

Meeting:	Cabinet
Date:	23 rd October 2008
Subject:	Supporting People Framework Agreement & Access arrangements
Key Decision:	Yes
Responsible Officer:	Paul Najsarek, Corporate Director of Adults and Housing
Portfolio Holder:	Cllr Barry MacLeod-Cullinane, Portfolio Holder for Adults and Housing
Exempt:	No
Enclosures:	Appendix 1- Framework Agreement & Access Agreement Appendix 2 – Protocol

Section 1 – Summary and Recommendations

This report sets out the background to the Supporting People (SP) Framework Agreement that has, following a sub regional procurement process, been established with a list of preferred providers of SP services.

It also sets out the arrangements for Harrow to call off services from this Framework Agreement under Access Agreements in order to establish new or improved provision.

The report requests delegated authority to be passed to the Divisional Director of Commissioning and Partnerships to approve call offs from the Framework.

Recommendations:

That Cabinet :

- i. Note the background to the establishment of the Framework Agreement.
- ii. Note the framework agreement
- iii. Agree that Harrow Supporting People team can call off from the

Framework

- iv. Agree that delegated authority is given to the Divisional Director of Commissioning and Partnerships to approve all call-offs from the Framework under Access Agreements up to the maximum Supporting People revenue budget for the financial years 08/09 to 2012/13 when the Framework Agreement ends

Reason: (For recommendation)

To maximise the efficiencies that the use of the Framework will bring to delivering the procurement plan of the Harrow Supporting People Strategy 2008 –11.

To streamline the call-off procedure so that cabinet do not have to be consulted on every call-off decision.

Section 2 – Report

Introductory paragraph

Background

1. The Supporting People Programme (SPP) is a government grant funded programme that provides housing related support services for people to maintain or attain their independence.
2. The SPP has been running successfully in Harrow. The Audit Commission Inspection of SP in 2005 rated it 2 stars and promising.
3. The annual SP funding allocated to Harrow for 2008/09 is 3.8 million.
4. The grant is currently committed through 40 contracts from some 30 providers for three main groups of adults: Older People, People requiring homeless and prevention services and Adults with longer-term needs. The SP provision offers housing related support to 1859 vulnerable people to enable them to retain their independence at any one time. The SPP has helped on average 150 people a year to move on to greater independence in a planned way from accommodation based support services.
5. The SP funding supports 1320 Older People in RSL and LA sheltered accommodation or through floating support and HIA services.
6. The SPP supports 301 people with preventative services who are at risk or experiencing social exclusion.
7. The SPP supports 242 people with longer term needs (e.g. mental health , learning disability)
8. The SPP has consistently delivered against its Annual Plan objectives and procurement plans.
9. There is reserve SP funding available of 1 million as a result of a deliberate strategy of pursuing VFM, quality negotiations, and decommissioning ineffective services - this has enabled SP to have a

strategy in place to commission new services (in both the short and the long term) and pilots since 2006.

10. The introduction of European regulations on public sector competition and subsequent guidance from the CLG means that SP had to plan for the requirement to procure services through some form of tendering arrangement after the end of the maximum 5 year contract period.

11. The option of opting into the process of establishing a Framework Agreement arose when H&F and K&C developed a procurement project which they invited other authorities to opt into.

12. The Harrow SP Commissioning Body agreed to opt into the exercise in 2007 as it would offer a low admin cost procurement option for procuring VFM SP services in future which would satisfy procurement rules.

The details of the framework :

13. SP commissioning and procurement activity is operating in the context of service remodelling from a historically and incrementally developed pattern of services. A wide range of providers exist that have for the most part never been market tested and with needing to ensure services provide greater value for money the Royal Borough of Kensington and Chelsea and the borough of Hammersmith and Fulham, agreed in 2007 to test the process of procuring services jointly through a Framework Agreement. The boroughs had a track record of working jointly, having commissioned, along with the other 5 boroughs (Brent, Ealing, Harrow, Hillingdon, Hounslow) in the West London sub region, a Value Improvement Project to provide a cross borough floating support service of 350 units in 2007 for single homeless people.

14. Framework Agreements were introduced by the EU Public Sector Procurement Directive that came into force on 31 January 2006. The new Directive defined a framework agreement as '*an agreement with suppliers, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to **price and quantity***'.

15. The boroughs agreed to pursue procurement through a Framework Agreement in order to:

- Test the market
- Attract new providers
- Achieve improved value for money

16. The biggest incentive however was to save time and effort in the long term for both providers and authorities by using a mechanism that that would enable services to be procured without lengthy tender processes for each individual contract.

17. In addition to the two authorities involved as principal contracting authorities, who led the process, the project was joined by Harrow and Ealing as secondary authorities, who are then able to also benefit from

using the Framework Agreement as one option for procuring housing related services in their boroughs.

18. The procurement process has resulted in a 'preferred provider' list of 38 providers covering accommodation based and floating support service types for the following client groups:

- Mental health
- Young people
- Offenders
- Substance misuse
- Refugees
- Single homeless (accommodation based only)
- Complex needs
- Homeless families and teenage parents

19. This list has a fixed price (an hourly rate) per service category, per provider for the next 4 years (subject to the award of one off annual performance bonuses).

The process we followed consisted of:

A pre-qualification questionnaire (with providers who have been accredited for SP passported through this process).

A formal tender submission – providers were given two months to complete and return the tender documents.

20. A Tender Assessment process involving ten days of assessment by between 2-4 tender assessment panels meeting each day. Each tender assessment panel included service users and officers with specialism in each of the client groups as well as the SP commissioning and procurement teams from each of the four authorities. All those participating in the panels were specifically trained to assess the tenders.

21. The four boroughs provided an in-house advice line via e-mail throughout the process and additionally recruited an external consultant to provide advice and guidance to providers on the process, how to prepare their tenders and to generally support providers through the process.

22. There were a number of provider briefing sessions prior to embarking on the tender process, to explain what framework agreements were, how they work and what the expectations were. Harrow communicated with its current SP providers to let them know the implications of tendering or not tendering for the framework.

23. Meetings were held with registered social landlords to ensure they were committed to working with us through a jointly agreed protocol on how the tender process would be implemented.

24. The four boroughs set the following parameters for award of a place on the framework:

60% of marks would be awarded for quality and 40% awarded for price. To meet this we agreed that the minimum threshold would be 36% for quality and a minimum of 50% for the overall score.

The tender assessment process was checked by a review of 40% of all the tenders by a separate panel made up of members of the Project Board overseeing the process AND the entire process was finally validated and signed off by the Project Board before the final list was agreed through each of the borough's governance processes.

25. All providers were informed of the results in April 2008 and additional 'after care' advice and support was provided for one month after the decision was released for those providers who did not make it on to the final list. A copy of the framework is included as Appendix 1

26. All providers were given face to face de-brief meetings and an event was held for providers who have gained a place on the framework to explain the process of call of – either by most economically advantageous bid (i.e. top of the list for a particular service) or by mini-tender – where additional requirements are needed to run a specific service.

The framework in the future?

27. The results of the framework will be monitored for the next 6 months – there is a commitment to maintaining a diverse market and we will be looking at the outcome of the implementation of the framework with a view to developing market share rules to ensure this happens – we do not want to have a small number of providers dominating the market.

28. A protocol has been developed to guide how the four boroughs will use the framework so that our commitment to partnership, transparency, fairness and efficiency continues to develop as the framework is implemented.

29. A toolkit is being produced so that all our experience can be shared with other authorities who want to embark on procurement – jointly or on their own – through a framework agreement.

Current situation :

30. The current situation, before the framework became available is that when procurement rules dictate the need for an open tender or a new service is required, then the borough generally has to enter into a time-consuming procurement process.

Why a change is needed

30. The existence of the framework agreement now means that Harrow have the option of calling off contracts under the agreement from the most economically advantageous provider of Supporting People services for a range of client groups listed in section 18. There is the potential for efficiency savings to come from the savings on the cost of

the procurement process itself as well as the cost of the services as the prices are fixed for 4 years.

31. Harrow's intention is to call off contracts under the framework or go through a mini tender process (if there are additional items to be added to the original specification) where it is advantageous for the borough and service users. The process for doing this is outlined in the protocol included as Appendix 2. A copy of the standard access agreements that Harrow has signed with each provider is included as Appendix 1.
32. It should be noted that by signing up to this exercise Harrow hasn't committed to using the framework agreement for all Supporting People procurement activity. The intention is to use the framework if it serves local needs. If it doesn't then alternative procurement options will be used.

Implications of the Recommendation

Considerations

Resources, costs

33. Calling off the Framework agreement will result in savings to the administrative costs of the Supporting People programme as well as the Programme Grant costs.

Equalities impact

34. Each of the providers on the framework has satisfied government set quality standards for SP services in relation to access and diversity.

Harrow providers were invited to tender for the framework.

Commissioners will ensure that equality issues for service users and providers are taken into account before services are called off.

Harrow has the option as a secondary authority to opt not to use the framework to call off services if there is a better procurement option.

Legal comments

35. The lead boroughs have complied fully with EU public procurement rules and Harrow can access the Framework Agreement under agreed access arrangements.

Under Harrow's constitution the SP team would need to get cabinet approval to award high value contracts using the Framework Agreement unless cabinet delegates authority to officers to approve these contract awards.

Financial Implications

36. The Supporting People Grant is currently committed through a series of block contracts. Cabinet are asked to agree that delegated authority for individual call offs is passed to the Divisional Director of Commissioning and Partnerships.

37. This will mean that the programme grant of up to 3.8 million could be allocated through call offs from the framework agreement.

Performance Issues

38. The ability to commission services through this route provides good value for money both through efficiency savings on procurement costs and on programme costs given the ability to call off the most economically advantageous provider from the framework.

The ability to commission services is key to continued delivery of performance against NI141 and NI142 as well as wider LAA outcomes.

Risk Management Implications

39. The risk of over or underspend of grant will be managed through the existing governance and accountability route of the Commissioning Body and Members Advisory Panel.

Section 3 - Statutory Officer Clearance

Name: Donna Edwards	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 25 th September 2008		
Name: Stephen Dorian	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 25th September 2008.		

Section 4 – Performance Officer Clearance

Name: Tom Whiting



on behalf of the*
Divisional Director
(Strategy and
Improvement)

Date: ...25 September 2008

Section 5 - Contact Details and Background Papers

Contact: Nick Davies 020 8424 1895

Background papers - None