

**ADULT SOCIAL CARE: EXEMPTIONS FROM CONTRACT REGULATIONS FOR THE DELIVERY OF SOCIAL CARE AND SUPPORT SERVICES**

**To: Cabinet**

**Date: 13<sup>th</sup> December 2011**

**From: Adrian Loades Executive Director Children and Young People's Services and Adult Social Care**

**Electoral division(s): All**

**Forward Plan ref: 2011/044** **Key decision: Yes**

**Purpose: To outline the case for the approval of contract exemptions for a range of adult social care and supporting people contracts**

**Recommendation: To approve a range of short term contract exemptions with respect to a range of adult social care contracts.**

- a) PERSONAL SUPPORT SERVICE (HOME BASED) (PSSH) – 39 providers all operating under the same contract: extension from 31 March 2012 to 30 September 2012**
- b) SPECIALIST HOME AND COMMUNITY SUPPORT SERVICES (DISABILITY SERVICES) – 48 providers all operating under the same contract: extension from 31 March 2012 to 30 September 2012**
- c) SPECIALIST HOME AND COMMUNITY SUPPORT SERVICES (MENTAL HEALTH) – 5 providers all operating under the same contract: extension from 31 March 2012 to 30 September 2012.**
- d) SUPPORT IN SHELTERED HOUSING, 18 contracts, to March 2013**
- e) SUPPORT CONTRACTS IN EXTRA CARE SCHEMES so they align with the end dates of existing contracts for social care.**
- f) SERVICES FOR SINGLE HOMELESS PEOPLE, HOMELESS FAMILIES, YOUNG PEOPLE AT RISK AND VICTIMS OF DOMESTIC ABUSE – six contracts, extension of 2 years from 31 March 2012 to 31 March 2014**

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# **1. PERSONAL SUPPORT SERVICES (HOMEBASED), SPECIALIST HOME AND COMMUNITY SUPPORT (LEARNING DISABILITY) AND SPECIALIST HOME AND COMMUNITY SUPPORT (MENTAL HEALTH) SERVICES.**

## **1.1 Background**

- 1.2 This part of the report outlines the reasons for recommending an extension to the Personal Support Services – Homebased (PSSH) contracts for homecare. Officers recommend that a 6 month extension to the current contracts will allow them to take account of a number of new developments and initiatives currently introduced by other local authorities.

## **1.3 Main Issues**

The home care market for people across Cambridgeshire is currently worth £21 million. It is a significant area of spend across Adult Social Care and must be managed by officers to ensure that the contract offers value for money, minimises waste and delivers quality services to an increasingly discerning group of clients. There are nearly 1.3million paid hours of Home Support per annum, with up to 4,000 people at any one time receive a service from the independent sector.

The current contracts are due to expire in March 2012. Preparations are underway to retender the contract and the preferred contracting approach will change from a cost and volume contract to a Framework Contract. The Department of Health takes the view that officers should be encouraging plurality in the market and encourage a range of providers to set up alternative service options that people can use to meet their individual needs. The change in contracting approach takes into account the Personalisation agenda and self directed support, which in turn means that local authorities should no longer purchase block contracts from home care agencies but should move towards providing a wider range of services. In reality the market has not yet developed as many users of services (especially older people) still require traditional services such as washing, getting up in the morning, feeding and help to take medication.

At a recent Association of Directors of Adult Social Services (ADASS) Eastern region contract workshop, participants discussed the approaches adopted by different councils along with the risks. The workshop went on to discuss a range of issues and practical solutions that would assist with market development, managing costs, and developing the workforce. Officers need to ensure that current providers are involved in developing the current market and willing to work flexibly so that the market is ready to respond to the emerging challenges.

There are a number of issues that need to be addressed with the market rather than imposing solutions on the market, these include:-

- Delivery of safe, quality services into people's homes across both urban and rural areas.
- Development of a diverse range of services that consumers are willing to purchase in order to maintain their independence.

- Ensuring value for money across all client groups (i.e. older people, learning disabilities, mental health and physical disabilities)
- Seek to attract new entrants to the market
- Work with providers to develop a workforce that can deliver services that allow individuals to stay in their own homes.

A member review of home care is currently in progress and following a meeting last month it became clear that members are keen to use the review to influence the new contract approach. Officers have agreed to take on board the issues raised by members but will be limited in their ability to do so if the contract timetable continues with a start date of the 1st April 2012. A contract extension will allow for the review to be completed and any recommendations properly considered by Cabinet for possible inclusion in the new contract arrangements.

Many of the issues highlighted above will mean fundamental changes across a range of organisations. Achieving the required changes before April 2012 will be challenging if not impossible. A smooth transition between contracts is essential to ensure that potential savings are maximised and providers are willing and able to adapt to the proposed changes. A realistic date for achieving this would be the 1st October 2012. This effectively means extending the current contract for 6 months.

## **2.0 HOUSING SUPPORT SERVICES FOR PEOPLE IN SHELTERED AND EXTRA CARE HOUSING**

### **2.1 Background**

#### Sheltered housing

- 2.2 Funding is given to 18 providers for the provision of housing related support in 166 sheltered housing schemes across the county. This funding is for support not eligible to be paid for by Housing Benefit. Most commonly the support is delivered by a scheme manager (previously known as a warden). Appendix 1 shows the distribution of schemes across the districts.

#### Extra care housing

- 2.3 Over the past year there has been joint tendering with social care contracts for the provision of housing related support and social care in the new extra care schemes that have been developed. There are 5 schemes where the end dates for social care and SP do not line up. In addition, Cambridgeshire Community Services (CCS) who provide social care in another 5 schemes have indicated that they plan to cease providing care in these units (Appendix 2).

### **2.4 Main Issues**

#### Sheltered housing

- 2.5 In Cambridgeshire, the number of older people is forecast to rise steadily in all areas (apart from Cambridge City) up to 2021 and they comprise a higher

proportion of the population in rural areas than in urban. Funding for older people is currently focussed on sheltered housing schemes in the public sector and yet only 5% of older people live in sheltered housing. Rather than re-commission the existing service, officers want to re-configure the services to include older people living in the community, focussing on prevention and early intervention. In doing so they are keen to maximise benefits by embracing localism and volunteering opportunities, learning from services such as village wardens.

- 2.6 The work to re-configure services should not be underestimated. Generally the expectation of sheltered housing tenants is that there should be a designated scheme manager, as for many tenants safety and security was the main reason why they moved to sheltered housing. To reconfigure and commission services within the existing timescales allows insufficient time to carry out comprehensive consultation with tenants, district councils and other stakeholders. There are legal precedents against local authorities who have not undertaken meaningful Community Impact Assessments. This could in the worse case scenario mean the Council is forced to suspend the award of contract.
- 2.7 The market to support older people to live independently is still developing. We contacted a range of local authorities, the majority of whom are also considering re-modelling and consequently are also extending their current contracts to allow sufficient time to enable this. We also contacted a range of organisations, some of whom are existing providers and some who we would expect to be interested in future tendering opportunities. The feedback we received is that as yet the market for the provision of housing related support is not well developed and not able to offer the synergy, savings efficiencies and choice of services across the whole county. We recognise, however, that there may be opportunities to bring in new providers from the independent and voluntary sectors. It would be premature, therefore, to seek to commission the services before more work is done to expand the range of opportunities and benefits or develop the market.

#### Extra Care housing

- 2.8 In order for joint commissioning work to continue we are recommending that the SP contract end dates be extended to align with the social care contracts. The 5 CCS schemes are to be tendered by April 2013. (Appendix 2)

### **2.9 Recommendations**

- 2.10 It is recommended that the current support contracts are extended while options to re-configure the services are explored, thus allowing the market to develop in response. A project timetable has been developed to deliver the following:
- Finalise savings with sheltered housing providers to assist with balancing the budget for 2012/13.
  - Carry out consultation with providers, tenants, district councils and other stakeholders.
  - Working with providers to offer support in the wider community.
  - Cost up different approaches.

- Develop more holistic services, early intervention/preventative – to be achievable within the timeframe.
- Ensure that new services complement existing services provided by voluntary sector organisations, (e.g. the Village Warden service run by Age UK in some villages in South Cambs and Care Network that provides a range of services for older people).
- Explore the feasibility of changing the basis of the support service to one based on need, rather than tenure of housing.

### **3.0 SUPPORT SERVICES FOR SINGLE HOMELESS PEOPLE, HOMELESS FAMILIES, YOUNG PEOPLE AT RISK AND VICTIMS OF DOMESTIC ABUSE**

#### **3.1 Background**

- 3.2 Support providers are contracted by the County Council to deliver housing support services to vulnerable people across Cambridgeshire. The contracts listed in Appendix 3 come to an end in April 2012 and cannot be extended without cabinet approval. It is recommended that they are exempted from contract regulations and not put out to tender as to do so would cause diseconomies and/or significant disruption to the delivery of Council services.

#### **3.3 Main Issues**

- 3.4 A review of accommodation based services has been taking place over the last 18 months to determine if services meet strategic objectives. The review looked at all Supporting People funded services for single homeless people, homeless families, young people at risk and victims of domestic violence. Consideration has also been given to whether services could be provided more efficiently by use of floating support (supporting people based on their need rather than their accommodation). Finally, where accommodation based services are to be retained, the review has considered if the service we want is being provided in the most cost efficient manner.
- 3.5 There is a strong theme that by extending these existing contracts, rather than going out to tender, there will be greater savings and less disruption to services. There is an element of localism and support to the third sector which although not directly addressed in the Contract Regulations has an impact on the costs of the services to the Council.
- 3.6 Over the last 6 months the Supporting People Team has put out to tender contracts with a value of nearly £1million. These services were expensive and the support service could be extracted and tendered separately from the accommodation. The option to tender has been taken where it is most appropriate/beneficial.
- 3.7 In relation to the services, tendering at this time is not appropriate as it will lead to increased costs for the council and disruption at a time when budgets are under pressure. The main issues are:
- In all cases there is no current case for tendering on economic grounds in fact doing so may increase costs.

- In the case of exemption 2 office rents are provided at a low cost to the provider as the landlord agrees to a favourable rate due to the providers small 3<sup>rd</sup> sector organisations. If a new provider wins the tender the landlord has indicated they may charge a higher rent which will increase the cost for the Council
- In the case of exemption 2 the Refuges are one part of an integrated approach to dealing with domestic violence and cannot be extracted without causing a fragmented service user experience.
- In the case of exemptions 1, 3, 4 & 5 the landlord and support provider are currently the same organisation and offer excellent value. If the support service was tendered separately the current provider has indicated they would charge the new support provider for use of the premises. This may result in service users receiving less face to face support as back office costs would increase
- In the case of exemption 1 the service is still in its early stages of development following a £2M capital investment programme. Tendering the service at this stage would be disruptive to vulnerable people when the service is already performing excellently
- In all cases these are well regarded local services. In the case of exemption 2 (Cambridge Women's Aid) the service is run by a small third sector businesses which have evolved to meet local need. Tendering may put the viability of this organisation at risk.
- In the case of exemption 6, potential investment of £350,000 could be at risk.

3.8 Regarding these services excellent value is being delivered with positive outcomes, further efficiency savings will be achieved through negotiations which will take place if extensions to contracts are granted.

3.9 Work in preparing to tender these contracts will be done in conjunction with LGSS Procurement and Legal services.

#### **4.0 ALIGNMENT WITH PRIORITIES AND WAYS OF WORKING**

##### **4.1 Supporting and protecting vulnerable people when they need it most**

The following bullet points set out details of implications identified by officers:

- People who use home care services will be enabled to maintain their independence.
- People will have increased choice and control over the services they are able to choose.
- Providers of services will be supported to develop a skilled and competent workforce able to meet the needs of vulnerable people.

The remodelled sheltered housing services will provide:

- a focus on prevention and early intervention
- holistic, responsive support systems for older people living in the community
- tailored services to the different needs and expectations of those living in rural/urban situations

- an opportunity to explore the feasibility of changing the basis of the support service so that it is based on need, rather than tenure of their housing
- the services provided at the various hostels and other services for homeless people will provide;
  - safety and a secure environment
  - assistance in crises
  - support for young people during transition from home to independence

These services work with some of the most vulnerable people in the county including:

- Older People
- Single homeless people
- Homeless families
- Victims of domestic violence
- Young people at risk

The service providers support people to get back on their feet and protect them from harm.

#### **4.2 Helping people live healthy and independent lives in their communities**

- People will be enabled to live in their own homes as long as possible through the introduction of new services tailored to meet their individual needs.
- services will be developed that are tenure neutral, targeted at older people who need support to enable them to remain living independently in the community
- the services will be more flexible. Feedback from a pilot study carried out in one of the districts showed that in a significant number of cases, short-term rather than on-going support was required
- further work to be carried out with support providers who have started to explore offering more choice to tenants by developing a 'menu of options' for the type of support they need
- explore more creative ways of providing services, including from within communities themselves

#### **4.3 Developing the local economy for the benefit of all**

- All of the providers supplying home care services are local businesses, the revised contracting approach and proposed extension will allow for meaningful consultation regarding the implementation and development of the new approach.
- The Supporting People programme makes a significant contribution to the local economy by helping vulnerable people get back to work. Between Aug and Oct the programme helped 71 vulnerable individuals to access paid work across the county. The foyer's central mission is to train young people to access the labour market.

## **4.4 Ways of Working**

- 4.1 The following bullet points set out implications identified by officers for:
- *Being a genuinely local Council* – see particularly 3.7, above
  - *Making sure the right services are provided in the right way* – see particularly 1.3, above
  - *Investing in prevention* – all of these services described above
  - *Working together* – see particularly 2.4 and 3.7, above

## **5.0 SIGNIFICANT IMPLICATIONS**

### **5.1 Resource and Performance Implications**

The following bullet points set out details of significant implications identified by officers:

- In the case of the sheltered housing, contracts with providers will be re-negotiated to ensure savings are secured to assist with balancing the budget for 2012/13, and any developments of the service will be financed from savings from the current budget
- The eventual tendering of these services will assure best value

### **5.2 Statutory, Risk and Legal Implications**

#### **Corporate Procurement and Legal Advice**

- 5.3 In preparing this paper, the opinion of both the Corporate Procurement and Legal teams were sought, which are briefly outlined below.

5.3.1. As advised by Corporate Procurement, it is important to recognise that all of these contracts are classed as Part B Services, as per Section 25 of the Public Contracts Regulations 2006, However, whilst Part B services are not subject to the full rigor of all EU Procurement Legislation as a public body the Council has an obligation to comply with EU Treaty principles and to act with fairness and transparency in procuring such services.

5.3.2 Advice from the LGSS Legal services is that the extension of these contracts beyond the term specified in the contracts and notices published in accordance with the Public Contract Regulations 2006 does present a risk of challenge and claims for damages from competitors of the current contractors. This risk has been mitigated as far as possible (but not completely removed), by seeking exemptions to extend the existing contracts for the minimum periods necessary to carry out new procurements to secure future services.

### **5.4 Equality and Diversity Implications**

The following bullet points set out details of significant implications identified by officers:

- Support will be available to a larger number of older people (paragraph 2.1).



- Access to support will not be determined by housing tenure as is currently the case.

## 5.5 Engagement and Consultation

See sections 1.3 and 2.4, above.

Source Documents	Location
Contract paperwork for all of the above services – this contains commercially sensitive business exempt information which is not to be disclosed to the public	Procurement (Adult Social Care and Supporting People), Room C207, Castle Court, Shire Hall, Cambridge.

## **Appendix 1**

<b>DISTRICT</b>	<b>NO. OF SCHEMES</b>	<b>APPROX NO. OF TENANTS</b>	<b>ANNUAL EXPENDITURE (£K)</b>
Cambridge City	28	1,004	£395
East Cambs	31	1,180	£373
Fenland	26	770	£279
Huntingdonshire	34	1,051	£298
South Cambs	47	1,570	£601
Total	166	5,575	£1,946

## **Appendix 2**

<b>Scheme</b>	<b>SP Contract End Date</b>	<b>Social Care End Date</b>
Baird Lodge, Ely	Mar 2012	CCS – tender in next 12 months
Bircham House, Sawston	Mar 2012	Aug 2013
Broadleas, St Ives	Mar 2012	CCS – tender in next 12 months
Ditchburn Place, Cambridge	Joint contract ends Jan 2014	
Jubilee Court, March	Mar 2012	Dec 2013
Milbrook House, Soham	Mar 2012	CCS – tender in next 12 months
Moorlands, Melbourn	Mar 2012	Apr 2013
Ness Court, Burwell	Mar 2012	CCS – tender in next 12 months
Nichols Court, Linton	Joint contract ends Jun 2013	
Park View, Huntingdon	Joint contract ends Jan 2014	
Poppyfields, St Neots	Mar 2012	Jan 2014
Richard Newcombe Ct, Cambridge	Joint contract ends Apr 2014	
Somers Court, Wisbech	Mar 2012	CCS - tender in next 12 months
Willowbank, Cambridge	Mar 2012	Jun 2013

## **Appendix 3**

### **Exemption 1 - Octavia View run by Luminus Group in Wisbech.**

<b>Service Detail</b>	<b>Value &amp; efficiency</b>	<b>Rationale for exemption</b>
The Project is a homeless assessment centre with 24 beds which provides support to single homeless people to assess the needs and develop move-on options in Wisbech. There are	Current contract value is £144,00 per year for main hostel, £28,000 for the move-on and £30,000 for offender component . Costs £115 per unit per week*. Comparable services cost £156-	Clause 3.4 – Diseconomies – It is unlikely that significant savings could be made to the service through tendering. Benchmark services both locally and nationally are significantly more expensive than this service. The service will need to be continued from the same building and the current landlord Luminus would have to charge another provider for use of the building and equipment currently funded from their own resources. This would reduce the money available to provide the face to face service.

also move-on units from the main hostel and an offenders component	<p>£247 per unit per week.</p> <p>*Cost per unit per week = weekly cost to the Supporting People Programme for each household that is supported.</p>	<p>Additionally it is expected that by working with the current provider a saving of £30,000 could be achieved by integrating work with offenders into the assessment centre model. The service achieves 80% positive outcomes against comparable services only achieving 50-60% positive outcomes</p> <p>Clause 3.4 - Significant disruption. The service only started in mid 2010 following a £2M capital improvement upgrade. Tendering now would cause significant disruption to work with vulnerable homeless people for no perceived benefit. The service is highly regarded as a locally important service to the people of Wisbech. Supporting evidence - letter from Fenland District Council supporting an exemption. The overall quality of the service is judged at level A (top level) using the Supporting People Quality Assessment Framework.</p>
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### **Exemption 2 – Domestic Violence Refuges operated by Refuge and Cambridge Women's Aid**

<b>Service Detail</b>	<b>Value &amp; efficiency</b>	<b>Rationale for exemption</b>
The projects provide refuge for Women who have experienced domestic violence. 3 Domestic Violence Refuges in Cambridge, Fenland and Huntingdonshire. 1 operated by Cambridge Women's Aid (11 beds) and 2 operated by Refuge (8 & 12 beds).	Cambridge Women's Aid value is £123,000 per year. Refuges services are £124,000 and £115,000. 44 comparable refuges nationally cost £278 per unit per week. Cambridgeshire's Refuges cost £194 per unit per week.	<p>Clause 3.4 – Diseconomies – It is unlikely that significant savings could be made to the service through tendering. Benchmark services both locally and nationally are significantly more expensive than these services. For the Cambridge Women's Aid service office rents have been set low due to goodwill by the current landlord but may increase if the service is run by another provider.</p> <p>Clause 3.4 – Significant disruption. The refuges are the core service to which all associated Domestic Violence services aligned to. Each provider then offers significant added value via services to the community by outreach services from the refuges (recently tendered and won by both providers). A range of other funders contribute funding for small but vital specific interventions for example with support to children in the refuges. The services are at the heart of the localism agenda and have driven forward strategic work in the county. See supporting evidence from the Countywide Domestic Violence Co-ordinator. The overall quality of the service at Refuge is judged at level A (top level) using the Supporting People Quality Assessment Framework.</p>

### **Exemption 3 – Single and Homeless Family services operated by Cambridge City Council.**

<b>Service Detail</b>	<b>Value &amp; efficiency</b>	<b>Rationale for exemption</b>
3 homeless services operated by Cambridge City Council. The projects support single and homeless families providing a	Current contract value is £131,000 per year with all services being subsidised by Cambridge City Council. If tendered it is possible a new	Clause 3.4 - diseconomies. It is very likely that the cost of the tender would increase as the service is already significantly subsidised by Cambridge City Council. A way forward will be to work with the provider to bring down the staff costs. The services will need to be continued from the same buildings and the current landlords would have to charge

total of 62 units of accommodation.	provider may need to charge significantly more.	<p>other providers for use of the building and equipment currently funded from their own resources. This would reduce the money available to provide the face to face service. The current provider has agreed to make further savings of 5-10% if an extension to the contract can be granted.</p> <p>The overall quality of the service is judged at level A (top level) using the Supporting People Quality Assessment Framework.</p> <p>Supporting evidence – E-mail from Cambridge City stating their intention to work with us to reduce costs.</p>
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#### **Exemption 4 – Paines Mill Foyer, St Neots provided by Axiom Housing Association**

<b>Service Detail</b>	<b>Value &amp; efficiency</b>	<b>Rationale for exemption</b>
The projects provide accommodation and support for 19 young people in one building and 4 young people in move on flats. As part of the licence agreement young people have to be actively in training or in work	The current contract for the service is £110,795. The cost of this service and the service in Exemption 5 were reduced by 10% from the 2010/11 by negotiation in response to a request to make savings due to the budget situation	Clause 3.4 – diseconomies. It is unlikely that significant savings could be made to the service through tendering. The service will need to be continued from the same building which not only provides accommodation but also training facilities, an alternative is very unlikely to be available. Axiom, the current provider, would make the building available if they were to lose a tender however they would charge for the use of offices and equipment which currently fund from their own resources. This would reduce the money available to provide the face to face service. It expected that greater savings could be made by further negotiations which would include refining the specification and looking at savings across the Floating Support service which Axiom provide.

#### **Exemption 5 – Wisbech Foyer provided by Axiom Housing Association**

<b>Service Detail</b>	<b>Value &amp; efficiency</b>	<b>Rationale for exemption</b>
The projects provide accommodation and support for 17 young people. As part of the licence agreement young people have to be actively in training or in work	The current contract for the service is £110,769. The cost of this service and the service in Exemption 4 were reduced by 10% from the 2010/11 by negotiation in response to a request to make savings due to the budget situation	Clause 3.4 – diseconomies. It is unlikely that significant savings could be made to the service through tendering. The service will need to be continued from the same building which not only provides accommodation but also training facilities, an alternative is very unlikely to be available. Axiom, the current provider, would make the building available if they were to lose a tender however they would charge for the use of offices and equipment which currently fund from their own resources. This would reduce the money available to provide the face to face service. It expected that greater savings could be made by further negotiation The District Council was closely involved in the project by providing land as part of a regeneration project. To allay fears of the local community about potential nuisance a commitment was made that the management would be by a local association with an understanding of the area.

**Exemption 6 – Whitworth House, Cambridge, accommodation for young women at risk provided by Orwell Housing Association**

Service Detail	Value & efficiency	Rationale for exemption
The project provides accommodation and support for 13 young women	The cost of the service is currently £65,753 which equates to £97 per person per week. The cost of this service is very low compared with similar services and represents good value for money	Clause 3.4 – diseconomies and disruption of service. The service is already low cost and there is little scope for reducing the service and therefore costs. If it were to be tendered the service would still have to be provided from the existing building and a new supplier would have to pay for the use of offices and a sleep in room which are currently provided by the existing provider from their own resources. It is likely that there could be disruptions to the service and the future development of the service. There is a very active local support group who are fundraising for major improvements to the property with a target of £100,000. The balance of the cost of the improvements is to be met by Wherry the current owners.