

FRAMEWORK FOR COMMISSIONING AND PROCURING SUPPORTING PEOPLE SERVICES

Introduction

How commissioning decisions are made and how service contracts are awarded needs to be fully understood by all stakeholders. The purpose of this framework is to provide the Administering Authority and Service Providers with an agreed framework within which Supporting People services in Herefordshire will be strategically planned, commissioned and procured.

All key stakeholders should be involved in the commissioning process, with the understanding that commissioning decisions rest with Herefordshire Supporting People Partnership, with the Administering Authority, responsible for budgetary management and financial decisions.

The intention of this document is to explain the agreed processes for these commissioning activities to ensure an evidence-based, auditable and transparent approach within Herefordshire.

This process has been developed in line with key principles to ensure that it:

- Is open, transparent and fair
- Is fully auditable, accountable and legal
- Is well planned and managed
- Enables participation from small as well as larger suppliers of Supporting People services

This framework (*appendix 1*) outlines the approach to be taken to progress the transition towards strategically commissioned services with steady state/long term contractual arrangements. However, in recognition of the pace of change within Supporting People, this framework will be reviewed on an annual basis.

A common understanding of commissioning

There is no single agreed definition of commissioning. In broad terms, commissioning is the strategic activity of assessing need and using the resources available (budget and current services) to meet these needs. In summary, it covers the following range of activities:

- Needs assessment /gap analysis
- Development of the Supporting People strategy
- Purchasing and procurement of services
- Setting up and managing contracts with providers
- Service Reviews which give consideration to strategic review and change evaluation

In this document, the use of the word 'commission' will cover the whole range of activities, and distinction will be made where necessary.

Procurement and Supporting People Services

Procurement is the operational activity, set within the context of commissioning, of buying services from a third party supplier under a legally binding contract. All Supporting People services are procured from providers in this manner.

The Approach to Commissioning in Herefordshire

Commissioning decisions will strive to create equitable services across Herefordshire in order to tackle exclusion and address inequalities.

Changes To The Way Services Are Commissioned

The Supporting People programme has changed the way housing-related support services are commissioned. The approach to commissioning needs to be sensitive to historical patterns of service delivery and configuration and needs to move at a pace of change that will not cause major disruptions to either service users or the sector as a whole.

Where significant change is brought about, either through the de-commissioning or remodelling of services, an Impact Assessment will be carried out as part of the commissioning process. This will assess the wider impact of the change before implementation, including the impact on the Supporting People market. The intention is to effectively manage change, particularly in relation to the impact on: service users, levels of service delivery, other service providers and other budgets.

Development of the Supporting People Strategy and Commissioning Plans

The Herefordshire Supporting People Strategy has been developed in consultation with service users, service providers, and other key commissioners and strategic bodies.

The strategy has been developed through analysis of the current supply of provision and unmet need in relation to each of the client groups. A review of this analysis and strategic reviews across the sector subsequently informs the development of the Annual Plans that are included within the 5-year strategy.

Priorities will be developed through the commissioning structures within Herefordshire, taking into account the envisaged reduction in Herefordshire's Supporting People grant.

Joint Commissioning

The Five-Year Supporting People Strategy and the associated Annual Plan have been developed in collaboration with key stakeholders and commissioners. These plans recognise the interface with other key strategies and identify any potential areas for joint commissioning between Supporting People and other funding resources.

Commissioning Criteria

Services will only be commissioned and procured where:

- There is strategic demand and sufficient funding is available
- The need for a specific service clearly fits within the priorities set out in the Supporting People Strategy or its annual plan
- The service is eligible and complies with Supporting People grant conditions
- There is long-term demand for the service

Accreditation

Herefordshire will not contract with providers who are not fully accredited in line with the Department of Communities and Local Government's (DCLG) accreditation requirements, prior to a contract being issued. Currently opportunities for pass-porting an organisation through this process will only be accepted if accreditation has been achieved with one of

our partners in the West Mercia Cross Authority Group. Alternative arrangements for pass-porting including the Alliance are presently being evaluated. The Supporting People Team are working closely with the Alliance Accreditation Team with a view to reaching a position whereby a recommendation can be made to the Commissioning Body in November 2006 for an integrated system of accreditation to be effective from April 2007.

Quality Standards

The service provider will need to submit evidence to demonstrate that the service meets or exceeds the minimum acceptable standards (level C) of the Quality Assessment Framework (QAF) in the six core objectives (C1.1 – Needs and Risk Assessment, C1.2 – Support Planning, C1.3 – Security, Health and Safety, C1.4 – Protection from Abuse, C1.5 – Fair Access, Diversity and Inclusion and C1.6 – Complaints) and four of the supplementary objectives (S1.1 – Informing Service Users, S2.2 – Rights and Responsibilities, S3.1 – Service Description and S4.2 – Staff Recruitment, Management and Development) prior to a contract being issued.

In addition, Herefordshire will expect providers to demonstrate a commitment towards the development and continuous improvement of their service. Using the QAF as the framework against which all services will be measured, Herefordshire Supporting People team will undertake assessments of the quality of the service delivered, within one year of commencement of service and thereafter on a three yearly basis (or more often if there is specific cause for concern).

Key Performance Indicators (KPI's), Local Performance Indicators (LPI's) and Contractual Obligations

A commissioned service should be clear about its role and remit, especially in relation to the delivery of Supporting People and other related strategies. Herefordshire Supporting People team will work closely with providers and commissioners to: agree roles and responsibilities, set service standards and identify robust referral and joint working protocols that need to be developed. These agreed aims and objectives will be defined in a service specification which will form part of the Supporting People contract.

Future Supporting People commissioned services will need to provide evidence to demonstrate how they deliver both the Supporting People and relevant strategy outcomes through KPI's and LPI's.

In addition, providers will need to provide evidence to demonstrate the outcomes that are being achieved as defined in the service specification, which forms part of the Supporting People contract.

Value For Money

In view of the envisaged contraction in Supporting People funding, associated with the proposed distribution formula, it is essential to make considerable efficiency savings and achieve value for money services. Normally, when procuring services, the contract price is established through tendering or competition. Given the impracticalities of doing this for every service, the Administering Authority has adopted a robust methodology for assessing best value. This evidence will inform, but not determine the contract price.

Developing and Managing the Market

This section (*appendix 2*) sets out the approach to the development and management of the market.

Market Stability

Market stability is a key priority in ensuring the delivery of high quality, strategically relevant services and an effective commissioning strategy. However, the current uncertainty in respect of longer term funding of the Supporting People programme impacts on the Administering Authority's capacity to enter into long-term contracts

Diversity

One of the key objectives of Supporting People is to promote client choice. Herefordshire aims to create a viable, sustainable "market" consisting of a diverse range of providers that offer good quality, cost effective services to meet the broad spectrum of need. The commissioning process will avoid the development of "monopoly" situations, where only one provider delivers service provision for a particular client group. This not only limits choice in the market place for service users, but also increases risk to the Administering Authority if the service or contract fails.

Service Reviews

Supporting People Service Reviews drive the commissioning (and decommissioning) plans arising from the Supporting People strategy. The evidence assessed as part of these reviews will be summarised to provide a robust business case, to enable the Commissioning Body to approve recommendations on clear strategic grounds.

A service review is the process by which current services are evaluated in relation to strategic relevance, quality and value for money. The service review programme provides the information, which enables the Supporting People Partnership to make the crucial decision as to whether a service should be re-commissioned, de-commissioned, transferred or re-modelled. The information collected is also essential to inform the options appraisal, which forms part of the procurement process.

In addition, the review process highlights areas of the service that might be improved and offers providers advice and guidance on how evidence, to demonstrate compliance with the standards, can be achieved. The Supporting People Partnership is committed to the agenda of continuous improvement. A streamline approach to service reviews post 31st March 2006 has been developed to support this aim.

Compliance with an action plan

Where a service review indicates good prospects for achieving required changes and improvements, an action plan which includes specific objectives and clear timescales for achievements need to be agreed. In accordance with these agreed timescales, an "improvement plan check" to re-assesses the revised evidence will need to be carried out before a "steady state" contract is issued.

De-commissioning Services

There is no statutory duty on the Administering Authority to provide Supporting People services, and service users have no right to housing related support services.

Furthermore, it is likely that, as local Supporting People strategies and associated annual plans are implemented, the outcome of some reviews will be a recommendation that the existing service be de-commissioned. As with the outcome of any review, a

recommendation to decommission a service will be submitted to the Supporting People Commissioning Body for approval.

In most cases a recommendation to de-commission a service would be determined following the strategic relevance assessment which indicates that the service is either not strategically relevant to the programme or is a lower commissioning priority compared to others given any constraints on the Supporting People budget.

However, the implications of withdrawing funding may be far reaching and an impact assessment, which highlights the possible risks of withdrawal of funding and clarifies the actions that will be taken to minimise or remove those risks, should be undertaken and included as part of the review report, to enable the Commissioning Body to make a fully informed decision – *Appendix 3*

Wherever possible, the impact assessment should be carried out jointly and should involve the current provider, key stakeholders and any other joint-funders.

The Procurement Process

Procurement and Supporting People Services

As stated earlier, procurement is the operational activity, set within the context of commissioning, of buying services from a third party supplier under a legally binding contract.

The procurement of services will comply with the Administering Authorities “Contracts Procedure Rules – Standing Orders for the Regulation of Contracts”.

This process will be kept under regular review and will be developed in line with emerging best practice in relation to “e tendering and contracting.

Governance - The Role of the Commissioning Body and the Administering Authority

The Supporting People Commissioning Body is a formal partnership between the Administering Authority, the Primary Care Trust and Probation. However, it cannot administer the Supporting People funds or enter into contracts, this is undertaken by the Administering Authority on behalf of the Commissioning Body.

Procurement Options

The options for procurement are:

Open Tendering: Invitation to tender is advertised and interested parties (both accredited and non-accredited) can submit their bids.

Limited Tendering: Invitations to tender would be sent to a shortlist of providers who have been pre-vetted using a pre-tender questionnaire

Negotiated Tender: Direct negotiation with a single or a few select providers

Options Appraisal

The purpose of the options appraisal is to explore the procurement options for both existing and new services, in order to identify the best means of securing a service in accordance with the commissioning criteria set out in Section One of this framework.

An options appraisal will be undertaken for all services which need to be commissioned and would recommend either of the following outcomes:

- i) The service is retained wholly, or partly, by the existing provider
- ii) The service should be subject to competition

The recommendation will be based on the consideration of a number of factors, the first five of which are the commissioning criteria, (see page 3) which have to be fully considered in all cases.

Where competitive tender is not a viable option such as cases where contracts are of low value, contracts are “no choice” (e.g. accommodation based services where the loss of the support contract will undermine the financial viability of the scheme) or market testing has indicated no provider interest, a pragmatic and proportionate approach will be adopted through the use of negotiated tender.

Outcome of Options Appraisal

Decision to retain the current provider under a new service contract

The decision to issue a new contract to an existing provider in order to re-commission or re-model an existing service will only be made where there are no significant issues in terms of quality, performance or value for money and where there are real prospects for improvement and change as demonstrated by the providers commitment and adherence to the improvement plan.

However, the recommendation may include a requirement that the service makes some minor changes to improve the performance, strategic relevance, quality and / or value for money aspects of the service. Examples would include improved referral or joint working arrangements, supporting people across all tenure types etc.

This recommendation would also be made for services, which may need to be re-modelled in order to become fit for purpose and would include those that need to be provided in a different way in order to achieve the desired outcomes and improve strategic relevance.

In all cases procurement activity will be undertaken in compliance with the Council's Standing Orders.

Decision that the service should go out to competition

Where the evidence from a service review indicates significant issues in relation to either quality, performance, or the absence of opportunities to realise best value, putting the contract out to competition would be the procurement option recommended as the result of an options appraisal.

The options appraisal will also need to consider any implications under TUPE. This will need to be done on a “case - by – case” basis.

Where it is decided that a service should go out to competition, the approach used will be informed by the value of the contract.

Feedback to Service Users

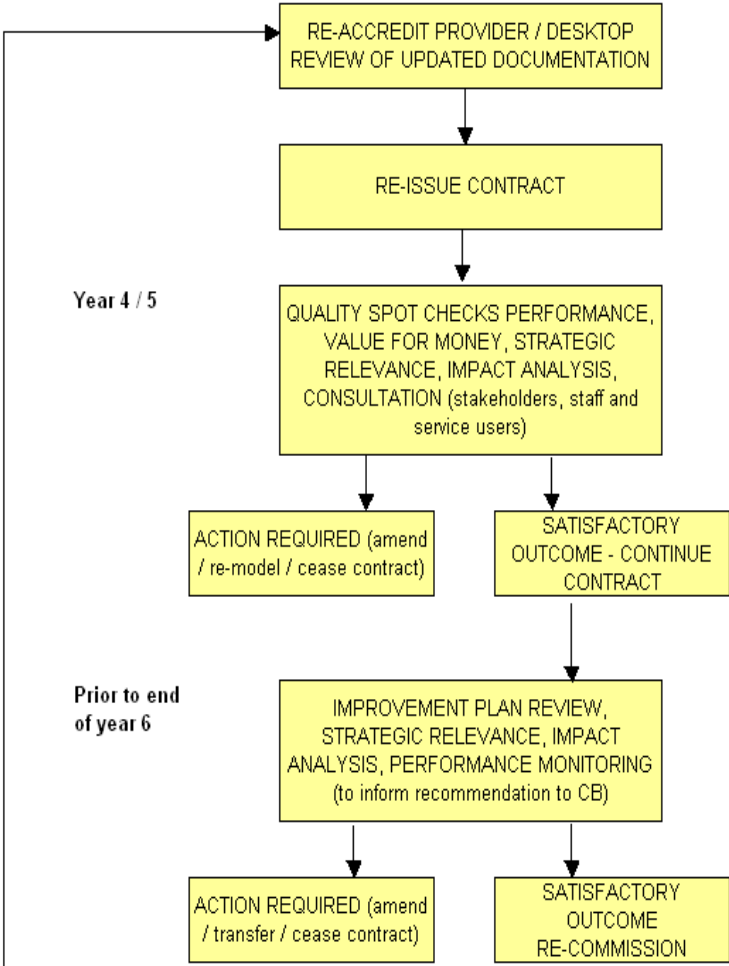
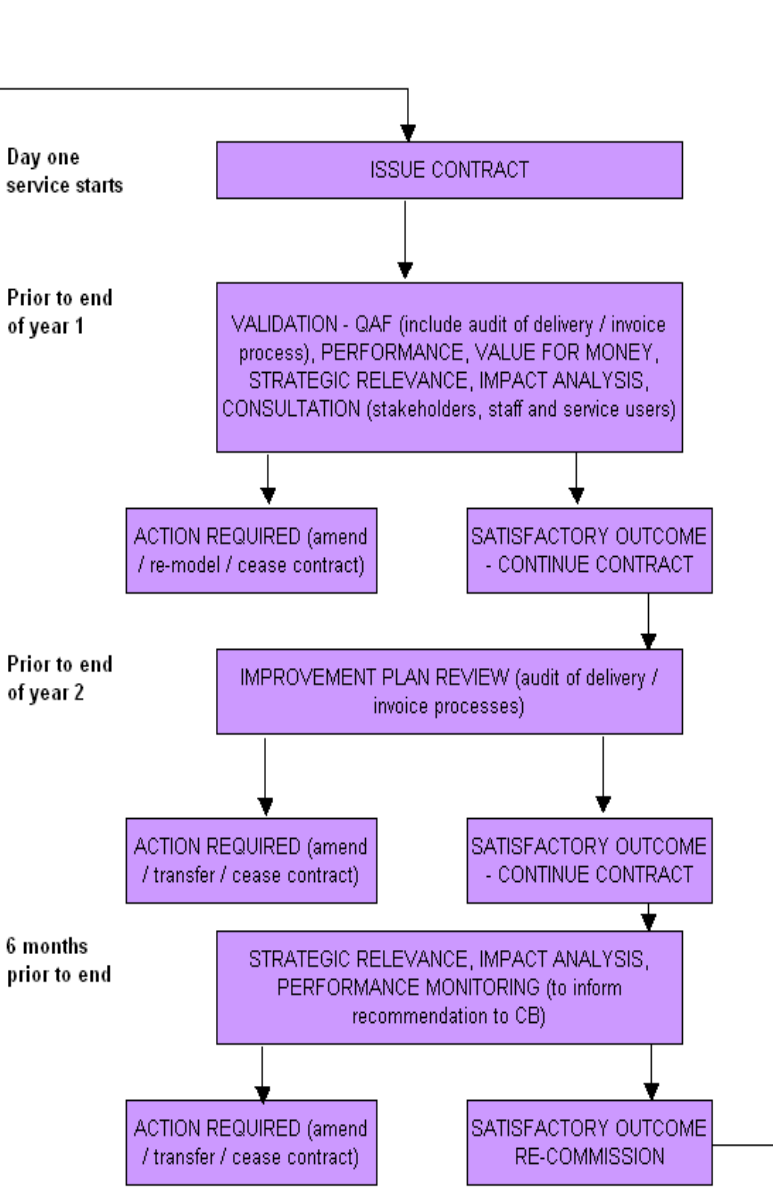
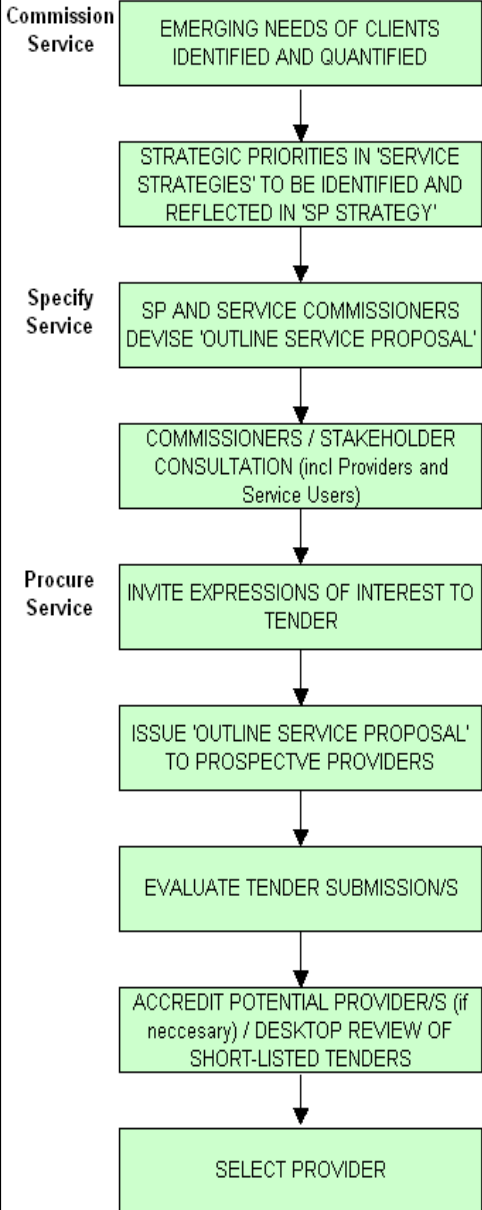
Once all the evidence has been gathered as part of the review process, service users should be provided with clear and appropriate information, which details the outcomes of the service review including the options and implications.

If the decision is reached that the service should be de-commissioned, an impact assessment should be completed which outlines the risks to service users and the actions to be taken to minimise or resolve those risks. This information should then be incorporated into the feedback provided to service users and, where appropriate, their carers.

Feedback to Service Providers

Once all of the evidence gathered as part of the review process has been evaluated, a draft report should be issued and a draft report meeting should be arranged to offer the service provider the opportunity to respond and comment on the findings. The draft report meeting should include an assessment of whether the issues identified should, or could, be fully addressed by the implementation of an action plan.

Development, Monitoring and Improvement of Supporting People Services



Day one service starts

Prior to end of year 1

Prior to end of year 2

6 months prior to end

Year 4 / 5

Prior to end of year 6

IMPACT ASSESSMENT

(Template)

Provider Name

Service Under Review

Contract Number

Annual Contract Value

Service Review Report Recommendation: Decommission / Transfer / Re-model

Basis for Recommendation: (Should reflect conclusions in final report)

Impact on Service Users

Number of Service Users Affected:

Key Considerations:

Financial Impact:

Impact on Service Provider

Impact on other housing related support services delivered by this provider:

Financial Impact:

Other Key Considerations:

Impact on Other Agencies

(Social Care, Health, Probation, Children / Families, Other Supported Housing Services etc)

Impact on demand for other services:

Financial impact:

Other Key Considerations:

Impact in relation to Equal Opportunities / Discriminatory Practice?

Key Considerations:

What information has informed this assessment:

Participants Consulted:	Name:
	Role:
	Name:
	Role:

Completed by	Name:
	Role:
	Date:

Endorsed by Supporting People Lead Officer	Signed:
	Date: