

# WIRRAL COUNCIL

## ECONOMY AND REGENERATION OVERVIEW & SCRUTINY COMMITTEE

22 APRIL 2013

<b>SUBJECT:</b>	<b><i>SUPPORTING PEOPLE: PROCESS TO ACHIEVE £2 MILLION BUDGET SAVINGS</i></b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>STRATEGIC DIRECTOR: REGENERATION AND ENVIRONMENT</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>CLLR. GEORGE DAVIES –</b> Housing and Community Safety
<b>KEY DECISION?</b>	<b>NO</b>

### 1.0 EXECUTIVE SUMMARY

- 1.1 This report seeks to inform Scrutiny Committee of the decision of the Strategic Director: Regeneration and Environment to negotiate and agree future funding arrangements for Supporting People contracted services.
- 1.2 It further provides an update on the Supporting People programme. It focuses on the recent key changes to the programme in terms of overall funding, funding for the main client groups and the effect this has had on the design and delivery of housing support services.
- 1.3 In order to assist the Council to meet its financial requirements it was determined that the Supporting People budget for 2014/15 will be reduced by £2m per annum. This along with changes to the Handy Person Service and decommissioning of the BME Support Service in 2013/14 means an overall reduction of 24% to the annual budget. It will be a challenge to deliver the scale and quality of provision within the current budgetary and economic environment. However, work detailed in this report will help to ensure clients continue to receive support, which is tailored to their specific needs, whilst also achieving the required budget saving by 2014.

### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Wirral Supporting People programme has had a positive impact across the Borough since 2003. It currently supports over 5,000 people to live independently and securely in suitable accommodation. This has not only had a positive impact on the individuals, but has also delivered significant added value across the public sector for example. housing, health, police, probation and employment and skills. The programme has also had considerable success in raising the quality of housing support provided and in implementing effective multi-agency approaches to resolving complex client needs.
- 2.2 Supporting People is a programme of commissioned housing related support services. Up to April 2010 it was a national programme with services commissioned through a ring fenced budget but since April 2010 decisions and funding for Supporting People have been devolved to the local authority.
- 2.3 The programme delivers a range of housing support services for vulnerable individuals and families across the Borough. It has been designed to help clients gain the skills and confidence to live independently in secure and safe accommodation. The services are

tailored to the specific needs of a number of client groups, including older people, people with learning disabilities, people with mental health problems, homeless people and homeless families, young people including care leavers and women at risk of domestic violence.

- 2.4 In partnership with Department for Adult Social Services and Housing Benefit Section within Department of Finance reviews of the funding for clients with Learning Disabilities and Services for Older People have been conducted. This programme of joint reviews with Adult Social Services is well advanced and improving value for money and service delivery in Learning Disabilities. This report sets out savings that have already been identified in the Supporting People contribution to a range of projects.
- 2.5 Some of the efficiencies identified in this report will be realised in the 2013/14 financial year, although not required until 2014/15 and beyond. The efficiencies will be achieved as a result of negotiation of contracts with service providers and remodelling of service activities. The ability to negotiate efficiencies has negated the requirement to conduct a tendering process which would be costly in terms of time and resources and may not realise the same level of efficiency. The process of negotiated contracts is compatible with the Procurement Methodology detailed in the Supported & Special Needs Housing Strategy and continues to be supported by the council's legal services and Director of Finance under Contract Procedure Rules 21.1.1(ii) and (v).
- 2.6 **Services for People with Learning Disabilities**
- 2.6.1 Funding for clients with Learning Disabilities was approximately £2.2m in 2012/13 which is approximately 23% of the total Supporting People budget. Contracts for clients with Learning Disabilities have been subject of previous reports to Cabinet on 15 March 2012 and 19 July 2012 (Virement to DASS).
- 2.6.2 The process of re-assessment of clients care and support needs has concluded; it has informed negotiations to identify appropriate funding streams for each individual, including additional funding from Health. The process should deliver a reduction in Supporting People subsidy of approximately **£500,000 per annum**. Once contract negotiations have been concluded a further report will be submitted identifying the actual level of saving.
- 2.6.3 Contract extensions have been issued to 6 provider organisations with an expiry date of 30 March 2014 (but with an option to extend for a further 12 months). They have been approved by Strategic Director: Regeneration and Environment in line with his delegated decision-making authority.
- 2.6.4 In addition 3 Supporting People Contracts have been issued to service providers awarded contracts by Adult Social Services in January 2011 for outsourced supported living schemes. These schemes were previously subject of a Service Level Agreement between Supporting People and Adult Social Services (they were subject of Report to Cabinet on 12 March 2012). The providers tendered for the services and were selected through a process which included involvement and selection by the service users within the schemes. The Strategic Director: Regeneration and Environment agreed to award a Supporting People Contract for the assessed housing related support element of the services to the 3 providers (previously funded by Supporting People through the virement to Adult Social Services.) This decision ensures that there is continuity of service for the clients, delivered by their preferred provider and further that there will be

no change or disruption thereby avoiding any undue stress for these very vulnerable people.

2.6.5 Negotiation is still ongoing with 3 providers. The Strategic Director: Regeneration and Environment has agreed to extend the contracts to 30<sup>th</sup> June 2013, on existing terms and conditions to allow for the conclusion of the process.

2.6.6 There may be additional costs to Adult Social Services of an estimated £100,000 following the Supporting People funding changes; however, as stated above, not all the negotiations for Learning Disability Services have been concluded. Any variation to Adult Social Services funding will be attributable to changed client number; clients re-assessed need, as well as the withdrawal of Supporting People funding previously used for non eligible Supporting People functions.

2.6.7 This position is being kept under review and an update will be provided as required.

## 2.7 Services for Older People

2.7.1 Funding for Older Person's services was approximately £2m per annum from the Supporting People Budget which is 20.5% of the total budget in 2012/13. This funding is largely for the delivery of support services within sheltered housing schemes and also includes Abbeyfield Societies and Community Alarm services.

2.7.2 In order to deliver efficiencies for the Council whilst protecting frontline services Officers have explored alternative finance options. Providers of sheltered accommodation have been asked to review the proportion of their service that relates to Intensive Housing Management and apportion the costs accordingly to what is an eligible Housing Benefit service charge. This process is based on the Leeds City Council Model which, following a thorough and rigorous time and motion study identified that a sheltered wardens time could be apportioned 78% Intensive Housing Management to 22% Support.

2.7.3 The process undertaken by Wirral Supporting People replicates the exercise carried out by Leeds City Council and has been implemented with full approval and involvement from officers in Finance Department's Housing Benefit section. It should result in reduced Supporting People subsidies representing an approximate saving of **£800,000 per annum**.

2.7.4 This process has had a neutral effect to the overall budget of Housing Benefit (Housing Benefit costs are paid directly by central government and attract full subsidy as the services are delivered by Registered Providers) but it will generate a saving to the Council from the Supporting People Budget. More importantly, the number of older people in Wirral receiving the service will remained unchanged (approximately 4000 clients) and there will be minimal or no impact on the level of charge levied against the individual service recipients, many of whom are on low incomes or in receipt of welfare benefits.

2.7.5 The Strategic Director: Regeneration and Environment, in line with his delegated decision-making authority, authorised the award of contract extensions to 7 providers of services for older people for a period of 12 months (with an option to extend for a further 12 months) expiring on 30 March 2014.

2.7.6 Due to the time required to: determine the correct level of revised charges; in some instances to report proposals to Board Members; consult with Housing Benefit to agree increased Housing Management; consult with tenants to inform them of the changes to their tenancy charges, 6 of the provider organisations have not been able to implement changes from 1<sup>st</sup> April 2013. For these providers the Strategic Director: Regeneration and Environment has agreed to award a 3 month contract extension to 30 June 2013 to allow additional time to conclude the process. On receipt of details of reduced Supporting People charges the organisations will be issued with a further contract extension which will bring them in line with the other providers of services to older people. Once contract negotiations have been concluded a further report will be submitted identifying the actual level of savings achieved.

## **2.8 Services for Socially Excluded clients**

2.8.1 The clients supported in this group include: People with Mental Health Problems; Single Homeless people with Support Needs; People at risk of Domestic Violence; Young People with Support Needs; Teenage Parents; People with Drug or Alcohol Problems; Offenders (inc. Mentally Disordered Offenders); Homeless Families. The service users are very vulnerable but often are not known to statutory services due to the transient nature, or may not yet meet the criteria for statutory care and are therefore reliant on assistance from Supporting People services, to ensure that they do not deteriorate requiring more costly interventions from Health, Social Care or the Criminal Justice System.

2.8.2 Supporting People expenditure for the client group was approximately £5.2m which is 53% of the total Supporting People budget in 2012/13.

2.8.3 The majority of contracts for Socially Excluded services are due to expire between July and October 2013. Contract negotiations with the service providers will commence shortly with a view to informing future contract arrangements and achieving further efficiencies effective from the date contracts are renewed. The result of these negotiations will be reported to cabinet in due course.

2.8.7 As part of the negotiation process, and in consultation with relevant stakeholders and providers, it is envisaged that efficiencies will be achieved through remodelling of services with as little impact on frontline service delivery as possible. However it may be necessary to decommission some services in order to better meet changing strategic priorities and to realise necessary efficiencies, estimated to be approximately **£700,000 per annum**.

## **2.9 Future Plans**

2.9.1 Future management of the Supporting People Programme will include further remodelling of services in order to maintain or improve quality, respond to increasing demand and to deliver within the available budget. Welfare Reform changes, including the introduction of Universal Credit via direct payments and changes to Housing Benefit are likely to increase the future demand for Supporting People services delivered to people experiencing social exclusion.

2.9.2 Officers across the Council will continue to work in partnership to reconfigure strategically relevant services and funding regimes in order to deliver effective, quality and value for money services.

- 2.9.3 It will remain a significant challenge to deliver the scale and quality of provision within the current budgetary environment, and in light of anticipated increased demand. However, the activity already undertaken and planned will ensure that clients continue to receive services tailored to meet their specific needs over the coming years. In the process improving housing outcomes for the Boroughs most vulnerable people and delivering ongoing savings. A series of reports will be compiled over the next 12 months in order to keep Members apprised of developments.

### **3.0 RELEVANT RISKS**

- 3.1 In the event that the process is not endorsed and the contracts agreed there will be significant loss of service provision for some of Wirral's most vulnerable residents, with a potential impact on the wider community.
- 3.2 In the event that contract arrangements cannot be agreed there will be further financial pressure being placed on other departmental budgets including Housing, Adult Social Care, Children and Young Peoples.
- 3.3 The required £2 million budget reduction will not be attained by April 2014.

### **4.0 OTHER OPTIONS CONSIDERED**

- 4.1 All appropriate options have been implemented for each of the relevant client groups.

### **5.0 CONSULTATION**

- 5.1 Consultation with partners, stakeholders, providers and service user is ongoing as part of the negotiation process where necessary.

### **6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

- 6.1 Some of the providers awarded a contract for supported living services are Wirral based voluntary organisations. These organisations are reliant on appropriate funding for their services in order to remain financially viable. These issues will be considered as part of the negotiations.

### **7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

- 7.1 The value of the contract extensions will be met within existing resources.
- 7.2 In summary, the three areas generate the £2m saving, as follows (£k):

- Learning Disabilities – re-assessment process 500
- Older People – re-apportionment of time 800
- Socially Excluded – efficiencies from remodelling 700

Much of this has been achieved by the programme's robust contract management process continually identifying how services can be reconfigured to reduce costs and better meet client needs and through contract negotiation with provider organisations.

### **8.0 LEGAL IMPLICATIONS**

- 8.1 Contract Procedure Rules 21.1.1(ii) and (v) enables contracts to be negotiated without competitive tender whether by an extension of an existing contract or by the negotiation

with an existing contractor if there has been an assessment in consultation with the Director of Finance of the options available and the negotiation of the contract represents value for money to the Council.

- 8.2 All key decisions on the programme have been taken in strict accordance with the Council's procurement policies and processes. They have been ratified and agreed by the Strategic Director: Regeneration and Environment in line with his delegated decision-making authority.
- 8.3 Legal and Member Services have determined that Supporting People services are provided as Part B as they maintain clients' health and well being by assisting them to remain independent within the community. Therefore there is no legal requirement to undertake a formal competitive tender for the commissioning of these services.
- 8.4 The services have been reviewed and demonstrate that they comply with UK Procurement policy for Local Authorities: which is to seek and demonstrate value for money in all public procurement.

## **9.0 EQUALITIES IMPLICATIONS**

- 9.1 There is no direct impact on equality strands as a result of the proposed actions set out within this report; for clients with Learning Disabilities they will receive the level of service identified as part of their individual assessments of need; Sheltered Housing provision is unchanged.
- 9.2 The needs of vulnerable and marginalised groups have been considered as they are central to Supporting People Services. It is a key objective of the services provided under Supporting People contract to ensure that vulnerable people have equal access to opportunities and to promote social inclusion and improved health and wellbeing outcomes. In the event that there may be a reduction in services for the remaining negotiations, an Equality Impact Assessment will be carried out.

## **10.0 CARBON REDUCTION IMPLICATIONS**

- 10.1 There are no Carbon reduction implications arising from this report.

## **11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

- 11.1 There are no Planning implications arising from this report.
- 11.2 The extension of these contracts supports policies and programmes that will have a positive effect on the safety of communities.

## **12.0 RECOMMENDATIONS**

- 12.1 That Members support the process set out within this report to achieve the £2 million saving against the Supporting People budget.

## **13.0 REASON/S FOR RECOMMENDATION/S**

- 13.1 By endorsing this recommendation the Council will ensure continuation of supported housing services for some of the most vulnerable residents of Wirral.
- 13.2 In endorsing the processes outlined the Council will achieve required budget savings.

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**APPENDICES:**     None

## REFERENCE MATERIAL

*None.*

## SUBJECT HISTORY (last 3 years)

Council Meeting	Date
<b>Budget Options: Regeneration and Environment</b>	18 <sup>th</sup> February 2013
<b>Budget 2013/16 - Initial Proposals</b>	20 <sup>th</sup> December 2012
<b>Supporting People Contracts for Providers of Services to People at Risk of or Experiencing Social Exclusion</b>	19 <sup>th</sup> July 2012
<b>Virement from Regeneration, Housing and Planning Budget to Adult Social Services</b>	15 <sup>th</sup> March 2012
<b>Supporting People Contracts</b>	13 <sup>th</sup> October 2011
<b>Supporting People Contracts Report</b>	14 <sup>th</sup> April 2011
<b>Wirral's Supported and Special Needs Housing Negotiated Contracts</b>	4 <sup>th</sup> February 2010
<b>Wirral's Supported and Special Needs Housing Negotiated Contracts - FLOATING SUPPORT</b>	4 <sup>th</sup> February 2010