

	<p align="center"><b>CHIEF OFFICER IN CONSULTATION WITH COMMITTEE CHAIRMAN DELEGATED POWERS REPORT</b></p>
<p align="center"><b>Title</b></p>	<p align="center"><b>Approval of extension and variation of the early intervention and prevention Lot 2 - Neighbourhood Services for Older Adults Contract</b></p>
<p align="center"><b>Report of</b></p>	<p>Executive Director Adults and Health</p>
<p align="center"><b>Wards</b></p>	<p>All</p>
<p align="center"><b>Status</b></p>	<p>Public with separate exempt report under paragraph 3 of Schedule 12A to the Local Government Act 1972 (as amended) because it contains information relating to the financial and business affairs of the Council and Age UK Barnet.</p>
<p align="center"><b>Enclosures</b></p>	<p>None</p>
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<h2>Summary</h2>
<p>On 1<sup>st</sup> April 2018 the Council entered into a contract with Age UK Barnet (AUB) for the provision of Neighbourhood Services for older adults, for a period of three (3) years from 1st April 2018 (with the option to extend for an additional two (2) years).</p> <p>On 11th December 2018 the Council agreed the Medium Term Financial Strategy 2019/24 and the detailed revenue budgets, which included an efficiency saving from the Adult and Health budget to be delivered by rescoping and retargeting prevention contracts.</p>

The current three (3) year contract for Neighbourhood Services with AUB expires on 31st March 2021. This paper outlines the reasons for recommending the extension and variation of the current contract to Age UK Barnet for a period of two (2) years from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2023.

This report sets out how the extension and variation of this contract will enable the council to work in partnership with AUB to rescope and retarget commissioned services in-line with Corporate Priorities and the MTFS.

## Decisions

- 1. To exercise the option under the contract to extend and vary the contract with Age UK Barnet for the provision of Neighbourhood Services for Older Adults for a period of two years from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2023.**

### 1. WHY THIS REPORT IS NEEDED

- 1.1 This report outlines the reasons for recommending the extension of the current contract with AUB for the Neighbourhood Services contract for a period of two (2) years from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2023.
- 1.2 It also sets out how the contract extension and variation of this service will enable the council to work in partnership with AUB to re-scope and retarget commissioned services in-line with Corporate Priorities; the Medium Term Financial Strategy 2019/24 as well as minimise the impact on residents who access the services.
- 1.3 On 1<sup>st</sup> April 2018 Barnet Council entered into a contract with AUB to provide Neighbourhood Services for older adults for a period of three (3) years from 1<sup>st</sup> April 2018 (with the option to extend for an additional two (2) years).
- 1.4 On 11 December 2018, the Policy and Resources Committee approved the Annual Procurement Forward Plan, which provides approval for this contract to be extended (agenda Item 13, Appendix 1, line 240).
- 1.5 Although Neighbourhood Services for Older Adults are not statutory services, the commissioned offer aims to prevent and/or reduce the need for adult social care services by improving the resilience, aspirations, health and wellbeing of older people by enabling and promoting independence, social inclusion and increasing access to main stream opportunities and services. The services are available to adults aged over fifty-five years, who are living in Barnet. These services are available for both people who are Care Act eligible and non-Care Act eligible. The service is comprised of the following four components:
  - Neighbourhood Services – which provides activities for older people focusing on, healthy living and wellbeing, exercise classes, befriending, digital inclusion and lunch clubs

- Handyperson Service – providing small building repairs, minor adaptations and general home safety checks
  - Later Life Planning – providing targeted information and advice to older people to enable them to plan for later life
  - Falls Prevention Activities – providing exercise classes including strength, balance and Tai Chi
- 1.6 The council is committed to delivering quality services, developing resilient communities, and achieving great outcomes. However, like all councils, it is facing an increasing challenge, with funding levels diminished and demand increasing.
- 1.7 On 11<sup>th</sup> December 2018 the Policy and Resources Committee noted the Medium Term Financial Strategy 2019/24 (agenda item 8), and agreed that the savings proposals, subject to consultation and equalities impact assessment, come back to the Policy and Resources Committee in February 2019. The savings proposals included the rescoping and retargeting of Adults and Health prevention contracts, identifying that prevention contracts would be redesigned and recommissioned to maintain an effective prevention offer while rescoping services and delivering increased performance and effectiveness. On 5 March 2019 the Council approved the MTFs and the detailed revenue budgets in Appendices D2.
- 1.8 A review of the Age UK services was initiated as part of the wider council response to MTFs. The review took place from April to June 2019 and focused on:
- assessing the performance of the service against the objectives set out in the contract;
  - identifying and recognising areas of high performance and good practice;
  - considering opportunities for income generation and for service redesign where change, modification or retargeting of services would be beneficial and more cost effective.
- 1.9 The review of Neighbourhood Services identified that AUB’s performance was strong. However, service usage varied across activities offered. It was also difficult to affirm the extent to which the activities were targeted at those most likely to require social care services. It was also identified that there were further opportunities to explore additional income generation and to reduce duplication with other services delivered locally.
- 1.10 Under clause eighteen of the contract, which sets out that any requirement for change shall be subject to the change control process, the council and AUB are required to mutually agree any changes to the terms of the contract. Initial discussions with AUB commenced in July 2019 when the Council wrote to the AUB to inform them that the Council was proposing a funding reduction to the contract.
- 1.11 From July to December 2019 there have been on-going discussions with AUB about how savings can be achieved. AUB has agreed in principle that, subject to the Council agreeing to extend the contract for the provision of Neighbourhood Services for Older Adults from 1<sup>st</sup> April 2021 for the period of two years to 31<sup>st</sup> March 2023, AUB will agree to reduce the contract value and work with the

Council to reshape their services and to look at opportunities for alternative funding (where appropriate) to ensure that reduced funding is used efficiently and targeted appropriately.

- 1.12 Extending the service for a further two years from 1<sup>st</sup> April 2021 up to 31<sup>st</sup> March 2023 will enable Barnet to work in partnership with AUB from January 2019 to take a phased approach to reducing the contract value and reshaping the current offer to make it more targeted. The phased approach to rescoping and retargeting these services will help to shape and inform the council's commissioning intentions beyond 31<sup>st</sup> March 2023.
- 1.13 Discussion with AUB in December 2019 identified that the service will make the following changes to their current model of service delivery in order to deliver required savings. Changes will be made using the principles of reducing activities that are the least attended, are duplicated elsewhere or have least impact. AUB will look to improve and increase revenue, bringing their chargeable services in line with similar services provided elsewhere. AUB has already identified other funding sources for particular activities, which will enable them to continue to be delivered by AUB but will no longer be funded by the council and this activity will no longer be reported on as part of this contract.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 There is provision in the contract for this extension and variation and it is recognised by the Council that these are services that have a high satisfaction rating from the people that use them.
- 2.2 AUB confirmed their agreement to change the terms of their contract with the Council (redesign commissioned services and to reduce the annual contract value in 2019/20 (year 2 of the contract) as well as in 2020/21 (year 3 of the contract)) contingent on the Council agreeing to extend the contract from April 2021 for a period of two years.
- 2.3 Extending the contract term will enable the council to work in partnership with AUB and take a phased approach to re-scoping commissioned services in order to deliver the MTFS. This will enable service redesign to be informed by the views of the service users (e.g. changing the wellbeing activities programme); it will enable change to be managed robustly, communicated well and provide time for AUB to carry out consultation with staff whose posts may be affected by the redesign of services.

### **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 Option One - Allow contract to cease after the initial contract term (31<sup>st</sup> March 2021): This option is not recommended as it was identified that this would not be in-line with Barnet's corporate priorities which identifies that 'focusing on prevention and early help so residents can live independently for as long as possible' is a key approach to delivering the Council's priorities one of which is 'supporting our residents who are older, vulnerable or who have disabilities, to remain independent and have a good quality of life.'
- 3.2 Option Two - Recommission prevention offer following expiry of the initial contract term at the reduced contract value: Allow the current contract to expire on the 31<sup>st</sup> March 2021 and the council to rescope the service and go out to tender in 2020 for new services to commence on 1<sup>st</sup> April 2021. This option was not recommended as it would not deliver any savings in 2019/20 or 2020/21. This option would also not enable a phased approach to reshaping and retargeting the offer and to work in partnership with AUB to minimise any impact on the people that currently use these services.
- 3.3 Option 3 – No change, contract value remains as is: this is not recommended as the reduction is required to support the delivery of the MTFs.

### **4. POST DECISION IMPLEMENTATION**

- 4.1 The Council will work with AUB to revise the service specification and KPIs to reflect the proposed changes in February 2020. A Change Control Notice (CCN) will be sent to AUB requesting an extension of the contract for a further period of two (2) years from 1 April 2021 up to 31 March 2023, and setting out the requested changes to the pricing schedule and the service.
- 4.2 AUB will have 3 weeks to respond to the CCN request and to send back two signed copies to the Council, with one of the copies to be sent to AUB once signed by the Council. Once both parties have signed the CCN this will be legally binding change under the contract and provision of the service will continue based on the amended terms.
- 4.3 AUB will develop a communication plan, which will set out how they will communicate with residents of Barnet and other key stakeholders to make them aware of the changes to the service and where appropriate to signpost them to alternative provision.
- 4.4 The performance of the service will be monitored continuously through the quarterly care monitoring process. Commissioners will triangulate this information to carry out a more in-depth analysis of the impact of the changes once the redesigned services are in place.

## **5. IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

- 5.1.1 Extending the agreement with AUB supports delivery of the Barnet Joint Health & Wellbeing Strategy and the aims of the Council's Corporate Plan, Barnet 2024.
- 5.1.2 Reducing and retargeting the Neighbourhood Services contract supports the Council to deliver its MTFS.

### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

#### **Finance**

- 5.2.1 The Neighbourhood Services for Older People (Lot 2) is funded from the Adult Social Care base budget for prevention services.

### **5.3 Social Value**

- 5.3.1 The Public Services (Social Value) Act 2012 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before commencing a procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders. The council's contract management framework oversees that contracts deliver the expected services to the expected quality for the agreed cost. Requirements for a contractor to deliver activities in line with Social Value will be monitored through this contract management process.

### **5.4 Legal and Constitutional References**

- 5.4.1 In accordance with section 4.1 of the Council's Constitution, Contract Procedure Rules, any procurement including extensions and variations to Contracts set out in the Annual Procurement Forward Plan and approved by the Policy and Resources Committee, is deemed as Authorised irrespective of the Contract Value. Therefore the authorisation for the contract extension and variation is this Full DPR in Consultation with the Theme Committee Chairman
- 5.4.2 The scheme of delegation for Adults and Health, as published on the Council's website, states that Contracts may be signed off and approved by the Executive Director of Adults, Communities and Health.

## **5.5 Risk Management**

- 5.5.1 AUB is developing a communication plan to ensure that changes to the service are communicated effectively to people who use the service and to other key stakeholders. This will help to mitigate the risk that Barnet residents will have a negative reaction to the changes.
- 5.5.2 The performance of the service will continue to be monitored through the quarterly Care Monitoring process. Commissioners will triangulate this information to carry out a more-in depth analysis of the impact of the changes once the redesigned services are in place.

## **5.6 Equalities and Diversity**

- 5.6.1 The core provisions of the Equality Act 2010 (the Act) came into force on 1<sup>st</sup> October 2010 and the public sector equality duty (section 149 of the Act) came into force on 5<sup>th</sup> April 2011. Under section 149, the Council must have due regard to the need to eliminate discrimination, harassment and victimisation prohibited under the Act and to advance equality for opportunity and foster good relations between those with protected characteristics and those without.
- 5.6.2 The protected characteristics are age; disability; race; gender reassignment; pregnancy and maternity; religion or belief; sex; and sexual orientation. They also cover marriage and civil partnership with regard to eliminating discrimination.
- 5.6.3 Any organisation providing public sector services is subject to scrutiny by the Council to ensure that delivery complies with the Public Sector Equality Duty.
- 5.6.4 The contract for this service includes explicit requirements fully covering the Council's duties under the Equality Act 2010 and the specification requires that hard to reach groups are identified and have the opportunity to receive the service.
- 5.6.5 An Equalities Impact Assessment (EIA) has been completed for the extension and variation of this contract. The EIA indicates a positive impact of extending the contract for an additional two years and a possible minimal negative impact linked to the rescoping and reduction in funding. The principal mitigation actions for the minimal negative impact are to work in partnership with AUB that will be enabled through the extension, to take a phased approach to reducing the funding.

## **5.7 Corporate Parenting**

- 5.7.1 No implications in the context of this report

## **5.8 Consultation and Engagement**

- 5.8.1 In the summer of 2018 public consultation and engagement was undertaken on

the 2019/20 Council budget.

- 5.8.2 AUB, as part of the annual performance monitoring of the contract, is required to survey people that use their services to understand their satisfaction levels.
- 5.8.3 Additional service user engagement was carried out with participants at a select number of wellbeing services as part of the service review in July 2019. The engagement focussed on feedback from service users on: current areas of satisfaction, areas of improvement and charging policies and the reasons why people attended sessions.
- 5.8.4 In December 2019 AUB met with the eleven voluntary sector organisations that they currently have agreements in place with to deliver elements of the wellbeing and exercise activities to inform them of the impact of the change.
- 5.8.5 AUB will engage with service users in January 2020 through surveys and discussion groups to understand the activities they value and this will be used to help inform the changes to the service. AUB will also carry out staff consultation with all staff that may be affected.

## 5.9 **Insight**

Not applicable



## 6. BACKGROUND PAPERS

COMMITTEE/ DPR	ITEM AND AGENDA	LINK
Budget Council, 5 March 2019	Item 11 – Corporate Plan, Medium Term Financial Strategy 2019/24 and Budget for 2019/20	<a href="https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&amp;MId=9456&amp;Ver=4">https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&amp;MId=9456&amp;Ver=4</a>
Policy and Resources Committee, 20 February 2019	Item 9 – Corporate Plan, Medium Term Financial Strategy 2019/24 Budget for 2019/20	<a href="https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&amp;MId=9461&amp;Ver=4">https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&amp;MId=9461&amp;Ver=4</a>
Policy and Resources Committee, 11 December 2018	Item 8, Appendix D, Line 4 – Corporate Plan 2019-24, Business Planning – Medium Term Financial Strategy 2019/24 and Draft Budget for 2019/20	<a href="https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&amp;MId=9460&amp;Ver=4">https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&amp;MId=9460&amp;Ver=4</a>
Policy and Resources Committee, 11 December 2018	Agenda Item 13, Appendix 1, line 240 – Annual Procurement Forward Plan [APFP] 2019-2020	<a href="https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&amp;MId=8731&amp;Ver=4">https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&amp;MId=8731&amp;Ver=4</a>
DPR by Officer in Consultation with the Chairman of the Adults and Safeguarding Committee	Contract Award for Early Intervention and Prevention Services: Lot 1 – Early Intervention and Preventions Services (employment and support) for people with learning disabilities and/or Autism Spectrum Condition Lot 2 – Neighborhood Services for Older Adults	<a href="https://barnet.moderngov.co.uk/ieDecisionDetails.aspx?ID=6835">https://barnet.moderngov.co.uk/ieDecisionDetails.aspx?ID=6835</a>

Chairman:  
Has been consulted

Signed



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Date 27/08/2020



Chief Officer:

Decision maker having taken into account the views of the Chairman

Signed

Date 27/08/2020

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