



London Borough of Hammersmith & Fulham

CABINET MEMBER DECISION

JUNE 2014

**CONTRACT EXTENSIONS FOR TWO SUPPORTING PEOPLE FLOATING
SUPPORT CONTRACTS**

Report of the Cabinet Member for Health and Adult Social Care

Open report

Classification - For Decision

Key Decision: No

Wards Affected: All

Accountable Executive Director: Liz Bruce, Executive Director of Adult Social Care

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Commissioning Manager**

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AUTHORISED BY:

The Cabinet Member has signed this
report.

DATE: 24 June 2014.....

1. EXECUTIVE SUMMARY

- 1.1 The Council is using the West London Housing Support Framework Agreement 2012-16 ("The Framework") to call-off two Supporting People floating support services currently provided by Family Mosaic and Thames Reach. Both existing contracts are due to expire on 30 September 2014 and have no provision for further contract extensions.
- 1.2 Both contracts provide services that are strategically important to the Council. Floating support provides valuable support to vulnerable people in the community; prevents more costly adult social care interventions and assists other council departments including Children's Services, Housing and Regeneration and Community Safety to deliver their strategic goals.
- 1.3 This report seeks approval to vary the contractual terms of the Family Mosaic and Thames Reach contracts in order to extend both contracts for a period of up to 4 months (with a break clause allowing one month notice) at a potential total cost of £288,128.
- 1.4 Extending the contract end dates for up to 4 months is necessary in order to allow sufficient time to call-off new services from the Framework. This additional time is required due to delays encountered to the procurement timetable.
- 1.5 On 13 May 2013, Cabinet delegated the authority to extend and or vary the contractual terms of Supporting People contracts, including the Family Mosaic and Thames Reach contracts to the Cabinet Member for Community Care.

2. RECOMMENDATIONS

- 2.1 That approval be given to a variation of the contractual terms in order to extend the contract period of the Family Mosaic Floating Support contract from 01/10/2014 to 31/01/15 (with a one month break clause) at a potential total cost of £207,413.
- 2.2 That approval be given to a variation of the contractual terms in order to extend the contract period of the Thames Reach Floating Support contract from 01/10/2014 to 31/01/15 (with a one month break clause) at a total cost of £80,715.

3. REASONS FOR DECISION

- 3.1 The re-commissioning strategy for LB Hammersmith & Fulham Supporting People floating support was agreed by Cabinet Member Decision on 14 March 2014. The intention was to have the new services in place to start on 1 October 2014.

- 3.2 Officers have calculated that it will not now be possible to have new services in place by 01/10/14, when the Family Mosaic and Thames Reach contracts expire. It is anticipated that new services should be in place by December 2014; however, officers are seeking approval to vary the contractual terms in order to extend the contract period of both contracts for up to 4 months to 31/01/15 as a contingency in the event of any further delays to the procurement timetable to maintain continuity of service to vulnerable residents whilst the council procures the future services.
- 3.3 The procurement timetable has been delayed due to the following factors: There was a delay of one month in obtaining Cabinet Member sign-off of the commissioning strategy due to a pause to consider the synergies with Home Care; a longer than anticipated wait for the Actuarial Report on 2nd generation Local Government Pensions Scheme costs for three staff identified for TUPE transfer; a late Legal Department challenge to the decision to award a 7-year contract that was previously agreed by the Legal Department. These issues have now been resolved and the tender process has commenced.

4. BACKGROUND

- 4.1 The Thames Reach contract was commissioned on 1 April 2008 to provide support to assist people living in the community to maintain their accommodation and independence. The contract expired on 31 March 2013.
- 4.2 Subsequent delegated Cabinet Member decisions extended the contract for an initial 6-month period and then a second 12-month period expiring on 30 September 2014. These decisions were made in order to ensure service continuity whilst officers determined future commissioning requirements and procured new services, if required. The subsequent review determined that the Thames Reach service was achieving important outcomes for vulnerable people and that replacement services were required.
- 4.3 The Family Mosaic contract was commissioned on 1 June 2009 to provide support to assist people living in the community to maintain their accommodation and independence. The contract expired on 30 May 2014. A review of the service in 2013-14 determined that services were a key component in the Council's prevention strategy and that replacement services were required.
- 4.4 A delegated Cabinet Member Decision was made on 13 November 2013 to vary the contractual terms of the Family Mosaic Floating Support contract in order to extend the contract period from 1 June 2014 to 30 September 2014. This decision was made in order to align the end dates of the Thames Reach and Family Mosaic contracts in order to increase the future commissioning options available to the council to ensure best value for money and service improvements

4.5 On 14 March 2014, the Cabinet Member for Community Care approved the re-commissioning strategy for the Family Mosaic and Thames Reach contracts as follows:

- Utilise the Framework to re-commission two community floating support services for generic/complex needs;
- Restrict the market so that one organisation cannot be awarded both contracts to facilitate a more diverse, sustainable market for vulnerable people.

5. PROPOSAL AND ISSUES

5.1 Officers intend to use the West London Housing Support Framework Agreement 2012-16 (the Framework) to call off the new services.. As the revised re-commissioning timetable below indicates, there is insufficient time to conclude the procurement process by 30 September 2014 when the Thames Reach and Family Mosaic contracts expire. We have estimated that a minimum 3-month implementation phase is required due to the large number (350) of vulnerable residents affected and potentially complex TUPE arrangements.

Recommissioning Timetable

Task	Original Timetable	Revised Timetable
Approve re-let strategy	Feb. 14	March 14
Issue ITT	March 14	May 2014
Tender Submission date	April 14	June 2014
Tender Evaluation	May 14	July 2014
CoCo and Cabinet member approval	May-June 14	August –Sept. 2014
Cooling off period	July 14	Sept. 2014
Contract implementation	July-Sept. 14	Sept.-Nov. 2014
Expected Contract start date	01/10/14	01/12/2015

5.2 As it is not possible to have the new services in place by the current contract end date of 30/9/14, officers recommend a variation to the contract terms in order to extend the contracts up to 31 January 2015 at a total cost of £288,128 as set out below.

Contract	Contract start	Contract end	Current Expiry Date	Proposed extension	Current annual contract value	Potential total extension value
Thames Reach	1/04/08	31/3/11with option to extend for 2 X 12 month periods	30/9/14	1/10/14-31/1/15	£242,146	£80,715

Family Mosaic	1/6/09	31/5/12 with option to extend for 2 X 12 month periods	30/9/14	1/10/14-31/1/15	£622,240	£207,413
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5.3 Although it is anticipated that new contracts should be in place by December 2014, officers are recommending that the contracts are varied in order to extend the contract term for a period of up to 4 months to 31/01/15 as a contingency in case of any further delays to the timetable. A month break clause will ensure that the contracts are not extended unnecessarily for the total 4-month period.

6. OPTIONS AND ANALYSIS

Do not extend the contracts

6.1. This option would pose a risk to the council as vulnerable residents would be left without a service as it is not possible for the new services to be in place before the current contracts expire on 30/9/14.

Extend the contracts

6.2 Extending the contract end dates for up to 4 months (with one month break clauses) will allow sufficient time to procure the new services and to ensure continuity of service to vulnerable residents.

7. PROCUREMENT CODE IMPLICATIONS

7.1 LBHF Contract Standing Orders state (paragraph 20.2.3):

20.2.3 Providing that there is no breach of the Public Contracts Regulations 2006 (as amended); a variation may be made to the term of a contract that has no options to extend or where those options have already been exhausted. Any decision to extend the contractual term by way of a variation must be approved before the contract expires by:

- (a) Relevant Chief Officer where the total value of the extension or extensions is below £20,000 (subject to appropriate budgetary provision);
- (b) Relevant Cabinet Member where the total value of the extension or extensions is £20,000 or greater but does not exceed £100,000 (subject to appropriate budgetary provision); or
- (c) The Cabinet where the total value of the extension or extensions is £100,000 or greater.

7.2 Although the value of the Family Mosaic contract variation exceeds £100,000, on 13 May 2013, Cabinet delegated the authority to extend and or vary the contractual terms of Supporting People contracts, including the Family Mosaic contract to the Cabinet Member for Community Care.

8 CONSULTATION

- 8.1 No consultation has been carried out in connection with the recommendations contained in this report.

9 EQUALITY IMPLICATIONS

- 9.1 None

10. RISKS

- 10.1 There will be reputational risks to the Council if the contracts are not varied in order to extend the contract end dates as vulnerable residents will be left without key services in place.
- 10.2 By extending the contracts there will be a small financial risk to the projected savings to be achieved by the procurement of new services due to the short delay to the start date of the new services. The impact of this risk is considered to be low.

11. LEGAL IMPLICATIONS

- 11.1 The services described in this report are Part B services under the Public Contracts Regulations 2006, as amended, and are therefore not subject to the full regime of those Regulations. However, the Council should still seek to comply with general treaty principles of transparency, equal treatment, non-discrimination and proportionality. On this basis, contracts should not generally be extended beyond the term for which they were originally advertised and procured. However, in mitigation, it is noted that the extension is to permit continuity of services whilst commissioners are conducting a mini-competition under the WLHRS framework to award the contracts.
- 11.2 Legal Implications by Babul Mukherjee, Solicitor (Contracts), 02083613410

12. FINANCIAL AND RESOURCES IMPLICATIONS

- 12.1 The recommendation in 2.1 above to extend the Family Mosaic Floating Support for up to 4 months with effect from 1 October 2014 will cost £207,413 in 2014-15.
- 12.2 The recommendation in 2.2 above to extend the Thames Reach Floating Support for up to 4 months with effect from 1 October 2014 will cost £80,715 in 2014-15. Both will be met from the 2014-15 Supporting People general fund budget.

	2013/14		2014/15		2015/16		Full year effect of proposals ie on-going effect
Revenue Implications	Confirmed budget £	Costs of proposal £	Confirmed budget £	Costs of proposal £	Confirmed budget £	Costs of proposal £	£n/a
Current Budgets			288,128	288,128			
Council Revenue budget							
External funding sources, e.g TfL, NHS etc.				0			
SUB TOTAL REVENUE BUDGET			288,128	288,128			
Start-up Costs							
Lifetime Costs				288,128			
Close-down Costs							
TOTAL REVENUE COST			288,128	288,128			
SAVINGS				0			

12.2 Financial implications completed by Cheryl Anglin-Thompson – Principal Accountant 020 875 4022.

Local Government Act 1972 (as amended) – Background papers used in the preparation of this report

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	13/5/13 – Cabinet Report – Delegated Authority to extend and vary SP contracts	Julia Copeland	Tri-B ASC

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