

**Report To:** Cabinet

**Date of Meeting:** 20th March

**Lead Member / Officer:** Councillor P.A. Dobb and Councillor Julian Thompson-Hill

**Date:** 7<sup>th</sup> March 2012

**Lead Officer:** Supporting People Planning Officer

**Title:** Tender exemption for Supporting People Service contract transfers from the Welsh Government to Denbighshire County Council.

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**1. What is the report about?**

Contracts for Supporting People projects in Denbighshire which are currently funded directly from the Welsh Government will transfer to Denbighshire County Council during 2012 - 2013.

**2. What is the reason for making this report?**

A decision is required on the exemption of these contracts from the requirement to tender under the Contract Procedure Rules.

**3. What are the Recommendations?**

To exempt new contracts for services previously funded by the Welsh Government through Supporting People Revenue Grant (SPRG) from the requirement to tender at the point of transfer to Denbighshire County Council's Supporting People Team through Supporting People Programme Grant

**4. Report details.**

- Since its inception in 2003, funding for the Supporting People programme has been split into two streams:
  - Supporting People Grant (SPG): paid directly to local authorities
  - Supporting People Revenue Grant (SPRG): administered by WAG through payment to a number of Accredited Service Providers (ASPs) including local authorities, registered social landlords and voluntary organisations. The ASPs have then either provided services themselves or sub-contracted to a third party.
- An independent review of the Supporting People programme was commissioned by the Welsh Government (WG) and reported in November 2010. This report made 25 recommendations, including a specific recommendation to combine the two funding streams into a single Supporting People Programme Grant (SPPG).
- Following consultation, draft guidance to implement the recommendations was issued on 11 November 2011. The Welsh Government decided to pass the responsibility for administering all new SPPG funding to local authorities. Final guidance is anticipated in March 2012

- The majority of former SPRG funding for Denbighshire has been paid to Denbighshire County Council as the Accredited Service Provider. However, a significant portion has been paid by the Welsh Government to other ASPs to fund other support services.
- In order to combine two former funding streams into a single Supporting People Programme Grant, the responsibility for administering this portion of the funding will pass from the Welsh Government to Denbighshire County Council Supporting People Team.
- In effect, Denbighshire County Council will take over the contractual relationship with other ASPs for funding these services and they will be subject to the Council's Financial Regulations, including Contract Procedure Rules.
- This will lead to a significant increase in contract management work for the Supporting People Team as the number of DCC SP contracts will roughly double.
- The contracts for these services will be protected for a transitional period. The Welsh Government has not yet published the details of this transitional protection, but has stipulated in the draft guidance that they will not be tendered unless the service has been reviewed.
- In accordance with Contract Procedure Rules 9.1 & 9.2, exemptions from the CPRs may be granted by Cabinet in order to meet the requirements of European Union legislation or any domestic legislation including any regulations or directives from the National Assembly for Wales.

## 5. How does the decision contribute to the Corporate Priorities?

Supporting People funded services underpin cross cutting multi-agency priorities as well as contributing directly to Denbighshire's priorities.

**Education:** The provision of accommodation and appropriate support helps vulnerable people to sustain their accommodation and independence by developing life skills to maintain a home. Vulnerable families are supported in developing skills to support their families, crucial to ensuring school attendance and attainment for their children. Support is also provided to vulnerable adults and young people (16+) to develop the skills and confidence to access education and training and engage with community activities to enable social inclusion.

**Regeneration:** Projects support service users in addressing issues of multiple deprivation including housing deprivation and needs. This is essential if Community Regeneration is to be achieved. Supported housing services enable tenancies and independent living to be sustained for many of our most vulnerable people within our communities. A supported accommodation strategy will be developed to support Rhyl Going Forward.

**Demographic Change:** Support is provided to children and families in need and people who need housing and contributes towards tackling the issues of transience and poverty. Support promotes independence, enablement and prevention through early intervention. This contributes to countering dependency and a culture of reliance on statutory services, necessary in addressing future demographic challenges faced by Denbighshire with a growing older population.

## 6. What will it cost and how will it affect other services

The projects and changes identified will be managed within the existing Supporting People budget allocated to Denbighshire by the Welsh Government.

## **7. What consultations have been carried out?**

The Welsh Government has undertaken extensive consultation on the establishment of a single Supporting People Programme Grant (SPPG) to replace the two current funding streams.

Discussions are ongoing between the Welsh Government, the Welsh Local Government Association (WLGA) and Cymorth Cymru (the support providers' organisation) in relation to detailed timescales and arrangements for the establishment of SPPG and the handover of funding to local authorities. At present this is expected to be no sooner than July 2012.

A joint Communities and Partnerships scrutiny SP seminar was delivered on 22<sup>nd</sup> February 2012 to enable members to seek clarification on the changes.

## **8. Chief Finance Officer Statement**

The cost of implementing the changes must be contained within the funding available. The programme and the services it funds will have to be kept under review to ensure expenditure does not exceed the allocated funding.

## **9. What risks are there and is there anything we can do to reduce them?**

Tendering contracts at the point of transfer to the Council would be in breach of the Welsh Government's guidance on Supporting People Programme Grant.

Tendering contracts en masse would be disruptive and costly for both services providers and the Council.

Tendering contracts prior to service reviews would not be justifiable on the basis of value for money in terms of either cost or service quality as detailed information would not be available.

## **10. Power to make the Decision**

Section 111 of the Local Government Act (1972)

Financial Regulation 25(Contract Procedure Rules)

CPR 9.1 & 9.2