

REPORT TO: Executive Board Sub Committee

DATE: 19th November 2009

REPORTING OFFICER: Strategic Director – Health & Community

SUBJECT: Request to extend contracts for Supported Living services for Adults with Learning Disabilities and Mental Health Needs

WARD(S) Borough-wide

1.0 PURPOSE OF THE REPORT

- 1.1 To request suspension of relevant procurement standing orders 2.1-2.16 to extend existing contracts for care / support relating to learning disabled adults and adults with mental health needs to 31st March 2011 to allow for a complete review of service users needs and the quality and cost effectiveness of services ahead of any future market testing.
- 1.2 To seek approval of delegated powers to the Strategic Director, Health and Community, in conjunction with the portfolio holder for Health, to award interim contracts to 31st March 2011 to existing providers of care and support services transferred from the PCT and to take such action as may be necessary to implement the recommendations detailed below.

2.0 RECOMMENDATION: That:

- (1) **In the exceptional circumstances set out below, for the purpose of standing order 1.6 procurement standing orders 2.1 to 2.16 be waived on this occasion on the basis that compliance at this time would be financially detrimental to the Council. In addition, the existing contracts for care and support relating to learning disabled adults and adults with mental health needs be extended to 31st March 2011. The contracted rate to be in line with that previously agreed by Board, plus any inflationary uplift in line with that approved by the Council in setting the 2010/11 budget.**
- (2) **Delegated powers be approved to enable the Strategic Director, Health and Community, in conjunction with the portfolio holder for Health to award contracts to services provided by Alternative Futures and Community Integrated Care (CIC), recently transferred from the PCT under the Department of Health directive. The contracted**

rate initially to be in line with existing rates paid by the PCT and to then be reviewed following actions outlined in 3.1.10 of this report, plus any inflationary uplift in line with that approved by the Council in setting the 2010/11 budget.

- (3) Subsequent to the expiry of contracts under 2.0 (i), (ii) and 3.1.1 and 3.1.6 of this report, services will be procured either by the individual through their personal budget/direct payment or through 'spot purchase' contract arrangements via a Select list of Preferred Providers. The latter will be subject to a competitive tendering process and subject to procurement standing orders.
- (4) The Strategic Director, Health and Community, in conjunction with the portfolio holder for Health, be authorised to take such action as necessary to implement the above recommendations.

3.0 SUPPORTING INFORMATION

3.1 Contracts for Adult Mental Health and Learning Disabilities Supported Living

- 3.1.1 In April this year, following the Department of Health directive, responsibility for commissioning non-healthcare related activity and support for people with learning disabilities and the corresponding financial resources, transferred from the PCT to Adult Social Care. In Halton this includes 6 supported living services provided by Alternative Futures, and 7 services provided by CIC.
- 3.1.2 These services include accommodation based supported living services with an element of Supporting People Grant funding that was subject to the supporting people retraction plan in 2007. However, the care element of these services has not been reviewed for many years and must be undertaken as a matter of priority. Full social worker reviews are currently underway for the 40 people supported in these services. Early indications are that high staff to service user ratios need to be addressed and assistive technology/telecare could be brought in to give people greater independence.
- 3.1.3 The National Development Team for inclusion (NDTi) has selected proposals submitted by Halton Borough Council, working in collaboration with St Helens Council and the PCT, to be the demonstration site for the Housing and Social Inclusion Project for the North West region.
- 3.1.4 This is a three-year, Department of Health subsidised, initiative to support people with learning disabilities to move from residential care,

and achieve housing and support options that promote community inclusion and independence. The review of supported living services across Halton is one of the work streams.

- 3.1.5 As a result of being selected, NDTi support will be available to:
- Increase housing options and rights for people with learning disabilities;
 - Achieve successful strategies for improving social inclusion; and improve local performance against national indicator(s).
- 3.1.6 Existing Council contracts for accommodation-based care and support end on 31st March 2009. These are a combination of Community Care and Supporting People Grant funded block contracts and as such do not fit with the personalisation agenda. Research is being undertaken on possible models for future contracting arrangements that will give stability to providers, extend control to the person being supported and maintain value for money for the Council. This research is taking longer than anticipated as nationally limited progress has been made transferring shared supported living arrangements into personalised services and to date officers have not been able to identify a framework agreement for personalised supported living in any other authority.
- 3.1.7 In addition, on 18th June 2009, a judicial review upheld a Social Security Commissioners Decision (Turnbull judgement) that in certain circumstances rents for supported living services could not be classed under the Housing Benefit (HB) and Council Tax Benefit (CTB) Regulations 2006 as “exempt accommodation” and will therefore result in a reduction of housing benefit to local rent reference rates.
- 3.1.8 In Halton, this judgement has a potential impact on 82 people with a learning disability living in various supported living services across Halton. The most significant impact from the client’s perspective being the potential loss of benefit to meet the full cost of their rent, resulting in the accrual of rent arrears and the potential threat of possession proceedings.
- 3.1.9 Given the significant potential impact of this judgement on vulnerable people, the Council are currently considering the most effective response to minimise risk to clients and to the Authority.
- 3.1.10 This report seeks approval to extend the existing contracts to 31st March 2011 to allow sufficient time to:
- Complete reviews of services transferred from the PCT and work with the providers to configure cost effective, quality support to meet individual need.
 - Complete research to develop an appropriate model for procurement of care and support from 1st April 2011, which complies with relevant standing orders whilst embracing &

adhering to the principles of personalisation.

- Implement actions to minimise the effects of the Turnbull judgement
- Set up a select list of Preferred Providers.
- Incorporate the Councils In-House learning disability services onto a Preferred Providers Select List. This will allow the Councils In-House services to re-model and offer more flexible and cost effective services. In addition the In-House services will be able to undertake the high costing packages, thus reducing the need to make high cost out of borough placements for those service users with the most complex needs.

3.1.11 Approval is also sought to offer contracts within the same timeframe i.e. to 31st March 2011, to providers of non-health related support services transferred from the PCT on 1st April 2009. These services will then be procured in line with the adopted model referred to above.

4.0 Business Case for the Contract extensions Value for money and competition

4.1 Contracts for supported living were awarded following either negotiations with providers to implement the Supporting People Retraction Plan approved by Board in October 2006 or an open competitive tender exercise. Ongoing monitoring confirms that service quality has improved and represents value for money when benchmarked with neighbouring authorities. (See appendix 1 for benchmarking of costs against other local authorities)

4.2 Transparency

The contract and award process are subject to Freedom of Information requests and annual external and internal auditing processes. They are also recorded in the Council's contract register accessible via the internet. This ensures that external agencies do have some opportunity to examine contractual processes and outcomes.

4.3 Propriety and Security

The extension of contracts referred to in this report will be compliant with Halton Borough Council's procurement standing orders. Compliance with anti corruption practices will be adhered to and any of the contracts within the subject of this report will be terminated if there is any occurrence of corruption by any of the organisations or their staff.

4.4 Accountability

The contracts will be performance managed and quality assured by the Adult Social Care Contracts and Supporting People Team.

4.5 Position of the contract under the Public Contracts Regulations

2006

These are Part B exempt services under the Contracts Regulations 2006 and do not need to be advertised in the OJEU although when a contract is awarded true OJEU must be notified within 48 days.

5.0 POLICY IMPLICATIONS

- 5.1 The recently published Government document Valuing People Now – a new three-year strategy for people with learning disabilities (2009) reaffirms the four guiding principles set out in Valuing People (2001) that people with learning disabilities: have the same human rights as anyone else, independent living, control of decisions made about their lives, and inclusion in all aspects of community. These rights are already embedded within contracted services for community support.
- 5.2 Over the next 5 years, personalisation will substantially affect the way in which people receive services. National indicator 130 has a target requiring 30% of people in receipt of community care to be purchasing them using an individual budget or direct payment by 1ST April 2011. Thus the Council must ensure it has flexible contracting arrangements in place to manage this.

6.0 FINANCIAL IMPLICATIONS

- 6.1 The estimated value of the 12-month contract extension for supported living services is:

Supporting people grant	£1,200,000
Community care grant	£3,300,000
Funding transferred by PCT under DH directive	£984,895

- 6.2 It is anticipated that in those services which transferred from the PCT, reductions in the level of service can be achieved whilst still meeting need and improving quality. A corresponding reduction in the cost of the service should then be achievable through market testing.

7.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

7.1 Children & Young People in Halton

None identified

7.2 Employment, Learning & Skills in Halton

None identified

7.3 A Healthy Halton

These services offer a range of care and support to vulnerable people in the Borough and by promoting social inclusion have a positive impact on a person's self-worth and mental health.

7.4 **A Safer Halton**

None identified

7.5 **Halton's Urban Renewal**

None identified

8.0 RISK ANALYSIS

All contracts are monitored in accordance with the level of risk identified and in the event of non-compliance the contract will be reviewed immediately and necessary remedial action instigated.

9.0 EQUALITY AND DIVERSITY ISSUES

9.1 Agencies working under contract to the Council are expected to comply with the Council's policies relating to Ethnicity and Cultural Diversity as well as promoting social inclusion of some of the most disadvantaged people in the Borough.

9.2 Equality and Diversity will also form part of the social worker reviews for each person residing in the two learning disability care homes and supported by those services transferred from the PCT.

10.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

None under the meaning of the Act.