

AGENDA ITEM: 7 Pages 26 – 33

Meeting	Cabinet Resources Committee
Date	21 April 2011
Subject	Procurement of Contracts for Day Opportunities for People with Mental Ill-health and for Respite and Support Services for Carers
Report of	Cabinet Member for Adults
Summary	This report recommends authorisation of procurement of a contract for day opportunities services for adults with mental ill-health and a contract for respite and support services for carers of adults with disabilities, ill-health or frailty

Officer Contributors	James Taylor, Deputy Head of Strategic Commissioning
Status (public or exempt)	Public
Wards affected	All
Enclosures	Appendix 1 - Prevention Services funded by Adult Social Services
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

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1. RECOMMENDATIONS

1.1 That the Committee authorise the carrying out of a procurement process for:

1.1.1 a contract for day opportunities services for people with mental ill-health

1.1.2 a contract for respite and support services for carers of adults with disabilities, ill-health or frailty

2. RELEVANT PREVIOUS DECISIONS

2.1 Cabinet Resources Committee, 22 July 2008 (Decision item 11) - approved changes to voluntary sector commissioning arrangements

2.2 Cabinet Resources Committee, 8 December 2009 (Decision item 7) - approved the strategic document 'Looking after Yourself – a Prevention Framework for Barnet' as the basis for the commissioning of preventative services by Adult Social Services.

2.3 Cabinet Resources Committee, 13 January 2011 (Decision item 11) - approved a waiver of paragraph 5.6.2 of the Contract Procedure Rules to allow the entry into interim funding agreements for prevention services commissioned by the Council's Adult Social Services subject to a maximum duration of two years.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

3.1 Better services with less money – The proposed contracts will help promote independence for adults with care and support needs in the Borough. They will focus services around the customer to achieve a better customer experience and better value for money through commissioning services differently and through service transformation. The procurement will contribute to managing resources and assets effectively and sustainably across the public sector.

3.2 Sharing opportunities and sharing responsibilities – The proposed contracts together with other re-commissioned contracts for social care and prevention services will support implementation of the Choice and Independence vision for Adult Social Services, by developing a market place which will be able to respond to people self-directing their support through a personal budget. The contract model will allow for increasing use of personal budgets to reduce providers' dependency on Council funding. Services will maximise the effective deployment of volunteering and focus on enabling customers to set up sustainable co-support groups that minimise dependency on Council funding.

4. RISK MANAGEMENT ISSUES

4.1 The application of competitive tendering to the procurement of prevention services currently being provided mainly by voluntary sector organisations is a relatively recent development nationally. The market is undeveloped as compared for example with social care provision including residential care and home care services. Commissioners and providers need to collaborate to manage the transition from a grants-based approach to appropriate compliance with the Council's Contract Procedure Rules to ensure that benefits to customers are realised.

4.2 The change process has the potential to damage the good working relationships which exist between the Council and the third sector, if not handled sensitively and transparently. The Council has been contributing to the funding of many voluntary sector operations through historic grant funding arrangements over a number of years leading

to a legacy of involvement. A Communications Plan is an essential element of procurement projects including those considered in this report.

- 4.3 Implementation of the changes risks losing the involvement of voluntary organisations, particularly smaller ones, whose work is valued by the Council, but who cannot or do not wish to take part in competitive processes. These potential impacts will be identified throughout the procurement process and will be taken into account in recommendations on the award of contracts and in transitional arrangements during the initiation phase of the new contracts.
- 4.4 Risks associated with the proposed procurement projects will be mitigated by:
- ensuring that provision to be procured is consistent with budget resources and savings targets;
 - carrying out advance market-testing with potential providers; and
 - requiring production of detailed service mobilisation and transition plans.
- 4.5 The risk that new contracts tendered out will not achieve value for money will be mitigated by:
- designing service specifications which reflect best practice and experience;
 - ensuring contracts are outcomes focused and related to Barnet's key indicators and objectives; and
 - better use of Council resources as a result of fewer contracts.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 The ability for providers to sub-contract or to operate as a consortium has been built into the contract models to facilitate response to specialist areas of demand which may relate to, for example, language or diagnosis which it is not possible to cover within the main contract.
- 5.2 The Council's Equalities policy has been followed in the management of the tender process, including evaluation of tenderers' equalities and diversity policies in terms of employment practice and service delivery. The contract for the new services will include explicit requirements fully covering the Council's duties under equalities legislation.

6. USE OF RESOURCES IMPLICATIONS (Financial, Procurement, Performance & Value for Money, Staffing, IT, Procurement, Sustainability)

- 6.1 Prevention services currently provided by voluntary organisations are funded from community care funding and Formula Grant allocated to the Adult Social Services base budget, and various specific grants allocated directly by the Government.
- 6.3 The Adult Social Services budget for prevention services for the three year period 2011/12 - 2013/14 approved by Council on 1.3.2011 provides for cumulative reductions amounting to £900,000 in the annual budget and equivalent to one-third of budget provision for 2010/11.
- 6.4 The procurement arrangements recommended in this report will support the Council's ability to achieve budget targets. Contracts will be procured within known resources.
- 6.5 The proposed maximum annual budget for re-commissioned mental health day opportunities services is £470K. This amount includes £287K of currently allocated funds from NHS Barnet resources. .

- 6.6 The proposed maximum annual budget for re-commissioned respite and support services for carers is £441K, including £30K of currently allocated funds from NHS Barnet resources.
- 6.7 In relation to the NHS Barnet monies referred to in 6.5 and 6.6, a recommendation to approve the negotiation under section 75 of the National Health Service Act 2006 for the Council to act as lead commissioner for all NHS voluntary sector spend amounting to £900K has been agreed by the NHS Barnet Board on 24 March 2011. The proposed agreement would create a pooled budget to facilitate an integrated approach to commissioning preventative services, reducing duplication and maximising outcomes. A report seeking the approval of Cabinet Resources Committee to the proposed arrangement will be submitted to the June meeting.
- 6.8 A number of current voluntary sector service providers rent premises from the Council and these arrangements may be affected by the proposed procurement. Property implications for the Council and providers will be identified within the procurement process and will be taken into account in recommendations on the award of contracts and in transitional arrangements during the initiation phase of the new contracts.

7. LEGAL ISSUES

- 7.1 The services proposed for procurement will fall under Annex B of Schedule 3 to The Public Contracts Regulations 2006 (as amended) which means that the procurement will not be subject to the full EU tendering rules.
- 7.2 Re-commissioning arrangements may lead to the termination of existing contracts with some organisations and entry into new contracts for similar services to be operated by different providers. It is likely the TUPE would apply in these circumstances. Contracts with new providers will therefore include appropriate obligations in respect of their compliance with TUPE responsibilities, and the Council will facilitate and oversee the supply of appropriate information during the procurement process and following contract award. Any termination of existing contracts must be done in accordance with the provisions of the, relevant contract.

8. CONSTITUTIONAL POWERS

- 8.1 The Council's Constitution, Part 3, Responsibility for Functions, paragraph 3.6 sets out the functions of the Cabinet Resources Committee.

9. BACKGROUND INFORMATION

- 9.1 During the past year, Adult Social Services has analysed its commissioning requirements for preventative services in order to deliver the objectives of *Looking After Yourself – A Prevention Framework for Barnet*, and has reviewed the services that voluntary sector organisations are providing at present. The recommendations of this report address the commitment to take forward procurement following decisions on future budget resources approved by Council on 1.3.2011.
- 9.2 In December 2010, the Council published proposals for re-commissioning prevention services and identified as a priority the re-commissioning of three service groups in early 2011/12
- Carer breaks and support

- Day opportunities for people with mental ill-health
- Information, advice and advocacy

- 9.3 This report is concerned with the first two groups. It is intended to report proposals for re-commissioning information, advice and advocacy services to Cabinet Resources Committee in June 2011, and to report proposals for re-commissioning remaining groups, mainly comprising services for older people and people with learning disabilities, to subsequent meetings in 2011/12.
- 9.4 Detailed discussions have taken place with provider groups concerning the council's proposals and will inform development of service models and the procurement approach. Customer advisory groups are being established to assist in ensuring a customer focus in planning the new services and in the procurement and subsequent transition processes
- 9.5 The prevention framework and associated strategies and reports demonstrate a sound evidence base in terms of the need for prevention services, the financial benefits that are realisable, and the particular drivers for change in Barnet's existing agreements with providers and the services available for customers. The following sections set out brief contextual information about preventative support for carers and for people with mental ill-health

Respite and support for carers

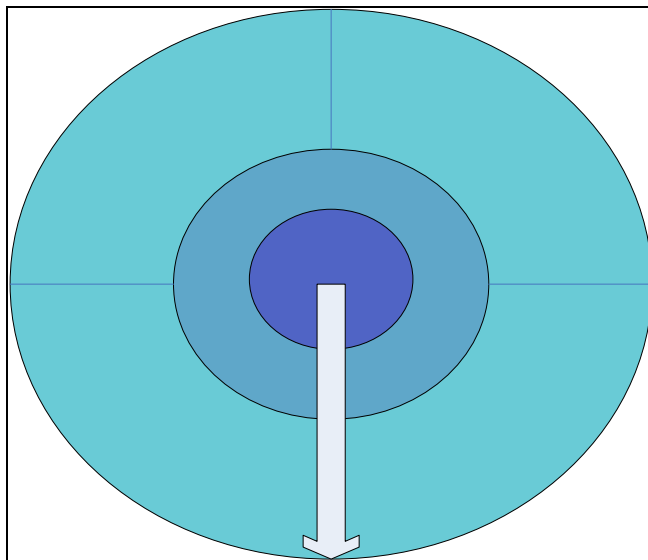
- 9.6 Carers have a vital role in supporting people who are ill, disabled, or frail so they can remain living in the home. It is estimated that 60% of the population will care for someone at some point during their lives. In Barnet, almost 10% of the population are carers, of which at least 2000 are 75 years or older, with nearly 5000 providing 50 hours or more of care per week.
- 9.7 Across England and Wales, the annual replacement costs for informal care has been valued at £38 billion, £30 billion of which is residential care, £7 billion homecare and a further £1 billion community health care. A recent report from the Audit Commission states that carers over the age of 60 provide care worth twice public spending on care services for older people. These valuations highlight the importance of ensuring carers are supported to reduce cost pressures on community care funding.
- 9.8 The service model will reflect the priorities of the approved Barnet Carers Strategy 2009-2012. A Carers Strategy Group is in place and is closely involved in detailed planning. Key elements of the contractors responsibilities defined in the service specification are as follows:
- To act as an assessor to advise AdSS on carers' eligibility for statutory social services
 - To prepare contingency plans and emergency plans for individual caring situations at risk of breakdown
 - To administer an agreed budget for provision of preventative breaks
 - To facilitate a range of social and personal support to carers, including counselling, organisation of peer-support groups and training in the provision of care

Day Opportunities for people with mental ill-health

- 9.9 Over 4,000 Barnet people aged 18 to 64 claim Incapacity Benefit / Severe Disablement Allowance due to mental and behavioural disorders and almost 1000 people in this age

group receive care packages funded by the council. Out of all the younger adult care groups, the mental health client-base is the most transitory, with 27% of Barnet clients entering statutory social care services each year, and a similar proportion leaving. This is understandable as individual mental health problems are more likely to alter radically over time, as circumstances change and disorders are heightened or diminished, compared to problems caused by learning or physical disabilities.

9.10 Significant continuing reductions in hospital provision and in admissions to residential care demonstrate the critical and growing importance of effective support in the community. The graphic presentation below shows the relationship between the proposed community day opportunities services, acute health services and the Network, Barnet's aftercare enablement' service which supports people for a short-term period on discharge from hospital. The prevention services to be re-commissioned offer longer-term support to strengthen and sustain re-engagement back in to the community in order to reduce the likelihood of readmission. Research commissioned, by government from Cap Gemini and published in 2009, indicates net financial benefits of £2.21 for every £1 of expenditure on prevention services as a result of savings in statutory social care and health expenditure.



The procurement approach

9.11 In accordance with Barnet's Third Sector Commissioning Framework, the intention is to re-commission respite and support for carers and day opportunities for people with mental ill-health services through an open tender process. It is expected that recommendations on the appointment of contractors will be made in Autumn 2011 to enable contract commencement before March 2012 in order to meet budget targets effective from April 2012. Existing services funded by AdSS and affected by these arrangements are shown at Appendix 1

Community
Day
Opportunities

9.12 The council's expectation is that future contracts will:

- be operated by partnerships or consortia, in order to improve coordination and reduce overheads
- have a lead organisation that would hold the contracts for each group of services

Employment

Support

The
Network

- be linked to the Centre for Independent Living and the Community Interest Company that will operate the Centre

10. LIST OF BACKGROUND PAPERS

10.1 None.

Appendix 1

Prevention Services funded by Adult Social Services

Main Customer Group	Organisation Name	Service Name	2010/11 Funding, for Service
Carers	Alzheimer's Society	Dementia and carer support	£ 39,844
Carers	Barnet Carers Centre	Support services for carers	£ 501,564
Carers	Barnet Mencap	Asian Families Project	£ 32,810
Carers	Barnet Mencap	Time Out' short breaks	£ 29,000
Carers	Friend in Need Community Centre	Carers Respite	£ 20,819
Carers	Jewish Care	Respite at the Kennedy Leigh Centre	£ 35,316
Mental ill-health	Barnet College	Community Link	£ 18,239
Mental ill-health	Barnet Depression Alliance	Barnet Depression Alliance	£ 678
Mental ill-health	Barnet Voice	Barnet Voice	£ 80,019
Mental ill-health	Jewish Association for Mental Illness	JAMI House day services	£ 24,948
Mental ill-health	Jewish Care	Martin B Cohen Centre	£ 10,629
Mental ill-health	Mind In Barnet	Befriending	£ 42,754
Mental ill-health	Mind In Barnet	Day Centre	£ 111,795
Mental ill-health	North London Eating Disorders Group	Eating Disorders Group	£ 1,591
Mental ill-health	Richmond Fellowship	Day Opportunities	£ 60,361
Mental ill-health	Richmond Fellowship	Quest for Work	£ 6,493