

CABINET

2 NOVEMBER 2010

REPORT OF THE CABINET MEMBER FOR HEALTH AND ADULT SERVICES

Title: Update on Remodelling and Tendering Residential Care Services for People with Learning Disabilities	For Decision
<p>Summary:</p> <p>In September 2009 the Cabinet approved a report setting out the process for the remodelling and tendering of residential care services for people with learning disabilities. It was agreed that the existing contracts with Outlook Care and Avenues would be extended for a period up to the end of August 2010 to facilitate this process.</p> <p>This report provides an update on the progress of remodelling and requests approval for a further extension to the Avenues contract until March 2011 to enable the completion of the tender process.</p> <p>The process to date has achieved the closure of the residential home at Burdetts Road, with service users transferred to voids at Gardeners Close and the deregistration of Raydons Road residential home into a supported living model. This has achieved savings of:</p> <p style="padding-left: 40px;">£126,067 in 2009-2010 £ 286,067 full year saving 2010-11</p> <p>Following the remodelled scheme at Raydons Road work was progressed on reviewing services users at the other schemes to determine the potential for remodelling the remaining residential homes. This work has informed the procurement strategy for these services and negotiations were entered into with Outlook Care to establish a cost model that would deliver a remodelled service at the residential homes within their contract.</p> <p>Wards Affected: All</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to approve an extension of the Avenues Residential Services for people with learning disabilities for a period up to 31 March 2011 to enable completion of the tender process and award of contract.</p>	
<p>Reason(s)</p> <p>In order to accord with the Council's Contract Rules and statutory obligations and to ensure that the Council has a cost effective and value for money contract awarded for the purchase of the aforementioned services for people with learning disabilities.</p>	
<p>Comments of the Chief Financial Officer</p> <p>Significant savings will be generated by the remodelling and re-tendering of the Outlook Care and Avenues Trust Learning Disability Contracts, as detailed. Savings based on full year costs (detailed at paragraph 3) are estimated at a net £930,000 for a full year. These</p>	

savings will go towards the Adults and Community Services Directorate savings target for 2011-12 financial year.

Comments of the Legal Partner

1. This report is seeking Cabinet's approval of a proposed extension of the Council's current contract for the provision of residential services to people with learning disabilities (with Avenues Residential Services) for a further seven-month period until 31 March 2011, to cover the interim period between expiry of the current contract and completion of the process of retendering the contract.
2. The report states that an extension of this contract had already previously been approved by the Cabinet, in September 2009. That extension expired on 31 August 2010.
3. The Council's Contract Rule 4.3 empowers Cabinet to approve contract extensions where to do so would not be in breach of EU procurement rules as set out in the Public Contracts Regulations 2006 ("the EU Regulations").
4. Although the services under the contract to which the report relates are classified as "Part B" services under the EU Regulations, which means that the full rigour of the Regulations would not apply to the contract, the Treaty Principles of transparency, non-discrimination and equal treatment would still apply.
5. It is therefore imperative that the procurement time-table set out in Paragraph 1.4 of this report is adhered to, in order to ensure that the process of retendering the contract is completed prior to expiry of this further contract extension period, and to avoid any further extension of the current contract.
6. Completion of the retendering process and the award of a new contract prior to the expiry of the further extension period of the current contract would also ensure that the Council has satisfied itself that the new arrangement for the provision of the service is cost effective and continues to represent value for money.

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1. Background

- 1.1 In order to offer our learning disability service user group greater choice in how they live their lives and to be able to have a personal budget allocation, we remodelled our service at Raydons Road. Our new approach meant that the service delivery to residents moved from a traditional residential home concept to a supported living

scheme where each service user would have their own tenancy and a personal budget. With the success of this work we reviewed our other schemes to determine the potential for remodelling our remaining residential homes. This has work informed our procurement strategy and negotiations were then entered into with Outlook Care to establish a cost model that would deliver a remodelled service at one or all of the residential homes within their contract.

- 1.2 As a consequence of the above, agreement was reached on 5 July 2010 not to tender the Outlook Care services and instead to remodel all five residential homes: Ford Road, 144 & 148 Longbridge Road, Vicarage Road and Gardiners Close on a similar basis as Raydons Road. This approach will realise savings of 35% and deliver a supported living model, with services users in control of their own service, through a personal budget. Savings will be achieved in two phases, with 18% initially by January 2011 as each home is deregistered and 17% by the end of July 2011 following an organisational restructuring of the services by Outlook Care. The key milestones for this project are set out below:

Milestones	Date due	Comments
Council to confirm which schemes to be remodelled	7 July 2010	All five schemes to be remodelled (144 and 148 Longbridge, Vicarage, Gardiners and Ford) completed.
Commencement of de-registering schemes	8 July 2010	Gardiners will be the last scheme to be de-registered due to the high need of service users and recent merging with Burdett Road.
Contract expired	31 August 2010	To operate on a spot purchase basis within the same or reduced cost framework.
Registered Social Landlord notice period to be notified	31 August 2010	Completed
Core support and individual support for each service user identified	August 2010	Completed
Framework Agreement for each scheme agreed	December 2010	Note: This will be developed with Legal Partners and will deliver a framework approach that can be adopted for many other contracts when they expire to reflect the choice agenda.
All residents reviewed	October 2010	Completed
Resource allocation system complete for all residents	November 2010	Reliant on Council capacity
18% saving delivered	January 2011	Housing Costs (handing back housing management).

Outlook Care staff on new terms and conditions	February 2011	Note: This is subject to HR consultation for Outlook Care staff being completed by Outlook Care and is outside the direct control of the council.
Remaining 17% delivered	July 2011	Based on remodelled service, revised management structure, assistive technology, new terms and conditions. Remodelled service, revised management structure, assistive technology, new terms and conditions. Some of this saving should be delivered earlier.

1.3 In respect of the schemes at Bromhall and Vicarage Roads, a decision was reached to continue to tender this contract. This decision was based on the high cost already incurred for this service and the contractual arrangements that existed with the landlord who has a contract with the Council until 2024. This contract will develop 16 beds to provide a mix of supported living and respite and emergency beds to meet the needs of our Learning Disability service user group in Barking and Dagenham.

1.4 The indicative timetable for tendering this contract is as indicated below:

Action	Date w c
Advertise	19 July 2010
Expressions of interest to be returned	13 August 2010
Evaluate returns / references	13 September 2010
Invitation to tender to be sent out	11 October 2010
Tenders to be returned	8 November 2010
Evaluate & interview	28 November 2010
Contract award	6 December 2010
Contract delivery	1 March 2010

1.5 An advert was placed on supply2.gov.uk and the Council's web site in July 2010 inviting expressions of interest for the Provision of Accommodation, Support and Care Services (People with a Learning Disability). Seventeen expressions of interest were received, with completed prequalification questionnaires (PQQs), two of which were part of a consortium arrangement. Prequalification questionnaires and references were evaluated by a panel to provide a short list of organisations to invite to tender. The panel included a carer representative and there will be additional service user involvement in the interviewing of the prospective providers.

2. Proposal

2.1 Cabinet agreed to extend both Outlook Care and Avenues contracts until the 31 August 2010 to enable the remodelling of all of the services and to complete a procurement process as necessary. The remodelling process has experienced a number of delays due to protracted discussions with providers in negotiating a

suitable model in line with the personalisation model agenda and future approaches to procurement and costs for services.

- 2.2 The Outlook Care contract expired on the 31 August and each service user was placed on a spot contract for the remaining duration of the period whilst deregistration and remodelled service is implemented. As each home transfers to a model of supported living, the spot contract would end with the services user moving to a personal budget under a framework agreement with Outlook Care.
- 2.3 In respect of the Avenues contract, an extension is sought from Cabinet to extend this contract up to the end of March 2011 in order to complete the current tender and award and implementation of the new contract.

3. Financial Issues

- 3.1 The contract value for these services is currently £3,005,922 per annum. Funding is provided from Adult and Community Services core funding. Savings are anticipated on the current total spend through the remodelling and retendering of these services with improvements in value for money being achieved.
- 3.2 The process to date has achieved the closure of Burdetts Road, with service users transferred to vacant rooms at Gardeners Close and the deregistration of Raydons Road into a supported living model. This has achieved savings of:

£126,067 in 2009-2010
£286,067 full year saving 2010-11

3.3 Outlook Care: deregistration and remodelling

Indicative savings based on current costs are:

		Savings at 35%
Ford Road	£360,853	£126,298
144 Longbridge Road	£306,339	£107,219
148 Longbridge Road	£325,344	£113,870
Vicarage Road	£342,251	£119,788
Gardeners Close	£322,904	£113,016
Total potential savings (full year effect)		£580,191

The savings identified will be achieved in two phases:

- i) 18% by January 2011 with the deregistration of the above care homes and introduction of the supported living model.
- ii) 17% by July 2011 following an organisational restructure and renegotiation of staff pay and conditions by Outlook Care

3.4 Avenues: retendering of Residential services at Bromhall and Vicarage Roads:

Projected indicative savings from the tendering of services are anticipated to deliver savings of £400,000 in 2011-12, based on similar prices in the market.

Further savings are anticipated following the remodelling of services based on similar assumptions from the projections for Outlook Care which would be achieved in 2012-13.

3.5 A reinvestment of £50,000 is required to enable further remodelling for residential out of borough placements. These would release further savings in future years should the proposed model for supported living be extended.

3.6 Total potential savings (full year effect) as identified in paragraphs 3.2, 3.3 and 3.4 amounts to £930,191 for 2011-12.

4. Legal Issues

4.1 Comments of the Legal Partner are above.

5. Other Implications

Risk Management

5.1 The project plan has identified key risks to the project, which are:

- Service quality dips during the process
- The tendering fails to secure improved services
- Remodelling fails to improve outcomes for users

5.2 All of these have risk management plans in place to mitigate the threats to the project. The overall risk rating to the project is low.

5.3 Risks that would arise if the services were entirely decommissioned are:

- The Council would fail to meet its statutory duty to support people who are eligible for care and support under Fair Access to Care criteria
- Alternative accommodation and support solutions are likely to be more expensive and cost the Council more than the existing block contract arrangement

Contractual Issues

5.4 The Cabinet agreed to extend both Outlook and Avenues contracts until the 31 August 2010 to enable the remodelling of all of the services and to complete a procurement process as necessary. The remodelling process has experienced a number of delays, due in part to finalising the Adult Commissioning Strategy in May, as this changed the approach of Adult and Community Services in terms of Personalisation and future approaches to procurement, resourcing issues necessary to fundamentally change service specifications, delays in reviewing services users to establish service need and protracted discussions with providers in negotiating a suitable model and costs for services.

5.5 The Outlook Care contract expired on the 31 August, and each service user was placed on a spot contract for the remaining duration of the period whilst the deregistration and remodelled service is implemented. As each home transfers to a model of supported living the spot contract would end with the services user moving to an individual budget under a framework agreement with Outlook.

- 5.6 In respect of the Avenues contract an extension is sought from Cabinet to extend this contract up to the end of March 2011 to enable time to complete the current tender and award and implementation of the new contract.

Staffing Issues

- 5.7 There are no direct implications for the Council as these services are provided by third party organisations.

Customer Impact

- 5.8 The remodelling of services at Raydon Road has delivered positive impacts for service users. All service users accessing supported living services have a learning disability and some also have additional mobility and health needs. Some of the properties have a lack of wheelchair access with no lifts to upper floors or no level access into the property. Of the existing places available sixteen places at Bromhall and Vicarage Roads have full access for wheel chair users. These places form part of the current tender in progress. Future services in these properties will be delivered in ways that will ensure disability is not an obstacle to service provision. This will be evidenced by the current and continued standards, expectations and monitoring through the Supporting People Quality Assurance Framework and Adult Commissioning contract monitoring policy.
- 5.9 It is expected that the remodelling of services will result in positive impacts for service users. They will enjoy greater security of tenure and increased life chances such as opportunities to work. With personal budgets, they will enjoy choice and control over their own support, including having the opportunity to move on or remain in situ.

Safeguarding Children

- 5.10 Although there are no specific implications for the safeguarding of children, the changes envisaged will provide our adult learning disability service user group with increased self-esteem and increased awareness and influence over their own environment. This will give them the opportunity for greater control over their own lives supported by both their care manager and quality assurance monitoring.

Health Issues

- 5.11 The remodelling of these services will make a positive contribution to the health and wellbeing of people with a learning disability. Through the supported living model our learning disability service user group will be enabled to make greater choices in how they live and manage their lives in the community. This will be supported through individual advocacy and continued care management review to assess their changing needs.

6. Background Papers Used in the Preparation of the Report:

Executive Report - minute agenda reference 65 September 2009

Putting People First (2007) Department of Health. www.dh.gov.uk

Valuing People Now (2007) Department of Health www.dh.gov.uk

Valuing People Now: Transfer Of The Responsibility For The Commissioning Of Social Care For Adults With A Learning Disability From The NHS To Local Government And Transfer Of The Appropriate Funding Gateway Reference: 9906
www.dh.gov.uk

Person centred commissioning now - a pathway approach to commissioning learning disability support (2008) www.idea.gov.uk/idk/aio/8981043

7. List of appendices:

None