

<b>Executive Director of Adults and Health</b>	<b>Ref No:</b> OKD02 20/21
<b>April 2020</b>	<b>Key Decision:</b> Yes
<b>Extension of Day Services Contracts (Adults with Learning Disabilities)</b>	<b>Part I</b>
<b>Report by Head of All-Age Commissioning</b>	<b>Electoral Division(s):</b> All

### **Summary**

Learning disability day opportunities are delivered through contracts with 9 independent organisations.

These services, along with the Council's in house services, meet customers social care needs as defined under the Care Act 2014 by promoting independent living and wellbeing by providing a range of functions including:

- Support to those that struggle to access their community independently and for those with complex physical needs - personal and/or practical care at the day service;
- Training and skills development to support independence;
- Work based training and support to enable people to move into supported or open employment;
- Coordination of social and recreational activities;
- Provision of a meeting place to build relationships beyond those with carers and staff, thus reducing social isolation and loneliness;
- Supported stimulating activities for people with profound multiple disabilities; and
- Carers respite.

Taking up the extension will allow the County Council and its health partners to explore future delivery models and associated cost structures. This is in line with the objectives for day opportunities set out in Lifelong Disability and Autism Market Position Statement, to develop new models of support which focus on progression, increased independence and community based relationships resulting in a reduction of a reliance on building based day services.

The contracts with the independent providers were let on a 5 year term, commencing 1st April 2015. The original OJEU notice and contract contain the option to extend, for a further period of up to 2 years.

Authorisation is sought for the County Council to take up the opportunity to extend the contracts for a further two years to 31 March 2022.

### **West Sussex Plan: Policy Impact and Context**

This proposal is in line with the West Sussex Plan priorities;

- 'Independence for later life',

- 'A prosperous place', and
- 'A strong, safe and sustainable place'

In proposing changes to the day opportunities delivery model at the end of the extension period this is in line with the adults' services vision and strategy 2019-21.

### **Financial Impact**

The current annual combined contract value is approximately £5.1m per annum (excluding transport costs). Therefore the total for the two year extension will be circa £10.2m. Annual inflationary uplifts will be subject to decision making through the annual Council review of fees and charges.

The Council is the lead commissioner of adult learning disability (LD) services under the terms of a Section 75 agreement between the Council and the three West Sussex Clinical Commissioning Groups (CCGs). For 2019-20 the LD pooled budget is £100m, of which the Council funds 81.45% and West Sussex CCGs fund 18.55%.

All costs for the contract extension will be met within planned budget limits.

It is critical that time and resources are afforded to the retendering of the day opportunities services so that different models can be considered that improve the outcomes for customers, take account of demand management assumptions and lead to the realisation of budget savings.

### **Recommendation**

The Executive Director of Adults and Health is asked to approve a two year extension period of the Day Services Contracts, up to 31<sup>st</sup> March 2022.

### **Proposal**

#### **1. Background and Context**

- 1.1 The Cabinet Member for Finance and Resources and Cabinet Member for Health and Adults' Services approved the formal commencement of a procurement process (Cabinet Member Decision Report Ref No. HA11 (12/13) refers) for the Day Services (Adults with Learning Disabilities).
- 1.2 This approval delegated the decision to award the contract to the Executive Director Health & Social Care.
- 1.3 The Council undertook a robust open competitive tender process for independent day service provision with a new Framework being awarded from 1st April 2015. Tender evaluation panels approved the award of contracts to each provider having met the Council's minimum requirements of economic and financial standing and technical and professional ability.

- 1.4 The “Independent Day Service Framework” aimed to develop and shape the independent market for day time support, and ensure a variety of different providers and different types of services. Providers delivering services include independent private providers, third sector and voluntary and community based organisations, and small businesses.
- 1.5 These independent providers deliver primarily building based day services and largely follow a traditional “day centre” model that provides services for adults with a learning disability and / or autism.
- 1.6 The services deliver a statutory function to meet eligible social care needs through funded care packages for individuals. Services provide a range of functions:
  - Support to those that struggle to access their community independently and for those with complex physical needs - personal and/or practical care at the day centre;
  - Training and skills development to support independence;
  - Work based training and support to enable people to move into supported or open employment;
  - Coordination of social and recreational activities;
  - Provision of a meeting place to build relationships beyond those with carers and staff, thus reducing social isolation and loneliness;
  - Supported stimulating activities for people with profound multiple disabilities; and
  - Carers respite.

## **2. Proposal Details**

- 2.1 The Framework commenced on 1st April 2015 following competitive dialogue with all providers. There are 9 providers awarded with individual contracts.
- 2.2 The contract period for the Framework is 5 years (until 31 March 2020) and includes the provision to extend for up to a further 2 years (until 31 March 2022) to a maximum contract period of 7 years.
- 2.3 Existing contract agreements for the Services expire on 31<sup>st</sup> March 2020 and action must be taken to ensure that there is a continuation of services.
- 2.4 A 2 year extension period is requested, up to 31st March 2022.
- 2.5 Commissioners plan to remodel day opportunities. A different model is being considered that improves the outcomes for customers, takes account of demand management assumptions and leads to the

realisation of budget savings. In order to achieve this there is a need for alternative provision to be in place to divert people away from building based services and a robust transition project plan.

- 2.6 In recommending the term of the extension consideration has been given to the following:
  - The services continue to deliver a service which is meeting people's needs.
  - Whilst day services are not services that are regulated by the Care Quality Commission (CQC), regular strategic and contract monitoring meetings take place with each organisation to provide quality assurance and contract and financial compliance.
  - An extension offers stability to the Market.
  - Most services are full to capacity.
- 2.7 It is also acknowledged that in reshaping day opportunities further work is needed to develop a cost effective new day opportunities model that supports the strategic direction to move away from building based services - where we have seen that dependence is fostered and customers are often undertaking segregated activities - to provision which is focussed on progression, independence and forges community based relationships with local people, activities and opportunities and employers.
- 2.8 Further work is required to understand the volume of day activity required in the next 5-10 years given that the population is projected to grow by 4%.
- 2.9 In order to reduce the spend and reliance on day services other types of provision needs to be commissioned, as well as mapping and maximising opportunities in local communities.
- 2.10 A market consultation exercise will be undertaken with stakeholders to help inform the model of services and provision going forward.
- 2.11 Therefore, a 2 year extension will offer a period of continued stability whilst further work is undertaken to fully engage with stakeholders; align day opportunities in the independent market with in house provision; and ensure new specifications reflect modern services that meet future demand and needs, offering value for money in meeting strategic commissioning objectives

### **Factors taken into account**

### **3. Consultation**

- 3.1 The original consultation took place as described in the Decision Report HA11 (12/13) and included a customer focussed appraisal, consultation with the Learning Disability Partnership Board and a market consultation.

- 3.2 An extension period will enable further work to engage with Stakeholders before a re-tendering exercise.
- 3.3 During the extension period commissioners will continue to consult with the provider market. This will be through the independent provider chaired Learning Disability Provider Forum which meets bi-monthly and provides an open and supportive community for organisations to share good practice, challenges and seek information and advice, and for the council to have honest discussions about innovation opportunities and financial constraints.

#### **4. Financial (revenue and capital) and Resource Implications**

- 4.1 All costs will be met within planned budget limits.

	Current Year 2020/21 £m	Year 2 2021/22 £m	Year 3 2020/21 £m	Year 4 2021/22 £m
Revenue budget	5.1	5.1	N/A	N/A
Cost of Proposal	5.1	5.1	N/A	N/A
Remaining budget	0.0	0.0	N/A	N/A

- 4.1.1 Funding is from the Learning Disability Pooled Budget of which the Council funds 81.45% (£4.15m) and West Sussex CCGs fund 18.55% (£0.95m)

##### *4.2 The effect of the proposal*

- 4.3 Decisions around placements are made at an operational level through assessment and support planning by care managers of individual customers. Consideration is given to alternative care and support arrangements, services that are closer to home and by applying the principle of 'just enough' support to ensure staff and customer ratios are appropriate for the needs of the customer. In order to reduce the reliance on day services other types of provision and / or community solutions will need to be identified and / or commissioned to allow care managers to consider alternative arrangements to meet eligible needs.

##### *4.4 Future transformation, savings/efficiencies being delivered*

- 4.5 At a strategic level commissioners, contracts, operations and finance meet regularly to review spend and budget. A number of initiatives have been identified which could help reduce reliance on traditional building based services by exploring community led alternatives and travel initiatives which can help reduce transport costs.

##### *4.6 Human Resources, IT and Assets Impact*

- 4.7 There will be no increase in current IT requirements.
- 4.8 There will be no additional staff resourcing implications on the Council save for the existing contract management function.
- 4.9 The Council will not be providing any assets for delivery of the services.
- 4.10 No Council premises will be made available to bidders for the services.

## **5. Legal Implications**

- 5.1 The provision of day opportunities support is a mandatory duty and will be provided on behalf of the Council by this extension: The legal context is: The Care Act 2014 - to meet eligible needs for care and support, and ensuring provision of appropriate services.
- 5.2 The services are considered to be social and other specific services under the Public Contract Regulations 2015 and the value of the contract will be over the EU threshold for such services (£615,278). As such the services were competitively procured in accordance with the requirements of the Regulations and in compliance with the Council's Standing Orders on Procurement and Contracts.
- 5.3 No change of service provider is expected. TUPE will likely apply in the event of changes of service providers. No redundancies are anticipated as a direct result of this extension.

## **6. Risk Implications and Mitigations**

<b>Risk</b>	<b>Mitigating Action (in place or planned)</b>
Contract extension challenged	<p>There is provision within the current contract(s) to extend up to March 2022.</p> <p>There is insufficient time to deliver an open compliant competitive tendering exercise for a new contract(s).</p>
Not changing the current day service model	A 2 year period will allow sufficient time to gain cabinet member approval to follow a compliant procurement exercise; gather and collate the detailed information to plan and develop alternative service models to meet the future demand for services required to publish the tender

<b>Risk</b>	<b>Mitigating Action (in place or planned)</b>
	and to allow for mobilisation of new contracts.
Delays in scoping and redesign work	Set and monitor a realistic timetable. Resource and stakeholder mapping will avoid delays.

## **7. Other Options Considered (and reasons for not proposing)**

- 7.1 There is a risk that re-procurement (rather than extension) will not deliver new service models that meet strategic commissioning objectives if not undertaken following a period of stakeholder engagement and planning to minimise disruption to people, finances and the market.
- 7.2 The market is well established and currently supports up to 800 people with a learning disability. It will therefore take time to engage and consult with stakeholders, customers and their families and to commission alternative provision. There is no identified benefit in undertaking a large scale procurement exercise without having first completed a robust service re-design exercise.

## **8. Equality and Human Rights Assessment and Social Value and Sustainability Assessment**

- 8.1 This proposal will support Officers of the council to develop improved options for people with care and support needs in West Sussex to have improved independence and control over their lives.

## **9. Crime and Disorder Reduction Assessment**

- 9.1 This proposal is not expected to have an impact on crime and disorder.

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**Appendices:** None

**Background papers:** None