

Notice of KEY Executive Decision

Subject Heading:	Award of contract for the provider of care and support shared lives service in Havering
Cabinet Member:	Councillor Jason Frost, Cabinet Member for Health and Adult Care Services
SLT Lead:	Barbara Nicholls, Director of Adult Services
Report Author and contact details:	Sam Eady, 01708 432964 Email: Samantha.eady@havering.gov.uk
Policy context:	The Adult Social Care and Support Planning Policy states that Havering's vision is: 'Supporting excellent outcomes for the people of Havering by helping communities to help themselves and targeting resources and interventions to encourage independence'
Financial summary:	The services will be procured under a spot purchasing contract and the projected spend, including current placements and anticipated growth, is: 1 year: £109,553.80 3 years: £457,171.92 5 years (2 years' extension period): £976137.40
Reason decision is Key	<i>Expenditure or saving (including anticipated income) of £500,000 or more</i>
Date notice given of intended decision:	31st October 2018

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Relevant OSC:	Individuals
Is it an urgent decision?	NO
Is this decision exempt from being called-in?	NO

The subject matter of this report deals with the following Council Objectives

- Communities making Havering
- Places making Havering
- Opportunities making Havering
- Connections making Havering

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

This decision paper is seeking the approval to award the contract for the provision of a Shared Lives service in Havering to BetterTogether Ltd under a three year spot-purchasing contract with the possibility of a further two years' extension at a projected value of £974,513.40 over the lifetime of the five year contract.

AUTHORITY UNDER WHICH DECISION IS MADE

The Havering Constitution:

Part 3: Responsibility for Functions, Article 2 – Executive Functions

3.3 Powers of Members of the Senior Leadership Team

Members of the Senior Leadership Team (SLT) have delegated authority to act as follows within the assigned service service/portfolio of responsibilities, subject to the general provisions and limitations set out in section 3.1 of the Constitution.

To make arrangements to secure continuous improvement in the way the Council's functions are exercised having regard to a combination of economy, efficiency and effectiveness etc. as required by external regulatory agencies.

STATEMENT OF THE REASONS FOR THE DECISION

Background and Context

1. Purpose of the report

The contract with BetterTogether Ltd for the provision of Shared Lives for those with statutory care and support and accommodation or respite needs in Havering ended on 31 August 2017. It was recommended that the service was retendered under a spot purchasing contract as it provides care and support to appropriate vulnerable young and older adults whom otherwise would be placed in more expensive residential care placements/respite or supported living accommodation.

Following a recent tender this paper is seeking a decision to approve the award of a three plus two year contract to BetterTogether Ltd for the provision of care, support and accommodation, or respite needs.

1. Background

With regards to the strategic context for this tender, the current vision for Adult Social Care Services is 'Supporting excellent outcomes for the people of Havering by helping communities to help themselves and targeting resources and interventions to encourage independence'. Procuring this service therefore aligns with this vision by

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supporting adult social care clients to become more independent in relation to their housing and social care. The personalised and community approach to providing care ensures that clients have the skills to live as independently as possible, whilst being supported with their care needs.

The three key themes identified as priorities in achieving the joint vision are: Preventing, reducing and delaying the need for care and support through effective demand management strategies, better integrated support for people most at risk and the quality of services and patient experience. Havering wants to commission services differently, focusing on outcomes, both at a personal level and in wider service contracts that ultimately promote prevention, independence, personalisation and choice.

The Adult Social Care Market Position Statement also reinforces this vision, focusing on the support of people in maintaining their independence and ultimately reducing the need for health and social care services. Providing social care support in this environment promotes personalisation and quality of life, prevents the need to readmit people into hospital or more costly residential care and ensures a positive experience of social care.

With regards to the history of the contract for Shared Lives services, the service was originally procured as an 18 month pilot with the Newham Council in-house scheme who spun out to become a social enterprise from June 2016. In August 2017, the local authority moved to spot purchasing with the provider.

2. Service Summary

The service provides care and support and temporary respite within a shared lives carers home to clients aged over 16 living in the London Borough of Havering who have eligible care and support needs because of:

- learning disabilities
- autism
- mental health needs
- elderly or frail needs
- physical disabilities
- sensory impairments
- long-term health conditions
- dementia
- young adults transitioning from children's to adult services
- needs coming out of hospital

The service will deliver the following:

- long-term accommodation with support
- respite care
- day support
- outreach to identify new service users and Shared Lives carers
- recruitment, training and on-going support of Shared Lives carers
- promotion and awareness raising of the service

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Both long-term and respite services are delivered in a Shared Lives carer's home within the London Borough of Havering or its borders. There is discretion over whether a client can move to another borough if the provider operates across boroughs.

The service provides support to residents temporarily as part of a respite arrangement or long-term as part of a long-term accommodation placement and supports people to live as independently and inclusively in the community as possible and to enjoy the highest possible quality of life including;

- enabling people to be in control of their services
- enabling people to live ordinary lives within their chosen families and relationships
- enabling people to feel valued by their communities and feel like they belong
- providing a personalised service that is built around individuals, their strengths and potential
- enabling and facilitating social inclusion opportunities
- enabling and encouraging the development of independent social arrangements
- promoting independence
- involving service users and carers in the design and planning of services
- developing and expanding the respite offer to meet the needs of service users
- providing and facilitating activities/social inclusion opportunities that bring people together through common interests, experiences and needs
- supporting smooth transitioning for looked after children moving to adult social care

3. Payments

The current and future contracts will be spot purchased on a case by case basis and funded by a number of budget codes, depending on the referring department/organisation. Long-term or respite services can be funded by four local authority departments (Community Learning Disability Team, Children and Adults with Disabilities Service, Fostering Services and Community Locality North & South Teams) or by NELFT services.

The fee paid to the scheme will be structured in a tiered system with bands that reflect the service user's needs. Payments made to the scheme will be formed of a management fee and a carer service fee and will vary depending on the banding the client is assessed at (Band A non-complex to Band D complex).

The service provider will be registered with and will adhere to the best practice pricings and assessments set by the umbrella organisation for Shared Lives providers, Shared Lives Plus. The breakdown of the costs per banding is determined by the local authority. The banding allocated to an individual is subject to an assessment by the provider. The final agreement of the banding will sit with the relevant local authority panel to agree. If a dispute ensues in relation to the banding an individual has been assessed at, efforts will be made to resolve the dispute. If, after discussion, a resolution cannot be found, the local authority will hold responsibility for making the final decision on the banding for the individual.

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The provider will be expected to adhere to the local authority's breakdown of charges per banding (as a maximum). The breakdown of charges per banding is as follows:

Long-term arrangements

Banding	Payment to carer	Payment to scheme	Carer's paid-break component	Total per week
Band A	£ 200.00	£ 110.00	£ 38.00	£ 348.00
Band B	£ 250.00	£ 110.00	£ 43.00	£ 403.00
Band C	£ 300.00	£ 110.00	£ 48.00	£ 458.00
Band D	£ 350.00	£ 110.00	£ 54.00	£ 514.00

Short-term (respite) arrangements

Banding	Payment to carer	Payment to scheme	Total per night
Band A	£ 70.00	£ 16.00	£ 86.00
Band B	£ 80.00	£ 16.00	£ 96.00
Band C	£ 90.00	£ 16.00	£ 106.00
Band D	£ 100.00	£ 16.00	£ 116.00

Day support arrangements – for those in receipt of Shared Lives services

Banding	Payment to carer	Payment to scheme	Total per hour
Band A	£10.00	£0.00	£10.00
Band B	£10.00	£0.00	£10.00
Band C	£10.00	£0.00	£10.00
Band D	£10.00	£0.00	£10.00

Day support arrangements – for those NOT in receipt of Shared Lives services

No. of hours	Payment to carer	Payment to scheme	Total
4 hours	£40.00	£5.00	£45.00
6 hours	£60.00	£10.00	£70.00

The banding assessment will assess a client's eligible needs as per the Care Act 2014. This will include assessing the following:

- Personal care needs
- Being alone and safe at home
- Eating and drinking
- Practical daily living
- Managing money
- Health and wellbeing
- Emotional wellbeing
- Relationships and being included
- Choice and control
- Taking risks
- Keeping in touch with family and friends
- Communication
- Employment and/or education and leisure
- Getting about

4. Savings/cost-avoidance

The long-term services are delivered at a cost of between £348.00 and £514.00 per person per week, depending on the complexity of the person's need, and respite services are between £86 and £116 per person per night.

The provision of Shared Lives long-term services can, for some people, be a considerably more cost effective service than traditional residential or supported living services for people with similar needs being supported in a similar way. The service the local authority is getting for this price can be 24 hour care, 7 days a week; meaning that the local authority is already achieving high value for money. An effective Shared Lives service will, for some people, provide a more cost effective model of support and, in line with the Care Act 2014 and Havering's Joint Commissioning Strategy to provide additional choice for people and their families to consider when they are deemed to require 24/7 support. It is however not a model which would suit everyone nor one which everyone would choose.

Figure 1 demonstrates the cost to the local authority on Shared Lives services for clients with learning disabilities (the main users and client group of the services) comparable with services not delivered in the community i.e. supported living and residential care services. The data has been taken from a snapshot of the current spend on clients with typical learning disability needs.

Figure 1: Cost of Shared Lives services per week benchmarked against other services

Type	Number of placements	Min weekly cost	Max weekly cost	Average weekly cost
Residential	21	£750.00	£2,471.90	£1,360.46
Supported living	47	£343.61	£2,604.00	£1,207.84
Shared Lives	4	£348.00	£458.00	£406.00

It is anticipated that, for non-complex clients, an estimated average cost avoidance and/or direct saving of £402.00 per person per week will be realised through using Shared Lives instead of residential care.

It is anticipated that, for complex clients, an estimated average cost avoidance and/or direct saving of between £2,013.90 and £2,146.00 per person per week will be realised through using Shared Lives instead of residential care or supported living.

5. Project management of the tender

The objectives of the project were to:

- Ensure that the service was commissioned to meet the Council priorities and to offer the best value for money
- Ensure that the tender followed Corporate and EU Procurement Regulations and Local Authority Financial Regulations
- Ensure that choice, control, health and well-being, including safeguarding, featured as high priorities in the tender
- Establish outcomes that allow the Council to judge the performance of the

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- provider
- Ensure the provider delivers a non-judgemental and inclusive service which treats service users with dignity; respecting gender, sexual orientation, age, physical or mental health ability, religion, culture, social background and lifestyle choice

In order to deliver these objectives, a formal project management structure was implemented including a project board which engaged on a scheduled basis to supervise the project. Project board members included representatives from Community Learning Disabilities, Mental Health, Adult Social Care, Children & Adults with Disabilities and virtual members of Procurement, Finance & Legal. Project board's business included managing the project through its project plan, action and risk logs.

In summary, the scope of the project board included the following key tasks:

- Review of service specification
- Production of new service specification
- Managing the tender process
- Evaluating bids – *two frontline staff were identified outside of the project board to evaluate the bids alongside two representatives from the Joint Commissioning Unit*
- Awarding the contract
- Preparing for the start of the new contract

The key deliverables/milestones for the project included:

- Production of all required tender and contract documents (including service specification)
- Tender process managed in line with OJEU and Council procurement procedures
- Contract awarded to the tenderer submitting the best/most advantageous bid to the Council
- New contract awarded and mobilised

6. Procurement

This procurement was subject to and adhered to the Council's Contract Procedure Rules (CPRs). The procurement followed a formal tender process in line with the EU procurement open process in accordance with the Public Contracts Regulations 2015, which require compliance with principles of non-discrimination, equal treatment and transparency. Following these regulations, the Council published the required Contract Notice on August 2018. Suppliers were invited using CapitalESourcing, the Council's E-Procurement system.

There were 18 expressions of interest received regarding the tender and 11 clarification questions were asked. In total two bids were received for this tender.

The tender was evaluated by an evaluation panel made up of two representatives from the Joint Commissioning Unit and two representatives from frontline services; the

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Community Learning Disability Team and NELFT Mental Health Services.

The tender was evaluated under 70% cost and 30% quality.

The tender was formed of a qualification envelope, technical envelope and commercial envelope.

The technical envelope consisted of 4 questions and 1 scenario; meaning there were 5 responses in total required.

Better Together scored a total of 91.6% (made up of 100% of the points for price [= 70], plus 21.6 out of 30 for quality).

Metropolitan's quality score was 11.93 out of 30. They couldn't be scored on price as they did not provide a completed pricing schedule. A message was sent through the Capital E-Sourcing portal requesting this information. The message was read and no response was provided.

There were some variances between evaluators but the moderator did not ask to review any marks as it would not have made any difference to the result on this occasion. The moderator concluded that each evaluator was consistent in their approach.

As the recommendation is to award our current shared lives provider the contract TUPE will not apply.

All suppliers who submitted bids will be informed of the Council's decision following the approval of this decision paper and following the ten day standstill period as required by EU Regulations and the Council's CPRs. In addition, this tender passed the Checkpoint Two contract award stage and was formally approved on Wednesday 24th October 2018. Following the award, arrangements will be put in place with BetterTogether Ltd to sign the contract and submit a structured and comprehensive plan to the Council in January 2019 for the mobilisation of the service that commences on 4th February 2019. This plan will be developed in conjunction with the contract manager and relevant operational members of staff.

Post Evaluation considerations

The sustainability of the contract is a key risk if only the minimum number of placements are obtained by the provider in year one. This will be managed through a robust mobilisation and subsequent communications plan to ensure a higher number of referrals are obtained than projected.

Better Together made a note in their pricing schedule to say that the income based on our projected figures is not sufficient to cover the annual overhead costs until year 5 and that it would be very hard for the organisation to break even.

Better Together have proposed to adjust the spending on the project if the minimum figures aren't exceeded to allow them to break even.

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A Clarification meeting took place with Better Together to get a better understanding of how they would do this. They have proposed:

- Pay for 0.5% of a worker in year one, 0.75% of a worker in year 2 and a full time worker in years 3,4 and 5 in order to ensure sustainability.
- Reduce overheads by using their Newham offices and/or alternative spaces in Romford rather than maintain an office space.

These proposals would need to take effect from the start of the contract and be reviewed after one year and annually henceforth. The arrangements would be adjusted as necessary. The option around removing office space would be reviewed within and after year 1, and each year subsequent.

In order to maximise and increase the service potential a number of workshops will be held with both the provider and frontline staff. The outcome of the workshops will also form part of the mobilisation plan and help to fully embed and ensure the service success.

OTHER OPTIONS CONSIDERED AND REJECTED

1. Do nothing

There is the option to do nothing and stop providing Shared Lives services. This option is not advised due to the number placements the local authority has in Shared Lives services and the positive outcomes and cost avoidance/direct savings that have been achieved. Since the piloting of the service, the provision of Shared Lives has gained momentum and the use of the services is anticipated to grow as the option develops further into an integral part of the care pathway.

2. Develop a Shared Lives service in-house

There are a number of arguments for developing the service as an in-house service, which are likely to include:

- The immature external market – although there are independent schemes operating in other boroughs, there is a limited choice of external providers if the service is put out to tender
- The ability to directly control the development of the service

There are however some equally strong arguments for outsourcing the service which include:

- The difficult 'fit' between the service and local authority structures
- A central government ideology which encourages local authorities to become commissioners rather than providers of services
- The personalisation agenda, with its emphasis on direct payments as a key strategy to enable people to be in control of their services. Direct payments cannot be used to buy an 'in house' Shared Lives service

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- Sources of funding which cannot be accessed by local authorities (é.g. social investment and grants from charitable trusts)
- The up-front investment required from the local authority in order to establish and maintain a Shared Lives service

PRE-DECISION CONSULTATION

None

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Sam Eady

Designation: Commissioner & Project Manager

Signature: Sam Eady

Date:30/10/18

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

Adult care provisions fall under Care Act 2014 and s79 provides that a local authority may authorise any person to exercise its functions under the act thereby permitting the Council to procure and deliver its functions through a third party .

The service to be procured falls within the EU procurement rules as a social and other specific services category under Schedule 3 to the Public Contracts Regulations 2015 (the "Regulations").

As the value of the services to be purchased, over the term of the proposed contract could exceeds the EU threshold of £615,278 the Council must comply with the Regulations although this type of service is covered by the "light touch" regime under Schedule 3 which involves a lesser level of compliance to that required for contracts not covered by this regime whilst still caught by the general obligations of transparency, equal treatment, non-discrimination and proportionality that derive directly from the Treaty on the Functioning of the European Union. A contract notice will need to be placed in OJEU in compliance with the Regulations and an award notice.

The proposal is to tender the contract in line with the Council's Contract Procedure Rules which should ensure compliance with EU treaty principles. Officers will produce a separate report for a key decision on the award of the contract. The Council's standard terms and conditions of contract would be included with the tender documents.

When entering the procurement process we anticipated there may be TUPE implications but as the recommendation is to award our current shared lives provider the contract TUPE will not apply.

FINANCIAL IMPLICATIONS AND RISKS

The shared lives service is an additional option for the council in meeting its obligations under the Care Act (2014) for eligible Adult Social clients. As mentioned, it also supports both the "Choice" agenda and increased support within the community rather than relying on the traditional long term placements options of either Residential or Supported Living.

Although this is not a new initiative within Havering, a separate budget will need to be established by moving budgets from the other service areas within ASC activity that would ordinarily have incurred the expenditure for those clients successfully referred into the service as an alternative provision. The shared lives initiative is expected to contribute towards the Directorate's efficiencies and finance will work with commissioners and operational teams to develop appropriate targets and reporting arrangements to monitor performance

The following table highlights the spend profile over the term of the contract, reflecting the anticipated changes in spend over the period. Existing budgets will need to be

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reallocated to fund the provision.

Year	£m
1	0.109
2	0.152
3	0.195
Subtotal Yr 1 to 3	<u>0.456</u>
4	0.238
5	0.281
Subtotal Yr 4 to 5 (extension)	<u>0.519</u>
Total Contract Value	<u>0.975</u>

The main risk is around the number of referrals into the scheme, which as highlighted in the main detail could be risk to the provider in not allowing them to fully meet their costs should the service take-up rate be low. However, the commissioners will work with them and operational teams to limit the risk of this developing and any consequential negative impact on the service and council.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

Havering has a diverse community made up of many different groups and individuals. The council values diversity and believes it essential to understand and include the different contributions, perspectives and experience that people from different backgrounds bring.

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the council, when exercising its functions, to have due regard to:

- I. the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- II. the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- III. Foster good relations between those who have protected characteristics and those who do not.

Note: 'protected characteristics' are: age, gender, race and disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

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The council demonstrates its commitment to the Equality Act in its decision-making processes, the provision, procurement and commissioning of its services, and employment practices concerning its workforce. In addition, the council is also committed to improving the quality of life and wellbeing of all Havering residents in respect of socio-economics and health determinants.

Equality and Diversity will be an integral component within the tender of the service and provision to ensure the Equality Act has been included as an integral part of the service specification.

Recruiting a range of Shared Lives carer homes in order to provide a personalised service and to respond to the needs of the population will be explicitly referenced in the corresponding service specification.

The Council will require the service to be accessible to people regardless of their disability, condition or illness. The design of the service, addressing a range of disabilities, is intended to achieve benefits directly aimed at people with disabilities and their carers.

The Council will invite bids from established providers with trained and experienced staff able to work with clients across multiple specialist client groups.

The service will be required to respond to individual needs across each of the equalities strands and will be expected to meet the cultural needs of minority community groups.

Providers will be evaluated against a range of method statements that will include the need to address equalities issues. This includes the demonstration of their willingness and ability to work in a partnership group with the Council and other organisations to deliver services across client groups and hard to reach groups.

BACKGROUND PAPERS

None

Appendices: Checkpoint 1 & 2

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Details of decision maker

Signed



Name: Barbara Nicholls
CMT Member title: Director of Adult Services
Date: 13th December 2018

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on 13/12/2018

Signed 

