

Finance and Resources Committee

10am, Tuesday, 2 February 2016

Award, Extension and Transfer of Health and Social Care Contracts

Item number	7.4
Report number	
Executive/routine	
Wards	All

Executive summary

This report provides an update for Committee on work undertaken with a view to facilitating the good management of a number of health and social care contracts and grants. Based on the outcomes of this work, it makes recommendations to directly award 16 contracts, extend 3 contracts and allocate 7 contract budgets to the Health, Social Care and Housing Committee's grants portfolio.

Links

Coalition pledges	P12, P15, P30, P33, P36, P37, P43
Council outcomes	CP10, CO11, CO12, CO13, CO14, CO23,CO24,CO25
Single Outcome Agreement	SO2, SO4

Award, Extension and Transfer of Health and Social Care Contracts

Recommendations

To agree the:

- 1.1 direct award of contracts to the providers for total contract values and period listed in Appendix 1.
- 1.2 extension of contracts with the providers for the annual values and periods listed in Appendix 2.
- 1.3 budgets for contracts with the providers listed in Appendix 3 should be allocated to the Health, Social Care and Housing Committee's grants portfolio from 1 April 2016 and the future funding of related services should be the subject of grant application to that Committee.

Background

- 2.1 In September 2014 and May 2015 Finance and Resources Committee agreed the award or extension of a number of contracts, initially until 31 March 2016. These awards or extension of contracts were designed to allow time to explore potential alternative contractual solutions for night time support services, test market interest in the provision of post diagnostic support services for people with dementia, sensory disability services, specialist welfare rights and independent living advice services and for a provider to progress the disposal of property to allow it to re-design its service offer. This report details the outcome of work undertaken to ensure the good future management of contracts for these services and resulting recommendations.
- 2.2 In the intervening period, the Health, Social Care and Housing Committee agreed the grant funds at its disposal should be used to support the delivery of preventative and/or locality based services. In a separate decision, it also approved the commissioning strategy for the provision of day services to older people from black and ethnic minority (BME) communities and noted the recommendation to transfer existing contracts for these services to grants on the basis they provide preventative and/or locality based services. The Committee asked that the Finance and Resources Committee approval be sought to allocate remaining contract budgets in respect of the delivery of preventative, locality based and services for older people from BME communities to its grants portfolio.

- 2.3 The waiver of Council Standing orders is permitted where the circumstances of a proposed contract are covered by legislative exemptions, including where the nature of the market for the services to be provided has been investigated and is demonstrated to be such that a departure from the requirement of Standing Orders is justifiable in accordance with EU law and principles: for example, when for technical reasons the contract may only be awarded to a particular provider. In addition, a waiver can be requested where it is considered in Council's best interests to do so. It is on this latter basis that approval is sought to award the contracts listed in Appendix 1.
- 2.4 Section 10 of Council Standing Orders requires the approval of the Finance and Resources Committee in respect of the recommended extension of the contracts listed in Appendix 2.
- 2.5 In general terms Council Standing Orders indicate Committee approval should be sought in circumstances where it is proposed to change the status of a current contract to that of a grant, as in the case of the contracts listed in Appendix 3.

Main report

Direct Award of Contracts – to ensure safe night time staffing arrangements in a variety of care settings

- 3.1 As part of the whole system transformation of health and social care services carried out in response to the personalisation, self directed support and integration agendas, block contracts for the delivery of care and support at home services to adults with disabilities valued at £21,563,147 were dismantled in 2013. Of the total contract value, £19,226,502 was used to provide personal budgets to 631 service users. This meant that the Council no longer directly contracted for care and support services, providing maximum choice for service users.
- 3.2 Finance and Resources Committee noted in September 2014 that while the Council was committed to the personalisation of services, it had so far been unable to devise an affordable way of providing personalised budgets in respect of maintaining safe night-time support arrangements for service users living in houses of multiple occupancy and those operated on a core and cluster basis. Committee agreed the most economically advantageous option was that these should continue to be provided on a shared basis, where one worker would provide support to all service users living in a communal setting who required support during the night. Given the impracticality of seeking to tender for the separate provision of night-time services, as these are in all cases delivered by the same provider chosen by service users to provide their day time support, Committee approved the distribution of the remaining contract balance of £2,336,645, via the direct award of 20 contracts to a number of providers to maintain safe night time staffing arrangements. Contracts were awarded for a

period of two years from 1 April 2014. Finance and Resources Committee also agreed an increase in the rate paid for night time support in May 2015.

- 3.3 This initial contract period was intended to allow time to assess whether the implementation of the Social Care (Self Directed Support) Act 2013 in 2014, the ongoing publication of related Regulations and good practice guidance and developments in social work practice led to the identification of any other appropriate contractual solutions in respect of night-time cover.
- 3.4 Regulation and guidance relating to the implementation of self directed support legislation, published since 2014, has not recommended any alternative course of action in respect of the provision of night-time personal budgets. It is also the case that discussions with Scottish and English Council's about the issue have not led to the identification of alternatives to the direct award of contract approach adopted in Edinburgh but rather to other Councils following suit.
- 3.5 On the basis the direct award of contracts to maintain safe night time support arrangements continues to represent the best outcome for service users and at present continues to be the most cost effective solution for the Council, Committee are recommended to approve the award of contracts for three years in the amounts shown (a three year total of £8,182,764) to the providers listed at Appendix 1 for the period 1 April 2016 to 31 March 2019. This time will be used to look for efficiencies through the use of technology enabled care options and the trialling of possible alternative delivery models including, for example, peripatetic delivery.
- 3.6 Committee will wish to know funding has been secured to pilot a technology solution designed to reduce future reliance on the presence of an individual night worker in some care settings. Work on the pilot will start in 2016 and initial outcomes are due to be reported in 2017. While the pilot has the potential to deliver savings, these are likely to be realised over the longer term by offering alternatives to traditional forms of night time support to younger people making the transition from children's to adult services. For this reason the pilot's impact is unlikely to be realised until after the expiry of recommended contracts in 2019.

Direct Award of Contract - Dementia Post Diagnostic Service

- 3.7 The Edinburgh Dementia Post Diagnostic Support Service (the Service) is currently delivered through a contract with Alzheimer Scotland which was the subject of a waiver report in May 2013 and which is due to expire on 31 March 2016. The service supports around 300 people recently diagnosed with dementia for a period of up to one year.
- 3.8 This Service is a co production partnership development between the Council, NHS Lothian and Alzheimer Scotland in response to Scotland's National Dementia Strategy 2013 – 16 and an associated Scottish Government HEAT target.

- 3.9 The Commercial and Procurement Service issued a Prior Information Notice outlining the partnerships requirements beyond March 2016. The response demonstrated a lack of competitive interest in this Service. This is largely attributed to the current time limited funding period of two years.
- 3.10 On this basis, Committee are recommended to directly award a 2 year contract for the period 1 April 2016 to 31 March 2018 to Alzheimer Scotland for the amount listed in Appendix 1, to support continued service development and the delivery of positive outcomes for people newly diagnosed with dementia.
- 3.11 Committee will wish to know the Scottish Government plans to publish a new Dementia Strategy for the period 2017 – 2020 during 2016. It is hoped this will help clarify longer term financing arrangements for post diagnostic dementia support services.

Direct Award of Contract - Sensory Disability Services

- 3.12 In May 2015 Committee agreed the award of contracts to the Royal National Institute for the Blind (RNIB) and Deaf Action (DA) to deliver specialist statutory assessment and care management services on behalf of the Council to blind and/or deaf people for the period April 2015 to March 2016. These one year contracts, which together are currently valued at £569,775 per annum, were made to give the Council and its partners time to consider how best to organise the future delivery of sensory disability services and to test market interest in this area of work.
- 3.13 A co production exercise carried out in 2015 concluded the delivery of a truly integrated and cost effective sensory disability service would best be achieved through the letting of a single contract for the provision of all sensory disability services. This is intended to ensure a single, coherent service 'offer' is available to service users and to avoid the duplication of management and other costs associated with current service delivery arrangements.
- 3.14 The Commercial and Procurement Service issued a Prior Information Notice outlining the Council's sensory disability service requirements in November 2015. No credible notes of interest were received other than from RNIB and DA. Both incumbent providers indicated their willingness to work jointly on the delivery of any new contract.
- 3.15 Committee are recommended to agree the direct award of a single contract for the delivery of an Integrated Sensory Disability Support Service jointly to RNIB and DA, for the period 1 April 2016 to 31 March 2019, with an option to extend the contract for up to two further years, for the amount listed in Appendix 1.

Extension of Contracts - Disability Services

- 3.16 In May 2015 Committee approved the extension of Capability Scotland's (CS) contracts for the delivery of day services to people with disabilities at its E2 Centre until 31 March 2016 and at its New Trinity Centre until 30 September

2016. This was because a buildings based day service model no longer meets the needs of CS service users and intended to allow CS to progress the sale of both sites. CS plans to reinvest part of the proceeds from the sale of its property in a new 'hub' facility, around which people with disabilities will be helped to learn about and make use of the community facilities available to everyone.

- 3.17 CS have advised the Council that while the sale of both sites has been agreed in principle, for technical reasons they are unlikely to complete the sales until towards the end of 2016. To provide some degree of flexibility to CS around the sale completion date, Committee are recommended to agree an extension of CS contracts for services at E2 from 1 April 2016 for a period of up to 12 months and at New Trinity Centre from 1 October 2016 for a period of up to 6 months for the amounts listed in Appendix 2.
- 3.18 In May 2015 Committee approved the extension of a contract with the Lothian Centre for Inclusive Living (LCIL) until 31 March 2016. LCIL provides advice to people considering using Direct Payments and Personal Assistant (PA) payroll and other support to people who decide to do so. The purpose of the extension was to allow for a consultation and market testing exercise to be carried out as a means of determining the future procurement route for this service.
- 3.19 Market research has identified strong capacity in the provision of payroll support services but less in the delivery of advice to service users on the recruitment and employment of PA's and the delivery of an income maximisation service.
- 3.20 To allow the procurement of a payroll service provider to be progressed and for further co-production dialogue to take place with LCIL, service users and co funders East, Mid and West Lothian Councils, about the future delivery of this service, Committee are recommended to agree a further extension of contract for a period of up to nine months from 1 April 2016 for the amount listed in Appendix 2.

Transfers from Contract to Grant

- 3.21 The outcome of consultation and co production activity in respect of the delivery of services to older people from black and ethnic minority (BME) communities was the subject of report to the Health, Social Care and Housing Committee in September 2015. One of the outcomes of this work was a recommendation that as localised and/or preventative services, these should in future be funded via grant aid.
- 3.22 Health, Social Care and Housing Committee endorsed the report recommendations and referred the matter of transferring existing contract budgets to its grants portfolio to Finance and Resources Committee for decision. Committee are recommended to agree existing contract budgets, in the amounts detailed in Appendix 3, Part A, should be transferred to the Health, Social Care and Housing Committee grants portfolio from 1 April 2016 and the future funding of related services should be the subject of grant application to that Committee.

- 3.23 Changes in the management of Blood Borne Viruses (BBV), notably HIV/AIDS, during the last decade have required providers working in this area to adapt and/or re-design their service offer. As a result there is now a clear focus on the delivery of post diagnostic support and the provision of longer term support for those whose diagnosis is complicated by mental health and/or substance misuse issues. This has allowed the Council and Waverley Care, currently Edinburgh's only large scale provider of BBV services and specialist volunteer agency Positive Help, to agree significant changes in service design in recent years and to realise associated savings for the Council.
- 3.24 Given the fast changing nature of nature of BBV services and the likelihood that further advances in the management of BBV will require further and possibly radical change to service delivery arrangements, Committee are recommended to agree the existing contract budgets listed in Appendix 3, Part B should be transferred to the Health, Social Care and Housing Committee's grants portfolio from 1 April 2016 and the future funding of related services should be the subject of grant application to that Committee. This is intended to provide the flexibility the Council needs to react quickly to further medical developments and to focus its resources on the most needy among those affected by BBV.
- 3.25 During 2015 co production work with people with learning disabilities and other stakeholders was carried out to determine a service specification for the delivery of advice and advocacy support in respect of welfare rights, information about options for moving on from the family home and self directed support opportunities. On the basis the new specification requires these services are designed to prevent needs escalating, Committee are recommended to agree the existing budgets for contracts with the Family Advice and Information Resource and Edinburgh Development Group, listed in Appendix 3, Part C, should be transferred to the Health, Social Care and Housing Committee's grants portfolio from 1 April 2016 and the future funding of related services should be the subject of grant application to that Committee.

Measures of success

- 4.1 Arrangements are in place for the good management of all Health and Social Care contracts and grants.

Financial impact

- 5.1 The value of the contracts recommended for direct award for periods between 2016/19 is £9,669,240.

The value of the contracts recommended for extension in 2016/17 is £662,409.

The 2016/17 value of the contracts recommended for transfer to grants is £593,470.

- 5.2 With the exception of contracts/grants for the delivery of safe night time staffing arrangements and for dementia post diagnostic support, all others referenced in

the report have been subject to a minimum saving requirement of 10% of 2015/16 contract value over either a one or two year period. On this basis all have been appropriately budgeted for.

Risk, policy, compliance and governance impact

- 6.1 Approval of the report recommendations will ensure all contracts referenced in the report meet the requirements of Council Standing Orders.

Equalities impact

- 7.1 Report recommendations will have a positive equalities impact on a wide range of people affected by disability, dementia, frailty in old age, blood borne viruses and other health and wellbeing issues.

Sustainability impact

- 8.1 None directly arising from this report.

Consultation and engagement

- 9.1 Report recommendations are result of consultation and co production activity with service providers, service users, carers and other interested stakeholders.

Background reading / external references

Report on the findings of the consultation on the future of day services for older people from minority ethnic communities, Health, Social Care and Housing Committee, 17 June 2014

Award and Further Extension of Health and Social Care Contracts, Finance and Resources Committee, 30 September 2014

Award and Extension of Health and Social Care Contracts, Finance and Resources Committee, 13 May 2015

Impact on Providers of Recent Appeal Tribunal Judgement – Night Time Sleepover Costs, 13 May 2015

Transformation Requirements for Grant and Contract Payments to Third Parties in Health and Social Care, Health, Social Care and Housing Committee, 8 September 2015

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Appendix 1

Recommended direct award of contracts – to ensure safe night time staffing arrangements in a variety of care settings to the following providers and in the amounts shown for the period 1 April 2016 to 31 March 2019:

Provider	Total Contract Value (3 years)
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Action Group	£ 666,132
Ark Housing Association	£ 901,578
Autism Initiatives	£ 893,067
Barony Housing Association	£ 153,060
Carr Gomm	£ 327,525
Community Integrated Care	£ 730,422
Freespace	£1,180,962
L'Arche	£ 379,470
Mears Care	£ 214,050
Places for People	£ 452,880
Richmond Fellowship	£ 568,305
SHARE	£ 509,361
Visualise	£ 335,265

Single Service Shared Night Cover FA	£ 870,687
Comprising: Crossreach	£ 161,295
Enable	£ 38,259
Garvald	£ 68,328
Leonard Cheshire Disability	£ 156,768
Link Living	£ 39,027
Penumbra	£ 120,291
Redcroft	£ 168,741
Redwoods	£ 70,158
Thistle	£ 47,820

Recommended direct award of contract for Dementia Post Diagnostic Service for the period 1 April 2016 to 31 March 2018 to:

Alzheimer Scotland	£215,483	2016/17
	£215,483	2017/18

Recommended direct award of contract for Sensory Disability Support Services for the period 1 April 2016 to 31 March 2019, with option to extend for a further two years to:

RNIB/Deaf Action	£541,287	2016/17
	£514,223	2017/19

Appendix 2

Recommended extensions of the contracts listed for the periods and amounts shown:

Provider	Annual Contract Value
Capability Scotland E2 Centre for a period of up to 12 months from 1 April 2016	£55,530
Capability Scotland Trinity Centre for a period of up to 6 months from 1 October 2016	£364,950
Lothian Centre for Inclusive Living for a period of up to 9 months from 1 April 2016	£241,929

Appendix 3

Part A – Recommended transfer of contracts to grants: providers of support to older people from black and ethnic minority communities

	2016/17	2017/18
Edinburgh Chinese Elderly Association	£ 82,137	£77,814

MILAN	£104,756	£99,242
NKS	£ 15,110	£14,315

Part B – Recommended transfer of contracts to grants: providers of Blood Borne Virus support services

Waverley Care	£220,228
Positive Help	£ 36,039

Part C – Recommended transfer of contracts to grants: providers of advice and information services to people with learning disabilities

Family Advice and Information Resource	£ 85,200
Edinburgh Development Group	£ 50,000