

Cabinet Member delegated decision: 29 March 2017

Report title: The Vulnerable Adults' Pathway

Wards: All

Portfolio: Councillor Jackie Meldrum, Cabinet Member for Adult Social Care

Report Authorised by: Helen Charlesworth-May, Strategic Director, Adults and Health

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Report summary

This report seeks permission to extend, under waiver, eleven contracts providing supported housing to single vulnerable adults from 1 April 2017 – 31 March 2018. The existing contracts all expire on the 31 March 2017. Extending these contracts for a year will allow commissioners time to consider and plan future funding arrangements and incorporate any savings required in 2018/19. Commissioners have worked with providers to develop new specifications for the services which, amongst other requirements, include more robust requirements around achieving and reporting outcomes for vulnerable people that link to a number of Council and health strategies. As the call-in period is due to end on 5 April the earliest date and the decision can be implemented is 6 April 2017, therefore the Cabinet Member is asked to note unauthorise spend from 1 April to 6 April 2017.

Finance summary

This report requests permission to extend eleven contracts providing supported housing for single vulnerable people. The total value of the contract extensions for the year is £4,527,322 which is further detailed under section 3.1 of the report.

The budget for these contracts is met within Adults and Health, cost centre D12009.

Recommendations

1. To approve a waiver of 9.2 of the Contract Standing Orders which require competitive tendering to extend eleven contracts for the provision of supported housing for single vulnerable adults for the period of one year from 1 April 2017 to 31 March 2018 at a total value of £4,527,322, breakdown below:
 1. Foundation 66, Knatchbull Road £105,997
 2. Nacro, Latch House £290,000
 3. St Mungos, Chrysalis Project £434,537
 4. St Mungos, Wix's Lane £195,633
 5. St Mungos, Lambeth Assessment Centre £638,218
 6. St Mungos, South Patch £353,789
 7. Thames Reach, Graham House £780,762
 8. Thames Reach, The Waterloo Project, Brixton Step and Camberwell New Road £452,661
 9. Thames Reach, Lambeth High Street £336,358
 10. Thames Reach, Robertson Street £543,384

11. Look Ahead, North Patch £395,983

2. To note the unauthorised spend between 1 April and 6 April 2017.

Reason for Exemption from Disclosure

The attached part II report is exempt from disclosure by virtue of the following paragraphs of Schedule 12A to the Local Government Act 1972:

Paragraph 3: Information relating to the financial or business affairs of a particular person. (Including the authority holding that information).

1. Context

- 1.1 Lambeth Council currently holds twelve block contracts to provide supported housing to vulnerable adults with support needs. The twelve block contracts incorporate fourteen services and 502 bed spaces at a total value of £4,686,841
- 1.2 Extending eleven of these contracts for a year will allow commissioners time to consider and plan future funding arrangements and incorporate any savings required in 2018/19. This was not possible during the current financial year due to uncertainty about the level of budgets.
- 1.3 The services in the Vulnerable Adults Pathway contribute and relate to the Future Lambeth: Our Borough Plan 2016-2021, namely to 'prevent homelessness, placing people in suitable, affordable, permanent homes as quickly as possible', and 'provide integrated care which actively promotes recovery and independence, and which protects the vulnerable'. It is widely recognised that integrated models of housing and support for vulnerable people provide a more streamlined and effective service ensuring residents are supported to move forwards in their lives.
- 1.4 Commissioners have worked with providers to co-produce new specifications for these services which widen the scope of the support they provide. This includes additional requirements to achieve and report outcomes on employment, training and education, health and wellbeing and financial resilience, all of which link to other council and health strategies.

2. Proposal and Reasons

- 2.1 This report seeks permission to extend, under waiver of 9.2 of the Contract Standing Orders, eleven contracts to provide supported housing to single vulnerable adults for a period of 1 year from April 2017 – March 2018. Commissioners are satisfied with the performance of the service providers to date, and are confident that providers will be able to continue providing a high quality service to residents until March 2018 when this contract period will expire. The services listed in this report were competitively retendered in 2011 and were awarded for three years with two potential one year extensions. The current contracts continue to provide good value for money when benchmarked against similar housing provision for vulnerable adults with support needs, across south London. Commissioners have worked with the existing providers over the last year to negotiate and achieve financial savings where possible.
- 2.2 Commissioners will be further working with the providers over the next year to review the current pathway provision and pursue options to achieve savings from some of these contracts. This will be achieved with a combination of retendering, service remodelling and service closures.

3. Finance

- 3.1 This report proposes to extend eleven contracts covering 14 services to provide supported accommodation for single vulnerable adults with support needs at the values listed below. The total value of these contracts will be £4,527,322 per annum. The budget for these contracts will come from cost centre D12009 within, Adults and Health.
- 3.2 There will be further reductions in bed spaces in 2018/19 and a range of planned mitigations are in place to reduce the impact of these reductions, including greater targeting of services, a focus on communications, recommissioning of services, partnership working and service redesign as detailed in the Revenue and Capital budget report agreed at cabinet.

Provision 2017/18

Specialist hostels	Provider	Client group	Units	Annual contract value
Knatchbull Road	Phoenix Futures (formally Foundation 66)	Alcohol Rehabilitation	9	£105,997
Latch House	NACRO	Offenders with a crack use	24	£290,000
Chrysalis Project - 1st Stage	St Mungos	Vulnerable & Exploited Women	17	£372,759
Chrysalis Project - 2nd Stage			8	£61,778
Wix Lane	St Mungos	Hostel Step Down	18	£195,633
Lambeth Assessment Centre	St Mungos	Assessment centre	28	£638,218
The Waterloo Project	Thames Reach	Complex Needs	19	£325,077
Brixton STEP		Drugs (pre rehab)	7	£39,292
Camberwell New Road		Complex Needs Women	5	£88,292
Graham House	Thames Reach	Drug & Alcohol	69	£780,762
Lambeth High Street	Thames Reach	Mental Health	24	£336,358
Robertson St	Thames Reach	Alcohol & Physical Health	42	£543,384
Dispersed Supported Housing	Provider			Annual contract value
South Patch	St Mungos	Mixed Needs – Step Down	106	£353,789

North Patch	Look Ahead	Mixed Needs – Step Down	106	£395,983
Pathway total			482	£4,527,322

- 3.3 The contracts are able to be terminated with three months' notice to allow for future budget uncertainty whilst meeting the need to continue these services.
- 3.4 There will be no inflationary uplift over the length of the extended contract periods and no additional funding, or capital, is required.

4. Legal and Democracy

- 4.1 Local authorities have duties and powers in respect of provision of accommodation and support for homeless persons or persons at risk of homelessness who are in priority need as defined under the Housing Act 1996. Housing and social services must work jointly in the discharge of their respective duties, and this may take the form of supported housing.
- 4.2 The delegated authority to deal with the matters set out in this report is vested in the Cabinet Member for Adult Social Care.
- 4.3 The Council's Contract Standing Orders require that procurements with a value in excess of £100,000 should be formally tendered. Where it is proposed to extend a contract without formal tender it should be treated as a waiver of the Contract Standing Orders, and this may be authorised by the Cabinet Member.
- 4.4 Waivers to the Council's Contract Standing Orders' purchasing rules are permitted in certain circumstances, including where extensions are sought where there is no provision in the current contract, where it is demonstrably in the Council's interests and to maintain the provision of statutory services.
- 4.5 The services procured through the proposed contract award are Schedule 3 social and other specific services not subject to all of the requirements of the Public Contracts Regulations 2015. A threshold of €750,000 is applied to such services, below which the detailed prescriptions for procurements in those Regulations do not apply.
- 4.6 It should be noted, however, that the value of a contract extension needs to be aggregated with the contract and any intervening extensions in determining whether the extension is above the threshold. In assessing the risk of challenge, consideration should be given to the general EU principles of transparency, fairness and non-discrimination and an assessment of whether there would be any cross-border interest.
- 4.7 In this instance the Council's plans are subject to considerable budgetary uncertainty, and a need to maintain continuous statutory service provision with a very limited pool of providers in a position to do so, most of which are already engaged in service provision for Lambeth.
- 4.8 The proposed insertion of provision to terminate the contracts on 3 months' notice will allow the Council to bring forward a full procurement process in the event that it is in a position to do so, and will provide flexibility to take account of any budgetary adjustments.
- 4.9 This proposed key decision was entered in the Forward Plan on 25 November 2016 and the necessary 28 clear days' notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period – must then elapse before the decision is

enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5. Consultation and co-production

The relevant Cabinet Members have been consulted and their views represented as necessary within this report.

6. Risk management

The contract awards will enable the continued provision of services, therefore mitigating against the risk posed by decommissioning, whilst the delivery options are appraised. It is a contractual requirement for all services to ensure they have the required insurance and up-to-date DBS checks for employees. Due diligence has been completed on all services. Based on previous experience there is minor risk of challenge from other providers.

7. Equalities Impact Assessment

7.1 The services in this report are subject to a rolling programme of Equalities Impact Assessments designed to assess the overall impact of service closures and redesign across Housing, Adult Social Care & Health. Future service changes will be addressed via this programme during the next financial year.

8. Community safety

8.1 The service providers work closely with the Police and Community Safety to address any issues relating to their residents or localities. The providers have built up strong relationships with a range of organisations which aim to keep vulnerable adults and the wider community safe. They are also contractually obliged to carry out locality checks to ensure any impact on the local community is quickly identified and appropriately responded to. Any complaints regarding negative impact on local communities are escalated via the contract monitoring officers and commissioners who work in partnership with appropriate agencies to resolve the issues.

8.2 It is a contractual requirement that the current provider's staff must possess an enhanced DBS clearance and that all staff receive training on the protection of vulnerable adults and children.

9. Organisational implications

9.1 Environmental
Not applicable.

9.2 Staffing and accommodation
No issues.

9.3 Procurement
The providers pay the London Living Wage (LLW) to all staff employed via this contract.

9.4 Health
N/A

10. Timetable for implementation

The table below shows the stages, milestones and deadlines for implementing the new contract.

	Item description	Date
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1	Call in period ends	5 April 2017
2	Decision implemented	6 April 2017

The service provider will send monthly contract performance and financial data to staff in the Supported Housing commissioning team for the duration of the contract, and will also meet with them on a quarterly basis. A dedicated commissioning manager from this team will oversee the contract.

Audit trail				
Consultation				
Name/Position	Lambeth directorate/department or partner	Date Sent	Date Received	Comments in para:
Cllr Jackie Meldrum	Cabinet Member for Adult Social Care	14/02/17	20/03/17	
Helen Charlesworth-May	Strategic Director, Adults & Health	08/02/17	17/02/17	
Rachel Sharpe	Director Strategic Housing Regeneration and Communities ,	01/02/17	07/02/17	
Mandy Green	Assistant Director Homes and Communities	18/01/17	18/01/17	Throughout
David Thomas	Legal Services	24/01/17	02/02/17	4
Alex Harris, Democratic Services Officer	Democratic Services	24/01/17	24/01/17	4.10
Andrew Ramsden	Finance	24/01/17	24/01/17	
Internal Officer Board	Date of meeting	Date Cleared by PB		
Procurement Board	28/02/2017	28/02/2017		
External				
Report history				
Original discussion with Cabinet Member	23/11/16			
Part II Exempt from Disclosure/confidential accompanying report?	No			
Key decision report	Yes			
Date first appeared on forward plan	25/11/2016			
Key decision reasons	2. Expenditure, income or savings in excess of £500,000			

Background information	
Appendices	None

APPROVAL BY CABINET MEMBER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board and taken account of their advice and comments in completing the report for approval:

Signature _____ **Date** _____

Post Emma Casey, Commissioning Officer,

I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:

Signature _____ **Date** 29 March 2017

Post Councillor Jackie Meldrum, Cabinet Member for Adult Social Care

Any declarations of interest (or exemptions granted):