

## Notice of NON KEY Executive Decision

<b>Subject Heading:</b>	Permission to procure a new Shared Lives Contract.
<b>Decision Maker:</b>	Barbara Nicholls, Strategic Director of People
<b>Cabinet Member:</b>	Cllr Gillian Ford, Cabinet Member for Adults and Health
<b>SLT Lead:</b>	Barbara Nicholls, Strategic Director of People
<b>Report Author and contact details:</b>	Laura Wheatley Telephone: 01708 434019 Email: <a href="mailto:laura.wheatley@havering.gov.uk">laura.wheatley@havering.gov.uk</a>
<b>Policy context:</b>	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'
<b>Financial summary:</b>	The services are currently procured under a spot purchasing contract.  The contract is made up of two parts:  The first part of the contract is the costs for the Provider to manage the contract, recruit shared lives carers, manage placements and maintain CQC registration. For 2024 – 2029 this part of the contract will cost in the region of £668,102.00.  The second part of the contract is the placement costs themselves. This

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	<p>includes projected spend, including current placements and anticipated growth (average over the last 5 years). For 2024 – 2029 this part of the contract will cost £2,154,691.00. (This figure could increase or decrease, depending on actual placement numbers during the contract term).</p> <p>Total Cost for 3 years + 2 years Contract: £2,822,793.00</p>
<b>Relevant Overview &amp; Scrutiny Sub Committee:</b>	People's Overview and Scrutiny Sub Committee
<b>Is this decision exempt from being called-in?</b>	The decision will be exempt from call in as it is a Non key Decision.

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

People - Things that matter for residents

Place - A great place to live, work and enjoy

Resources - A well run Council that delivers for People and Place.

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### Part A – Report seeking decision

#### **DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION**

This decision paper is seeking permission to procure a new Shared Lives Contract. Officers intend to undertake an open tender to appoint a provider to deliver the shared lives 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**

The Shared Lives service is currently provided by Better Together Ltd. Shared lives is a very niche and specialist market and the market for this type of service is significantly limited.

The contract with Better Together for the provision of Shared Lives ends on the 3<sup>rd</sup> February 2024.

This paper is seeking a permission to procure a new Shared Lives Contract.

We are proposing an open tender. Providers should be an established Shared Lives Scheme registered with Shared Lives Plus and be rated good or outstanding by the Care Quality Commission. Bids will be evaluated 70/30 for quality and price.

Shared Lives helps people to live at the heart of their communities, as part of an ordinary household, living independently, but not alone. In essence shared lives is akin to adult fostering and the person placed with the shared lives carer becomes an extended member of that family. This is therefore very different from supported living and other forms of arranged care. The scheme has shown positive outcomes for service users are being achieved that may not have been if they had been placed in a different form of arranged care setting.

In addition to the positive outcomes, the contract has delivered since 2017 £492,825.77 of cashable savings and £530,164.54 of overspend savings.

The contract will provide long-term accommodation and support, short term respite services and day support for people with eligible needs known to adult social care.

The provider will be responsible for the recruitment of Shared Lives carers and will operate as an existing, established Shared Lives Scheme registered with Shared Lives Plus (the national

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membership charity) to provide Shared Lives services in line with best practice guidance. They should be rated good or outstanding by the Care Quality Commission, the regulator that inspects the service and assesses whether it meets the mandatory standards i.e. that the service is, Safe, Effective, Caring, Responsive and Well-led.

A PIN was issued on the 14th June 2023 to gauge interest from the market. Six responses were received. One was from Better Together the current provider of the shared lives contract and the other five were from supported living providers.

The Council has a duty, when undertaking procurements, to ensure it is transparent, treating providers equally and any decision/action is proportionate.

### **OTHER OPTIONS CONSIDERED AND REJECTED**

#### **Option 1 - Do nothing**

There is the option to do nothing and stop providing Shared Lives services when the contract ends on the 3<sup>rd</sup> February 2024. This option is not advised due to the number of placements the local authority has with Shared Lives and as positive outcomes for service users are being achieved. In addition, there has been a significant amount of cost avoidance/direct savings that have been achieved through not using traditional care placements.

#### **Option 2 - Develop a Shared Lives service in-house**

This option has been considered however this does not align with the approach that Havering are taking when commissioning this type of service with a Provider. In addition, the up-front and ongoing investment required from the local authority in order to establish and maintain a Shared Lives service would not be cost effective considering the current MTFs that is being delivered through the current contract.

### **PRE-DECISION CONSULTATION**

A Procurement Intention Notice (PIN) has previously been circulated to the Market to gauge interest in the Shared Lives Contract.

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

Name: Laura Wheatley

Designation: Senior Commissioner & Project Manager

Signature: 

Date: 10/10/2023

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### Part B - Assessment of implications and risks

#### LEGAL IMPLICATIONS AND RISKS

The Council has a general power of competence under section 1 of the Localism Act 2011 to do anything an individual may generally do subject to any statutory limitations. The Council has the power under this section to agree to the proposals in the recommendations.

The value of the proposed contract is £2.8 million over 5 years. 4. The subject matter of the contract falls within the light touch regime (LTR) under Schedule 3 of the PCR. The proposed value of the contract exceeds current the threshold for LTR services of £663,540 and therefore is subject to Part 3 of the PCR.

The proposed open tender is compliant with the requirements of both the PCR and the Council's Contract Procedure Rules for contracts of this nature.

#### FINANCIAL IMPLICATIONS AND RISKS

The services are currently procured under a spot purchasing contract.

The contract is made up of two parts:

The first part of the contract are the costs for the provider to manage the contract, recruit shared lives carers, manage placements and maintain CQC registration.

The second part of the contract are the placement costs themselves. This includes projected spend, including current placements and anticipated growth (average over the last 5 years

Total Cost for 3 years + 2 years Contract are estimated to be £2,822,793.00. This is broken down into annual costs as per below:

Year 1	£ 535,960.00
Year 2	£ 552,039.00
Year 3	£ 568,600.00
Year 4	£ 585,658.00
Year 5	£ 580,536.00
<b>Total</b>	<b>£2,822,793.00</b>

The above costs are inclusive of a 3% uplift for years 2-5.

The above annual costs equate to approximately £23.5k per placement for a full year in year 1, this will vary per client as clients will be banded on different rates according to their needs. The average annual cost of a shared lives placement is significantly cheaper than the average rates of other long term placements.

The provider will be paid per client and therefore the costs may increase or decrease dependent on how many clients are in this provision type.

The total paid in the 22/23 financial year for Shared Lives was £435k.

If the 24 placements are fully utilised then the actual cost to the service would increase, based on the costs above, the increase in spend in year 1 would be approximately £100k rising to an additional £150k by year 5. However, having additional placement in shared lives gives rise to

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cost avoidance savings, as clients that are suitable for the shared lives provisions may have been placed in more expensive long term provisions if shared lives placements were not available.

An analysis of savings has been undertaken for the duration of the current shared lives contract and over the life of the contract to date, £427k cashable savings have been achieved by clients moving into a shared lives provision and £449k of cost avoidance savings have been achieved by placing clients in a shared lives provision rather than an alternative suitable placement.

Overall, if the client numbers in shared lives increase, then Adult Social Care will incur additional costs, but the cost avoidance savings should be greater than the increase in costs.

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

The recommendations made in this report do not give rise to any identifiable Human Resources implications or risks.

### **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.

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.

A range of Shared Lives carer homes have been recruited in order to provide a personalised service and to respond to the needs of the population and the service is accessible to people regardless of their disability, condition or illness.

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**HEALTH AND WELLBEING IMPLICATIONS AND RISKS**

The recommendations made in this report do not give rise to any identifiable Health and Wellbeing implications or risks.

**ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS**

The recommendations made in this report do not give rise to any identifiable environmental implications or risks.

**BACKGROUND PAPERS**

None

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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

*Delete as applicable*

~~Proposal NOT agreed because~~

**Details of decision maker**



Signed \_\_\_\_\_

Name: BARBARA NICHOLLS

Cabinet Portfolio held:

CMT Member title:

Head of Service title: Strategic Director of People

Other manager title:

Date:

**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 \_\_\_\_\_

Signed \_\_\_\_\_