

REPORT TO: Executive Board Sub Committee

DATE: 12th October 2006

REPORTING OFFICER: Strategic Director Health and Community

SUBJECT: Development of short term pilots for
Supporting People and Welfare Services

1.0 PURPOSE OF REPORT

- 1.1 To request suspension of the relevant contract standing orders 3.3-3.6, under the exceptional circumstances set out in this report to enter into short term contracts for the provision of the Supporting People and Welfare Services set out in appendix A.
- 1.2 To seek approval of delegated powers to the Strategic Director, Health and Community, in conjunction with the portfolio holder for Community, to award short term contracts to the parties listed in appendix A to this report, at a cost not exceeding that listed in appendix A to this report and subject to the conditions set out in section 3.8 of this report.
- 1.3 To seek authority for the Strategic Director, Health and Community, in conjunction with the portfolio holder for Community, to take such action as may be necessary to implement the recommendations set out below.

2.0 RECOMMENDED THAT:

- (i) **In the exceptional circumstances detailed below, for the purpose of standing order 1.6, that standing orders 3.3-3.6 be waived on this occasion. Compliance is not practicable for reasons of urgency, in that undertaking tender exercises would reduce the time available to spend the time limited funding on vulnerable members of our community; and compliance would result in the Council having to forgo a clear financial benefit, in that the Council could be required to return any under spent Supporting People Programme Grant from April 2008 onwards.**
- (ii) **Delegated powers be approved to enable the Strategic Director, Health and Community, in conjunction with the portfolio holder for Community, to award short term contracts to the parties listed in appendix A to this report, at a cost not exceeding that listed in appendix A to this report and subject to the conditions set out in section 3.8 of this report.**
- (iii) **The Strategic Director, Health and Community, in conjunction with the portfolio holder for Community, be authorised to take**

such action as may be necessary to implement the recommendations set out below.

3.0 SUPPORTING INFORMATION

- 3.1 In 2003 Halton received a £8.5 m ring fenced grant for the provision of Supporting People (SP) services. This grant has since been reduced each financial year. The Department of Communities and Local Government have confirmed the Councils level of grant up to 2007/8 and have confirmed that as an excellent authority we retain the right to roll forward any under spend.
- 3.2 However, the level of funding committed to the SP programme on a national level has been the subject of considerable review since the programme was introduced in 2003. Central government has produced two 'Distribution Formulas', both of which indicated reductions in Halton's SP grant and both of which central government has subsequently withdrawn. A third draft distribution formula was proposed in 2005/6 and again this formula indicated a loss of funding for Halton. In October 2006 the Department of Communities and Local Government (DCLG) is expected to publish its plans for the long term funding arrangements for the programme. In addition to the risk to Halton of loss of funding, all excellent authorities face the risk of the loss of the flexibility to roll forward any under spend. DCLG have indicated an intention to require the return of under spend from 2008 onwards.
- 3.3 The ongoing reduction in funding, coupled with concerns over the governments intention to introduce a SP Distribution Formula within the first two years of the programme, led to an effective freeze on the commissioning of any new SP services.
- 3.4 This restriction on the commissioning of new services and delays in the completion of ongoing developments has led to a year on year under spend on Halton SP programme grant and subsequent concerns that Halton is failing to meet gaps in service identified in the SP 5yr Strategy and in meeting the governments new preventative agenda for Adult Social Care.
- 3.5 In order to maximise use of the grant and to ensure best use of resources for vulnerable members of the community, this report proposes an expansion of services on a temporary basis, within the confirmed grant allocation up to the end of March 2008.
- 3.6 Halton's SP under spend in 2005/6 was approx £1.4m. This was rolled forward into the 2006/7 budget, which is also currently projected to under spend by £1.4m. Members of the Boards responsible for the delivery of the Supporting People programme in Halton were therefore invited to submit proposals for the short term funding of services to support vulnerable members of our

community. Under the flexibilities afforded to the Authority after achieving Excellent status, bids were also invited for the provision of welfare services, which are only eligible for funding within the SP Grant Conditions for Excellent Authorities. All services are to be viewed as pilots, attracting funding up to the end of March 2008.

- 3.7 An outline of the services approved by Supporting People Boards and the indicative costs are set out in appendix A. All the proposed services fall within the remit of vulnerable groups identified within Halton's 5yr Supporting People Strategy, presented to the Executive Board on 10th March 2005 and will assist the Directorate to reconfigure services in order to meet the preventative agenda for Adult Social Care.
- 3.8 This report seeks approval to enter into short term contracts up to 31st March 2008, with the parties identified in appendix A, subject to the following conditions:
- Receipt of written confirmation that the services and the funding used for related staffing will not at any time undertake any role, task or function that forms part of statutory duty.
 - Confirmation that services service will operate at an hourly cost between £11-£16 ph (H&C contracts section would not currently look to award a contract above £12 ph) and maximum overhead costs of 15%, demonstrating value for money.
 - Submission of quarterly performance reports to SP Boards and completion of SP Key Performance Indicators where appropriate
 - Submission of a retraction plan for each service, which sets out contingencies to address the risks posed to the services when SP funding ceases in March 2008.
- 3.9 Suspension of standing orders is requested on the following basis:
- Compliance with standing orders is not practicable for reasons of urgency, in that undertaking tender exercises would reduce the time available to spend the time limited funding on vulnerable members of our community,
 - Compliance with standing orders could result in the Council having to forgo a clear financial benefit, in that the Council may be required to return any unspent Supporting People Programme Grant to DCLG from April 2008 onwards

4.0 POLICY ISSUES

- 4.1 Failure to introduce the short term services would mean that Halton fails to make best use of resources to meet identified needs within our community and fails to take timely action to meet targets set out in Halton's 5yr Supporting People Strategy.

5.0 FINANCIAL IMPLICATIONS

5.1 The financial implications are as follows:

Estimated cost to SP programme grant in 2006/7	465,582
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Estimated cost to SP programme grant in 2007/8	655,082
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Estimated gross cost to SP programme grant over lifetime of pilot services	1,120,664
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6.0 RISK ANALYSIS

6.1 Financial risk to the Authority is minimised by the introduction of short-term contracts.

6.2 Financial risk is minimised by awarding contracts within confirmed budgets.

6.3 Risks to services and services users are minimised through the conditions set out in 3.8, which include a requirement to submit a retraction plan for each service.

6.4 The flexibility to roll forward unspent SP Programme Grant is confirmed until 2007/8. From April 2008 that flexibility is not confirmed and the Authority risks being required to return any unspent grant to central government.

7.0 EQUALITY AND DIVERSITY ISSUES

None.

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

Document	Place of Inspection	Contact Officer
Supporting People 5yr Strategy	1 st Floor Chester Buildings, Grosvenor House, Halton Lea, Runcorn.	Angela McNamara
Supporting People Grant Conditions for Excellent Authorities 2006/7.	1 st Floor Chester Buildings, Grosvenor House, Halton Lea, Runcorn.	Angela McNamara