

Notice of KEY Executive Decision

Subject Heading:	Permission to Award the Shared Lives Contract
Decision Maker:	Barbara Nicholls, Strategic Director of People
Cabinet Member:	Cllr Gillian Ford, Cabinet Member for Adults and Health
SLT Lead:	Barbara Nicholls, Strategic Director of People
Report Author and contact details:	Laura Wheatley Telephone: 01708 434019 Email: laura.wheatley@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 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. The second part of the contract is the placement costs themselves. This includes projected spend, including current placements and anticipated

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	<p>growth (average over the last 5 years). (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:</p> <table><tr><td>Year 1</td><td>£530,065.00</td></tr><tr><td>Year 2</td><td>£545,655.04</td></tr><tr><td>Year 3</td><td>£562,027.08</td></tr><tr><td>Year 4</td><td>£574,265.44</td></tr><tr><td>Year 5</td><td>£586,531.80</td></tr><tr><td>Total</td><td>£2,798,544.36</td></tr></table>	Year 1	£530,065.00	Year 2	£545,655.04	Year 3	£562,027.08	Year 4	£574,265.44	Year 5	£586,531.80	Total	£2,798,544.36
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Total	£2,798,544.36												
Reason decision is Key	<p>(a) Expenditure or saving (including anticipated income) of £500,000 or more</p> <p>(c) Significant effect on two or more Wards</p>												
Date notice given of intended decision:	19/12/2023												
Relevant Overview & Scrutiny Committee:	People's Overview and Scrutiny Sub Committee												
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

People - Things that matter for residents [X]

Place - A great place to live, work and enjoy []

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

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

For reasons detailed in this report, the Strategic Director of People is recommended to agree to award the Shared Lives Contract to BetterTogether following a successful procurement process for a period of 3 years plus 2 years' extension, from 1st May 2024 to 30th April 2029, at a total value of circa £2,798,544.36.

AUTHORITY UNDER WHICH DECISION IS MADE

The Havering Constitution:

Part 3: Responsibility for Functions

3.3 Powers of Members of the Senior Leadership Team

General powers

- (a) To take any steps necessary for proper management and administration of allocated portfolios.

Contract powers

- (b) To award all contracts with a total contract value of between £500,000 and £5,000,000 other than contracts covered by Contract procedure Rule 16.3.

STATEMENT OF THE REASONS FOR THE DECISION

The contract with BetterTogether for the provision of Shared Lives ends on the 30th April 2024.

This paper is seeking a permission to award the Shared Lives Contract to BetterTogether following a successful procurement process for a period of 3 years plus 2 years' extension (3+2) from 1st May 2024 to 30th April 2029 at a total value of circa £2,798,544.36.

Background

BetterTogether is the current provider of the Shared Lives contract and the successful provider following the recent open procurement process.

They have been providing this service to clients for the last 7 years. They are rated outstanding by Care Quality Commission (CQC) and are also the exclusive shared lives provider for Newham, Essex, Thurrock, Redbridge, Lambeth and Tower Hamlets.

The Shared Lives contract 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 very different from supported living and other forms of arranged care.

The contract will provide the provision of Long-term accommodation and support, Short term respite services and Day support for people with eligible needs for adult social care or for those who self-fund their care services to Havering residents aged over 16.

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BetterTogether will be responsible for the recruitment, and ongoing support as a result of employment, of Shared Lives carers and will operate as an existing, established Shared Lives Scheme registered with Shared Lives Plus (the national membership charity) to provide Shared Lives services in line with best practice guidance and the Care Quality Commission (CQC), which inspects the service and assesses whether it meets the mandatory regulations assessed and that the service is, Safe, Effective, Caring, Responsive and Well-led. BetterTogether will take the responsibility for CQC regulation on behalf of the Shared Lives carers.

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 to adult services

The service delivers 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

Both long-term and respite services are delivered in a Shared Lives carer's home within the London Borough of Havering or its borders.

The service provides support to residents temporarily, as part of a respite arrangement, or long-term, as part of a long-term accommodation placement. The service 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

Payments

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The current contract is 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 is funded by four departments (Community Learning Disability Team, Children and Adults with Disabilities Service, Fostering Services and Community Locality North & South Teams) or by NELFT Mental Health services.

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

The service provider is registered with, and adheres, 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 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 per week	Payment to scheme per week	Carer's paid-break component	Total per week
Band A (low support)	£ 220.00	£ 120.00	£ 40.00	£ 380.00
Band B	£ 270.00	£ 120.00	£ 46.00	£ 436.00
Band C	£ 320.00	£ 120.00	£ 51.00	£ 491.00
Band D (complex support)	£ 370.00	£ 120.00	£ 59.00	£ 549.00

Short-Term Respite Arrangements				
Banding	Payment to carer per night	Payment to scheme per night	Carer's paid-break component	Total per night
Band A (planned)	£ 110.00	£ 20.00	£ 0.00	£ 130.00
Band B (emergency)	£ 130.00	£ 20.00	£ 0.00	£ 150.00

Day support arrangements – for those in receipt of Shared Lives services				
Banding	Payment to carer per hour	Payment to scheme per hour	Carer's paid-break component	Total per hour
Band A	£ 12.00	£ 0.00	£ 0.00	£ 12.00

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

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- 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

Savings/Cost-Avoidance

The long-term services are delivered at a cost of between £380.00 and £549.00 per person per week, depending on the complexity of the person's need, and respite services are between £130 and £150 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 receives for this price can be 24-hour care, 7 days a week; resulting the local authority achieving better value for money.

Figure 1 demonstrates the cost to the local authority on Shared Lives services for clients with learning disabilities comparable with services delivered in other community setting i.e. supported living and residential care services. The data has been taken from a snapshot of the current spend on clients with 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	£700.60	£3,670.20	£2,185.40
Supported living	47	£399.17	£5,842.20	£3,120.69
Shared Lives	20	£380.00	£549.00	£464.50

For non-complex clients, an estimated average cost avoidance and/or direct saving of £320.60 per person per week will be realised through using Shared Lives instead of residential care.

For complex clients, an estimated average cost avoidance and/or direct saving of between £1,720.90 and £2,656.19 per person per week will be realised through using Shared Lives instead of residential care or supported living.

The contract has delivered since 2017 £492,825.77 of cashable savings and £530,164.54 of overspend savings.

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 30th April 2024. This option has been considered and rejected due to the number of placements the local authority has with Shared Lives and as positive outcomes for service

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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. Therefore, this option was rejected.

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: *LWheatley*

Date: 13/02/2024

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The power for the Council to contract for the provision of the service is contained within the Care Act 2014 and under Section 79, 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.

Additionally, Section 111 of the Local Government Act 1972 allows the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions, or through its general power of competence.

Through its general power of competence under Section 1 of the Localism Act 2011, the Council can do anything that individuals generally may do, subject to statutory limitations.

The value of the contract is £2,822,793 which is above threshold of £663,540 for Schedule 3 Light Touch services under the Public Contracts Regulations 2015 (PCR). Therefore, the contract is caught under the PCR regime.

For the reasons set out above, the Council may proceed to award the contract to Better Together Ltd.

FINANCIAL IMPLICATIONS AND RISKS

This decision paper is seeking approval to award the Shared Lives Contract to BetterTogether following a successful procurement process for a period of three years plus 2 years from 1st May 2024 to 30th April 2029 at a total value of £2,798,544.36

The services are currently procured under a spot purchasing contract and 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. The split of the actual placement costs and the costs to the provider are detailed above in the bandings and are only payable per placement.

The costs of the contract have been estimated for the 5 years of the contract based on average client number but are subject to variation due to demand. The contract price includes a 3% inflationary uplift on the banding rates for year 2 and 3 of the contract and a 2% inflationary uplift for years 5 and 6 of the contract.

The total Cost for the 3 years + 2 years Contract are estimated to be £2,798,544.36. This is broken down into estimated annual costs as per below:

Year 1	£530,065.00
Year 2	£545,655.04
Year 3	£562,027.08
Year 4	£574,265.44
Year 5	£586,531.80
Total	£2,798,544.36

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The total contract price is lower than the financial envelope for this tender which was set at £2,822,793.00. However, as the contract is paid per placement, if demand increases the costs will also increase.

The pricing schedule has been based on 20 long term clients and this equates to an average annual cost of approximately £26.5k 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.

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

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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.

HEALTH AND WELLBEING IMPLICATIONS AND RISKS

The recommendations made in this report do not give rise to any identifiable Health and Wellbeing risks. The service supports people to live as independently and inclusively in the community as possible, and to enjoy the highest possible quality of life for those who could otherwise be placed in an institution setting. The regulation of the service by CQC means the quality is validated by an ombudsman in addition to contractual arrangement. The scheme has a potential to offer better social and mental wellbeing than alternative settings.

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

APPENDICES

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:

Cabinet Portfolio held:

CMT Member title:

Head of Service title

Other manager title:

Date:

Lodging this notice

The signed decision notice must be delivered to Committee Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____