

Cabinet Member decision report

Decision Due: 31 August 2016

Report title: Home to Day Care Transport

Wards: All

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

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

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Report summary

The report seeks to:

1. To note the expenditure in respect of the Home to Day Centre Transport contract with community interest company CT Plus covering the period 1st October 2015- 31st August 2016 at the value of £1,076,404, which was not previously authorised.
2. Request approval for a contract variation and extension of up to 16 months with CT Plus from 1st September 2016 to 31st December 2017 at a reduction of approximately £275,000 per annum. Of this £140k has been paid to Aspire Wellbeing in order for them to provide for their client's transport needs. The remainder of the reduction is due to the number of buses being reduced to the day centres. The maximum contract value for the 16 month term is estimated to be £1,453,280 based on the pricing given by CT Plus, under re-negotiated contractual arrangements.

The reason for the 16 month extension term (with an early termination clause) is to enable CT plus and the London Borough of Lambeth to work collaboratively to deliver a service while the Council reviews its transport requirements. It is likely that the review will see a reduced requirement.

Recommendations

1. To note the additional expenditure covering 1st October 2015 to 31st August 2016 at the value of £1,076,404.
2. To approve an extension for up to 16 months (with an early termination clause) to CT Plus from 1st September 2016 to 31st December 2017 as this is demonstrably in the Council's and service users' best interest. The maximum contract value for the 16 month term is estimated to be £1,453,280.
3. The accompanying part II report is exempt from disclosure by virtue of the following paragraphs of Schedule 12A to the Local Government Act 1972:
Paragraph 3: Information relating to the financial or business affairs of any person (including the authority holding that information) and to information in respect of which a claim to legal professional privilege could be maintained.

Reason for Exemption from Disclosure

The accompanying part II report is exempt from disclosure by virtue of the following paragraphs of Schedule 12A to the Local Government Act 1972:

Information relating to the financial or business affairs of a particular person. (Including the authority holding that information).

1.1 **Background**

- 1.2 CT Plus is a provider transporting on average between 103 and 110 passengers a day to and from four in-house day centres in the borough. This is provided using specially adapted minibuses as many of these passengers have complex needs and require additional assistance when getting on and off the buses and for the duration of their journey.

There are currently 4 different day centres in the borough operated by Lambeth Council. These are:-

- Clarence Ave – provision of day services for older adults with moderate to severe dementia
- Central Hill – provision of day services for older adults who are physically frail, socially isolated or with moderate dementia
- Lambeth Walk – provision of day services for adults with learning disabilities and very complex needs
- Landmark – provision of day services for adults with more moderate learning disabilities

Until 2013 Lambeth also operated Lambeth Resource Centre for people with physical disabilities. This was established as a Community Interest Company in 2013 and is now known as Aspire Wellbeing. Until Autumn 2015 CT Plus also provided two minibuses solely for the use of Aspire Wellbeing service users. These arrangements have now changed and Aspire Wellbeing are now responsible for making transport arrangements for their services users. Funding has transferred over to Aspire Wellbeing to manage this, with a savings target of £170k over a 3 year period

- 1.3 The current day service provision offered to service users is very limited and we need to develop and commission services that offer choice, are cost effective and provide a quality service to enable older people and people with learning disabilities to have more choice and control over how they manage their care, and get the support they need to remain independent. There is a savings target of £1 million allocated to the day service budget from 2015/16.
- 1.4 In order to deliver this Lambeth is currently undertaking a major review and transformation programme of day services which is likely to result in a change to the current services offered. Going forward we will need a flexible approach to commissioning and provision of transport services that is able to respond to the changing needs and choices of current and future service users.

- 1.5 The Care Act 2014 requires local authorities to provide a range of services for people with care and support needs, who meet the national eligibility criteria. This includes support with transport and travel.

2. Community Transport Strategy

- 2.1 The Council's Transport Support Strategy was agreed by the Departmental Leadership Team in April 2013 and noted at the Cabinet Members Briefing in May 2013. The Strategy set out the Council's aims to offer more personalised travel arrangements for people who attend day opportunities. This includes the use of travel buddies to enable clients to access public transport to get to the centres and the use of taxis as cost effective alternative to mini buses. Continued minibus access for those who would not otherwise be able to get to their day service was also agreed.
- 2.2 A Day Services and Transport Review commenced August 2015. The transport element has been included in the review to ensure that those service users who can travel independently are supported to do so wherever possible. Where individuals cannot travel independently, a range of options will be explored (such as the taxi-card scheme, taxis, travel training, travel buddies, dial-a-ride) to determine the most appropriate travel option. The minibus option will no longer be the default travel solution. Where it is determined that an individual should access the minibus provision, the decision will be based on the individuals assessment of need.
- 2.3 Day centre staff, care managers and commissioners have put a programme of work in place to support service users to access a range of different options to enable them to get to the day centres. As a result we have already decommissioned one minibus and will be planning to further reduce the number of minibuses that are operated as a result of further roll out of personalised transport options and the redesign of day services.
- 2.4 CT Plus have been very engaged in this programme. They have worked with Lambeth to explore alternative provision to the option of minibus travel and are committed to continue this work for the duration of the contract.

3. Current Situation

- 3.1 The current contract commenced on the 1st January 2014 and expired on the 30th September 2015. CT Plus has provided a service for Lambeth since 2007. Negotiations have resulted in a reduction in scope and value since January 2016. The proposal is to enter into the contract with a start date of 1st September 2016.

4. Proposal and Reasons

- 4.1 It is proposed to extend and revise the arrangement with CT Plus for the 16 month period 1st September 2016 to 31st December 2017 as it is demonstrably in the Council's and service users' best interests. This option enables the provider to obtain more favourable terms in relation to its operating costs, such as vehicle leasing arrangements, which it can pass on to the Council. If the contract term is over a 12 month period, the reduction per vehicle will be £53k. Over the term of the contract this figure is £70k per vehicle.
- 4.2 Health and social services and provision of services to the community are categorised in Schedule 3 of the Public Contracts Regulations 2015, and the "light touch" EU procurement regime applies. The Regulations allow contracting authorities to negotiate contract extensions where additional services are required from the contractor that through unforeseen circumstances were not included in the original contract. It must be the case that the additional services cannot be technically or economically separated from the original contract without great inconvenience to the contracting authority.

5. Finance

- 5.1 Contract cost and total cost reductions from 15-16 to 16-17 are shown below:-

CT Plus Contract Costs 15-16	1,363,794
CT Plus Contract Costs 16-17	1,089,960
Contract Cost reduction from 15-16 to 16-17	- 273,834

Maximum contract value for the 16 month term	1,453,280
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- 5.2 In 2012/13 a savings target of approximately £393k was initially levied against the day services transport budget. This saving target has not been fully achieved due to the fact that plans to remodel the service are still taking place. The overspend on this contract has been funded since 12/13 from departmental reserves.
- 5.3 This savings target has a significant impact on the day service and consequent transport required. It is expected that transport provision will reduce in steps, although at this point in time it is difficult to anticipate what level of transport service will be required during and following the Day Services and Transport Review and the associated need to meet savings targets. Any future bus

reductions would reduce the contract value by £70k per bus that is decommissioned, though a cheaper alternative service would need to be provided to make further savings.

6. Legal and Democracy

- 6.1 The Care Act 2014 requires local authorities in the exercise of their duties and functions as social services authorities to provide a range of services for adults who meet the national eligibility criteria for care and support needs, taking into account their expressed preferences. This includes support with transport and travel.
- 6.2 The Cabinet has delegated to the Cabinet Member for Adult Social Care the authority to enact this report's recommendations. Before exercising that authority, the recommendation of the Procurement Board should be obtained.
- 6.3 Negotiations of extensions or new awards of contracts without competition require a waiver of the Contract Standing Orders, and the authority to approve a waiver for this contract value is delegated to the Cabinet Member for Adult Social Care, who should exercise her authority on the recommendation of the Procurement Board and after consulting the Leader. Waivers may be granted where the contract award or extension is demonstrably in the best interests of the Council.
- 6.4 Health and social services and provision of services to the community are categorised in Schedule 3 of the Public Contracts Regulations 2015, and the "light touch" EU procurement regime applies. The Regulations allow contracting authorities to negotiate contract extensions in certain limited circumstances, but the value of the extension must not exceed 50% of the original contract value. There is a risk of challenge to the proposed contract award/extension although it should be noted that it is in respect of a relatively short period with considerable mobilisation challenges for any other operator and is for a reduced service being subjected to a review, and therefore of a corresponding impact on the attractiveness of the opportunity.
- 6.5 The Council should note that it is required by the Public Services (Social Value) Act 2012 to consider how its procurement activities might secure the improvement of the economic, social and environmental well-being of the area.
- 6.6 The Council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness (the Best Value duty). This is usually secured by subjecting contract opportunities to competition but officers may demonstrate that they have secured

best value through contract negotiations and a pragmatic assessment of the circumstances of the contract in question.

- 6.6 This proposed key decision was entered in the Forward Plan on 3rd July 2015 and the necessary 28 clear days' notice has been given. 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.

7. Consultation and co-production

- 7.1 Engagement with CT Plus has continued throughout the current contract. This has taken the form of regular contract management meetings, Carer and service user forums, as well as meetings with commissioners. Feedback from operational staff indicates that CT Plus is a well-respected and safe service provider. Negotiations to date indicate that CT Plus will work with the Council to help find creative solutions for its future transport requirements.
- 7.2 Aspire Wellbeing has assumed responsibility for supporting their service users assessed as requiring transport from 1st October 2015. This was as a result of a series of stakeholder engagement events between Aspire Wellbeing and its members that resulted in its members opting for a more integrated transport service. This has led to the successful decommissioning of two vehicles from the central transport contract providing cashable savings to the Council.
- 7.3 Engagement with service users and their carers is taking place during the Day Services and Transport Review. Several sessions have been held at each day centre being carried out by an independent assessor to get a full picture of care and transport needs.

8. Risk management

- 8.1 Day services outcomes and service user eligibility will be reviewed during 2016, and may well result in a reduced requirement for home to day care transport. A service needs to be in place while the review is being concluded and for recommendations to be enacted.

- 8.2 It is currently difficult to give a clear projection of future transport provision. The risk is that the service will continue to exceed the budget and become increasingly unaffordable.

9. Equalities Impact Assessment

- 9.1 The service will record and report on equalities information to ensure that no equalities group is being disadvantaged through lack of access.
- 9.2 The transport service caters for Day Service users, specifically older people, people with learning difficulties and people with physical disabilities,
- 9.3 CT Plus is an equal opportunities employer. The ethnicity of the workforce is reflective of the service group for which they provide.

10. Organisational implications

None.

11. Social Value

- 11.1 CT Plus is a Community Interest Company (CIC), which is a form of limited company designed specifically for social enterprises. Money made from CT Plus contracts is reinvested back into the communities where they work, making a real difference to people's lives

12. Environmental

The contract extension will require CT Plus to rationalise journeys to minimise fuel consumption and reduce carbon emissions. The contract will also require CT plus adopt appropriate strategies such as emissions reduction technology, alternatively fuelled vehicles, exhaust system choice, noise and other appropriate solutions in the running of the fleet to minimise impact on the environment.

13. Staffing and accommodation

None.

14. Procurement

Procurement advice has been obtained prior to, and throughout, the drafting of this report.

15. Health

The contract will support Lambeth residents to live independently in their own homes for longer, by providing access to therapeutic day care opportunities for vulnerable people who would otherwise be socially isolated, thereby promoting improved health and wellbeing outcomes for them.

6. Timetable for implementation

Procurement Board Approval	December 2015
Day Services and Transport Review	Commenced August 2015
Contract Extension and Variation awarded	September 2016
Monthly contract management	Ongoing for the duration of the contract
On-going review of minibus reductions	Every 3 months
On-going contract management meetings, at least quarterly	From January 2016
Start of Procurement exercise (if applicable) / Commissioning intentions communicated	Jan 2017
New contract in place	1 st January 2018

17. Audit Trail.

Name/Position	Lambeth cluster/division or partner	Date Sent	Date Received	Comments in para:
Cllr Jackie Meldrum	Cabinet member	8.12.2015	10.12.2015 19.08.2016	Throughout
Liz Clegg	Assistant Director Integrated	3.12.2015 27.1.2016	7.12.2015 24.2.2016	Throughout Throughout

Name/Position	Lambeth cluster/division or partner	Date Sent	Date Received	Comments in para:
	Commissioning - Older Adults			
Pete Hesketh	Head of Finance	7.03.2016	18.05 2016	Throughout
Tom Dennerly	Accountant, (Adults' Services), Corporate Resources	10.11.2015 26.2.2016 24.5.2016	12.11.2015 26.2.2016	Finance Summary Page 2 Paragraphs 5.1 - 5.5 Finance Summary Finance section 5
Gabor Erdelyi	Senior Accountant, Financial Planning & Management Finance – Corporate Resources	14.1.2016	18.1.2016	Finance Summary Page 2 Paragraphs 3.1 - 3.5
David Mansfield	Procurement Manager, ACS	29.10.2015	6.11.2015	Throughout
Kirsty Wheeler	Senior Procurement Officer	24.5.2016		Report summary Recommendation
Helen Charlesworth-May	Strategic Director of Adults and Health	27.1.2016 11.6.16	8.2.2016 15.6.16	Throughout No comment
Moira McGrath	Director of Integrated Commissioning, Lambeth CCG	27.1.2016	8.2.2016	Throughout

Name/Position	Lambeth cluster/division or partner	Date Sent	Date Received	Comments in para:
	and Lambeth Council			
Fiona Connolly	Assistant Director, Adults and Health	7.12.2015 1.3.2016	7.12.2015 1.3.2016	No comments No comments
Dominic Stanton	Assistant Director, Adults and Health	7.12.2015 1.3.2016	7.12.2015 2.3.2016	No comments No comments
David Thomas, Legal Services	Corporate Resources: Corporate Affairs	18.11.2015 5 24.5.2016	19.11.2015 19.08.2016	Section 6
Henry Langford Democratic Services	Corporate Resources: Corporate Affairs	25.11.2015 5	2.12.2015	Throughout

Report history	
Original discussion with Cabinet Member	03.07.15
Report deadline	N/A
Date final report sent	N/A
Report no.	N/A
Part II Exempt from Disclosure/confidential accompanying report?	Yes
Key decision report	Yes
Date first appeared on forward plan	03.07.15
Key decision reasons	Expenditure, income or savings in excess of £500,000
Background information	Transport Strategy Care Act 2014 Exemption Request CT Plus 04/09/2015

Appendices	Part II report
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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** _____

Post Adrian Johnson
Commissioning Officer Adults and Health

I approve the above recommendations:

Signature _____ **Date** _____

Post Helen Charlesworth-may
Strategic Director 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** _____

Post Cllr Jackie Meldrum
CABINET MEMBER: Adult Social Care

Any declarations of interest (or exemptions granted):

Issue	Interest declared
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