
SERVICE LEVEL AGREEMENT

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

Responsible Director(s) - Cliff Brown, Director of Community Services

Purpose of Report

1. To provide Members with details of existing Service Level Agreements (SLAs) with Independent 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.

Background

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. This report seeks agreement to waive the Council's Contracts Procedure Rules with respect to the SLAs 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

6. The Department as part of its Purchasing Framework enters into SLAs 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.
7. The following SLAs are considered to meet this criteria and details are provided below.

Mental Health Matters – Mental Health Resource Centre

8. 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 three 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).
9. A review of the Service was undertaken in June 2006 and it was agreed that the Service Level Agreement be renewed for the period 2007/2008.
10. Funding for the service for the financial year 2006/2007 was £190,631.00 comprising £22,875.72 funded by the Primary Care Trust, £133,441.70 funded from the Mental Health Grant and £34,313.18 from the Community Services Department. Negotiations will take place to renew the SLA following the approval of this report and it is anticipated that the cost will only increase by an inflationary amount.
11. The renewal of the SLA for a further year will allow for a future joint formal tendering process to be undertaken with the Primary Care Trust to ensure that services commissioned are appropriate and value for money.
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) Primary Care Trust management is currently undergoing change.
 - (b) It would be appropriate to continue with present commissioning arrangements until a joint tender process can be undertaken.

Darlington Mind – Consolidated Mental Health Service

13. Darlington Mind is a registered charity with an established record for providing 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. A review of the Service was undertaken in May 2006 and it was agreed that the Service Level Agreement be renewed for the period 2007/2008.

16. Funding for the service for the financial year 2006/2007 was £115,800.46, of which, the Council funds £108,119.63. The remaining balance coming from Mind fund-raising activities. Negotiations will take place to renew the SLA following the approval of this report and it is anticipated that the cost will only increase by an inflationary amount.
17. The renewal of the SLA for a further year will allow for a future joint formal tendering process to be undertaken with the Primary Care Trust to ensure that services commissioned are appropriate and value for money.
18. 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) Primary Care Trust management is currently undergoing change.
 - (b) It would be appropriate to continue with present commissioning arrangements until a joint tender process can be undertaken.

Darlington Mind – St Hilda’s Day Service

19. Darlington Mind is a registered charity with an established record for providing services for people with Mental Health Needs.
20. Darlington Mind have a service level agreement to provide day care facilities for support and care of people suffering from a range of organic mental health problems. The service has been provided since June 2003 and the current agreement is due to expire 31 March 2007.
21. The service is funded by Adult Social Services, Darlington PCT and Tees, Esk and Wear Valley Priority Services Trust. Funding for the service for the financial year 2006/2007 was £214,311.78, of which, Adult Social Services funds £157,240.83, Darlington PCT fund £21,854.54 and Tees, Esk and Wear Valley Priority Services Trust fund £ 35,216.41. Negotiations will take place to renew the SLA following the approval of this report and it is anticipated that the cost will only increase by an inflationary amount.
22. A review of the service was undertaken in August 2006 by all parties and it was recommended that the Service Level Agreement is renewed for the period of one year which will allow all parties to look at service developments and a future formal tender process to be undertaken.
23. 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) Darlington MIND has an established reputation as a service provider in this area of work.

- (b) Darlington MIND has worked in partnership with Adult Social Services, Darlington PCT and Tees, Esk and Wear Valley Priority Services Trust over a number of years to provide and develop the service.
- (c) It would be appropriate to continue with present commissioning arrangements to allow timescales for service developments and a formal tender process to be undertaken.

Outcome of Consultation

- 24. No consultation was required to complete this report.

Legal Implications

- 25. 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

- 26. 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

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

Conclusion

- 28. This report details the service provision to best meet the needs of the service user. It is considered that the use of SLAs for the services described should continue. However, it is recognised that while 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. The current SLAs are considered to provide value for money and the extension of the current arrangements will allow time to format tendering procedures to be undertaken.

Recommendation

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

Reasons

30. 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 user.
- (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.
- (d) Reviews of the services have been undertaken and they are considered to be appropriate services.

Cliff Brown
Director of Community Services

Background Papers

No background papers were used in the preparation of this report.

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