

Cabinet Member delegated decision

Decision Due: 08 July 2016

Report title: Contract Waivers, Older Adults, Disabilities and Mental Health Services

Authorised by: Strategic Director, Children Adults and Health: Helen Charlesworth-May

Portfolio: Cabinet Member for Adult Social Care: Councillor Jackie Meldrum

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Report summary

The Older Adults, Disabilities and Mental Health Integrated Commissioning Teams are responsible for a range of contracts providing care and support services for older adults, adults with learning and physical disabilities and mental health needs.

A decision was made in November 2015, to review all contracts that were due to expire at the end of the financial year and extend contracts if needed, in order to focus on priority work.

A number of the services commissioned are subject to service reviews in order to deliver savings from adult social care budgets through service remodelling. This involves commissioners working with providers, partners, users, carers and the public to review services with a view to re-commissioning, re-procuring and/or remodelling services as appropriate.

Decisions will need to be made about what to re-commission but also which services we no longer provide and therefore need to disinvest from them, given the significant savings to be achieved within adult social care.

This work has been progressing during the current financial year but this represents a significant programme of work. While this work is being undertaken there will be a requirement to put contract extensions in place for a 12 months period with an option to extend by a further 12 months in relation to a number of these contracts. This is being sought through this current waiver request.

This will also enable procurement and commissioning resource to be targeted on those services and contracts where the most significant savings have been identified. In addition, it will also enable limited commissioning resource to focus on services other than those included in this report where significant savings have been identified. The support provided through these contracts is critical in supporting people with social care needs and therefore continuity of service is key.

Finance summary

The total value of these contracts combined for a 12 month extension (16/17) is **£2,181,012** and should these be extended for a further 12 months the value for (17/18) will be **£4,681,209**.

The maximum cumulative value for both years for the period 1st. April 2016 to 31st March 2018 is **£6,862,221**.

It is anticipated that a number of these contracts will require an extension beyond the first year (to 31st March 2017).

All contracts are fully funded within the relevant adult social care budgets listed in Section 1. For the Supporting People Services for Adults with Learning Disabilities in Accommodation-Based and Floating Support Services (contracts F- K) and Floating Support - Older People's Tenancy Support (contract B) the budget provision is from the Adults with Learning Disabilities Supporting People within Strategy and Commissioning – Children, Disabilities and Public Health.

Recommendation

(1) To agree a waiver of Contract Standing Orders (Section 17.2 g) for the relevant contracts in Section 1 to extend all contracts for a period of one plus one year from 1st April 2016 to a maximum of 31st March 2018 with a break clause at 31st March 2017, at a maximum cumulative cost of **£6,862,221**.

1. Context

A list of the relevant contracts that the Older Adults, Disabilities and Mental Health Integrated Commissioning Teams are responsible for commissioning are listed below in tables **A and B**. The Council has a statutory responsibility to provide services for adults requiring care and support under various pieces of legislation including the Care Act and Mental Health Act and has chosen to commission the services included in the these tables from external providers through a number of contracts.

A. Older Adults and Disabilities

Ref.	Contract Description	Supplier	Contract Start Date	Contract Expiry Date	Option to Extend	Total Contract value to expiry	Increase in contract Value for 16/17	Increase in Contract Value for 17/18
A	Service User Meals at Stockwell Day Centre	Malone and Co.	09/08/2013	08/08/2016	Yes (24 months)	£140,000	£31,200	£46,800
B	Floating Support - Older People's Tenancy Support	One Support (One Housing Group)	01/07/2015	31/03/2016	No	£144,647	£196,862	£196,862
C	Framework Agreement for Minor Adaptations	DACS	01/04/2015	31/03/2016	No	£150,000	£150,000	£150,000
D	Framework Agreement for Minor Adaptations	Eurocontracts	01/04/2015	31/03/2016	No			
E	Framework Agreement for Minor Adaptations	Saltash	01/04/2015	31/03/2016	No			
F	Accommodation-based services for Adults with Learning Disabilities	Gold Knight Shared Services	01/04/2011	31/03/2016	No	£494,305	£81,561	£81,561
G	Adults with Learning Difficulties in Accommodation Based and Floating Support SP services	Key Ring	01/04/2011	31/03/2016	No	£682,535	£126,269	£126,269
H	Adults with Learning Difficulties in Accommodation -Based and Floating Support Services	Lambeth Mencap	01/04/2011	31/03/2016	No	£1,381,900	£249,372	£249,372

I	Supporting People Services for Adults with Learning Disabilities in Accommodation -Based and Floating Support Services	Rathbone Centre	01/04/2011	31/03/2016	No	£232,506	£46,500	£46,500
J	Supporting People Services for Adults with Learning Disabilities in Accommodation -Based and Floating Support Services	Southside Partnership	01/04/2011	31/03/2016	No	£874,160	£174,832	£174,832
K	Supporting People Services for Adults with Learning Disabilities in Accommodation -Based and Floating Support Services	Family MOSAIC	01/04/2011	31/03/2016	No	£208,440	£24,298	£24,298
L	Assistive Technology Services and Supply -Delivery	Red Alert Ltd	01/11/2014	30/04/2016	No	£75,000	£34,375	£37,500
M	Assistive Technology Services and Supply – Maintenance	Red Alert Ltd	01/11/2014	30/04/2016	No	£75,000	£34,375	£37,500
N	Assistive Technology Services and Supply - Delivery	Tunstall Group Ltd	01/02/2014	30/04/2016	No	£150,000	£68,750	£75,000
O	Assistive Technology Services and Supply – Maintenance	Tunstall Group Ltd	01/02/2014	30/04/2016	No	£150,000	£68,750	£75,000
	Contracts A.			TOTAL to 31/03/16		£4,758,493		
				12 month extension	To 16/17		£1,287,144	
				24 month extension	To 17/18			£1,321,494

The contracts in **A**. have been grouped (below) into their respective service areas

1.2 Day Services (contract A)

1.2.1. Meals are provided to users at Stockwell Day Centre at 44, Clarence Avenue by Malone & Co. a local caterer, which is the on-site caterer based at the extra care housing scheme at Clarence Avenue. A major review of existing day services for older people and adults with a learning disability is currently being undertaken and in addition there is a review of the community meals service and this provider may be part of a range of alternative options to be offered to service users in the future. The current service provided needs to be continued while the community review is completed at the end of July 2016.

1.3 Floating Support - Older People's Tenancy Support (contract B)

1.3.1 Floating Support services for older people is provided to tenants of sheltered housing provided by Registered Social Landlords. They now have reduced staff complements, so the Council commissions floating support to tenants where non- housing related support is needed. There is a review taking place of the future model of support provided in sheltered housing.

1.4 Minor Adaptations (contracts C-E)

1.4.1 A framework agreement currently exists for undertaking minor adaptations in people's homes. The 3 providers on the framework also provide bathroom extensions under a similar framework agreement with Housing and both services are being reprocured in the first half of 2016. An extension of these contracts is required while the procurement process is undertaken. It is anticipated the joint reprocurement process with Housing will be completed during the current calendar year.

1.5 Supporting People Services for Adults with Learning Disabilities in Accommodation-Based and Floating Support Services (contracts F- K)

1.5.1 There are contracts with 6 providers, who provide accommodation-based and floating support services which are the subject of service review and budget savings have been identified from these services.

1.5.2 A programme of work is being undertaken to remodel these services and a contract extension for each of the 6 will enable this work to be undertaken. The intention is to issue contract extensions, but with a reduced budget for those providers where savings have been agreed and this will also provide an opportunity between now and March 2016 to identify where further savings can be made.

1.5.3 Total savings of £71,936 have been achieved to date for these contracts and the budgets for 16/17 have been adjusted accordingly. This is reflected in the annual contract values for each of these contracts. It is the intention to deliver further savings in 17/18 and work will be undertaken to identify how these savings can be achieved during 16/17.

1.6 Assistive Technology (contracts L- O)

1.6.1 Assistive technology contracts include the supply and maintenance of equipment linked to response services to support people to live in their own homes. A major review of both the

equipment and response services is currently being undertaken with a reprocurement of the assistive technology services proposed. An options appraisal has recently been completed and it is intended to move to the next stage of developing a new service model for these services.

There is a savings target of £160,000 to be achieved for the combined equipment and response services and further savings from these budgets are currently being explored.

The contracts for supply and maintenance need to be extended while the reprocurement process is undertaken during 2016.

A. Mental Health

Ref.	Contract Description	Supplier	Contract Start Date	Contract Expiry Date	Option to Extend	Total Contract value to expiry	Increase in Contract Value for 16/17	Increase in Contract Value for 17/18
MH1	Adults with mental health needs in Accommodation Based and Floating Support SP Services	Southside Partnership MH Accommodation & Community Support	01/04/11	31/03/17	Yes (12 months)	£3,697,595	£0	£566,758
MH2	Adults with mental health needs in Accommodation Based and Floating Support SP Services	Southside Partnership Medium-level MH Service	01/10/11	31/09/16	No	£1,980,190	£174,879	£349,758
MH3	Adults with mental health needs in Accommodation Based and Floating Support SP Services	Family Mosaic Cambria Road	01/07/11	30/06/17	No	£680,290	£0	£126,000
MH4	Adults with mental health needs in Accommodation Based and Floating Support SP Services	Family Mosaic Long-term Patch A	30/01/12	29/01/17	No	£1,818,479	£76,376	£436,435
MH5	Adults with mental health needs in Accommodation Based and Floating Support SP Services	Look Ahead Housing & Care Ltd Long-term Patch B	30/01/12	29/01/17	No	£1,955,983	£86,952	£496,868
MH6	Adults with mental health needs in Accommodation Based and Floating Support SP Services	Look Ahead Housing & Care Ltd	01/07/11	30/06/16	No	£1,204,006	£190,106	£253,475

		Mental Health Floating Support Service						
MH7	Adults with mental health needs in Accommodation Based and Floating Support SP Services	Penrose Housing Association MDO Project	01/04/07	30/09/16	No	£1,724,633	£83,444	£166,888
MH8	Adults with mental health needs in Accommodation Based and Floating Support SP Services	Riverside English Churches	01/10/11	30/09/16	No	£1,454,082	202,798	£405,596
MH9	Adults with mental health needs in Accommodation Based and Floating Support SP Services	Sanctuary Supported Living Low Level MH Service	05/12/11	04/12/16	No	£756,232	£59,312	£177,937
MH10	Adults with mental health needs in Accommodation Based and Floating Support SP Services	Vietnamese Mental Health Services	01/10/09	30/09/16	No	£260,000	£20,000	£40,000
MK11	Adults with mental health needs in Accommodation Based and Floating Support SP Services	London Cyrenians Peripatetic Service	01/04/12	31/3/17	No	£1,360,000	£0	£340,000
	Contracts B			TOTAL to 31/03/16		£16,891,490		
				12 month extension	16/17		£893,868	
				24 month extension	17/18			£3,359,715

1.7 Supporting People services for adults with mental health needs (contracts MH1-11) have all been extensively reviewed over the past year in order to confirm that a good service is being provided to people with very complex needs. Savings have previously been taken from some of these services, and other efficiencies are planned to be taken over 2016/17 and 2017/18 after discussion with providers. Since April 2011 a total of £559,920 in savings have been achieved from the mental health services above.

1.8 A new approach to commissioning is currently being prototyped in mental health rehabilitation services as commissioners seek to develop a networked approach to support provision, recognising that services should be linked as part of a network of care rather than operating as separate entities. An Alliance Contract is currently being tested as a 'proof of concept' initiative, developed by Lambeth Council and NHS Lambeth CCG with a small group of providers which includes Lambeth Social Care delivery and the mental health trust (SLaM). This alliance of providers aims to improve the move-on of people from rehabilitation and residential care placements and should the initiative be successful, the approach will be extended to include other Council and CCG mental health services.

2. Proposal and Reasons

2.1 A number of these services commissioned are subject to service reviews in order to deliver savings from Adult Social Care and Adults with Learning Disabilities and Mental Health Supporting People within Housing budgets, through service remodelling. This involves commissioners working with providers, partners, users and carers the public to review services with a view to recommissioning, reprocurring and/or remodelling services as appropriate.

2.2 This work has been progressing during the current financial year but this represents a significant programme of work and there is a need for a further contract extension period of 12 months with an option to extend by a further 12 months in relation to the contracts listed.

2.3 This will also enable procurement and commissioning resource to be targeted on those services and contracts where the most significant savings have been identified. The support provided through these contracts is critical in supporting people with social care needs and therefore continuity of service is key while this work is on-going.

2.4 The council are continuing to engage with social care providers through the development of an Adult Social Care Market Position Statement. The market for social care is unpredictable with some providers making key decisions about their future and whether social care is an area they wish to continue to be in. We are keen to attract new providers to work in the borough however this work will take time. Analysis of the market has shown that this is an underdeveloped (and in some cases shrinking) market and commissioners are keen to maintain a degree of stability in 2016/17. Changes in how social care is delivered and the emphasis on a more preventative approach will also mean that the type of provision we need to commission will change

2.5 As outlined in the tables above we are letting contracts for the same service to multiple organisations to ensure we have sufficient supply and client choice and are not limiting competition

2.6 An initial forward procurement plan for Older Adults, Disabilities and Mental Health Integrated Commissioning is currently being developed in conjunction with the Category Management Team. The indicative timelines for the relevant service areas is as follows:

Day Services

- Review to be completed July '16 – recommissioning will take place remainder of 2016

Floating Support - Older People's Tenancy Support

- Collaborative approach with Housing & Communities Commissioners to review model of floating support – recommissioning would take place during 2017

Minor Adaptations

- Procurement process being led by Housing & Communities – will be completed during 2016

Supporting People Services for Adults with Learning Disabilities

- Recommissioning during 2016 and procurement processes will be undertaken in 2017

Assistive Technology

- Intention is to outsource call handling and response function (currently in-house Careline service) through a current framework with a mini tender process in 2016 as part of a wider reprocurement of Assistive Technology and Call Handling service in 2017.

Extra Care

- At the early stages of exploring different models for extra care – any recommissioning and procurement will take place in 2017

Mental Health

- The networked approach to support provision, linking care and support as part of a network of care rather than operating as separate entities through the Alliance contract is on-going work through 2016 and 2017 and may result in revisions to contract values during this period.

2.5 A number of these contracts do not have an option to extend and therefore approval is being sought for a waiver of Contract Standing Orders in respect of these contracts.

2.6 It is in the demonstrable best interests of the Council to extend these contracts while work is being undertaken to remodel and redesign services rather than reprocure at this stage.

3. Finance

3.1

- The budget for Assistive technology contracts (A) is contained in the Older People Day Centre – Clarence Avenue (D12207).
- The budget for Older People Floating Support (B) is contained in Supporting People within Children, Adults and Health division, cost centre (D12007).

- The budget for Minor Adaptations (C-E) is contained in the Community Equipment cost centre (D12336).
- The budget for Adults with Learning Difficulties contracts (F-K) has achieved savings of £72k and is contained in the cost centre Supporting People within Children, Adults and Health division, cost centre (D12003).
- The budget for Assistive technology contracts (L-O) is contained in the Careline and assistive technology cost centre (D12201).

3.2 The total value of these contracts combined for a 12 month extension (16/17) is **£2,117,136** and should these be extended for a further 12 months the value for (17/18) will be **£4,681,209**.

The maximum cumulative value for both years for the period 1st. April 2016 to 31st March 2018 is **£ £6,858,345**

All contracts

TOTAL contract values to expiry		£21,649,983	
12 month extension	To 16/17		£2,181,012
24 month extension	To 17/18		£4,681,209
Cumulative Total 16/17 & 17/18			£6,862,221

3.3 This report allows the contracts to end with three month's notice and allows for future budget uncertainty whilst meeting the need to continue these services.

3.4 There will be no inflationary uplift over the length of the contract extension period and no additional funding, or capital, is required.

4. Legal and Democracy

4.1 The authority to deal with the matters set out in this report is vested in the Cabinet Member for Adult Social Care.

4.2 The Council's Contract Standing Orders require that contracts with a value of £100,000 or more are procured through a competitive tendering process. Where contracts make provision for extensions, the option to extend may be exercised without a new competitive tender. Where there is no such provision, the extension will need to be authorised under waiver. Waivers of the Contract Standing Orders Section 17.2 g may be granted by the Director for contracts worth between £100,000 and £500,000 in certain circumstances, including where it is assessed that this would demonstrably be in the best interests of the Council. Where the contract extension (including an option to further extend) exceeds £500,000, the authority to grant the waiver is reserved to the Cabinet Member.

4.3 The Public Contracts Regulations 2015 apply to the contracts. The services delivered under the contracts listed are now classified as health and social services subject to the light touch procurement regime. When initially procured they were not subject to this regime.

4.4 Light touch contracts must be competitively tendered following the publication of a contract notice or preliminary information notice in OJEU if their value exceeds £589,148 (€750,000). If their value is below that threshold no such notice is required but they should be procured in accordance with the EU principles of equal treatment and transparency. None of the proposed contract extensions would exceed the threshold in the event that the option to extend by a further year is exercised. It should be noted that the contracts listed as C – E are framework contracts and the figures given there are maximum sums and not the actual value of contract orders.

4.5 In assessing whether it is justified to extend these contracts without further competition the Council must have due regard to the principles of equal treatment and transparency.

4.6 Because the aggregate value of the contract extensions in the first year exceeds £500,000 this is a key decision and will be entered on the Forward Plan. There will also need to be pre-decision publication arrangements made.

4.7 This proposed key decision was entered in the Forward Plan on 21st January 2016 and the decision due date is 16th June 2016. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5. Consultation and co-production

5.1 Co-production is a core underlying principle to ensure appropriate design and delivery of these services to meet the needs of the population of Lambeth. This approach has been integral to the service reviews and service re-design and recommissioning with full engagement with users, carers and providers.

6. Risk management

6.1 The adult social care services provided through these contracts for which the Council is responsible need to be delivered by appropriately trained, accredited, experienced

professionals. The service specifications for each of these contracts contain relevant quality and service standards.

6.2 For each of these contracts, there are a number of mechanisms and processes deployed to monitor the performance of the provider against the requirements of the contract and provide assurance in relation to the quality of services provided.

6.3 Each contract has a formal quarterly review with the provider, lead commissioner and in addition to on-going monitoring of quality of care provided, compliance with the specification in the contract and performance against key performance indicators undertaken by commissioning development officers.

6.4 A challenge to the waiver could be submitted, however as we are requesting an initial contract extension of 12 months, the assessment is that it is highly unlikely that other providers would have the capability to enter the market and/or deliver services outside of our current infrastructure. It is also the case that most if not all of the services require reviewing and reshaping, and during 2016, service providers will be consulted with at all stages of this process as we move forward and make decisions about what to re-commission and what we need to disinvest from.

7. Equalities impact assessment

7.1 As service reviews and re-commissioning are undertaken during the course of 2016/17, EIAs will be undertaken as part of that process. Commissioners are already considering equalities issues such as access, appropriate service delivery models for specific communities and the needs of vulnerable service users which is a critical component of the re-commissioning work programme.

8. Community safety

None

9. Organisational implications

None

10. Environmental

None

11. Staffing and accommodation

11.1 All staff are employed by contracted providers, the staff and on costs including accommodation are factored into the individual provider contracts.

11.2 London Living Wage

The providers of Minor Adaptations and Assistive Technology pay the London Living Wage, but the providers of care and floating support, supporting people and extra care (the remainder of the contracts) do not.

11.3 Work is currently being undertaken to cost implementation of the London Living Wage for these services using the model developed for Community Support providers (which have now implemented). Once this work is completed a decision will be taken in the coming months regarding implementation.

12. Procurement

All contracts reflect Lambeth's Responsible Procurement Aims and Goals. The Agreements also contain Environmental and Social provisions and measureable outcomes which promote Lambeth's agenda and objectives (e.g. Terms will dictate awareness and alignment with The Lambeth Sustainable Procurement Charter, Local Authority Sustainable Procurement Strategy and Flexible Framework, Race Relations Act, Crime and Disorder Act and Disability Discrimination Act). The providers will be required to ensure that where appropriate opportunities are provided for local residents to be engaged in the development and delivery of the service.

13. Health

The continuation of existing contracts supports the objective of enabling people to maximise independence and promote their health and wellbeing.

All commissioned services contribute to the achievement of the Council's outcomes, including population health and reducing health inequalities as outlined in the priorities contained in the Joint Strategic Needs Assessment (JSNA).

14. Timetable for implementation

#	Item Description	Date
1	Report presented at Procurement Board	03/03/16
2	Decision cleared	14/03/16
3	Scheme of Delegation Signatures	01/04/16
4	Contract extensions issued	w/c 21/03/16
5	Start dates for contract extensions	01/04/16
6	On-going contract management	April 2016 onwards

Audit trail				
Consultation				
Name/Position	Lambeth directorate/division or partner	Date Sent	Date Received	Comments in para:
Helen Charlesworth- May	Strategic Director, Children Adults and Health	12/02/16 (at CMB) 19/04/16	12/02/16 9/05/16	To expand to include disabilities and mental health Para 2.4 and 2.5
Moira McGrath	Director of Integrated Commissioning (Older Adults)	12/02/16	24/02/16	To expand to include disabilities and mental health
Maria Millwood	Director of Integrated Commissioning (Children & Young People, Maternity, Disabilities and Public Health)	12/02/16	25/02/16	To expand to include disabilities and mental health
Liz Clegg	Assistant Director, Integrated Commissioning Older Adults	12/02/16 19/05/16	24/02/16 24/05/16	No comments Section B
Denis O'Rourke	Assistant Director, Integrated Commissioning Mental Health	12/02/16	12/02/16	To expand to include disabilities and mental health
Emma Stevenson	Assistant Director, Children & Maternity Joint Commissioning	12/02/16	25/02/16	
Finance : Pete Hesketh	Business Partnering	22/12/15 15/01/16	13/01/16 04/02/16	1,3 1,3
Gabor Erdelyi		22/12/15	13/01/16	1,3
Wayne Cooper		22/12/15	22/12/15	1.3
Legal Services – David Thomas	Corporate Resources: Corporate Affairs	22/12/15	05/01/16	4
Kirstie Wheeler	Procurement	22/12/15	04/01/16	1,2,13

	Health and Care		17/02/16	1
Maria Burton, Democratic Services	Corporate Resources Corporate Affairs	22/12/15 15/01/16	23/12/15 19/01/16	1,2,4, 1,2,3,4
Councillor Jackie Meldrum	Cabinet Member: Adult Social Care	12/02/16 (at CMB) 19/04/16 19/05/16	 26/04/16 19/05/16	To expand to include disabilities and mental health No comments Section B Finance information
Internal Officer Board	Date of meeting			
Procurement Board	03/03/16			
External	n/a			

Report history	
Original discussion with Cabinet Member	08/01/16
Report deadline	N/A
Date final report sent	N/A
Report no.	N/A
Part II Exempt from Disclosure/confidential accompanying report?	No
Key decision report	Yes
Date first appeared on forward plan	21/01/16
Key decision reasons	Expenditure, income or savings in excess of £500,000
Background information	<ul style="list-style-type: none"> Lambeth Joint Strategic Needs Assessment
Appendices	None

APPROVAL BY CABINET MEMBER OR OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board and taken account of their advice and comments in completing the report for approval:

Signature _____ Date _____

Liz Clegg, Assistant Director, Integrated Commissioning Older Adults

I approve the above recommendations:

Signature _____ Date _____

Helen Charlesworth-May Strategic Director, Children Adults and Health

I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:

Signature _____ **Date** _____

Cllr Jackie Meldrum

CABINET MEMBER: Adult Social Care

Any declarations of interest (or exemptions granted): None

Issue

Interest declared