

REPORT TO: Executive Board Sub-Committee

DATE: 20th March 2008

REPORTING OFFICER: Strategic Director Health and Community

SUBJECT: Extension of short term pilots for Supporting People (SP) and Welfare Services.

1.0 PURPOSE OF REPORT

- 1.1 To report to members the outcomes of spend throughout 2007/8 on short term pilot Supporting People and Welfare Services.
- 1.2 To request suspension of the relevant procurement standing orders 3.1-3.7 under the exceptional circumstances set out in this report, to allow for the continuation of services for a period of between one to three years.
- 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:

- (1) in the exceptional circumstances detailed below, for the purpose of standing order 1.6, procurement orders 3.1-3.7 be waived on this occasion. Compliance is not practicable within the timeframe established by the confirmation of grant in January 2008 and the existing contract expiry date (end March 2008), and would place vulnerable people at risk of loss of service. Compliance is also 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 to central government any significant sum of under-spent Supporting People Programme Grant from April 2009 onwards;**
- (2) delegated powers be approved to enable the Strategic Director, Health and Community, in conjunction with the portfolio holder for Community, to extend contracts for the provision of pilot Supporting People and Welfare services as approved by the SP Commissioning Body;**
- (3) delegated powers be approved to enable the Strategic Director, Health and Community, in conjunction with the portfolio holder for Community, to fund short-term pilots in order to ensure that we meet the financial strategic objectives of the Council and the**

**Supporting People Strategy as described in 3.10 of this report;
and**

- (4) 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 above.**

3.0 SUPPORTING INFORMATION

3.1 On the 12th October 2006 Executive Board Sub-Committee approved a request to waive standing orders and proceed with the development of a number of short term or pilot Supporting People and Welfare services in order to maximise spend of the SP grant and to meet identified local needs.

3.2 The following factors were key to the decision to waive standing orders:

- In 2007/8 Halton was projecting a £1.4m under spend on its SP grant and Communities and Local Government (CLG) had indicated that the discretion to carry forward unspent grant would cease from April 08.
- CLG had published an allocation formula for SP grant, which indicated a significant reduction in Haltons SP grant for 2008-2011. In order to minimise risk to the Council no new services were commissioned beyond 2008 to ensure that the Council could keep spend within projected budgets.
- A case was made that Commissioners had a responsibility to make best use of public money to address unmet needs within the local community

3.3 This report updates members on Haltons SP Grant Allocation for 2008-2011, sets out the outcomes achieved by the pilot services and seeks approval to:

- Extend contracts for pilot services for one year with a potential option to extend for a further twelve months or two years; dependent on the identified need for the service and the timescale of exit strategies
- To direct spend to fund new short-term developments in order to ensure that the Council minimises the risk of being required to meet the financial strategic objectives of the Council and the Supporting People Strategy.

3.4 SP Grant Allocations 2008-2011

In January 2008 Halton received notification of its SP grant allocation for 2008/9 and its indicative allocations for 2009/10 and 2010/11. The allocations are based on the CLG formula and indicate a year on year reduction in Halton SP Grant as follows:

| Year | Grant |
|-----------------------------|------------------|
| <i>*2007/8</i> | <i>7,803,714</i> |
| 2008/9 | 7,602,565 |
| 2009/10 | 7,222,437 |
| 2010/2011 | 6,861,315 |
| <i>*Current grant level</i> | |

3.5 Grant Allocations for 2008-2011 are based on CLG's Supporting People Distribution Formula. CLG published the outcome of the last consultation exercise on the application of the formula in Feb 2008. The report concludes that CLG view the formula as 'fit for purpose' and confirms that they will continue to re-distribute funds or 'apply cuts' into the next spending review. It is therefore anticipated that by 2014 Haltons SP allocation within the Area Based Grant could be as low as **£6,071,789** (based on allocation at standard deprivation indices and no cross authority adjustment).

3.6 In anticipation of reduced funding levels, Halton carried out a comprehensive programme of reviews to ensure services offer value for money and are strategically relevant. As a result, a number of contract values were reduced and the projected spend on contracts for Haltons 104 permanent Supporting People services is now less than our projected 3yr allocation for 2008-2011.

3.7 The implication being that whilst Halton faces a significantly reduced SP grant allocation by 2011, unless spend is increased, particularly in 2008/9, we remain at risk of accumulating an under spend. Taking into account projected expenditure on permanent SP services (including a provision for inflationary increases and a contingency of £300k), the estimated under spend is as follows:

| 2008/9 | 2009/10 | 2010/11 |
|---------------|----------------|----------------|
| £1,391,940 | £1,164,067 | £651,486 |

3.8 A number of factors set out in the original request for a waiver of standing orders therefore remain relevant:

- As Halton's grant is reducing year on year, new services need to be commissioned on a short term basis to ensure that we meeting the financial strategic objectives of the Council and the Supporting People Strategy
- As confirmation of grant allocations was only received in January 08 there is insufficient time to undertake tender exercises before April 08 (i.e. for approx 19 services)
- CLG have indicated that from 2008 Local Authorities could be required to return 'significant' under spends for central redistribution
- A number of the pilot services commissioned in 2007/8 have been consistently oversubscribed indicating significant local demand for support services

3.9 Outcomes and Performance of Short Term services

Thirty pilot services were commissioned in 2007/08 using Supporting People funding and the overall projected spend is approximately £1.3m. Of the thirty services developed, eleven were one off projects that will end on 31st March 2008. The remaining services are considered to be performing well and to be meeting an identified ongoing local need. Appendix 1 provides information on the performance of a number of these services and where applicable the proposed length of contract extension. Key outcomes include:

Supporting People Services

Homelessness – 180 people and families were prevented from becoming homeless through intervention, 11 young people were supported through mediation to return home to their families and 72 private tenancies were secured all of which prevented homelessness and excessive use of temporary accommodation.

Substance Misuse Services - Services have reduced inequalities of access to housing support in the majority of target areas with over 100 clients using the service; maintained 47 tenancies, obtained 20 tenancies; assisted clients into training and employment and provided a housing surgery drop-in for “Hard to Reach” clients with over 140 people visiting the service so far.

Domestic Abuse services – The high volume of referrals appears to indicate that the service is a positive addition to existing resources in Halton. The schemes have assisted service users (men, women and children) to access alternative accommodation thus having a direct impact on every aspect of service users lives and ensuring feelings of safety, security and quality of life.

Mental Health Support Services – The service has enabled people to come off appointeeship to manage their own finances with support, to access housing in the community and to access education and social activities.

Welfare Services

Social Inclusion Services – These services include information and support services to young people to access work, education and housing; strong support network for carers with an emphasis on building links with agencies and accessing ‘hidden carers’; BME inclusion and identification of ‘hidden minorities’; capacity building and accessibility for supported groups, working with over 200 people so far to live more meaningful lives and participate fully within their own communities; reviewing all adapted properties in area to match adapted properties with disabled people, preventing the unnecessary and costly

removal of completed adaptations and improving the experience for disabled people by matching them to a home which is already adapted.

Support services for Older People – Services provide information and signposting; safety checks at client's homes, handyman service around key areas of crime, falls and fire with referrals to other relevant services if necessary; advocacy; facilitating discharge from hospital reducing the need for bed-blocking; support to and doctors and hospital appointments; prevention of social isolation and admission to acute/long term residential care.

In line with the commitment given to the Board on 12th October 2006, all pilot services have submitted regular update reports to the SP Core Strategy Development Board and performance reports to the SP Commissioning Body. All of the services put forward for a contract extension have been able to demonstrate the necessary skills and knowledge to deliver outcomes for vulnerable people and are viewed as good quality competent providers.

It is estimated that at present the services have provided support to the following number of vulnerable members of our community:

- 1305 older people
- 81 women experiencing domestic abuse
- 35 people with a physical or sensory disability
- 243 (63 Nightstop/180 Prevention Team) people at risk of homelessness
- 70 people with substance misuse issues
- 95 people with mental health issues
- 48 people with a learning disability
- 406 carers

Whilst exit strategies were requested, a number of services have been unable to secure alternative funding. In these cases the exit strategy is to cease delivering the service with effect from April 08, leaving in the region of 2,283 vulnerable people at risk of loss of service.

- 3.10 Suspension of standing orders is therefore requested due to the particular circumstances set out in sections 3.4-3.9 of this report, in that compliance with standing orders relating to procurement is not practicable within the timeframe established by the confirmation of grant in January 2008 and the expiry of services in April 08 and would result in a loss of service for a significant number of vulnerable people. In addition, it is not practicable due to the urgency to spend the time-limited funding on vulnerable members of our community. This would mean that the Council would not be able to fulfil its obligations in the Supporting People Strategy. Undertaking tender exercises would reduce the time available to spend the grant and compliance would result in the Council having to forgo a clear financial benefit, in that, government could claw back any under spent Supporting People

Programme Grant at the end of 2008/9 and 2009/10.

4.0 Business case for the extension of pilot services

4.1 Value for money

All existing pilots have been able to demonstrate that they offer value for money. Undertaking tender exercises would result in the cessation of current services, reducing spend in 2008 and increasing the potential to create a significant under spend which would be at risk of being recalled by central government. The key aim is to improve outcomes for vulnerable people in our community by maximising spend on existing pilot or additional services for a limited period of time, before funding is reclaimed by central government. It is therefore proposed that value for money considerations will form part of the ongoing evaluation process carried out by the SP Commissioning Body.

4.2 Transparency

In order to ensure transparency it is proposed that all services will continue to submit performance reports to members of the Supporting People Core Strategy Board and Supporting People Commissioning Body (SPCB). Membership of the SPCB includes the portfolio holder for Community, the Strategic Director for Health and Community and 1st tier Managers from Halton and St Helens Primary Care Trust and Cheshire Probation.

4.3 Propriety

Contract extensions will be confirmed for a twelve-month period only, with an option to extend the contract for a period of between twelve months to two years, dependent on the identified need for the service and the timescale of exit strategies. Contract extensions will be confirmed on an annual basis and will be subject to:

- Confirmation that overall spend is within current budgets
- Services are meeting targets set to achieve outcomes for local people
- Services continue to meet performance standards to the full satisfaction of the SP Commissioning Body

It is also proposed that the length of the contract extension will be linked to the SP procurement plan agreed by Executive Board Sub Committee on 12th October 2006, as follows:

| Length of contract from April 2008 | Tender period | Service type |
|---|----------------------|--|
| 2yrs | 2010 | 24hr supported living services for Adults with Learning Disabilities (ALD) |

| | | |
|---|-----------|---|
| | | and People with Mental Health (MH) problems |
| 2yrs with an option to extend for a further 12 months | 2010-2011 | Long-term low level support services and all short-term services, for example; homeless hostels, floating support services. |
| 2yrs with an option to extend for a further 3yrs | 2010-2013 | HBC Community Alarm and Peripatetic Warden service Halton Housing Trust Sheltered Housing services |
| 3yrs with an option to extend for a further 2yrs | 2011-2013 | RSL Sheltered Housing and Community Alarm services |

In addition to the above, the Council's standard anti-corruption clause will be included in the contract and a clause allowing the Council to terminate the contract, at our discretion, with 3 months notice.

4.4 Accountability

All extended pilots will be performance monitored by the SP team. Performance will be scrutinised by the Supporting People Core Strategy Board and approved by the Supporting People Commissioning Body.

4.5 Competition

No existing pilot service will be commissioned beyond 2011. Should funding allocations post 2011 allow for the commissioning of long term contracts (e.g. 3yr contracts) services would be subject to tender.

In relation to any new external services developed in 2008/9, it is proposed that quotes will be obtained to secure the service at a competitive rate.

4.6 Security

All contract extensions will be confirmed on a year on year basis and all contract extensions will end prior to April 2011. Services will therefore be either time-limited projects or will submit an exit strategy identifying alternative funding. All short-term contracts will contain clauses relating to health and safety and full Criminal Record Bureau checks will be required on all staff working directly with vulnerable clients.

5.0 POLICY ISSUES

5.1 Failure to extend pilot 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 5-Year Supporting People Strategy.

6.0 FINANCIAL IMPLICATIONS

6.1 The following assumptions are built into proposals for projected spend set out in this paper:

- Annual reductions in SP grant
- Inflation at 2.5% per annum
- Contingency fund of £300k (spend varies dependent on void levels and entitlement to means tested grant)

6.2 In the event that funding for these services is no longer available due to budget restrictions it is proposed that 3 months notice will be served on short term services in order to ensure that spend remains within budget.

6.3 The financial implications are as follows:-

| Estimated cost to SP grant | 2008/9 | 2009/10 | 2010/11 |
|---|------------------|------------------|----------------|
| 1yr extension with option to extend for 2yrs | 582,056 | 635,556 | 651,486 |
| 1yr extension with option to extend for 12months | 449,355 | 460,588 | 0.00 |
| 1yr extension | 363,176 | 0.00 | 0.00 |
| Total spend | 1,394,587 | 1,096,144 | 651,486 |

7.0 RISK ANALYSIS

7.1 Financial risk is minimised by awarding extensions to contracts on an annual basis ensuring that spend remains within confirmed budgets.

7.2 The flexibility to roll forward unspent SP Programme Grant is confirmed until 2008/09 in order to re-invest in the programme. However, the rolling forward of under-spend is outside the grant conditions and is subject to annual agreement by ministers and there is no guarantee it will be permitted in the future. CLG recently confirmed that they would not expect an Authority to accumulate any significant under spend and that if any are identified they may consider recalling under spent grant for central re-distribution in future years.

7.3 In the event of decommissioning as a result of budget restrictions existing service users will be prioritised for access to permanent SP services.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 All new or expanded contracts agreed would be subject to a requirement for the provider to operate in a way that promotes equality and diversity.

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

9.1 None.