

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

To: Cabinet

Date: 15th March 2011

From: Claire Bruin, Service Director, Strategy and Commissioning (Adult Social Care)

Electoral division(s): All

Forward Plan ref: Not applicable **Key decision:** No

Purpose: To outline the case for the approval of contract exemptions for a range of adult social care contracts.

Recommendation: To approve a range of short term contract exemptions with respect to a range of adult social care contracts, to ensure safe delivery of services both within the budget available and through achieving efficiency savings as follows:

- a) Excelcare: extension from 20 June 2011 to 31 march 2012
- b) Methodist Homes Association: extension to 31 March 2012
- c) AGE UK : extension to 30 November 2011
- d) Pringle Group: extension to 30 November 2011-03-04
- e) Richmond Fellowship: extension to 30 November 2011
- f) Granta Housing: extension to 30 November 2011
- g) Cambridge Housing Society: extension to 30 November 2011
- h) Essex Coalition of Disabled People: extension to 30 November 2011

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1.0 INTRODUCTION/BACKGROUND

- 1.1 Cambridgeshire County Council Community and Adult Services commission a wide range of services for older people, adults with mental health needs, and adults with physical and learning disabilities. Funding for these services comes from both the Adult Social Care and Supporting People's budgets.
- 1.2 The recommendations set out in this report have been made in the context of the Integrated Planning Process (IPP) for 2011/12 and the following 3 years, the budget strategy that underpins the IPP, the development work required to deliver the budget strategy balanced with the need to maintain some stability across the system, and information on the current market conditions across Cambridgeshire and the Eastern Region.
- 1.3 Adult Social Care is required to deliver savings of approximately 12% of gross budget in 2011/12, followed by approximately 10% in 2012/13 and 6% - 7% in the following 2 years. To achieve these savings a budget strategy with three main strands of activity has been developed:
- Prevention
 - Preventing people with emerging vulnerabilities from needing to use the most expensive services.
 - Transformation
 - The further development of reablement, self directed support and the modernisation of day services.
 - Managing unit costs
 - Including seeking efficiency savings from providers and rigorous review and reduction of high cost placements.
- 1.4 The contracts that are considered in this report cover a number of different aspects of the social care system:
- Residential and nursing homes for older people
 - Supported living services for people with mental health issues
 - Housing related support for people from a number of client groups
 - Support to use and manage Direct Payments provided to all adult client groups.
- The detail of these contracts, including the service capacity, is set out in Appendix 1.
- 1.5 The budget strategy is focussed on prevention, transformation and managing unit costs rather than identifying specific services for closure. Whilst the budgetary strategy was being developed and discussed with Cabinet, prior to formal approval, the future tendering decisions for a number of contracts with voluntary sector organisations that were due to end on 31st March 2011 were not progressed. The decision to approve the budgetary strategy now means that plans to retender these services with a stronger focus on increasing independence and reducing long-term demand on services can now go forward. This does, however, require extensions to the contracts for a maximum of eight months to 30th November 2011.
- 1.6 Another significant group of services that are due for retender are the residential and nursing home block contracts for older people. These contracts end on 20th June 2011, 1st November 2011 and 31st October 2014. The challenge of the IPP process has led to significant discussions about the potential merits of block and spot contracts for residential and nursing home placements with other Local Authority colleagues. Some other authorities have seen providers try to push up prices through tendering exercises, and other authorities have moved away from block contracts completely. The uncertainty of the full impact of the Comprehensive Spending Review has

impacted on the timeframe for agreeing the future approach to residential and nursing home placements with NHS partners. Further consideration needs to be taken to the approaches emerging in other Local Authorities to inform the future approach to these services locally. Given this situation, extensions of nine and four months are requested, i.e. to the 31st March 2012, to allow the approach to purchasing residential and nursing home placements to be confirmed and, if necessary, a tendering exercise to be carried out.

- 1.7 Equally important is the need to maintain reliable support for service users who are in receipt of Direct Payments. Disruption to this service, at a time when we are continuing to actively promote the increased use of Direct Payments (linked to self directed support), would potentially lead to a lack of confidence for people already using or for those people just deciding to use a Direct Payment.

2.0 OLDER PEOPLE'S SERVICES

2.1 Excel Care Block Contracts

- 2.1.1 Cambridgeshire County Council (CCC) transferred nine care homes to Excelcare. The contracts were to run for 10 years and each of the nine homes had a specific number of block beds. These are for permanent and respite care. The contracts for all of these homes are due to expire 20th June 2011, the 10th home, Etheldred House was sold much later to Excelcare and is due to expire 31st October 2014.
- 2.1.2 One of the main reasons CCC sold all of their older people's care homes was the cost they would have incurred to bring the care homes up to a suitable physical standard. Excelcare have invested £16.8 million pounds in these care homes, they have completely knocked down and rebuilt three care homes, more than doubling their size, and have completely refurbished or extended the remainder of their care homes to an excellent standard (this was in line with the contractual terms and conditions). Their annual repairs and renewals program is calculated to be in the region of £275-£300k per annum. This was in line with the contractual terms and conditions.
- 2.1.3 All of these nine care homes are currently rated 'Good' by CQC. The Contracts and Care Placements Unit have monitored these care homes on a regular basis and do not have any major issues with the care provided currently.
- 2.1.4 Over the period of the contract, the Contracts and Care Placements team and Excelcare have built up a good, professional working relationship. Excelcare have proven to be flexible in the way we commission care and if block beds are not being used to their full capacity, they will work with us to change the status of the beds to ensure maximum usage. This has allowed increases in the number of dementia care beds and the reductions in beds for the frail elderly.
- 2.1.5 Recommendation**
- 2.1.6 To extend the block contracts with Excelcare by nine months, to 31st March 2012. This will give us the opportunity to look in depth as to what is needed for the older population in Cambridgeshire, in line with paragraph 1.6 above.

2.2 Other Residential Contracts

2.2.1 Methodist Homes Association Block Contract

2.2.2 CCC transferred three care homes to Methodist Homes Association (MHA). The contracts were to run for 10 years and each of the three homes had a specific number of block beds. These are for permanent and respite care. The contracts for all of these homes are due to expire on 1st November 2011.

2.2.3 CCC are looking to extend the contract for five months for only one of these care homes, Queens Court at Bottisham, because the housing provider who owns the property on the other two homes will be taking ownership in November 2011. From that point CCC will use spot purchasing arrangements with the new provider for current and future residents.

2.2.4 Queens Court has had a significant extension built, and major refurbishment. It is an extremely popular care home with the local population, and the current block beds are used to their maximum capacity. This homes is currently rated 'Good' by CQC, and the Contracts and Care Placements Unit have monitored the home on a regular basis and do not have any major issues with the care provided currently.

2.2.5 Recommendation

2.2.6 To extend the block contract with MHA by five months, to 31st March 2012. This will give us the opportunity to look in depth as to what is needed for the older population in Cambridgeshire, in line with paragraph 1.6 above.

2.3 Age UK Contract

2.3.1 The contract with Age UK was put together to formalise under one umbrella contract the wide range of services that Age UK provide to both the CCC and PCT under various historical funding arrangements across Cambridgeshire. The benefit has been that all services can be monitored on a planned six monthly basis involving the relevant commissioners from both CCC and PCT, which has reduced any duplication of meetings and has ensured a continuity of practice across the County. Other funding organisations including District Councils are also invited and attend these review meetings again to ensure a clear understanding on all the relevant issues for all involved parties. AGE UK has consistently delivered good quality services across the wide range of activities provided under the contract and have worked co-operatively with Commissioners to ensure that services have remained relevant. The current contract is due to expire on 31st March 2011.

2.3.2 Listed below are the current services being provided under this contract, with an outline of the key issues that will influence the delivery of the service going forward. Further information is also provided in Appendix 2.

- *Influencing and Enabling Service*

To manage a range of local and participative services for older people which promote independence and improve well-being to enable the quality of life of older people in Cambridgeshire to be improved.

To work in partnership with other local statutory, voluntary and commercial organisations.

To promote development and innovation that meet the needs and best interests of older people.

To gather views of older people and convene a County-wide forum of older people to meet at least three times per annum

To improve community participation, opportunities for volunteering and active citizenship.

- *Advocacy Services*

To provide an independent Advocacy Service to older people living at home with mental health problems

- *Community Warden Services*

To provide warden services in Teversham, South Cambridgeshire's small villages, Linton, Histon, Littleport and Ramsey.

- *Day Services*

To provide day services at Cherry Trees Cambridge, Ambury Road Huntingdon, Boyden Court, Lyons Court and Oasis Centre, Wisbech and Tuesday Club March.

- *Older Carers – Huntingdonshire*

To support, provide information and complete carers assessment for carers of older people in Huntingdon District.

- *Voluntary Visiting Service - Countywide*

To provide a regular weekly volunteer visiting service to lonely, isolated housebound older people throughout Cambridgeshire.

- *Winterwise*

To support and provide information with partnership organisations to ensure that older people are safer at home as a result of better information, increased benefits and grants for energy efficiency, advice and practical support to avoid distraction burglary, reduction in falls and greater fire safety.

- *Healthy Homes Fenland*

To prevent and increase in accidents and hospital admissions in the Fenland District and assist Fenland OT service and prompt the reablement agenda.

- *Information Officer – Addenbrookes*

To provide support and information to older people who attend the Emergency Assessment Unit who are not admitted, ensuring they return home safely and maintain their independence, referring on to other voluntary and statutory providers as appropriate.

- *Visiting Services for Court of Protection Service Users*

To provide Volunteers to carry out the required number of reviews under Corporate Deputyship Legislation to ensure Service Users can continue to live at home or in a residential care setting.

- *Homeshield Service*

To provide and co-ordinate a referral scheme that ensures that referrals received are passed on to relevant partners within three working days of receipt. To provide relevant data to Cambridgeshire Trading Standards and work with all partners to prompt and develop the scheme.

2.4 Issues that will influence the future development of Services currently provided by Age UK.

- 2.4.1 Budget Pressures and the need to consult with other funding partners to agree future strategies for services that support older people.
- 2.4.2 Within Cambridgeshire it is estimated that 85% of the elderly population are not eligible for statutory services. However, by receiving relevant prevention services these people will be able to continue to live independently in their own homes.
- 2.4.3 The successful rollout of Self Directed Support for older people means that some services currently provided under this contract, such as day care services, may need to be re-evaluated in order to consider the most prudent arrangements required in the future, as referred to in paragraph 1.5.
- 2.4.4 Following the general election the debate around Localism and the Big Society in Cambridgeshire has intensified with the acknowledgement of the need to consult with all partners in planning future strategies to ensure that existing good practice is strengthened, communication is improved, work is developed with Parish Councils and specific innovative pilots take place to help explore in detail all issues related to localism in Cambridgeshire.
- 2.4.5 The value Volunteering brings to many of the services provided by Age UK throughout Cambridgeshire is both significant in the value for money the Council gets from commissioning these services but also the well being it gives to those who volunteer. Further work in the development of the role of volunteers will help to give further value to all areas of partnership work carried out with Age UK and the Council.
- 2.4.6 The significance of changing to GP commissioning is yet to be fully understood in detail on how it will affect social/ health care services provided under this current contract. It is therefore vital that time is given to consult and work with the new GP commissioning clusters to ensure the best outcomes are achieved for older people throughout Cambridgeshire.

2.5 Recommendation

- 2.5.1 Given the budgetary strategy and legislative changes taking place that will influence how the services delivered under this contract need to be developed, and the need for further involvement with older people, an extension to this contract of eight months, to 30th November 2011, is being sought.

3.0 ADULT MENTAL HEALTH SERVICES

3.1 Background

- 3.1.1 Historically, Service User engagement with Mental Health services is varied with some people being wary of contact with social care. By offering open access as well as being flexible and responsive, these services are able to provide early intervention thereby preventing escalation into crisis for many individuals. This results in the service providing a significant level preventative support, which in turn offers good value for money.

- 3.1.2 Self Directed Support will have completed its roll out to Adult Mental Health services countywide by end of March 2011. It is unclear at this stage how the implementation of Self Directed Support will impact on the services offered by these organisations. The majority of the people using these services do not meet social care eligibility but are referred/ signposted to these services by other organisations or GP's before the person reaches crisis situation thereby in many cases preventing the need for intensive intervention from a Mental Health or Social Care professional.
- 3.1.3 The significance of GP commissioning and its impact on adult mental health services is yet to be fully understood in detail, as described earlier in paragraph 2.4.6.
- 3.1.4 Central Government is promoting its vision for 'The Big Society' with there being more opportunities for people to contribute to their local community through community participation and volunteering. This is exciting news for people with mental health needs who can often feel very isolated from their communities. However, the support offered by these contracted services is vital to enable this group of individuals to gain the skills and confidence to fully participate. The more this happens the more opportunity there will be to reduce the stigma associated with mental health. The following services, throughout their contracts, have been committed to raising awareness of mental health issues.

3.2 Pringle Group Contract

- 3.2.1 Cambridge Pringle Group is a small local voluntary organisation set up to support people with Mental Health needs. Pringle House is a supported living house run by Cambridge Pringle Group in partnership with Cambridge Housing Society Group from whom the building is leased. This service was deregistered in 2005 and since this time has been working towards providing more independent living in a supportive environment.
- 3.2.2 Pringle House supports 13 individuals with significant and/or complex Mental Health needs. Over the past 18 months staff have worked well with individuals enabling a number of people to move into their own accommodation or smaller shared accommodation in the community. This has enabled this service to support some high dependency people with complex needs, some of whom have a forensic history and previously may have had to have been supported in residential care.
- 3.2.3 Pringle House was previously funded by block grants from the Council and the PCT plus individual spot purchased contracts but was moved to a Block Contract on 1 April 2006 following an exemption from standing orders. This Contract was for three years with an option to extend for two years; this option has been taken up therefore the existing Contract is due to expire on 31 March 2011.

3.3 Recommendation

- 3.3.1 An extension to this contract of eight months, to 30th November 2011, is being sought, to enable consultation with stakeholders, including people with mental health problems and their carers, and a full tendering process to take place.
- 3.3.2 This exemption has been discussed with our partner funders where applicable and they have expressed their support.

4.0 SUPPORTING PEOPLE

4.1 Background

- 4.1.1 Cambridgeshire's Supporting People Programme offers housing-related support to a wide range of client groups, including older people, homeless people and young people leaving care. The Supporting People Team is continuing to work on its Modernisation programme. Currently work is taking place to allocate services to those providers successful in being awarded a Floating Support Framework Contract. Floating Support is similar to home care for older people, with workers visiting people in their homes to provide individualised support.
- 4.1.2 The three Supporting People contracts requiring exemption are all providing more traditional accommodation-based services. The Supporting People programme requires a mix of accommodation-based services and Floating Support. Having secured providers under the Floating Support Framework Contract, it is now appropriate to move forward with the accommodation-based services.
- 4.1.3 While the direction of travel with Floating Support was clear, it was always realised in the modernisation plan that the accommodation services would be more complex to commission, as funding to these services is also received from Social Care and Health and a new accommodation-based impact assessment need to be developed to ensure cost effective services are commissioned jointly by all three funding streams
- 4.1.4 These services fit within both the Council's proposed prevention and re-ablement agenda in supporting and re-abling vulnerable adults during a period of crisis.
- 4.1.5 During the last twelve months, work has been undertaken on future requirements for accommodation-based services. This work includes negotiations to achieve efficiency savings.
- 4.1.6 This work will also improve accommodation based services in the following ways:
- By ensuring current models of service provision are appropriate and reflect best practice.
 - By establishing what a future model of accommodation based provision will look like and how this is complemented by floating support services.
 - By ensuring that services deliver the best outcomes for people using the services, for example, encouraging independence and prevention.
 - By making the best use of what we have by ensuring current resources are being used efficiently and effectively.
 - By ensuring service provision takes account of geographical need.
 - By making the best possible use of resources with other funding partners such as the Primary Care Trusts and Local Authorities.
- 4.1.7 The three current providers of accommodation-based services that are subject to this report are set out below.

4.2 Richmond Fellowship

- 4.2.1 The Richmond Fellowship contract that expires on 31st March 2011 currently provides services for younger people and younger people with mental health illnesses in Cambridge city.

4.3 Granta Housing Association

- 4.3.1 The Granta Housing Association contract that expires on 31st March 2011 currently provides services for young parents in Huntingdon, homeless families and single homeless people in Huntingdon, and people with mental health illnesses in Cambridge city.

4.4 Cambridge Housing Society

- 4.4.1 The Cambridge Housing Society contract that expires on 31st March 2011 currently provides services for young people, young parents and people with learning disabilities in Cambridge and Ely.

4.5 Recommendation

- 4.5.1 In order to allow the detailed work currently being undertaken to ensure synergy is achieved between the floating support services and accommodation based services, an extension of eight months, to 30th November 2011, is sought for all three contracts.

5.0 ADULT SOCIAL CARE CLIENT GROUPS AND CHILDREN AND YOUNG PEOPLE

5.1 Direct Payments Support Service

- 5.1.1 The direct payments support service provides invaluable advice about employment, helping people to recruit safely and legally, offers the option of a payroll service and will also operate a "holding account" from which it will manage the financial obligations that follow from being an employer (tax, national insurance etc), and which frees up the individual from the anxieties of managing finance, whilst leaving them fully in control of their care and support arrangements. This is a valued service, and seen as vital for many vulnerable people who would otherwise feel unable to take advantage of direct payments. The current contract in place for this service expires on 31st March 2011.
- 5.1.2 The service is currently run by the Essex Coalition of Disabled People (ECDP), a user-led organisation (ULO) who stepped in as provider when the previous organisation went into bankruptcy. ECDP have also been supporting the development of a local ULO in Cambridgeshire that was initiated as a Department of Health pilot. This supports the Government's recommendation in the 2005 report entitled 'Improving the Life Chances of Disabled People', and will assist the Council in supporting the 3rd Sector to develop, in line with the Council's Community Engagement Strategy 'Shaping Places, Shaping Services'.
- 5.1.3 As the service is retendered, it will provide the opportunity to amend the service specification to include mentoring for the Cambridgeshire ULO, which is developing well, but will continue to benefit from the guidance of an established ULO. This mentoring relationship will include supporting the Cambridgeshire ULO to develop the capability for the potential to bid in future tender exercises. These could include tenders for the provision of a direct payments support service, and once further development work has been undertaken within CCC, tenders for an independent brokerage service.

5.2 Recommendation

- 5.2.1 An eight month extension to this contract, until 30th November 2011, is being sought to allow for appropriate consultation with service users and carers and Cambridgeshire ULO to inform the revision of the service specification to include the mentoring activity with Cambridgeshire ULO and to ensure that the development of self directed support is properly recognised.

6.0 CORPORATE PROCUREMENT AND LEGAL ADVICE

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

5.1.1. 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.

5.1.2 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.

7.0 SIGNIFICANT IMPLICATIONS

- 7.1 **Resources And Performance** (*this heading includes Finance, Property and Facilities Management, Information and Communication Technology (ICT) Human Resources, Performance, Risk and Best Practice and where significant, they are set out below*)

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

- There is significant risk of not being able to secure appropriate quality within the available budget envelope. The tendering process taking place under the extensions requested will mitigate this risk by allowing the Council to specify the quality required within the financial envelope available, in order to secure services to meet the needs of all client groups.

7.2 Statutory Requirements and Partnership Working

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

- Where other funding partners are involved in the services, there may be a significant risk of non-alignment of service provision. This can be mitigated by working closely with any relevant partners as key stakeholders during the tendering process.

7.3 **Access and Inclusion** *(includes inclusion, crime and disorder, the voluntary Sector, equality and diversity and transport implication and where significant, they are set out below)*

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

- The services provided by the voluntary sector support the prevention agenda and the inclusion of people in their communities. Extension and then retendering contracts will secure these services.

7.4 **Engagement and Consultation** *(includes community engagement and public consultation and where significant, they are set out below)*

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

- In order to achieve different approaches to the delivery of social care, as part of the implementation of self-directed support, time is needed to consult with service users and informal carers to ensure the outcomes achieved through the delivery of these contracts meet their needs. The recommended timescales for extensions to contracts will allow for appropriate consultation.

Source Documents	Location
<ol style="list-style-type: none"> 1. Contract for the Provision of Residential Care at Aliwal Manor (inc Dementia Care (DEE)) plus contract exemption form 2. Contract for the Provision of Residential Care at Brook House (inc DEE) plus contract exemption form 3. Contract for the Provision of Residential Care at Buchan House (inc DEE) plus contract exemption form 4. Contract for the Provision of Residential Care at Fitzwilliam House (inc DEE) plus contract exemption form 5. Contract for the Provision of Residential/Nursing Care at Glennfield Care Centre (inc DEE) plus contract exemption form 6. Contract for the Provision of Residential/Nursing Care at Hunters Down (inc DEE) plus contract exemption form 7. Contract for the Provision of Residential Care at Primrose Croft (inc DEE) plus contract exemption form 8. Contract for the Provision of Residential Care at Rheola (inc DEE) plus contract exemption form 9. Contract for the Provision of Residential/Nursing Care at St. Georges Court (inc DEE) plus contract exemption form 10. Contract for the Provision of Residential Care at Queens Court (inc DEE) plus contract exemption form 11. Contract for the Provision of Age Concern Services in Cambridgeshire plus contract exemption form 12. Contract for the Provision of Cambridge Pringle Group Supported Living Services for Adults of Working Age with Mental Health Needs plus contract exemption form 13. Provision of a Full Interim Contract for Supporting People Services (Richmond Fellowship) plus contract exemption form 14. Provision of a Full Interim Contract for Supporting People Services (Granta Housing) plus contract exemption form 15. Provision of a Full Interim Contract for Supporting People Services (Cambridge Housing Society) plus contract exemption form 16. Contract for the Provision of a Direct Payments Support Service plus contract exemption form 	<p>Contracts and Care Placements Team, Room C207, Castle Court, Cambridge CB30AP</p>