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**SERVICE LEVEL AGREEMENT REPORT**

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**Responsible Cabinet Member(s) – Councillor Bryan Thistlethwaite, Adult Services Portfolio**

**Responsible Director(s) – Cliff Brown, Director of Community Services**

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**Purpose of Report**

1. To provide Members with details of existing Service Level Agreements (SLA's) with Independent and Voluntary Sector Providers and to seek agreement for their renewal.
2. To seek agreement to the waiving of the Council's Contracts Procedure Rules to enable current social care arrangements to be maintained.

**Summary**

3. The Council's current scheme of delegation to officers state that the Director of Community Services has delegated powers to enter into contracts up to the value of £75,000. Contracts exceeding this amount would normally be subject to a tendering process.
4. With regard to social care arrangements it will often be necessary to exceed this limit to ensure continuity and meet social care needs. In many instances, to meet these needs, arrangements need to be entered into with organisations that have particular expertise and knowledge.
5. Adult Social Services Contracting function plans to commence formal tender processes in relation to the identified agreements during the next 12 months in order to ensure value for money and effective monitoring arrangements.
6. This report seeks agreement to waive the Council's Contracts Procedure Rules for a twelve month period with respect to each of the SLA's detailed in the report and specifies the reason for this course of action. The Council's Contracts Procedure Rules are found in Part 4 (Rules of Procedure) of the Council's Constitution.

**Information and Analysis**

7. Community Services as part of its Purchasing Framework enters into SLA's with a number of Independent Sector and Voluntary Providers of social care. These are often partnership arrangements to develop services to meet specific needs of service users and rely upon the organisation's specialist knowledge and expertise.
8. The following SLA's are considered to meet these criteria and details on each are provided below.

## **Mental Health Matters - Mental Health Resource Centre**

9. In September 1998 the Council was successful in its bid for Mental Health Partnership funds to develop a Mental Health Resource Centre. Following a rigorous selection process Mental Health Matters was chosen from 3 potential service providers to undertake the development of this project in partnership with the Council. Since then the service at the Resource Centre has developed steadily in accordance with the SLA providing a combination of day support and supported employment for an average of 60 service users. In addition, Mental Health Matters has extended the service to offer additional drop in sessions on Tuesday and Thursday evenings and has prepared guidelines for employers to support the Welfare To Work Joint Investment Plan (JIP).
10. The services provided by Mental Health Matters have been considered as part of the authorities Best Value Review as reported to Cabinet on 30 January 2001. Market analysis, consideration of performance indicators, feedback from other stakeholders and the service user interviews all confirmed the value of the existing service. The outcome of that review was to conclude that the authority should support the continuation of the service.
11. Funding for the service for the financial year 2005/2006 was £190,631, £22,876 was funded by the Primary Care Trust, £133,442 was funded from the Mental Health Grant and the remainder from the Community Services Department. It is anticipated that funding for any new agreement would not exceed this amount. An inflationary increase will be negotiated. A one year agreement is proposed as there is an internal value for money review currently in process the outcome of which will influence the formal tendering arrangements.
12. On the basis of the proposed arrangements, the total value of the agreement will exceed £75,000. However, for the reasons below, it is deemed appropriate to negotiate a new agreement. The reasons are:
  - (a) there is currently considerable change in progress in statutory services, particularly with the merger of the specialist provider Trusts and proposals for the PCTs. This has caused anxiety among service users and they would benefit from stability of service provision by retaining the existing providers in the independent sector.
  - (b) Adult Social Services is currently completing a Value For Money review on Mental Health Services. It would be appropriate to continue with present commissioning arrangements until the completion of the review and to allow for a formal tendering process to be undertaken.

## **Darlington Mind**

13. Darlington Mind is a registered charity with an established record for providing high quality services to people with Mental Health Needs.
14. Darlington Mind have a single agreement which includes the provision of community services, day opportunities, White Dove, the housing support worker, housing outreach service, counselling, relaxation and stress management services.

15. The provision of these services by Darlington Mind was considered as part of the Best Value Review of Mental Health Services in Darlington as reported to Cabinet on 30/01/2001. Consultation with service users, benchmarking with other authorities and consideration of performance indicators resulted in the conclusion that the authority should support the continuation of the services provided by this SLA.
16. The total value of the agreement will be £ 105,110 of which the Department funds £97,430, the balance coming from Mind fund raising activities.
17. On the basis of the proposed arrangements, the total value of the agreement will exceed £75,000. However, for the reasons below, it is deemed appropriate to negotiate a new agreement. The reasons are:
  - (a) There is currently considerable change in progress in statutory services, particularly with the merger of the specialist provider Trusts and proposals for the PCTs. This has caused anxiety among service users and they would benefit from stability of service provision by retaining the existing providers in the independent sector.
  - (b) Adult Social Services is currently completing a Value For Money review on mental health services. It would be appropriate to continue with present commissioning arrangements until the completion of the review and to allow for a formal tendering process to be undertaken.

### **Outcome of Consultation**

18. No consultation was required to complete this report.

### **Legal Implications**

19. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

### **Section 17 of the Crime and Disorder Act 1998**

20. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

### **Council Policy Framework**

21. The issues contained within this report are required to be considered by Council.

## **Conclusion**

22. This report details a variety of service provision to best meet the needs of service users. It is considered that the use of SLA's should continue and that agreement be given to those outlined in this report and the waiving of the Council's Contracts Procedure Rules for a twelve month period.
23. A number of reports have been presented to Cabinet requesting the waiving of the Council's Contracts Procedure Rules, to enable the Community Services Department to develop contractual relationships with partner agencies and organisations, which are beneficial to service users and offer stability to independent sector providers. It is recognised that, although it is important to develop appropriate partnerships and to offer stability to providers and security of service to service users, it is equally important to ensure that the Council achieves value for money and the Department works within a framework recognised and approved by Cabinet.

## **Recommendations**

24. Council are requested to give the Director of Community Services delegated power to negotiate suitable SLA's with existing suppliers of the services detailed in the report and that the Council's Contract Procedure Rules be waived accordingly.

## **Reasons**

25. The recommendations are supported by the following reasons:
- (a) All of the organisations are committed to the principles of partnership working and are developing services to ensure positive outcomes for service users;
  - (b) There are significant benefits arising from relationships developed between provider organisations and service users as a result of the continuity of services;
  - (c) Some of the organisations make significant financial contributions to the service; and
  - (d) A number of these services have been part of the Best Value reviews and considered to be appropriate services.

**Cliff Brown**  
**Director of Community Services**

## **Background Papers**

- (i) Mental Health (Children and Adults) Best Value Review undertaken between April and December 2000.

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