

REPORT TO: Executive Board

DATE: 12 March 2015

REPORTING OFFICER: Strategic Director, Communities

PORTFOLIO: Health & Wellbeing

SUBJECT: Request to extend contracts for Sheltered Housing Services

WARD(S) Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 To request that Executive Board suspend relevant procurement standing orders and approve the extension of existing contracts as listed in Appendix 1.

2.0 RECOMMENDATION: That Executive Board

- 1) acting under Procurement Standing Order 1.8.4 (c) agrees to waive Standing Orders 4.1 to 4.2 for the sheltered scheme and community alarm contracts whose values are up to but not exceeding £172,514; and**
- 2) agrees to an extension of those contracts listed in the Appendix to 31st March 2016 with an option to extend by one further year if necessary.**

3.0 SUPPORTING INFORMATION

3.1 There are currently 11 providers delivering 18 housing support services to older people in Halton. 13 services are provided within sheltered housing settings with support provided on site by a scheme manager, and 5 are community alarm services only.

3.2 Existing contracts have been in place since April 2008, and the following considerations have resulted in the request for a further extension to allow the remodelling of services:

- the scheme managers within the sheltered services are employed by the housing provider, and have a dual role to provide housing management and housing support tasks.
- Although unit costs vary between schemes, the majority are considered to be value for money with some very low cost services. It is unlikely that a procurement exercise would realise any efficiencies and the probability is that costs would increase.

- A number of the housing providers are national organisations and as such are able to provide support for seemingly low unit costs, with service costs being absorbed within overall organisational costs and collected through rent charges rather than support charges.
- For the community alarm services, the unit costs currently being paid are lower than the cost of the Council's Lifeline service.

3.3 A benchmarking exercise has been undertaken with neighbouring authorities about their sheltered provision. Of the local authorities contacted, any contractual changes have been made through review and remodelling of services rather than re procurement.

3.4 In Halton there are only two services that may be considered as being above average cost when compared to other local sheltered services. These will be first to be reviewed in 2015/16 with a view to securing efficiencies, with the remaining sheltered services to be reviewed throughout the year.

4.0 BUSINESS CASE FOR THE EXTENSION OF CONTRACTS

4.1 Value for Money

The alternative to contract extensions is a mass procurement process compliant with standing orders. This would result in clear financial detriment to the Council in terms of cost and time of conducting an open tender process.

Sheltered housing services are already considered to represent value for money but further efficiencies may be achieved through remodelling with the existing support providers rather than through a procurement process.

An extension to existing contracts will enable remodelling proposals to be progressed and it is expected that efficiencies will be realised in 2015/16.

4.2 Transparency

In so far as possible without tendering, transparency is being maintained by dealing with report as a Part 1 item.

4.3 Propriety and Security

The extension of the contracts referred to in this report will be compliant with Halton Borough Council's procurement standing orders. Compliance with anti-corruption practices will be adhered to and any of the contracts within the subject of this report will be terminated if there is any occurrence of corruption by any of the organisations or their staff.

4.4 **Accountability**

The Operational Director for Commissioning and Complex Care has responsibility for these contracts. The contracts will be performance managed and service standards monitored by the Community Directorate's Commissioning and Quality Assurance Teams.

4.5 **Position of the contract under the Public Contracts Regulations 2006**

These are Part B exempt services under the Public Contracts Regulations 2006 and do not need to be advertised in the OJEU.

5.0 **POLICY IMPLICATIONS**

5.1 The implementation of the Care Act in April 2015 requires support providers to focus on the achievement of outcomes, better quality and value for money, and improved integration within an evolving system of integrated health and social care services. The remodelling of sheltered housing services will ensure valuable preventative services continue to be delivered to meet this requirement.

6.0 **FINANCIAL IMPLICATIONS**

6.1 Funding for these services is contained within the existing Communities Directorate budget. Service reviews will be undertaken with a view to achieving efficiencies in 2015/16.

7.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

7.1 **Children & Young People in Halton**

None identified.

7.2 **Employment, Learning & Skills in Halton**

None identified.

7.3 **A Healthy Halton**

The provision of high quality, effective housing support services enables older people to remain in their own home and to maintain or improve their health and wellbeing outcomes.

7.4 **A Safer Halton**

Services delivered under these contracts must comply with Halton's Safeguarding Adults Policy and Procedures. Support is provided to individuals to enable them to stay safe in their own home.

7.5 Halton's Urban Renewal

None identified

8.0 RISK ANALYSIS

8.1 The risks associated with remodelling of sheltered housing services is low due to the number of providers delivering services in Halton and extension of these contracts will ensure continuity of support to older people.

The procurement risk is low as the contract value for the extension period for each individual service is below the EU threshold. Procurement advice regarding future contracting arrangements will be sought during the remodelling process.

All contracts are monitored in accordance with the level of risk identified. In the event of non-compliance the contract will be reviewed immediately and necessary remedial action initiated. Financial risk is minimised as services will be delivered within existing budgets.

9.0 EQUALITY AND DIVERSITY ISSUES

9.1 Housing support services are delivered to some of the most vulnerable and socially excluded members of the community. These contracts support the Authority in meeting its duties to promote inclusion and fair access to services for all local residents.

10.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None.

APPENDIX

Provider	Service and capacity	Annual contract value
Anchor Trust	Broome Court, Runcorn (36)	£11,850
Halton Housing Trust	Amethyst Living service including Queens Close, Runcorn (32) Brunswick, Runcorn (35) Quarry Court, Widnes (30) community support (63)	£73,632
Hanover Housing	Runnymede Court, Widnes (69) Hanover Court, Runcorn (42)	£9,526
Housing 21	Cannell Court, Runcorn (28)	£6,438
Guinness Northern Counties	Iveagh Close, Runcorn (20)	£6,424
Pentecostal	Fairhaven Court, Widnes (44)	£58,435
Plus Dane	Community Alarm Service (32)	£9,140
Riverside ECHG	Victoria Court, Widnes (30) Southlands Court, Runcorn (40) St Georges Court, Widnes (34) Woodland Court, Widnes (42)	£82,719
Riverside ECHG	Community Alarm Service (32)	£11,365
Your Housing Group	Madeline McKenna Court, Widnes (11) Elaine Price Court, Runcorn (28)	£35,405
Your Housing Group	Community Alarm Service	£960