

Report of Head of Housing Management

Supporting People Review / Sheltered Housing and Community Alarm Services

1.0 Summary

- 1.1 This report advises members of the content and implications of a letter from Supporting People (SP) dated 1 February 2008 which has been sent to all support providers in West Sussex and is attached to the back of this report as Appendix B.
- 1.2 The SP contract for the provision of support services in West Sussex with effect from 20011/12 will fundamentally impact on the provision of support in sheltered housing and whether it will continue to be managed by Adur District Council in the future.

2.0 Recommendation

- 2.1 Members are recommended to note the content of this report and the implications for the future of support services in sheltered housing.
- 2.2 Members are recommended to instruct officers to write to West Sussex County Council in order to express their concern at the threat to this Council's sheltered housing and community alarm services, their dissatisfaction with the proposed review and procurement timetable and urge them to offer contract tenders on a district basis.
- 2.3 With regard to the temporary post at Seaview Court and Avon Court, members are asked to extend the contract until the end of September 2008.

3.0 Background

- 3.1 Members last considered a report on sheltered housing at their meeting on 2 October 2007 when the contents and future implications of the West Sussex Supporting People Older People's Strategic Commissioning Plan 2007-2012 were presented to committee.
- 3.2 At that time we were awaiting the outcome of the Pay and Grading review and its effect on staff salaries, and also for SP to review and recommission Adur's support service between October and November 2007, with a new three year contract to run from April 2008. To this end, a recommendation to amalgamate several of the smaller schemes and to consider further proposals to make the service more cost effective and efficient were considered and agreed.
- 3.3 Members also agreed to extend the contract for a temporary scheme manager at Seaview Court and Avon Court for one year until the end of September 2008.

- 3.4 In December 2007 SP announced that they had suspended the recommissioning process and were reviewing its longer term strategy in relation to commissioning and the way in which all SP funded services, including older people's support services, should be recontracted. It was generally recognised that this was because it had been pointed out that SP could not simply reissue 3 year contracts of such financial magnitude to local providers as this would contravene the EU contract procurement regulations, which impel them to tender for the support services.
- 3.5 All support providers in West Sussex recently received a letter from the SP manager dated 1 February 2008, which stated that at a meeting on 18 January the SP Commissioning Body had agreed "that all services will be subject to a strategic review to ensure we maximise the effectiveness of our SP funding for the best outcomes for service users. The outcome of these strategic reviews will inform a procurement exercise to tender for services in which successful service providers will be awarded a 3 year steady state contract".
- 3.6 The strategic reviews will be carried out using a "cluster" approach and older peoples' services, including sheltered housing, extra care, community alarms and HIAs, will take place from April 2010 to April 2011. Procurement, the tender exercise, will follow on from April 2011 over a period of 9 months, with contracts to be awarded from January 2012. SP has advised that this is the indicative timetable at this stage.
- 3.7 With regard to the strategic review of services, SP has advised that they will set a baseline for all providers, including a project plan, information analysis and scoping options. They will look at options appraisal, market and spend analysis, draft service models and consultation, with closure plans, service specifications and tender timetable built in.
- 3.8 The strategic review process will involve service users and stakeholders.
- 3.9 The procurement process will cover the pre-qualification questionnaire, the invitation to tender and TUPE procedures, while the contract stage will include the contract award, contract implementation, stakeholder meetings, TUPE meetings, client transitions, monitoring requirements and contract management handover.
- 3.10 The Council's current contract with SP will be extended on current terms and conditions in line with the strategic review timetable, to run until the end of March 2011.

4.0 Possible effects of the SP decision

- 4.1 SP has said that the timetables set out above are indicative only at this time. Nevertheless, on the timetable currently set out, SP may not announce until approximately April 2011 the basis of the contracts they will be awarding from January 2012. It is of concern that providers may not know whether SP intend to offer individual contracts to provide services in each of the district/borough council areas (the current situation), whether they will elect for one contract for one provider to provide one support service throughout the whole of West Sussex, or whether they will group services together, such as one service for Adur and Worthing until immediately before the procurement process begins. It is to be hoped that, as older

people's services will be the third cluster to be reviewed, the SP strategic intentions will have become reasonably obvious by that time so that providers will have time to consider the situation, consult service users and possibly consult with other providers to form a consortium to bid for the new contract.

- 4.2 Members will recall that proposals regarding options for service changes to provide a more cost-effective and efficient sheltered service were to have been presented to this committee. Now that the service is locked into the current contracts until 2011, this dictates that the level of services and resulting charges cannot be changed until new contracts are awarded.
- 4.3 The service costs and resulting support charges were calculated in 2002/03. Since that time SP have only been able to give inflationary uplifts on the annual funding of 1.5%, currently to rise to 1.9% in 2008/09. The real cost of the service has been rising significantly higher than this year on year, with annual pay settlements averaging 3% alone. The contracts with SP do not permit service providers to charge service users more than the charges set in the contract schedules. The sheltered service is currently calculated to be running at a loss to the Council of approximately £70,000 pa, comprising the difference between funding received from SP and the current cost of providing the service.
- 4.4 Clearly this situation cannot continue. It is proposed to hold discussions with the SP team immediately to explore options to vary the contracts to some extent, to redress this loss to the Council, and to also save SP approximately £40,000 in funding to Adur each year. The results of this discussion and options for balancing costs with the support charges will be presented to members this summer. Risks and implications of varying the contracts will also be reported.
- 4.5 In the meantime, as any decision to amalgamate schemes and reduce the number of staff employed has to be deferred to the next meeting, it is proposed to extend the temporary contract to cover the vacancies at Seaview Court and Avon Court until the end of September 2008. The cost of this extension will be met from within existing budgets from the savings made by the vacant posts.

Local Government Act 1972

Background Papers:

Housing and Central Services Committee, 2 October 2007

West Sussex Supporting People Older People's Strategic Commissioning Plan: July 2007

Housing and Central Services Committee, 21 November 2006

Community Services Committee, 18 March 2004

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Appendix A

1.0 Council Objective

- 1.1 To protect and enhance priority services.
To support and contribute to the health, safety and wellbeing of the area.

2.0 Specific Targets

- 2.1 Key priority 5 of the Council's Housing Strategy 2005-10: "Supported housing: meeting the needs of vulnerable groups in partnership with the Supporting People programme".

3.0 Sustainability Issues

- 3.1 Contributes towards sustainable long-term housing provision for older people, significantly improving their quality of life and promoting independent living, which in itself is an integral part of a sustainable community.

Current and future funding levels will not sustain the cost of the service in its current form.

4.0 Equality Issues

- 4.1 Provides equality of services to all sheltered housing tenants.

5.0 Community Safety issues (Section 17)

- 5.1 Contributes towards health and community safety for sheltered housing tenants.

6.0 Human Rights Issues

- 6.1 Matter considered and no issues identified.

7.0 Financial Implications

- 7.1 Details contained within report. The Council's Head of Financial Services has had a copy of the report.

8.0 Legal Implications

- 8.1 Legal section to advise. The Council's legal advisor has been sent a copy of the report.

9.0 Consultations

- 9.1 Consultation and discussion has been undertaken with tenants and staff involved; however, no consultation is possible with regard to the SP intention to put these services out to tender, as the Commissioning Body has already made this decision, regardless of service users' views.

10.0 Risk assessment

10.1 The SP proposals outlined in this report pose a real risk to the continuation of sheltered housing and, to a lesser degree, community alarm services as currently managed by Adur District council. Service users will be very concerned about the uncertainty and insecurity surrounding the future provision of the service and there is a very big risk to the scheme and mobile managers' jobs and their future employment with the Council.

11.0 Health & Safety Issues

11.1 Potential health and safety issues to tenants if the support service is contracted out and scheme managers are no longer available on site.

12.0 Procurement Strategy

12.1 This report complies with the Procurement Strategy.

13.0 Partnership working

13.1 Partnership working is ongoing with Adult Services, Health, Sussex Police and the Fire and Rescue services to enable tenants to lead safe, secure and independent lives. This joint working will continue and be extended to support older people in the community.



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1st February 2008

Dear Sir/Madam

Re: Supporting People Contract : 'Adur DC - Avon Court, 'Adur DC - Cecil Norris House, 'Adur DC - Courtfields (Tenants), 'Adur DC - Manor Court, 'Adur DC - Marsh House, 'Adur DC - Seaview Court, 'Adur DC - Shadwells Court, 'Adur DC - Southwick Green, 'Adur DC - Summer Close, 'Adur DC - Tollbridge & St Nicolas, 'Adur DC Community Alarms, 'Adur DC - Ashcroft

Following the recent Supporting People 3 year indicative grant announcements, the West Sussex Supporting People Commissioning Body have taken the opportunity to more widely review its longer term strategy in relation to commissioning. We are keen to ensure that the approach we adopt gives as much certainty to our service providers as possible.

Following a meeting on 18th January 2008 of the West Sussex Supporting People Commissioning Body, a basis for consultation was agreed that all services will be subject to a strategic review to ensure we maximize the effectiveness of our Supporting People funding for the best outcomes for service users. The outcome of these strategic reviews will inform a procurement exercise to tender for services in which successful service providers will be awarded a 3 year steady state contract.

We will not be in a position to review all services in one go, therefore we propose these reviews will be done by clustering services over a period of time. The first of the clusters to be reviewed will be the “disability” cluster, followed by “homelessness” and then “older people”. It is expected that each strategic review will take in the region of 9 months to complete and be followed by a procurement process which will have a separate timetable subject to procurement rules and guidelines. A more detailed timetable is being developed and will be distributed to providers shortly for information.

Your service falls within the “older people” cluster which we anticipate will be strategically reviewed from 1st October 2009. The terms and conditions of your current contract will apply until at the earliest 1st April 2010 and at the latest 1st July 2010 when notice will be

given under your current contract following the outcome of the strategic review process. Should this date change you will be contacted at the earliest possible opportunity with the revised date. The Council will give you a minimum of 6 months' notice of termination but in any case no longer than 12 months. Please note that the Support Services Review procedure under the Contract which triggers the expiry date will not apply to the extension of the Contract and therefore the new expiry date will be such date as the Council notifies to you in its notice of termination.

All providers will be invited to have an opportunity to consult upon the revised commissioning approach at the next provider forum meeting on February 6th 2008 and, of course, will be encouraged to bid for the new contracts as they are tendered.

The Council will continue to pay the contract price on the basis that the above proposal is acceptable unless and until we receive notification to the contrary.

If there are any questions you have, please contact your local commissioning officer:

Chichester & Arun	Emma Fawell-Malloy	01243 753769
Worthing & Adur	Amanda Brewis	01243 752021
Horsham & Mid Sussex	Jenny Burnett	01403 215274
Crawley	Sarah Leppard	01403 215629

Yours sincerely,



Siobhan Coveney
Supporting People Manager