

Report of Strategy & Commissioning

Report to Director of Environment & Housing and Director of Public Health

Date: 17th December 2014

Subject: To seek approval to waive Contract Procedure Rules 8.1, 8.2, 9.1 and 9.2 in order to establish a pilot contract with Care & Repair Leeds for the combined provision of services for older and disabled people.

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

- Care & Repair Leeds is a local Home Improvement Agency which has been operating for 27 years. It is an independent agency with charitable status which provides a wide range of services to support older and disabled people to live in safe, warm, secure, healthy, well maintained and adapted homes in Leeds.
- Leeds City Council currently contract with Care and Repair Leeds to deliver a number of services. These are currently contract managed across a number of different directorates. Following a joint strategic review and options appraisal it is recommended that a number of these services are combined and delivered under one pilot contract with the current provider. This would allow for the development and testing of a new outcome focussed model and would provide a sound evidence base on which to subsequently go out to competitive tender.
- Approval is therefore being sought to establish a pilot contract from the 1st April 2015 for 2 years (+6 +6 month) with Care and Repair Leeds at a maximum value of £602,274.20 per annum, for the provision of this combined service. This timescale would allow for a full year review and procurement exercise to be implemented. In addition, in order to ensure continuity of provision of the Hospital Discharge and Asian Outreach Service to the 1st April 2015, approval is also sought to enter into a short term interim contract with Care and Repair Leeds for this service. This contract currently expires on 28th February 2015.

Recommendations

4. The Director of Environment & Housing and the Director of Public Health are recommended to approve a waiver of Contract Procedure Rules 9.1 and 9.2 to establish a pilot combined service contract for 2 years (+6 +6 month) from 1st April 2015 with Care & Repair Leeds up to a value of £602,274.20 per annum.
5. The Director of Public Health and Acting Director of Adult Social Care are recommended to approve a waiver of Contracts Procedure Rules 8.1 and 8.2 to establish a short term interim contract of one month with Care and Repair Leeds for the ASC contract (Public Health funded) Hospital Discharge and Asian Outreach Service with effect from 1st March 2015 for a value of up to £16,146.
6. The Director of Public Health and the Acting Director of Adult Social Care have provided approval for the recommendations above and confirmed the financial contribution. The Delegated Decision Notification will be signed by the Director of Environment and Housing.

1 Purpose of this report

- 1.1 The purpose of this report is to request that a pilot combined service contract be established with Care & Repair Leeds in order to develop and test a new outcome focussed model. The review of this pilot model would provide a sound evidence base on which to subsequently go out to competitive tender for these services.

2 Background information

- 2.1 Care and Repair Leeds currently have contracting arrangements in place with a number of different directorates across the council. A joint strategic review has been undertaken led by Strategy & Commissioning in Public Health and including colleagues in Adult Social Care, Health and Housing, Environment and Housing and Public Health.
- 2.2 The aim of the review was to assess the quality, strategic relevance and cost effectiveness of the current services to inform decision making as to the future provision of these services within Leeds and contractual arrangements with this organisation. A Project Team consisting of representatives from each of the directorates was established in October 2013 to commence the review and this was completed in December 2014.
- 2.3 Care and Repair Leeds receive funding from Environment & Housing, Adult Social Care and Public Health to provide a wide range of housing related support services. Appendix 1 provides details of the services Care and Repair Leeds deliver on behalf of the Council and whether they were deemed to be within scope for the review.
- 2.4 The joint strategic review found there to be no significant performance or quality issues with services provided by Care and Repair Leeds, however some areas of concern were highlighted by Health and Housing and Children's Health and Disability Team (CHAD). These are currently being discussed with the provider and where appropriate will form part of an action plan to ensure continuous improvement prior to, and throughout the new pilot period.
- 2.5 For Disabled Facilities Grant (DFG) works completed on behalf of the Council by Care and Repair Leeds, the Housing Authority retain the legal duty and are therefore responsible for the quality of the works completed.
- 2.6 The last joint validation visit as part of the housing related support Quality Assessment Framework process with Adult Social Care involved an inspection of the organisation's

policies, procedures, standard documentation and consultation with staff and service users. The current provider achieved Level B in 3 of the QAF core objectives.

- 2.7 In 2014 Care and Repair Leeds self-assessed at level A in all five of the QAF core objectives. Quality will continue to be reviewed as part of the pilot contract.
- 2.8 Furthermore, Care and Repair Leeds was awarded the Foundations National Quality Mark for Home Improvement Agencies in 2010. It won the national Home Improvement Agency of the Year Award in 2008 and again in 2010. In June 2011 the organisation was awarded a major national award for “Excellence in Providing a Housing Choices Service”.
- 2.9 Care and Repair Leeds also continue to develop new services such as the Healthy Lives, Healthy Homes Project covering the Harehills and Chapeltown area, run in partnership with the Feel Good Factor and the Silver Links Project which offers one to one volunteer support for older people.

3 Main issues

- 3.1 Following the joint strategic review a Review Report and Options Appraisal related to the future provision of these services was presented to the Project Team and Review Board. The recommended proposal is to merge 5 of the current services into one combined pilot model to be delivered for 12 months by the current provider. The pilot model would address the issues raised through the review and provide a sound evidence base on which to go out to competitive tender.
- 3.2 The 5 services which will form part of the pilot model have a combined current contract value of £602,274.20 as per the table below:

Service	Funder	Per Annum Value
Home Improvement Agency & Disabled Adaptations	E&H	£139,822.20
Home Repairs	E&H	£167,000
Hospital Discharge Service	PH	£158,484
Asian Outreach Service	PH	£35,268
Falls Prevention Service	PH	£101,700

- 3.3 The Housing Choices service which is part of the Home Improvement Agency contract will remain outside the scope of the combined pilot as this service is better aligned with the wider review of all housing related floating support services which commences in January 2015. The Housing Choices service will be subject to a separate delegate decision report which will be recommending new interim contract from April 2015 for all services within scope of the wider review. There will be no break in provision for this service.
- 3.4 The proposed pilot model would enable the following:-
 - 3.4.1 The opportunity and flexibility to develop a more integrated and holistic service to meet the identified needs of service users.
 - 3.4.2 The development of a single performance and quality framework – managed by a single point of contact within the Council. This will enable the Council to develop and test out an outcomes focussed model prior to tendering.

- 3.4.3 A streamlined system for performance monitoring and analysis will provide a robust evidence base for assessing value for money, performance and financial accountability – to inform future commissioning.
 - 3.4.4 The focus on increased city-wide provision which would provide more robust needs analysis to ensure future commissioning is fit for purpose.
 - 3.4.5 It will remove duplication of services and disparity in funding of core costs and allow the Council to realise and maximise potential savings and benefits for the organisation and the Council – removing duplication and current overly complex systems and maximising the potential for efficiency savings.
 - 3.4.6 Care and Repair Leeds also receive fee income when delivering Health & Housing adaptations that are Disabled Facilities Grant (DFG) eligible. The level of fee income varies year on year. This DFG fee income will be taken into consideration in the development of the new specification and financial model.
- 3.5 All of the above would ensure future commissioning provided maximum effect in terms of efficiency and the delivery of high quality services which perform well.
- 3.6 Through the pilot contract, additional recommendations from the joint strategic review will also address:-
- 3.6.1 Removal of direct funding for the Asian Outreach post which will be incorporated into general funding to ensure equality considerations are embedded across all services and clients.
 - 3.6.2 An equality audit and action plan is completed by the organisation to review current approaches and practices to enable greater understanding of equality needs and gaps which can be addressed through the pilot contract and future commissioning.
 - 3.6.3 Consideration as to whether the direct funding received by Care and Repair Leeds from Housing Leeds for their council tenure Hospital Discharge adaptations should form part of the pilot contract arrangements.
 - 3.6.4 Overall contract efficiency savings should be realised as a result of these changes and the specification and financial model will reflect this.
- 3.7 Following consultation at Project Board and with the Procurement Unit the overall timescale of a pilot contract is recommended and viewed as realistic and feasible: 2 years plus (6 + 6) months.
- 3.8 This will allow a full 12 month delivery period to be reviewed. Following the delivery period - 3 months for reviewing, adjustments to scope/specification, 2 months for pre-procurement work including full suite of tender documents for publication, 9-12 months for procurement exercise (from publishing tender to award of contract) and the final 6 month extension would only be invoked if a mobilisation period was required.
- 3.9 In order to ensure continuity of service a short term interim contract will be required for one month from the 1st March 2015 for Hospital Discharge and Asian Outreach Service.
- 3.10 The pilot contract and review will be monitored and managed by Commissioning and Contract Officers within Strategy & Commissioning in line with the Contract Management

Policy for housing related support services. This will include quarterly contract management meetings with the provider to discuss service delivery and review performance. The pilot period will allow in-depth performance and quality analysis to inform the provision when tendered as described in 3.4.2 and 3.4.3.

- 3.11 Leeds Older People's Forum has recently been successful in securing funding through the Big Lottery Fulfilling Lives: Ageing Better programme to reduce social isolation and loneliness amongst older people (50+). This project will be delivered from July 2015. The pilot will allow time for these services to be developed and embedded and future commissioning will be able to add value to this.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The quality assessment process involves detailed consultation with staff, service users and key stakeholders. This was carried out at the last Quality Assessment visit and service quality was good. A group consultation held with service users and clients expressed a high level of satisfaction with the service.
- 4.1.2 Extensive consultation was undertaken throughout 2014 as part of the joint strategic review. Consultation had taken place with a wide range of clients and stakeholders, trustees and staff. This included structured interviews as well as questionnaires. Feedback from this consultation was positive, however some areas of improvement were highlighted which will be used to inform service re-design and future commissioning. Relevant issues will also form part of an action plan to ensure continuous improvement throughout the new pilot period and these have been discussed with the organisation already.
- 4.1.3 As part of the joint strategic review a Project Team consisting of representatives from each of the directorates was established and consulted throughout the review process. A Project Board was established which consisted of strategic partners and budget holders. The Board were consulted regarding the review findings and recommendations.
- 4.1.4 The new specification will be developed in consultation with the existing provider and stakeholders.
- 4.1.5 Lead members and ward members have been briefed regarding the review process and progress.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An Equality, Diversity, Cohesion and Integration screening paper has been completed and included as background information to this report. The screening tool indicates that at this time a full assessment is not required because the establishment of a pilot contract will not necessitate any significant changes which would impact negatively on service users, staff or stakeholders.
- 4.2.2 As part of the pilot, and as an outcome of the joint strategic review, an Equality Action Plan will be developed with Care and Repair Leeds and will be monitored to help identify if there are gaps in services and issues for particular equality groups. This Equality Action Plan will be used to inform the design and future commissioning of these services.

- 4.2.3 Strategy & Commissioning will complete a full Equality Impact Assessment of the new pilot specification to ensure that the impact of any changes on service users, staff and stakeholders are fully evaluated and addressed.

4.3 Council policies and City Priorities

- 4.3.1 The Housing Related Support programme and services delivered by Care and Repair Leeds directly contribute to the delivery of key outcomes within the Best Council Plan 2013/17, specifically to improve the quality of life for our residents, particularly those who are vulnerable or in poverty and the delivery of the 'Better Lives' objectives.
- 4.3.2 Care and Repair Leeds services are strategically relevant, and contribute to a number of the Better Lives objectives, helping local people with care and support needs and helping people to stay living at home.
- 4.3.3 The undertaking of the pilot and review also contributes towards 'Ensuring the Delivery of High Quality Public Services' and becoming an 'Efficient and Enterprising Council'.
- 4.3.4 The services make significant contributions to all of the City Priority Plans, but particularly the Health and Wellbeing Plan and its priority to make Leeds the best city for health and wellbeing by 2030. This is achieved through supporting clients to make healthy lifestyle choices and to live safely in their own homes.
- 4.3.5 The work undertaken by Care and Repair Leeds directly contributes to the priorities set out in the Joint Health and Wellbeing Strategy 2013-15; Helping people live full, active and independent lives, specifically contributing to the numbers of people supported to live safely in their own home (home repairs, falls prevention, adaptations) and ensuring more people recover from ill health and cope better with their conditions (hospital discharge and major/minor adaptations).
- 4.3.6 The Time of Our Lives - Aging Well in Leeds, a Framework of Principles for Organisation that work with Older People in Leeds 2012-16 highlights that there has been a steady increase in the number of people aged 75+ in Leeds since 2001. This change in the population demographic of the city will lead to an alteration in both the health needs and service requirements of the population. The aim of this framework is to improve older people's general health and to enable identification and provision of the necessary support to allow older people to stay in their own home safely for longer. Care & Repair Leeds home repairs/handyperson service can provide this practical support.

4.4 Resources and value for money

- 4.4.1 In relation to value for money it is important to highlight how adaptations and housing support services can prevent, defer or remove the need for an older or disabled person to be placed in residential care or hospital or to use day care services. National research indicates that an investment of £6,000 on major adaptations could generate a saving of £400,000 over a ten year period if the person is prevented from needing to be admitted to residential care.
- 4.4.2 It is widely established that it costs in excess of £350 per day for someone to stay in hospital after their treatment is complete. The average cost of the hospital discharge service in 2013/14 was £103 per person.
- 4.4.3 It is estimated that it costs between £25,000 and £30,000 for health and social care services if a person falls and breaks their hip. The Falls Prevention service costs just

over £101,700 per annum. Therefore if 4 people a year are prevented from falling and breaking a hip, the service will then have recouped the cost of providing the service.

- 4.4.4 There is financial provision for these services within the budget. The Director of Public Health and Head of Housing Support have confirmed the budget provision for the length of the contract. The cost of the new pilot contract will be a maximum of £602,274.20 per annum. The pilot model will realise efficiency savings and these will be explored with the provider in the development of the new specification. It has been agreed that efficiencies between 5-10% will be realised by Environment & Housing funding.
- 4.4.5 The pilot contract will focus on performance monitoring and analysis which will provide a robust evidence base for assessing value for money, performance and financial accountability – to inform the tendering process and future commissioning. This will ensure efficiency within service delivery.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 This is a key decision and has been placed on the Council's List of Forthcoming Key Decisions on the 21st November 2014 and will be subject to call-in.
- 4.5.2 The report suggests the waiver of Contracts Procedure Rules 8.1 and 8.2 for a short term interim contract of one month with Care and Repair Leeds from the 1st March 2015 for the Hospital Discharge and Asian Outreach Service and the waiver of Contract Procedure Rules 9.1 and 9.2 to establish a pilot 2 years (+6 +6 month) contract from 1st April 2015 for the combined services pilot.
- 4.5.3 Advice has been sought from the Procurement Unit about the process required for the joint strategic review and pilot contracting arrangements for services.
- 4.5.4 This report does not contain any exempt or confidential information.
- 4.5.5 Awarding contracts directly to Care and Repair Leeds in this way could leave the Council open to a potential claim from other contractors to whom this contract could be of interest that it has not been wholly transparent. In terms of transparency, it should be noted that it is a requirement of European case law that contracts of this value are subjected to a degree of advertising. It is up to the Council to decide what degree of advertising is appropriate. In particular, consideration should be given to the subject-matter of the contract, its estimated value, the specifics of the sector concerned (size and structure of the market, commercial practices, etc) and the geographical location of the place of performance.
- 4.5.6 The Director of Environment & Housing and the Director of Public Health have considered this in relation to the contracts for which they have responsibility and, due to the nature of the services being delivered and the requirement to be physically located in the City of Leeds, are of the view that the scope and nature of the services is such that it would not be of interest to other EU member states
- 4.5.7 Due to the potential total value of these contracts (approx. £1.8m over a potential 3 years) giving this contract direct to the service provider without competition may be seen as a significant risk of challenge from other potential contractors who have not been given the chance to tender for this opportunity.
- 4.5.8 As these are Part B Services for the purposes of the Public Contracts Regulations 2006 ("Regulations"), and therefore not subject to the full procurement regime, the risk of challenge identified at paragraph 4.5.5 and 4.6.3 in relation to the proposed 2 years pilot

scheme can be diminished somewhat by the publication of a voluntary transparency notice in OJEU immediately after the decision to award the contract has been taken and then waiting 10 days to see if any challenges are made. If no challenges are made a claim for ineffectiveness cannot be brought. Further, publishing such a notice will also start time running for any other potential claim for breach of the Regulations, which must be brought within 30 days of the date that an aggrieved party knew or ought to have known that a breach had occurred.

- 4.5.9 In addition to the matters set out at paragraph 4.5.6, due the short term interim contract being only one month in length and it's low value the risk of challenge in relation to this contract is considered to be extremely low
- 4.5.10 Although there is no overriding legal obstacle preventing the waiver of CPR 9.1 and 9.2, the above comments should be noted. In making their final decision, the Director of Environment & Housing and the Director of Public Health should be satisfied that the course of action chosen represents best value for Money for the Council.

4.6 Risk Management

- 4.6.1 A detailed risk assessment was undertaken as part of a full options appraisal and appropriate governance arrangements are in place to identify and mitigate a range of risks associated with the short term contract and pilot period including ongoing review team meetings, regular feedback from the project board and provider and a moving forward action plan to be worked into performance management with the provider.
- 4.6.2 Approval to enter into a pilot contract will allow the council to develop and test a new single service model, evaluate performance, quality, need, and create a sound evidence base on which to tender and give sufficient time to achieve any further efficiency savings.
- 4.6.3 Retaining the contract with the current provider means that there may be a risk of challenge from other providers. This risk is mitigated by the fact that the proposal is for a short term pilot contract and the service will be subject to competitive tender after a 12 month review. This will allow prospective organisations to tender for the service within a relatively short time period and therefore it is unlikely that they will challenge the award of the pilot contract.
- 4.6.4 Implementation of any efficiencies/ changes to the specification could have a negative impact on the viability of the delivery organisation and its ability to deliver the desired outcomes. This risk is mitigated by the 12 month pilot period to test out the model and work with the provider to understand key issues or concerns.
- 4.6.5 Due to the value of the contract and changes in EU procurement regulations, services of this level will need to be tendered in future. It is not a feasible option to retain the services as they are configured currently to implement the changes recommended through the joint strategic review.
- 4.6.6 Should the services not continue to be delivered beyond the expiry of the current contracts, this would result in vulnerable older and disabled people being without support necessary to maintain independent living. This could result in increased numbers of older and disabled people being admitted to hospital and residential care homes at a greater cost to the local authority.
- 4.6.7 To enter straight in to a tender exercise would be considered a serious risk for the Council, the provider and service users as there would be insufficient time to test and

develop the new single service model following the review. There would be no sound evidence base on which to tender and achieve realistic efficiency savings.

- 4.6.8 The contract will be performance managed by officers in Strategy & Commissioning and overseen by the Project Review Team. The 6 month option to extend provides contingency in the event of any unknown risk factors emerging. It may not be necessary to invoke both of the 6 month extension periods.

5 Conclusions

- 5.1 Leeds City Council currently contract with Care and Repair Leeds to deliver a number of services. These are currently contract managed across a number of different directorates. Following a joint strategic review and options appraisal it is recommended that 5 of these services are combined and delivered under one pilot contract with the current provider. This would allow for the development and testing of a new outcome focussed model and would provide a sound evidence base on which to subsequently go out to competitive

6 Recommendations

- 6.1 The Director of Environment & Housing and the Director of Public Health are recommended to approve a waiver of Contract Procedure Rules 9.1 and 9.2 to establish a pilot combined service contract for 2 years (+6 +6 month) from 1st April 2015 with Care & Repair Leeds up to a value of £602,274.20 per annum.
- 6.2 The Director of Public Health and Acting Director of Adult Social Care are recommended to approve a waiver of Contracts Procedure Rules 8.1 and 8.2 to establish a short term interim contract of one month with Care and Repair Leeds for the Public Health Hospital Discharge and Asian Outreach Service with effect from 1st March 2015 for a value of up to £16,146.
- 6.3 The Director of Public Health and the Acting Director of Adult Social Care have provided approval for the recommendations above and confirmed the financial contribution. The Delegated Decision Notification will be signed by the Director of Environment and Housing.

7 Background documents¹

- 7.1 Equality, Diversity, Cohesion and Integration Screening tool.
- 7.2 Appendix

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.