

London Borough of Hammersmith & Fulham

CABINET

8 FEBRUARY 2016



DIRECT AWARD OF A CONTRACT FOR THE PROVISION OF OLDER PEOPLE'S FLOATING SUPPORT

Report of the Cabinet Member for Health and Adult Social Care - Councillor Vivienne Lukey

Open Report

A separate report on the exempt part of the Cabinet agenda provides exempt financial information.

Classification - For Decision

Key Decision: YES

Wards Affected: All

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

Report Author:
Julia Copeland, Senior Commissioner Adult Social Care

Contact Details:

Tel: 020 8753 1203

E-mail:

julia.copeland@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 On 22 January 2016 the Leader of the Council and the Cabinet Member for Health and Adult Social Care approved a waiver of the Council's Contract Standing Order (CSO's) of the requirement to seek competitive tenders to enable the direct award of a contract to the recommended organisation identified in the exempt report. The justification for the waiver is set out in 3.1.

- 1.2 This report requests Cabinet to approve the direct award of a contract to the recommended organisation identified in the exempt report. The contract expires on 31 March 2016.
- 1.3 The contract provides support on a temporary basis to older people living in different types of housing in LB Hammersmith & Fulham including sheltered housing and includes helping a person to manage in their accommodation, such as understanding utility bills; filling in forms; getting maintenance and repairs sorted out; accessing other services; making and keeping the home safe.
- 1.4 The Council is continuing to review preventative services for older people to ensure we are delivering good quality, person-centred services that help people to remain independent for as long as possible and to meet our new responsibilities under the Care Act 2014. This wider review will need to consider the role of housing support in the future model of older people's preventative services. Therefore it is necessary to extend the current contract arrangements in order to provide continuity of service to vulnerable people while we consult with customers and stakeholders and develop our future commissioning and procurement strategy for housing support services for older people.

2. RECOMMENDATIONS

- 2.1 That approval be given to a direct award of a contract to the recommended organisation identified in the exempt report for the period and cost as set out in Table 1 in the exempt report.

3. REASONS FOR DECISION

- 3.1 It is in the Council's best interest to have waived the Contract Standing Orders of the requirement to seek competitive bids because the direct award of a contract to the recommended organisation identified in the exempt report (as set out in Table 1 in the exempt report) will enable officers time to complete the review of the recommended organisation and other services and determine the future commissioning requirements for older people's preventative services to ensure improved outcomes and value for money.

4. BACKGROUND

- 4.1 In 2010, sheltered housing services were remodelled: wardens were replaced by Specialist Housing Officers providing an enhanced housing management service funded through housing service charges and on 1 October 2010, a flexible floating support service targeted at individuals needing support to remain independent in their own homes was introduced funded through the Adult Social Care Supporting People budget
- 4.2 The Council aspired to offer older people a choice of provider and used the West London Alliance Home Support Framework Agreement to call-off the

organisations identified in the exempt report to deliver these services to vulnerable older people living in all types of housing tenure in the borough.

4.3 A strategic review of the services in 2013 concluded that housing support for older people provided valuable preventive services; relieved pressures on other services and helped reduce isolation. However, a number of inefficient practices and required improvements were identified and in 2014 a joint Adult Social Care and Housing Older People's Housing Support Board was established to implement the changes to improve outcomes and value for money. The major developments have included:

- Closer working between housing and adult social care.
- Following consultation with older people in sheltered housing a remodel of the drop-in advice surgeries to better target people in need.
- The procurement of a new service to pilot a Befriending and Community Engagement service for older people in the borough to help reduce social isolation and better target housing support resources.

4.4 The revised schedule of surgeries and the new pilot Befriending and Community Engagement Service will continue to be reviewed during 2016/17 and it is not possible to predict what our longer term needs will be without a proper evaluation of the impact of the changes to existing services, taking account of customer feedback and value for money considerations.

4.5 In addition, a joint review of sheltered housing between Adult Social Care and Housing is currently taking place, exploring how to better work together, and how to deliver integrated services. This is due to report to Cabinet Members in April 2016 and the findings, conclusions and recommendations are expected to be central to shaping the way forward. More time is therefore required to consult with customers and third sector provider organisations to develop and commission the service models for the future.

5. PROPOSAL AND ISSUES

5.1 It is proposed that the Council directly awards a contract to the recommended organisation identified in the exempt report, as set out in Table 1 in the exempt report, while officers develop the future commissioning and procurement strategy.

5.2 The timetable for a future procurement is set out in Table 2:

Table 2

| Task | Date |
|---|----------------------------|
| Review of revised surgery schedule | Oct – Dec 2015 (completed) |
| Review of Befriending and Community Engagement Service | April/May 2016 |
| Development of future service model options following review of sheltered housing | July – Nov 2016 |
| Appraisal of options and consultation with customers & third sector providers | Dec 2016 – Feb 2017 |
| Re-let strategy agreed | March 2017 |
| Prepare ITT documents | April/May 2017 |
| Issue ITT | June 2017 |
| Evaluation | July/Aug 2017 |
| Governance | Sept - Nov 2017 |
| Award | Dec 2017 |
| Implementation | March 2018 |

6 OPTIONS AND ANALYSIS

6.1 As set out in the exempt report on the exempt Cabinet agenda.

7. PROCUREMENT IMPLICATIONS

7.1 A prior waiver of the requirement to seek competitive bids was approved on 22 January 2016 in accordance with Section 3 of the Contract Standing Orders which states that a prior approval has to be obtained and agreed by the Cabinet Member and the Leader of the Council.

7.2 Having obtained the waiver it is for Cabinet to approve the direct award of the contract to provide older people's housing support to the recommended organisation identified in the exempt report, as the value of the contract is over £100,000.

7.3 The report recommends a pragmatic interim solution, by way of a formal contractual arrangement, that seeks to ensure continuity of a sensitive front-line service, whilst at the same time delivering improved quality, efficiency and sustainability while the Council undertakes a competitive tendering exercise to deliver improved outcomes and better value for money in the future. The Interim Head of Procurement supports the report's recommendations.

7.4 Procurement Comments verified by Joanna Angelides, Procurement Consultant, 020 8753 2586

8. CONSULTATION

8.1 During the strategic review of the service in 2013, the following customers and stakeholders were consulted about the current service and its future:

- LBHF Housing Options
- Customers and staff of the recommended organisation identified in the exempt report
- Sheltered Housing Specialist Housing Officers
- Adult Social Care operational teams

9. EQUALITY IMPLICATIONS

9.1 We do not consider that there will be any adverse equality implications for protected groups as a result of the proposals in this report. Overall the impact on older people is adjudged as neutral or positive as service continuity and improvements will be secured.

10. BUSINESS IMPLICATIONS

10.1 The recommended organisation identified in the exempt report has been providing care and support services for residents in Hammersmith & Fulham for over 30 years. The direct award of a contract to extend housing support services to older people will enable the continued partnership between the recommended organisation identified in the exempt report and the Council to deliver valuable services for local vulnerable people.

11. RISKS

11.1 The Adult Social Care Department maintains a register of risks which are reviewed periodically by the Senior Leadership Team. Market Testing is a Strategic risk on the Council's Shared Services Risk Register, risk number 4. This is described as delivering high quality commissioned services at the best cost to the taxpayer, compliance with public procurement regulations and potential sanctions where this has not been done.

11.2 The following operational risk is associated with the direct award of the contract to the recommended organisation identified in the exempt report.

| Issue Identified | Risk | Potential Impact | Likelihood | Mitigating factors |
|---|---|------------------|------------|---|
| Awarding direct contracts without competition | Risk of challenge from providers on West London Framework Agreement | Medium | Low | A competitive procurement exercise will be conducted in 2017 and a break clause will be exercised in the event of a challenge |

11.3 Comments verified by Mike Sloniowski Shared Services Risk Manager 02087532587

12. LEGAL IMPLICATIONS

- 12.1 The housing support services to vulnerable older residents services described in this report are classified as Social and Other Specific Services under the Public Contracts Regulations 2015 (the Regulations) and are below the threshold of Euros 750,000 thereunder for such services meaning therefore that such services are only subject to a light touch regime under the Regulations. The Council fulfilling its transparency and non-discriminatory obligations is permitted to undertake appropriate procedure to arrange delivery of such services including direct award.
- 12.2 The report mentions that the Council has statutory obligations to continue to deliver such services under the Care Act 2014 and for the reasons mentioned in the body of the report it is justifiable to seek a waiver of the Contract Regulations to extend the current contracts for two years while service requirements are assessed prior to undertaking a competitive procurement. Accordingly, the recommendation to waive the Contract Standing Orders to grant extension of extant contract, preferably with a suitable break clause, is endorsed.
- 12.3 It cannot be said with certainty that there is no risk of challenge. However any cross-border interest in these contracts is unlikely, i.e. European providers would not be interested in bidding as the services of the type described in this report to provide housing support services to vulnerable older residents tend to be delivered by local providers which do not attract cross border interest.
- 12.4 In mitigation, it is noted that the direct award is to permit continuity of services whilst the requirements of the Care Act 2014 are implemented and a strategic review of preventative and related services is undertaken to understand the requirements of the services to be tendered for. During the proposed extension period, a competitive tender will be conducted with new contract for such revised services expected to be in place from 1 April 2018.
- 12.5 Legal implications verified by Babul Mukherjee, Senior Solicitor (Contracts) 02073613410.

13. FINANCIAL AND RESOURCES IMPLICATIONS

- 13.1 As set out in the exempt report on the exempt Cabinet agenda.

LOCAL GOVERNMENT ACT 2000 **LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

| No. | Description of Background Papers | Name/Ext of holder of file/copy | Department/ Location |
|------------|---|--|-----------------------------|
| 1. | Supporting People Older People's Housing Support Services Contract Extensions 24.9.14 - published | Julia Copeland | ASC |