



**TORBAY SUPPORTING PEOPLE
PROCUREMENT STRATEGY
2006 -2010**

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1. EXECUTIVE SUMMARY

The Torbay Supporting People Procurement Strategy 2006 –2010 sets out Torbay Council's approach to procuring housing related support services and the means by which the objectives are delivered.

The strategy is based on National Procurement Strategy and Torbay Council Procurement Strategy. Improvement through best value is one of the organisational objectives in support of the Council priority of transforming Torbay into an excellent authority.

Obtaining best value for money means choosing options that offer “the optimum combination of whole life costs and benefits to meet the users requirements “. This is not necessarily the lowest price option. In setting out the business need, social, environmental and other strategic objectives can be included as part of the requirements and should be defined at the earliest stages of the procurement cycle. The criterion of best value for money is used at the award stage to select the option that best meets the requirements.

There are 7 key strategic objectives that have been identified to form the basis of this strategy.

Objective 1

Implement a common framework for the procurement of Housing Related Support services.

Objective 2

Achieve cashable and non-cashable savings through a programme of re-commissioning

Objective 3

Identify joint commissioning opportunities and align systems and processes to facilitate this.

Objective 4

Adopt a project management approach to the commissioning of Supporting People services

Objective 5

Promote a “mixed economy” of service provision to create greater choice, more competition and deliver best value for the customer.

Objective 6

Ensure that procurement processes and activities are fair, fully inclusive and promote equality of access.

Objective 7

Develop and implement a contract management system that effectively measures performance, delivers continuous improvement and maximises overall value for money for Supporting People services.

Objective 8

Develop a plan that addresses the need for both generic service provision with a strong preventative focus as well as provisions that can deliver to specialist client needs and that provides clear objectives for the provision where accommodation based services are required.

2. INTRODUCTION

The strategy has been developed as a result of our knowledge of the local Supporting People market as well as potential local developments and government initiatives affecting the SP economy of services. This strategy and will form the basis of a Supporting People Procurement Policy that will be implemented through mainstream Supporting People activities.

The strategy is intended to be flexible and may be subject to changes following its review and lessons learned from other procurements and good practice evidenced in other SP programmes. The strategy is also responsive to the work of Torbay Supporting People's client based Strategy sub-groups and may encompass joint working and initiatives with other agencies as well as priorities and issues identified through the work of these groups.

The Torbay Supporting People Procurement Strategy has been written in alignment with the Torbay Council Corporate Procurement Strategy and seeks to achieve the commissioning aims contained in the Supporting People Strategy 2005 –2010.

The Corporate Procurement Strategy forms part of the arrangements the Council has made under Part 1 of the Local Government Act 1999 (Best Value) to secure continuous improvement in the performance of services in terms of economy, efficiency and effectiveness.

Supporting People aims to undertake an open, fair and efficient procurement process for the services for which it is responsible.

Contracts will not be awarded on the basis of the lowest initial price alone. There will always be an assessment of quality and the costs that will be incurred by the commissioning agents throughout the life of the contract period.

The annual (2006-07) Supporting People (SP) budget for Torbay is £5.72 Million. Due to an overspend in previous years that has been brought forward, this figure must fund all current and expected commitments as well as repaying the historic overspend that is currently being subsidised by Torbay Council.

All current Supporting People services were awarded interim contracts and the process involved in providing short-term security through steady state contracting interim to market based re-commissioning will be designed to meet the objectives identified in this strategy.

Those providers who have met Quality, interim Value for Money, and interim Strategic Relevance tests, as well as the Council's minimum governance standards will be offered "Steady state " contracts for a minimum of 1 year and a maximum of three years.

Supporting People have sought advice and guidance from Torbay Council Procurement team and the Office of Government Commerce (OGC) in seeking to develop and implement smarter procurement practices for the commissioning of SP services.

That is, to set out the process for acquisition within EC procurement rules and to set foundations for subsequent contract management of delivery of services and relationships with service providers.

Torbay SP has also consulted with the Supporting People Value Improvement Project in Plymouth. This is an Office of the Deputy Prime Minister (ODPM) funded initiative that aims to make cashable and non-cashable savings.

The VIP plan covers the entire procurement cycle and is based on the principle that upstream activities (planned) add value and down stream activities (ad hoc development) add cost. Project activities therefore focus on developing and improving upstream activities that will lead to an overall reduction in the total cost of ownership. (see Appendix A)

3 SUPPORTING PEOPLE PROCUREMENT STRATEGIC OBJECTIVES

Objective 1

Implement a common framework for the procurement of Housing Related Support services.

A standard procurement policy that represents best practice and focuses on delivering value for money will be developed and implemented by Supporting People.

Standards of competency in procurement and contract management will be established and SP will ensure that officers and members receive the training and development they need to operate to the relevant standard. The standards will include adherence to the codes of conduct within the Corporate Procurement Strategy regarding ethics and probity.

A procurement guide showing standard procedures, actions and key decision points will be used as a training aid. This will be consolidated into a procurement manual to facilitate best practice and guidance.

Objective 2

Achieve cashable and non-cashable savings through a programme of re-commissioning

SP should maintain a register of all current contracts. The register will provide a basic management tool supplying information such as contract expiry dates, estimated overall spend and resources required for re-tendering. The register will also assist in

the compilation of government statistical returns on contract awards as required by the procurement regulations.

All services will be reviewed, re-modelled and re-commissioned in line with the four-year procurement plan.

This plan is based on an assessment of priorities at the time of writing this strategy. The plan will be flexible as priorities and opportunities may change the plan and should be updated on a regular basis. The plan will set out for members and senior managers, information on all procurement projects planned for the coming 4 years. The plan will also show dependencies, how expenditure will be prioritised and the scope for achieving better value.

Objective 3

Identify joint commissioning opportunities and align systems and processes to facilitate this

Opportunities for joint commissioning of services between Supporting People, Adult Care Trust, Children's Services, Probation and the Devon Partnership Trust will be developed across Torbay.

Partnering will be adopted as the preferred procurement strategy for all major (high risk/high value) projects and will form part of the options appraisal or business case review.

Additional opportunities with other partner agencies will be identified as sectors are remodelled and service solutions identified, as well as through the day-to-day networking of the Supporting People team.

Torbay Supporting People will explore opportunities and seek to collaborate with other local authorities or other partners in the South West region particularly for the provision of services but also for the purposes of collaborating, sharing resources, standardising and benchmarking.

All potential joint commissioning opportunities will be investigated. This will include assessment of potential benefits in terms of service integration, standardisation of processes, documentation, quality and prices, improved market management, economies of scale and reduced contract management costs. Any benefits will be recorded as value for money savings.

Standard Torbay Council documentation will be used wherever it is available and fit for purpose.

Supporting People will work with external partner agencies to reach agreement on the format of documents to facilitate joint commissioning.

Objective 4

Adopt a project management approach to the commissioning of Supporting People services

All procurement projects for the purchasing of housing related support services should be managed according to a standard project management method and incorporating standard gateway reviews and best practices in risk management. Torbay Supporting people will use the Prince 2 methodology

Before embarking on any procurement phase a business case will be prepared for consideration by the Commissioning Body. The business case will include an evaluation of the principal options to deliver a new model of service delivery. This process will ensure that the need for the service is required, that it is in line with the current strategic and policy framework and, that it highlights potential and preferred service solutions. A recommended option will be set out in an action plan to be approved by the Commissioning Body.

A Service Development Officer (SDO) will be assigned to each procurement project. The SDO, in partnership with the appropriate SP Core Strategy Sub Group will be responsible for developing a project plan with outline timescales.

Objective 5

Promote a “mixed economy” of service provision to create greater choice, more competition and deliver best value for the customer.

Develop the capacity of the market to facilitate value for money through competitive procurement.

Supporting People will support both existing and potential providers to develop the capacity to both bid for and deliver SP contracts. This will be achieved by:

- Delivering training to Providers on how to tender for SP contracts
- Produce a ‘How to do Business Guide’ available to all identified potential providers
- Produce a ‘How to use the Devon Procurement Portal Guide’ available to all identified potential providers
- Identify and circulate information on potential sources of funding, training and support
- Hold ‘Meet the Buyer’ events to provide information on specific tender exercises as and when required

Marketing Strategies

- **Reverse Marketing**

Supporting People funded services have become a highly competitive market and Supporting People will work to raise the profile of support and the pathways to identify opportunities within the area so as to encourage current and new providers to become active ‘watchers’ for opportunities to do business.

- **Affirmative Improvement Programmes**

Supporting People recognises the benefits of having a supply base made up of a balance of both larger organisations and Small to Medium sized enterprises (SMEs). Through consultation with the supply base, Supporting People will identify and take action to remove barriers for SMEs competing for business. Where SMEs cannot develop the capacity to deliver the specified requirements individually, sub-contracting and consortium bids will be encouraged. This objective may also be addressed through the identification of opportunities within other government priorities such as the development of direct payments and individual budgets that would allow small businesses to compete for services on a lower scale.

Objective 6

Ensure that procurement process and activities are fair, fully inclusive and promote equality of access

Supporting People are committed to promoting equality of opportunity in all aspects of the procurement cycle.

Safeguards will be built into relationships with service providers to ensure good practice as regards race, sex, sexuality, gender, transgender, age, religious, cultural and disability discrimination. Procurement requirements on Providers will be aligned with corporate equal opportunities procurement policy.

Key stakeholders will be identified at the commencement of any procurement process and their input will be carefully planned. The SDO should identify where stakeholders should be involved in the procurement cycle and the extent of their involvement at stages of procurement such as option appraisal, service specification and evaluation of providers.

Regular planned consultation with key stakeholders such as service users and potential service users will inform the design and delivery requirement of the service throughout the procurement cycle.

To ensure fair access, all materials and documentation issued in the course of the procurement process will be made available in different formats as required.

To encourage a broad spectrum of applicants and to facilitate the removal of barriers for minority groups, all adverts and invitation documentation for contracting opportunities will contain welcoming statements that re-enforce our commitment to equality of access.

Objective 7

Develop and implement a contract management system that effectively measures performance, delivers continuous improvement and maximises value for money for Supporting People services

The Strategic Plan states that we will continuously challenge the way our services are provided to demonstrate one of the Council's key objectives; best value for the people of Torbay.

To ensure value for money and continuous improvement are achieved, a contract management framework will be developed and implemented. A baseline risk assessment will be undertaken for each contract and the risk rating awarded will be used to determine the frequency and level of contract monitoring.

Procurement will be used intelligently to provide incentives to service providers to reduce costs and continuously improve performance.

Key performance indicators (KPIs) will be agreed for all contracts and used to measure performance. All new contracts will be awarded using contract documentation that empowers Supporting People to take appropriate action where agreed delivery requirements are not being met.

Services will be procured in a competitive environment. The successful provider(s) will demonstrate in their response to any tender that they have the stated competencies and practical delivery mechanisms to provide the required level of service. Where performance issues arise that affect performance, providers will be expected to engage Supporting People early and be proactive in addressing them. Providers will also be expected to work in partnership with Supporting People and key stakeholders to address issues and strategic or environmental changes. However, in the event that performance levels continue to be poor, the contract breach clause will be employed and alternative service solutions sought.

Objective 8

Develop a plan that is based on an assessment of need and addresses the need for both generic service provision with a strong preventative focus as well as more specialist provision. The plan will also outline a clear objectives for the provision of accommodation based services..

The current mix of services is based upon inherited conditions including the financial return involved in particular types of services at the time of THB. As such without a strong service configuration focus that is based upon objective needs mapping of requirements around capacity, level and specialisation, there is the danger of drifting into stagnation involving 're-commissioning' of notional services that already exist rather than commissioning specific services to meet identified needs.

There is also a need to examine how specialist needs can be met within a value for money framework and the potential for joint funding opportunities and integrated provisions that would better address specialist needs.

4. DELIVERING THE STRATEGY

The delivery of the strategy will be undertaken as part of the mainstream work of the Supporting People team with partner agencies who are members of the Core Strategy Sub-Groups and the Commissioning Body.

The strategy has been developed with the expectation that Supporting People will continue to maintain its own commissioning framework. However, the core strategy sub-groups will identify and develop opportunities for joint commissioning frameworks through the Local Strategic Partnership (LSP) via the Local Area Agreement (LAA).

The Strategy will be delivered with the support of the Corporate Procurement Team to ensure compliance with Corporate Procurement standards, ensure that

documentation is developed in such a way as to support standardised processes, and to develop competencies both within the Supporting People Team and to Providers and potential Providers in the area.

5. MANAGING THE STRATEGY

The strategy will be reviewed annually to ensure that it is fit for purpose and continues to reflect the policies and objectives of the Torbay Supporting People programme, the Council and Government initiatives.

The Commissioning Body will monitor progress against this strategy on a continual basis.

.As the development of the Commissioning Plan will involve configuration plans for each sector to be developed by strategy sub-groups, the final assessment of scoring has been based on strategy sub-group organisation.

The methodology for establishing the procurement timetable involves identifying overriding strategic issues for individual sectors before using the Plymouth Methodology to give a general placement of sectors. The sector based scores were based on the Strategy sub-groups the individual services are aligned with (Table 1). A further separation was undertaken to identify the accommodation based services separately from floating support (Table 2).

It was considered essential to consider Floating Support separately due to the identified ability of generic support to deliver effectively across a range of sub-groups potentially up to medium high needs in most areas of provision – this needs to be considered in relation to the potential for release of funds for genuinely specialist deliveries through savings in generic floating support under fragmented client banners. This will however need to be considered by the strategy sub-groups, and not all aspects of floating support may be commissioned concurrently depending on specialist issues and strategy sub-group decisions about the configuration plan for each sector.

Table 1

Procurement Grading by Sector (floating integrated in sector scores)	Procurement Grading	Total Cost 06/07
Homelessness and Criminal Justice	50.69%	1,147,758
Mental Health	35.90%	1,349,276
YP and Homeless Families	34.34%	606,461
Older People	31.55%	882,887
Learning and Phys Dis	20.49%	1,363,870
Grand Total	32.57%	5,350,252

Table 2

Service Procurement Grading by Sector (floating support separately considered)	Procurement Grading	Total Cost 06/07
Homelessness and Criminal Justice	44.44%	658,720
Floating	44.44%	1,084,425
Mental Health	36.94%	860,177
Older People	31.55%	882,887
YP and Homeless Families	30.56%	500,173
Learning and Phys Dis	20.49%	1,363,870
Grand Total	32.57%	5,350,252

6. TORBAY SUPPORTING PEOPLE PROCUREMENT PLAN

High Level Procurement Plan 2006 – 2010

The table below provides a structured timetable to procure and re-procure services strategically. By looking at sectors and sometimes across sectors it provides the opportunity to design and procure services that are holistic in their scope and provision.

Sector	Current Services	Current Units	Current Contract Value (M)
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2007-08

Floating support (Excl. Learning Disability services) (all sub-groups)	11	345	£1.08M
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Client Group	Units	Cost	Services
Generic	156	293,721	3
Homeless Families	9	32,011	1
Mental Health	122	489,099	3
Single Homeless	40	195,317	1
Young Parents	6	24,000	1
Young People	12	50,277	2
TOTAL	345	1,084,425	11

These services represent over 20% of the overall funding for SP services. The costs vary markedly and the provider base is fragmented. There are considered to be significant cost savings.

Exclusions:

Learning Disability services have been identified in relation to an overall approach involving the exploration of individual budgets and joint commissioning.

Note:

The commissioning of floating support is expected to be undertaken as a generic provision with the expectation of specialisation and skills within the successful tender meet support needs up to the medium-high level for most clients. It is expected that further specialist services may be identified through the strategy sub-groups – any new services would need to be funded through savings from existing services.

Single Homeless/Rough Sleepers (Homelessness and Criminal Justice)	1	22	£0.43M
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Hostel Provision – The current hostel provision is to be rebuilt with an expectation of build time of 15 Month from April 2007. During this period the hostel provision is to be moved to another location. Commissioning within the procurement timetable would be based the expectation that the selected provider was contracted from the point that the new building was ready for occupation.

Drug and Alcohol (Homelessness and Criminal Justice)	1	10	£0.11M
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Currently 1 service but it is expected that higher demand will be identified through the needs assessment. Further provisions would need to be addressed through savings in existing provisions.

Offenders inc. High Needs Offenders (Homelessness and Criminal Justice)	0	0	£0
No specialist services. Any services identified would need to be funded through savings in existing provision.			
Physical and Sensory Disability – Deafness (Learning Disability and Physical Disability)	1	6	£0.13M
<p>SP is currently Commissioning a temporary BSL specific support solution, but a longer term solution needs to be established with some urgency. Historical provision consists of 6 units but it is estimated that there is significant further demand including more units with deafness provision.</p> <p>There is currently debate regarding whether deafness provisions should ultimately be mainstreamed within the generic floating support service on the basis that all services should mainstream deaf delivery capacity, and that this will form a basic contractual expectation for new services.</p>			

2008-09

Older persons (Older Persons)	13	936	£.83M (does not include leaseholders funding)
The older Peoples' strategy is currently being drafted and is due for release for consultation. Broadly, the strategy will involve moving from accommodation based to floating support services and is expected to result in significant changes in sector configuration. However, a POPPs bid is currently in the second phase of consideration that would affect strategic commissioning. If the POPPs bid is successful this would affect the commissioning timetable.			
Frail Elderly (Older Persons)	1	27	£0.05M
There is currently only 1 service providing a strategically relevant mix of care, support and appropriate accommodation arrangements to meet an "Extra-Care" framework. The development of further extra care will be the subject of further work with Providers and procurement will be undertaken with this in mind.			
Mental Health (Mental Health)	10	105	£0.86M
Generic floating support needs are expected to be provisioned through Generic services. Significant work is required to develop an updated strategy and sector configuration plan.			

2008-10

Learning Disability (Learning Disability and Physical Disability)	11	115	£1.23M
<p>Learning Disability services are the most likely to be suitable for direct payments and the timetable for implementation is currently projected for 08-10 to enable implementation alongside The Care Trust developments around the direct payment agenda. For service users with combined care and support needs the provision is highly individualised with a large number of very small providers offering a good range of support levels and choices that would suit an individual budgets approach and the specific needs inherent in the client group. Significant work is still required around direct payments from the Learning Disability sub-group and partner agencies. The timetable for individual budgets is projected for 2008-09 but may be brought forward in parts dependant on the progress of direct payments. It is expected that some services may need to be procured as support only, however the existing services have been validated as generally high quality, and rigorous VFM work has been undertaken in this sector to ensure that interim financial value has been attained – any whole service procurement would commence in 2009-10. The service scored lowest on the procurement</p>			

matrix but highest in cost outside of floating support.

2009-10

Domestic Violence (Young People and Families)	1	7	£0.12M
Young persons / Care Leavers (Young People and Families)	6	51	£0.37M
Generic floating support needs are expected to be provisioned through Generic services.			
Homeless Families Teenage parents (Young People and Families)	1	22	£0.13M
Generic floating support needs are expected to be provisioned through Generic services.			

Provisions not specifically identified:

Further discussion needs to be undertaken in the areas of housing related support to meet the needs of:

- Older people with mental health problems
- People with a physical or sensory disability
- Mentally disordered offenders
- People with HIV/AIDS
- Refugees
- Travellers
- People with Acquired Brain Injury
- And those with complex needs and in particular dual diagnosis around drug/alcohol and mental health issues

This will include the level to which these service users can be integrated through generic support provisions as well as examining joint commissioning and cross authority commissioning strategies.

It is not projected that any significant new funding will be provided for housing related support and new initiatives would be dependent on identification of funding through savings in existing services.