eight boroughs: H&F, the Royal Borough of Kensington & Chelsea, Westminster City Council, and the London Boroughs of Ealing, Harrow, Hounslow, Hillingdon and Brent. H&F are the lead procurement and contracting borough. The framework will award preferred provider status to service providers within ten Lots covering both accommodation based and floating support services. Service contracts will be called of the framework agreement by each borough in line with their commissioning strategies.

The report also recommends that the award of service contracts from the framework agreement and authority to enter into ancillary agreements for the operation of the framework once awarded is similarly delegated.

CONTRIBUTORS

Head of Community
Commissioning
AD Quality
Commissioning
Procurement
EDFCG
ADLDS
ADP&IT

Recommendations:

That authority be delegated to the Cabinet Member for Community Care, in conjunction with the Executive Director of Adult Social Care and the Executive Director of Finance and Corporate Governance, to award the West London Housing Related Support Joint Framework Agreement 2012 – 2016, and to:

- (i) award Hammersmith and Fulham call off contracts from the framework agreement throughout the four year period 2012-2016, and;**
- (ii) authorise the entering into of ancillary agreements (mini-tenders) for the operation of the framework once awarded.**

**HAS THE REPORT
CONTENT BEEN
RISK ASSESSED?
YES**

**HAS A EIA BEEN
COMPLETED?
YES**

EXECUTIVE SUMMARY:

The framework agreement is the procurement method to tender for all supported housing services across eight boroughs. The total spend is £70m across the boroughs, £10.8m in H&F, reducing to £9m by 2013/14. H&F have 57 housing support services. There will be 10 categories – by client group – for example mental health supported housing (building based) or generic floating support (visits people at home). Providers can tender to be in one or all categories. This is the second Supporting People framework set up for West London and now includes Westminster. It will start in May 2012 and last for 4 years. H&F have a £3m savings target against this service budget. The procurement of this framework aims to bring in 5%+ of the savings needed. The service model is about ensuring a “core” service to make it a safe and progressive environment for vulnerable people to live and receive support and for them to have as much choice and control over the support they get – for example what, who, when and where in relation to the support they get. Commissioners and service users assess providers for quality (40%) and their ability to manage the locality and ensure good engagement with the local community for example and their price (60%) and then rank providers in a list of preferred providers. The top provider is awarded the service. The definition of housing support has been widened to include low level adult social care tasks such as shopping and housework to support individuals who may not be eligible for social care services. 143 pre qualification questionnaires have been received at the first stage of the tender and about 80 providers are being invited to tender. Two H&F providers have not made it to tender stage. The tenders will be assessed with our partners in Children’s Services, housing, adult social care, mental health, the drug and alcohol team and probation and involves service users.

Contracts will be awarded either directly from the top ranked provider where it is a new service and no TUPE applies or there may be an award following TUPE information being provided and a new price submitted. If there are some changes to the specification a mini-tender can be carried out which allows some additional assessment of the providers and their ranking could change. Each time the borough wishes to award a contract it will seek approval from the Cabinet Member for Community Care in conjunction with the Executive Director for Adult Social Care and the Executive Director of Finance and Corporate Governance.

1. BACKGROUND

- 1.1 London Borough Hammersmith & Fulham (H&F) has been procuring housing related support services (supported housing and floating support for all vulnerable groups) since 2008 via a framework agreement developed jointly with the Royal Borough of Kensington & Chelsea (RBKC), Ealing and Harrow. The current framework agreement expires in March 2012. Current joint working as part of the West London Alliance and in the context of Tri-borough proposals have indicated a need for another framework agreement covering eight boroughs: London Boroughs of Brent, Ealing, Hammersmith & Fulham, Harrow, Hillingdon and Hounslow, RBKC, and Westminster City Council. The new framework agreement will last for a period of four years until 2016.

- 1.2 The value of housing related support services across the eight boroughs in 2011/12 is approximately £70m. H&F intends to procure the significant majority of its housing related support services from the new framework agreement when current contracts expire or as a result of commissioning strategies. All of the current H&F housing related support contracts (approximately 57) expire during the lifetime of the new framework. Current spend on housing related support services in H&F in 2011/12 is £10.8m. The housing related support budget was set a £3m savings target to be achieved by 2013/14. An efficiencies programme has been set up to deliver these savings and in 2011/12 £437k has been achieved towards this target. A further £2.543m target is to be saved by 2013/14.
- 1.3 Through procuring housing related support services from a framework agreement, H&F can ensure that high quality services that have been subject to competition are secured. Service users benefit from receiving high quality support that is focused on achieving their individual outcomes. The framework agreement is built upon outcomes based service specifications that require providers to offer personalised services to give maximum choice and control to service users in supporting them to achieve their outcomes.
- 1.4 In addition, the participating boroughs have identified the following outcomes that the framework agreement will deliver:
- Improved public services and continuous improvement
 - Further cashable efficiency savings
 - Stimulation of the housing related support market
 - A mixed economy of service provision
 - Streamlined procurement and commissioning arrangements
 - Collaborative working amongst boroughs
 - Increased choice for service users by procuring services that can support both block and individual personalised purchasing arrangements
- 1.5 H&F and RBKC are jointly delivering the project to develop the framework agreement along with the West London Alliance.

2. COMMISSIONING OVERVIEW AND JOINT COMMISSIONING ARRANGEMENTS

- 2.1 The framework agreement will cover housing related support services only across the eight boroughs from 1 May 2012 to 30 April 2016. It will cover accommodation based services (building based support) and floating support (outreach support in people's homes) services in ten Lots which cover all the client groups who receive housing related support services. There will be no extension to the framework agreement beyond 2016.
- 2.2 Service specifications have been developed for each Lot which reflect the current policy agendas for housing related support services. The framework agreement will enable boroughs to procure outcomes based services which offer service users the maximum choice and control and align with the personalisation agenda. Services will consist of core and

flexible elements that will be called off by boroughs using different contractual models. In some models, service users will be able to choose which provider supports them, whether they are in receipt of their own budget or not. Definitions of housing related support used in the framework agreement have been made more flexible to cover some non-traditional activities.

3. PROCUREMENT PROCESS

- 3.1 H&F is the procurement and contract lead for the framework agreement. The intention of the Council is to procure a preferred provider list which all eight boroughs will be able to use to call off services in the ten Lots. The Council is using the restricted procedure under which a two stage tender process is being followed, consisting of a Pre Qualifying Questionnaire and Invitation to Tender.
- 3.2 This report is recommending delegated authority to the Cabinet Member for Community Care in consultation with the Executive Director of Adult Social Care and the Executive Director of Finance and Corporate Governance to award the preferred providers to the framework agreement as the tender process is still in progress. A number of participating boroughs need to call off services immediately from the framework agreement following the award of the tender which will not be known until May 2012. Delegated authority is requested to allow this decision to be taken without further approval from Cabinet which would impact on participating boroughs being able to commission services.
- 3.3 Delegated authority is also sought for the Cabinet Member for Community Care, in consultation with the Executive Director of Adult Social Care and the Executive Director of Finance and Corporate Governance, to award the Hammersmith and Fulham call off contracts from the framework agreement throughout the four year period and to enter into ancillary agreements for the operation of the framework once awarded.

Stage One: Pre qualifying questionnaire (PQQ) stage

- 3.4 A national advert was placed in June 2011 to invite all interested providers to submit a pre qualifying questionnaire. 143 PQQs were received by the deadline in August 2011. PQQs were assessed by a number of Tender Assessment Panels (TAP) during August to November 2011 which involved representatives from all eight boroughs. Following assessment, a number of moderator TAPs were held to review all PQQ submissions with a failed question and submissions where the TAP group did not reach consensus.
- 3.5 Approximately 80 providers will be taken through to the Invitation to Tender stage based on the evaluation methodology set out in the PQQ documentation.
- 3.6 Following PQQ assessment, initial indication is that four providers who currently receive funding for Housing Related Support services in H&F will not proceed to the Invitation to Tender stage. The impact of this on

service delivery is minimal, and future commissioning strategies will determine the future intentions for those services affected. For two providers, non inclusion in the framework will not affect their current housing related support service provision. For the other two providers, non inclusion in the framework may or will affect their current service provision. Analysis of the impact of providers not continuing to ITT stage is provided in the Equalities Impact Assessment which is available electronically.

Stage Two: Invitation to Tender (ITT)

- 3.7 The Invitation to Tender will be published in February 2012 with bids to be returned in March 2012. The tenders received at ITT stage will be assessed by a series of TAPs during March and April 2012 using a weighting of 60% price and 40% quality. Boroughs may choose to change these weightings when calling off contracts, by running a mini competition. The method statement provided as part of the ITT documentation set out how the 40% quality score is derived from a number of predefined questions.
- 3.8 The quality score of 40% will be made up from the assessment of responses in the following areas: Working Together, Achieving Outcomes, Giving Individuals choice and control, Creating a Positive Environment and the areas of night cover, unplanned moves, and locality management for providers wishing to deliver accommodation based services. Responses will be scored using a pre-determined scoring range of 0-5 which is communicated to bidders in the ITT documentation.
- 3.9 Tenderers will be required to submit a number of prices depending on the Lot and types of services they have been invited to tender for. Prices will allow for economies of scale for services over 200 hours and for different prices to be submitted to reflect the difference between providing core and flexible services.
- 3.10 The TAPs to assess the tenders will be made up of representatives from the eight boroughs and those with specific expertise in the client groups including colleagues from adult social care, children's services, housing, DAT and probation. Service users will also be represented on the tender assessment panels. A number of moderation TAPs will be held to assess tenders which are deemed to have failed or where a TAP group has not reached consensus. The moderation TAP may also review a sample of all tenders for the purpose of validation.
- 3.11 A customised database for the project will calculate the scores for price and quality to arrive at a total weighted score which will determine providers' position on the preferred provider list for each Lot. The database will be the tool by which boroughs select providers when calling off services, through entering the specific requirements for each services. The database will re-calculate the scores accordingly to generate a new ranking of providers.

3.12 Following the conclusion of the TAP assessments, the preferred provider list will be approved by the Project Board consisting of representatives from all eight boroughs. Delegated authority is requested through this report for the Cabinet Member for Community Care in consultation with the Executive Director of Adult Social Care to award the West London housing related support framework agreement from 1 May 2012. The commencement of the framework agreement will begin following this approval and after the required standstill (Alcatel) period.

4. CALLING OFF SERVICES FROM THE FRAMEWORK

4.1 Following the award of the framework agreement, participating boroughs will be able to call off services. The call off protocol determining the method by which boroughs will do this is part of the Invitation to Tender documents and has been agreed by the eight boroughs.

Services will be called off through a number of approaches:

- i. Direct Call-Off;
- ii. TUPE Call-Off;
- iii. Mini-Competition (with or without TUPE);
- iv. Service User Choice Call-Off

4.2 Service user choice call off, will be used under the core and flexible model of service delivery where service users have a choice of who provides the flexible element of their service; but they do not hold their own budgets. Under this model, the extent of the individual service user's choice will be limited to the four highest ranked providers in the applicable Lot. The reason for this limitation is to ensure that contracting authorities are still able to demonstrate Best Value in any call off contract entered into, based on a combination of assessed quality and price.

5. CONSULTATION INCLUDING SERVICE USER CONSULTATION

5.1 The provider market (existing and potential providers) were communicated to through two provider events held in May 2011 in Ealing and through a provider briefing document issued at the PQQ stage.

5.2 Service user consultation was led by RBKC on behalf of all eight boroughs. Three events were held in May 2011 in H&F, Harrow and Hillingdon for service user peer consultants. Peer consultants have received training to enable them to work with councils on projects and to support other service users. The events were attended by 19 peer consultants who reviewed a number of draft service specifications.

5.3 Wider service user consultation was carried out through three events held in H&F, Brent and Hounslow in July 2011. The events were publicised to all service users across the eight boroughs. The event in Brent was particularly aimed at people with learning disabilities and the event in H&F had a BSL signer for hearing impaired contributors.

- 5.4 55 service users attended the events representing the majority of client groups who receive housing related support services and representing all the eight boroughs. Feedback from the three events was compiled into a report which formed part of the ITT documentation. The report was considered by the project team and changes were made to the service specifications to reflect the feedback from service users.

6. FINANCE

- 6.1 The value of the Supporting People/Housing Related Support programmes across the eight boroughs is approximately £70m in 2011/12. Most boroughs have savings targets to be achieved against their housing related support budgets over the period of the framework agreement. One of the agreed outcomes of the framework agreement is to achieve cashable efficiency savings. The housing related support budget in H&F was set a £3m savings target to be achieved by 2013/14. An efficiencies programme has been set up to deliver these savings and in 2011/12 £437k has been achieved towards this target. A further £2.543m target is to be saved by 2013/14. Savings from the new framework agreement are projected to contribute approximately 5% of the overall savings target.
- 6.2 H&F will undertake financial modelling of the savings that potentially could be realised through the framework agreement once prices are submitted. It is expected that prices submitted will be lower than current hourly rates seen across the eight boroughs. Exact savings can not be confirmed until services are called off the framework agreement, as it is likely that the ranking of providers will change when the specific service details are factored in, including TUPE. Savings are only achieved when new contracts are called off the framework agreement following the end or termination of existing contracts.
- 6.3 The financial modelling will be available for consideration by the Executive Director for Adult Social Care, Executive Director of Finance and and Corporate Governance and the Cabinet Member for Community Care at the point of award of the framework agreement.

7. RISK MANAGEMENT

- 7.1. Risk is being managed through the project management and governance arrangements in place. A risk identified and analysed in this report is current housing related support providers in H&F not proceeding to ITT stage and/or not being successful on the framework.

8. EQUALITY IMPLICATIONS

- 8.1 An Equalities Impact Assessment (EIA) is available electronically. The EIA assesses the impact on service users from the potential change of provider of their services. It examines the potential impact on service

users by their protected characteristics and in particular the risk that small or specialist providers will not be successful in the procurement process.

- 8.2 The procurement process is being conducted in a fair and transparent manner that allows potential providers to indicate if they are a specialist provider. The procurement process has been designed to allow for consortia and partnership bids which enables smaller or specialist organisations to be part of the framework agreement.
- 8.3 The EIA reports that the risk of losing specialist providers in H&F is low and therefore the impact on client groups based protected characteristics is described as neutral or positive. It highlights the impact of specialist providers not proceeding to ITT stage and the impact of this on the service and service users. Local commissioning strategies will determine the services to be provided in H&F and the council can choose not to call services off the framework if a specialist service is required, for which a separate tender exercise will be run.

9. COMMENTS OF THE EXECUTIVE DIRECTOR OF FINANCE AND CORPORATE GOVERNANCE

- 9.1 As detailed in the report, approval is requested to delegate the authority for the award the West London Housing Related Support framework agreement to the Cabinet Member for Community Care in conjunction with the Executive Director of Adult Social Care and the Executive Director of Finance and Corporate Governance.
- 9.2 In addition, the report is recommending that the award of Hammersmith and Fulham call off contracts from the framework agreement is delegated to the Cabinet Member for Community Care in conjunction with the Executive Director of Adult Social Care and the Executive Director of Finance and Corporate Governance. Each of the proposed contract award reports will detail the financial implications of the contract award including the financial modelling undertaken and the projected efficiencies.
- 9.3 The Supporting People Budget for the eight boroughs is £70m. For H&F, the projected spend in 2011/12 is £10.8m and this after delivering efficiencies of £.437m in this financial year. Within The Council's Medium Term Financial plan, a further efficiency target of £2.543m is included for the Supporting People service to be achieved by 2013/14. Further work will be required to identify the additional efficiencies and will be reported during the letting and award of new contracts and a review of the overall programme.

10. COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)

- 10.1 Legal services has provided advice to the client department during the procurement and will continue to do so upon instructions. The AD (Legal and Democratic Services) supports the recommendation in this report.

11. COMMENTS OF THE ASSISTANT DIRECTOR PROCUREMENT AND IT STRATEGY

11.1 By collaborating with other Councils on joint tendering exercises the Council achieves savings through greater economies of scale. This is in line with the Council's Procurement Strategy. As the lead borough this tendering exercise will be undertaken using the Council's Contract Standing Orders.

LOCAL GOVERNMENT ACT 2000 LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	General specification	Jenny Platt ext 5034	QCP Commissioning team
2.	Call off protocol	Jenny Platt ext 5034	QCP Commissioning team
3	Report on service user consultation	Jenny Platt ext 5034	QCP Commissioning team
4.	EIA	Jenny Platt ext 5034	QCP Commissioning team
CONTACT OFFICER: Jenny Platt		NAME: EXT. 5034	