

**CITY OF CARDIFF COUNCIL  
CYNGOR DINAS CAERDYDD**

**CABINET MEETING:**

**15 September 2016**

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**TITLE: ADVICE & SUPPORT RECOMMISSIONING**

**REPORT OF DIRECTOR**

**AGENDA ITEM:**

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**PORTFOLIO:** Health, Housing and Wellbeing (Councillor Susan Elsmore)  
Skills, Safety and Engagement (Councillor Dan De'Ath)

**Appendix G of this report is exempt from publication because it contains information of the kind described in paragraph 16 of Part 4 of Schedule 12A to the Local Government Act 1972**

**Reason for this Report**

1. To set out proposals for the recommissioning of Advice and Support services.
2. To agree the overall timetable for recommissioning of Supporting People funded services.
3. To agree detailed proposals for the recommissioning of Advice Services, Floating Support Services and Gender Specific support services (including Domestic Abuse).

**Background**

4. The Council currently receives £16.2m in Supporting People Programme grant to provide housing related support services. This grant funds a wide range of services including homeless hostels, domestic violence refuges, supported housing, floating support provided in the client's own home, community alarm and warden services.
5. Supporting People Funding reduced each year between 2012/13 and 2015/16, with an overall cut of £4.5m. While there was no cut to funding in 2016/17, it is anticipated that there will be a reduction for 2017/18 of between 5% (£813k) and 10% (£1.6m).
6. There is also an underuse of some types of support, which needs to be addressed, for example there are currently 80 to 100 units of generic floating support that are not being utilised.

7. Services are currently provided under 38 contracts and delivered by 32 third sector organisations. In addition, the Council provides some services directly, including: homeless hostels, community alarm, mobile warden services and services to clients with learning disabilities.
8. While a small number of services have been recommissioned recently, most have continued through direct awards for some years and very clear legal advice has been given that these services should be recommissioned. There is a need to ensure best value through proper procurement and this, together with a rationalisation of the number of contracts, should provide economies of scale and reduce the administrative burden of managing such a large number of contracts.
9. There is an opportunity to jointly recommission services across different funding streams, joining up services and creating clear support pathways to assist vulnerable people towards independence.
10. In addition, the Council directly funds Advice Services, some of which are provided in-house and some provided under an external contract. There is an opportunity to better align these services and reduce duplication.
11. Given the number and complexity of the Support Services, it is proposed to recommission these in three phases:

### **Advice & Support Services - Three Phase Commissioning Plan**

<b>Phase 1</b>	<p>Generic Floating Support services</p> <p>Older Persons Floating Support services</p> <p>All Gender Specific services (including domestic abuse)</p> <p>Advice Services</p>
<b>Phase 2</b>	<p>Supported Housing</p> <p>Specialist Floating Support services (includes substance misuse, mental health, young persons and refugees.)</p> <p>Other specialist support (includes learning disabilities and physical disabilities.</p>
<b>Phase 3</b>	<p>Homeless Hostels</p>

12. It is anticipated that this full programme of recommissioning will take up to 3 years to complete, and that services will continue on a direct award basis in the meantime. However, it may be necessary to make changes to these services ahead of the planned recommissioning should the grant

funding reduce significantly; therefore, a review of supported housing will be carried out alongside the phase 1 recommissioning to identify any potential savings, particularly with regard to 24-hour-staffed accommodation.

13. A number of principles have been set in taking forward this recommissioning:
  - I. Ensuring that services are based on need and that the most vulnerable service users are protected.
  - II. Promoting independence and delivering support at the lowest appropriate level to meet client needs.
  - III. Taking an evidence based approach to service design – considering current usage / turnover, outcomes and service user feedback.
  - IV. Ensure services are sustainable.
  - V. Maximise the time spent on the client and reduce management costs.
  - VI. Wherever possible, commission support in partnership with other organisations / across funding streams.
  - VII. Develop service specifications that are outcome based and quality focused.
14. The remainder of this report sets out the detailed proposals for recommissioning services in phase 1.

## **Issues**

15. Early consultation with existing providers and stakeholders commenced in May 2016. This focused on the nature of the services to be commissioned, contract packages, and how to ensure quality. This consultation informed the following proposals:

## **Floating Support Services**

16. Floating Support services provide housing related support to families and individuals to help them maintain their accommodation and live independently. This support aligns well with the preventative work required under the new Housing (Wales) Act and the Social Services and Wellbeing (Wales) Act. Access to services is through a gateway operated by the Council, which ensures that the available support is directed at the clients most in need.
17. It is proposed that, while generic floating support services are recommissioned in phase 1, specialist floating support services are recommissioned alongside supported housing in phase 2. This gives the opportunity to create a joined up pathway towards independence for the most vulnerable clients, such as young people and those with significant mental health issues.

18. There are currently 14 providers delivering generic floating support services under 17 different contracts, with the size of the contracts ranging from 8 to 79 units. Overall 713 units of support are provided, with units generally representing the number of individuals supported at any one time. The current cost of services is £2.9 million. A list of current providers is included in **Appendix A**.
19. The large number of providers and contracts increases administration and prevents effective contract management. It is more difficult to ensure consistency of service delivery and to monitor quality. The large number of contracts also prevents economies of scale being achieved. In the current economic climate, with reductions in funding likely and increased pressure on resources, continuing with smaller contracts is not sustainable.
20. While floating support provides important, low level intervention to help people remain at home, comparisons with other authorities show that Cardiff's provision of floating support is relatively high. Currently there are on average between 80 to 100 unused units of floating support, and it is envisaged that this number will increase as work continues to reduce the time individuals spend on support. There is, therefore, considerable opportunity to reduce provision of this support while still maintaining a robust floating support service. Making savings in this area will help protect, and could possibly enhance services to the most vulnerable clients.
21. Overall, there are opportunities to reduce the supply of floating support, deliver greater economies of scale, reduce administration, improve contract management, and improve the sustainability of services by significantly reducing the number of contracts.
22. It is, therefore, proposed to commission two large generic floating support contracts for non-specialist, Generic Floating Support. It is envisaged that bidders will only be able to deliver one contract, as the aim is to have two separate contractors to ensure resilience. Each contractor will provide housing related services across the city and will have the expertise to deal with all client groups. There will be no split by geography or client type. Cases will continue to be assigned through the Council operated gateway on a pro rata basis.
23. The floating support provided under the contract will be generic rather than specialist, dealing with a wide range of housing related support issues. However, due to the larger size of the contract, providers should have the capacity to offer workers with significant expertise in key areas, including:
  - Mental health issues / hoarders
  - Welfare Benefits / Appeals
  - Homeless prevention and resettlement

It is anticipated that by delivering more comprehensive services in these areas, pressure on other existing services can be reduced.

24. Providers will also be expected to offer mainstream provision for clients with protected characteristics, providing sensitive and appropriate services for all clients. Provision for equality and diversity will be a key criteria in the tender specification.
25. The reduced number of contracts should generate significant economies of scale. It will also reduce administration and allow for more effective contract management. The smaller number of providers will further allow greater alignment with council services and promote consistency of service for clients.
26. Due to the current excess supply of floating support services and the potential for economies of scale, it is envisaged that the value for each contract will be £1m per annum, giving a total spend of £2m. This is a reduction of £908,000 (31%) of the current spend and achieves the 5% predicted savings. There will, however, be the opportunity to award further work under the contract should more funding be available for floating support purposes.
27. It is proposed that the assessment of the tenders will be 50% quality and 50% price/value. The high percentage for quality reflects the nature of the services provided. The contract would be for 5 years with the option to extend for a further 2 years, with the aim of giving the provider greater certainty and adding to sustainability. However, there will be an option to amend should there be a change in grant funding arrangements.
28. It is anticipated that the saving released by this process will be available to cover any potential grant funding reduction, or to refocus support onto the most vulnerable clients.

### **Older Persons Floating Support**

29. Welsh Government guidance requires a move away from support based on tenure towards a service based on need; for example, it is no longer possible to fund a warden service to all residents of sheltered accommodation through the Supporting People grant. Some social landlords have already reconfigured their services to remove the support element from their warden's role, providing support instead through a floating support model.
30. There are currently 7 contracts for older persons support; one is a floating support contract, and the others are accommodation based. It is proposed to commission one contract for Older Persons support services, and retain the current funding level of £250k per annum. There will, however, be the opportunity to award further work under the contract should more funding be available for floating support purposes.
31. The single provider will offer services city wide, supporting clients in their own homes, including residents of extra care and sheltered accommodation. This will provide a much fairer and comprehensive service for older people across the city.

32. It is envisaged that the older persons support will have a broader remit than generic floating support. This reflects the wider range of services needed by older people to help them remain independent at home, such as support in overcoming social isolation, assistance in employing cleaners or gardeners, support in leaving hospital, or intensive support to move to more suitable housing.
33. As with generic floating support, it is proposed to provide bidders with the level of funding available for the service, and a minimum level of units of support to be provided. Bidders will then be asked to state how many units of support they can provide for this set funding.
34. It is proposed that the assessment of the tenders will be 50% quality and 50% price/value. The high percentage for quality reflects the sensitive nature of the services provided, while retaining financial competitiveness.
35. The contract would be for 5 years with the option to extend for a further 2 years, with the aim of giving the provider greater certainty and adding to sustainability. However, there will be an option to amend should there be a change in grant funding arrangements.
36. During consultation with providers about the changes, some concerns were expressed about the reduction in the number of contracts. It was considered that, with only 2 contracts for generic floating support, and 1 for older persons services, there would be a risk if one of the contractors failed. There was also some concern that the expertise required to support clients would be compromised. However, while there would only be a small number of providers commissioned for these services, there would also be a number of other contracts delivering specialist support and providing a broader supply chain. There are considerable benefits to having fewer, larger contracts, including the ability to develop additional expertise and delivering economies of scale, making services more sustainable for the future. Further information about the consultation can be found at Appendix C.

### **Gender Specific Services (Including Domestic Abuse)**

37. The Violence Against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015 places significant additional duties on public bodies to 'Ask and Act' in relation to violence against women, and there is an expectation that a full range of preventative and support services will be in place to address the identified issues. It is anticipated that this will increase demand on current services.
38. In addition to the requirements under the act, there is a need to cater for male victims of abuse and to improve the response to perpetrators.
39. There are currently a number of different gender specific and domestic abuse services in Cardiff, including domestic violence refuges, supported accommodation, floating support and advocacy services. These services

are funded through a range of sources, a full list of these can be found at Appendix A.

40. There is a need to join up and further develop these services to create straightforward access to a range of provision, to meet the need for preventative services, and to provide a clear pathway through support.
41. It is proposed to commission a comprehensive service under one contract, to include:
  - A 'One Stop Shop':
    - Single 'front door' for all referrals
    - Intake and assessment
    - Advice and signposting
    - Sessions from other specialist community support services
  - Larger team of community based support workers, providing support and advocacy, and bringing together housing related floating support and the current work of the Independent Domestic Abuse Advocates
  - Refuge provision
  - Supported housing
  - Self-help programmes
  - Provision of advice and support to assist police call-outs 24/7
42. It is anticipated that the service will provide assistance to those affected by a wide range of violence against women, domestic abuse and sexual violence as defined in the Act. The service will also provide assistance to male victims.
43. The contractor will be expected to have expertise in the following areas:
  - Domestic Abuse and the wider violence against women and sexual violence issues, and in assisting male victims.
  - Mental Health
  - Welfare Benefits (including Appeals)
  - Homeless Prevention and Resettlement
44. It is envisaged that the contract will be for a fixed price; however, the amount of funding available remains uncertain, and discussions are ongoing with a number of organisations that fund services, including Welsh Government and the Police and Crime Commissioner.
45. Further work is needed to refine the services to be commissioned and to develop specifications for the different components of the service.
46. It is proposed again that a longer contract term would be awarded, possibly 5 years with the option to extend for a further 2 years, with the aim of giving the provider greater certainty and adding to sustainability. However, there will also be an option to amend should there be a change in grant funding arrangements.

## **Timescale for recommissioning**

47. It is proposed that the procurement process for Floating Support services will commence in late autumn 2016, with the aim of having new contracts in place by spring 2017.
48. Further time is required finalising the specification for Gender Specific Services (including domestic abuse) as this is a much more complex process, involving a wide range of services. Therefore, it is proposed that this procurement process commences in the late autumn/winter 2016 with the aim of awarding the contract in summer/autumn 2017.
49. To ensure continuity of service, it will be necessary to continue to fund existing services by direct award until the changes come into place; this includes services funded from number of different sources that are to be part of the joint commissioning (see appendix A).

### **Advice Services Recommissioning**

50. Advice services in Cardiff are provided through a mix of directly delivered 'in house' services and contracted out provision. The current contract for Advice Services ends in March 2017, and therefore, these services need to be recommissioned ahead of April 2017. To inform this recommissioning, a review of advice provision has been carried out.

### **Council Advice Provision**

51. The Council's Money Advice service provides a wide range of money advice, including generalist welfare benefits advice, budgeting and low level debt advice. The service links closely with the Into Work service to provide a solutions based approach for clients.
52. There are considerable advantages to providing this advice 'in house'. Council Advice Officers work closely with the Hub staff, who provide advice on a wide range of council issues including housing allocations and housing benefits. Day to day liaison between these teams takes place to resolve issues at first point of contact. Advice Officers have direct access to council systems such as Housing Benefit/Council Tax Reduction, Housing rent recovery and Housing Waiting List systems. With the client's consent, they can directly access data from these systems to identify the latest information and resolve issues at an early stage.
53. Staff work closely with other officers within the Housing Benefit assessment service, and are fully involved in developing responses to Welfare Reform, as well as carrying out proactive work to help those affected by the Bedroom Tax, Benefit Cap and Universal Credit. They are also empowered to make decisions on Discretionary Housing payments.
54. The team have excellent relationships with Registered Social Landlords and, with the client's consent, liaise with them directly to resolve issues. The team also work closely with Council Tax recovery and are empowered



to make arrangements for Council Tax debt. While data is protected and information is not given without client consent, this close working can help prevent further recovery action and evictions.

55. With advice now being provided in the local community hubs, there is some capacity to move existing staffing resources into Money Advice and to increase the services provided by the in house team. This would allow fewer services to be contracted out.

### **Contracted Advice Provision**

56. The current advice contract is with “Cardiff Advice Services”, which consists of the Citizens Advice in partnership with The Speakeasy Advice Centre at a cost of £440,000 per year. The contract currently provides 3 different levels of advice:

- Information and signposting
- Generalist advice
- Specialist advice

The different types of advice provided are listed below:

- Welfare Benefits
- Budgeting / Debt
- Housing
- Consumer Advice
- Employment Advice
- Immigration Advice
- Family / Relationship Advice
- Discrimination Advice

Specialist advice is only provided for key issues such as Welfare Benefits and Debt Advice.

57. Having a single contract for advice services has worked well, allowing much better communication and greatly improved contract management. Performance of the contract has been good, with 19,286 customers seen in 2015/16, and the majority of clients seen the same day. Over £3.2 million in weekly benefits was gained and 85% of Tribunal cases were successful. 100% of customers surveyed were happy with the service.
58. The service is provided in Central Library Hub, and accommodation is provided free of charge for this purpose. This includes both customer facing and back office provision. Therefore, both council services and advice provided under contract are already co-located.
59. There is considerable crossover between the contracted out and in house provision, particularly in generalist advice, and there is an opportunity to make better use of resources if a partnership working approach is taken. Consideration was given to providing all services in house; however, one

of the key benefits was the ability for an external provider to access additional external funding to support some of the services.

60. It is therefore proposed that an 'Advice Partner' is commissioned who will work with the Council to provide complementary services. This will reduce duplication over time, and thereby reduce costs.
61. It is proposed that some of the generalist advice provided under the contract is provided in house by the Council's Money Advice Service, and that the funding provided under the contract reduces on a phased basis to £300,000, making a saving to the General Fund of £140,000 over 5 years. The overall spend on advice will not decrease, however more services will be provided in house.

The proposed phased reduction is set out below.

	<b>Annual Contract Value</b>	<b>Saving</b>
Year 1	£410,000	£30,000
Year 2	£380,000	£30,000
Year 3	£350,000	£30,000
Year 4	£320,000	£30,000
Year 5	£300,000	£20,000
<b>Full Saving from year 5</b>		<b>£140,000</b>

62. The new Advice Partner would also be required to bid for other external funding to supplement the council funding. There will also be the opportunity for the Council to award further work under the contract should more funding be available for Advice purposes.
63. In addition to the Annual Contract Value listed above, the Council will continue to provide space within council buildings where appropriate, including the continued space in Central Library Hub, which has an indicative value of £25,800 pa (excludes any additional costs such as service charges, gas, electric, maintenance etc).
64. While the contract amount is decreasing over time, it is anticipated that the longer term contract proposed (5 years with the option to extend for a further 2 years) will provide stability and sustainability to the new Advice Partner. It is proposed to let the bidders know the value of the contract and a minimum level of service required – the value will be measured by the amount of services that can be provided over this minimum.
65. During the consultation with providers, some concerns were expressed about the reduction in funding for services when demand is increasing due to welfare reform. However, with the redirection of resources within the Council's own team, the same level of provision will be available and no impact on service users is anticipated. Concern was also expressed that independent advice should be available and that not all clients will wish to access council provision. While many clients are already accessing Council provision without issue, it is accepted that this may cause concern for a small number of clients. Therefore, some changes have been made

following the consultation to the detail of the service provision to allow for these circumstances. A report on the consultation can be found at Appendix C.

### **Timescale for Recommissioning Advice Services**

66. It is proposed that the procurement process for Advice Services commence in late September, with the aim of having new contracts in place by April.

### **Equality Impact Assessment**

67. Equality Impact Assessments have been carried out on the changes above and these can be found at Appendices D, E and F. Findings from the assessments have informed these proposals, and will also inform the detailed service specification.

### **Consultation**

68. Communities & Adult Services Scrutiny Committee have considered these proposals and their letter is attached at Appendix B.
69. Workshops have been held with current and potential providers of services and comments requested. Their comments have been considered as part of the development of these proposals. Service user consultation has also taken place. A report of the findings of the consultation can be found at Appendix C.
70. This report does not relate to a local issue.

### **Reason for Recommendations**

71. To agree the approach to the recommissioning of Advice and Support Services.

### **Financial Implications**

72. Cardiff's grant funding for the Supporting People Programme Grant (SPPG) in 2016/17 totals £16,267,470. There is speculation that funding reductions of 5% to 10% will be made to the grant funding in the next financial year, resulting in a potential reduction of between £813k and £1.6m.
73. The report includes measures that could result in savings of £908k within Floating Support Services which, if achieved, would help to mitigate the impact of any grant reduction applied to the Supporting People Programme Grant. As in current contracts, it is important that there

remains an option to amend contract prices if there are subsequent changes in the level of grant the Council receives, both in 2017/18 and future years.

74. The SPPG grant conditions require that financial commitments are only entered into where there has been approval from the Regional Collaborative Committee and the Welsh Government, with Spend Plans detailing expenditure commitments submitted by the Council. These spend plans will continue to require some degree of flexibility in dealing with any uncertainty over future funding allocations.
75. Any additional base budget savings committed to in relation to the Contracted Advice Provision will contribute towards future budget savings targets for the Directorate.

#### **Legal Implications (including Equality Impact Assessment where appropriate)**

76. Confidential legal advice is attached at Appendix G.

#### **HR Implications**

77. The recommissioning of services may or may not have implications under the Transfer of undertakings (Protection of employment) regulations 2006 (TUPE) for the incoming and outgoing providers. An assessment will be made by the Council and referred to in any tender documentation. However, it will be recommended that any contractors take their own legal advice on whether TUPE applies or not as they will be the ones with the legal responsibility.

### **RECOMMENDATIONS**

It is recommended that Cabinet:

1. Agree the phased approach to recommissioning Supporting People Programme grant funded services as set out above, and agree the use of direct awards as appropriate to facilitate the phased approach to the recommissioning.
2. Agree the approach to recommissioning phase 1 services: generic floating support services, older persons floating support services, and gender specific services (including domestic abuse) as set out above.
3. Agree the approach to Advice Services as set out above, including the recommissioning of services.
4. Delegate authority to the Director of Communities, Housing and Customer Services in consultation with Councillor Susan Elsmore (Cabinet Member

for Health, Housing & Wellbeing) and Councillor Dan De'Ath (Cabinet Member for Safety, Engagement & Democracy), the Council's Section 151 Officer, and the Director of Law and Governance to:

(i) deal with all aspects of the recommissioning of floating support services, both generic and older persons, gender specific services and advice services as set out in the report, up to and including the award of contracts and

(ii) deal with all ancillary matters which pertain to the recommissioning proposals set out in this report, including, without limitation, making decision as to any direct award of contracts that may be required until the recommissioning arrangements for all phases are in place.

5. To note that it is intended to submit further reports to Cabinet to seek authorisation to commence the procurement processes for those Services to be recommissioned as part of phases 2 and 3, as and when the detailed procurement strategies are developed.

**SARAH MCGILL**  
**DIRECTOR OF COMMUNITIES, HOUSING & CUSTOMER SERVICES**

**24<sup>th</sup> August 2016**

*The following appendices are attached:*

Appendix A – Breakdown of current providers

Appendix B – Letter from Communities & Adult Services Scrutiny Committee

Appendix C – Report on Consultation

Appendix D - Equality Impact Assessment (Floating Support)

Appendix E – Equality Impact Assessment (Gender Specific Services)

Appendix F – Equality Impact Assessment (Advice Services)

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