

Report of Interim Chief Officer Commissioning

Report to Director Adult Social Services

Date: 10th November 2016

Subject: To seek approval from the Director of Adult Social Services to waive Contract Procedure Rules (CPRs) 9.1 and 9.2 using the authority set out in CPR 1.3 to enter into a contract with the Leeds Centre for Integrated Living in the sum of £584,880.00 from 1 February 2017 until 31st October 2017.

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

1. This report sets out a proposal to enter into a new nine month contract with the Leeds Centre for Integrated Living (LCIL).
2. The review by the Programme Office of the Direct Payment Process for ASC was completed in October 2016 and an options appraisal has been undertaken. The next phase of the Review will be to implement the recommended changes to the current DP process by trialling the new model which will commence January 2017 for a period of three months.
3. The existing contract with LCIL ends on 31st January 2017. A new 9 month contract with LCIL is required from February 1st 2017 in order to ensure service continuity whilst a new approach of processing DPs is trialled. Following the trial period a new service model will be designed and procured during 2017, in accordance with the Public Contracts Regulations 2015.
4. The service is jointly commissioned. Children's Services' contribution for a nine month contract will be £113,250 (which includes up to an additional £30,000 enhancement based on demand) and ASC's contribution will be £471,630, the combined value of the contract will be £584,880.

Recommendations

4. For the Director of Adult Social Services to waive CPRs 9.1 and 9.2 using the authority set out in CPR 1.3 to enter into a direct contract with LCIL for a nine month period from 1 February 2017 in the sum of £584,880 from 1 February 2017 until 31st October 2017.
5. The Commissioning Manager, Adult Social Care, will implement this decision once 'Call In' is complete.

1 Purpose of this report

- 1.1 To seek approval from the Director of Adult Social Services to waive CPRs 9.1 and 9.2 using the authority set out in CPR 1.3 to enter into a new contract with LCIL. LCIL provide a variety of support services for families with disabled children and disabled adults living in Leeds who want to take control of any help they need with personal care and daily living tasks. The contact duration will be nine months commencing 1st February 2017. The combined value of the nine month contract will be £584,880.

2 Background information

LCIL is funded jointly by ASC and Children's Services; they receive referrals from Social Workers and Lead Practitioners from individuals who are eligible for a personal budget.

- 2.1 Leeds CIL had been a directly provided Council service since 1998 providing independent living support to disabled people (including disabled children and younger people) in Leeds. In June 2005 Central Government gave a commitment that: *"By 2010, each locality (defined as that area covered by a Council with Social Services responsibilities) should have a user-led organization (ULO) modelled on existing CILs (Centres for Independent living)"*. This was followed in 2007 by a Department of Health document, *User-led Organisations Project Policy* which provided a design criteria for ULOs with a list of ULO characteristics, including that a ULO is a legally constituted organization with a minimum of 75% of the voting members on the management board drawn from the organisation's constituency (i.e. the management board must control and run the organisation, not just act in an advisory capacity).
- 2.2 Local Authorities were required to assist at least one ULO in their area to meet the above criteria, in line with the Putting People First agenda. As a result of this and requests from local disabled people, Leeds CIL became a ULO and therefore independent from the Council on 04/04/2011. The Service is now a not for profit Company Limited by Guarantee, with charitable status. The Service is managed and developed by an Executive Board of local disabled and older people, working with the Chief Executive Officer, who has responsibility for the supervision and operation of the Service.
- 2.3 LCIL was awarded a direct three year contract plus two 12 month extensions on 4 April 2011 under the Public Contracts Regulations 2006 (these being Part B services). The initial three years of the contract ended on 31st March 2014 and two twelve month extension periods were utilised until the contract ended on 31st March 2016. The value of the contract was £739,840 per annum. ASC contributed (£628,840) and Children's Services (£111,000).

2.4 LCIL provides services that help local disabled and older people and families with disabled children take control of and manage any support they need with personal care, daily living tasks and accessing mainstream communities.

2.5 LCIL delivers the Actively Seeking Independent Living Team service, which includes Independent Living Advisors, Independent Living Guides and Finance Support Workers. LCIL also has a partnership and involvement function and a support section to maintain the effective delivery of all LCIL's services whilst ensuring health and safety and security are maintained.

2.6 The service is provided to the following groups of people:

- Adults receiving a social care direct payment
- People with responsibility for a child/young person with SEN and disabilities who receive a direct payment for the child's education, health or social care needs
- Young people aged 16-17 with SEN and disabilities who receive a direct payment for their education, health or social care needs

2.7 The service delivers the following services:

- Support for people who have completed a Self-Directed Assessment Questionnaire and have been allocated an indicative budget
- Support for parents/carers and young people with managing a personal budget.
- Support to recruit and employ Personal Assistants
- Training for people in support of the all of the above
- A payroll service

2.8 The table below shows the average number of customers supported by LCIL from April 1st 2011 to March 31st 2016:

Financial Year 31/3/16	Agreed Contract Level for No's of Users receiving a DP (1/4/2011)	Current no. of Users receiving a DP	Average No. of users accessing Payroll per month
Adults	480	544	850
Children	120	309	300
Total	600	853	1150

3 Main issues

3.1 In order to ensure continuity of the above services it was necessary to enter into a new contract with LCIL for a ten month period commencing April 1st 2016 - January 31st - 2017 whilst ASC Programme Office undertake an analysis/review of the current model of direct payments and its level of activity, access and uptake.

3.2 The Review of ASC use of Direct Payment is part of Leeds Adult Social Care approach to modernise and transform assessment and care management services. It is anticipated that the review will identify how DPs can offer a more accessible choice for a greater number of people eligible for personal budgets and it will be informed by the developments in regard to developing strength based social care approaches.

- 3.3 The ten month waiver (April 1st – 31st January 2017) was used to review and analyse the current business process of Direct payments which entailed evaluating all elements of that process, to determine what is currently effective, and what needs to be changed and what efficiencies can be made.
- 3.4 Due to the complexity of the direct payment process, the completion of the analysis and the subsequent development of a new model negatively impacted on the anticipated schedule, resulting in insufficient time to trial the new approach and initiate a procurement exercise.
- 3.5 A new 9 month contract with LCIL is required from February 1st 2017 in order to ensure service continuity whilst a new approach of processing DPs is trialled. Following the trial period a new service model will be designed and procured and a further report will be taken to DLT.
- 3.6 In order to ensure commissioning meets the needs of ASC and Children's Services, ASC will work jointly with Children's Services to plan the testing stage and test a joint approach
- 3.7 The anticipated outcomes to be achieved from the review of the DP process include:
- A more accessible DP process for customers
 - A streamlined version of the process including associated documentation
 - Social Work staff are supported with changes to the DP process and also enabled to effectively discuss with customers the benefits of Personalisation and Direct Payments
 - Performance Measures: Increased uptake of DPs
 - Revised Service Specification for a Direct Payment Support Service.
- 3.8 A market sounding exercise was undertaken in May 2015; eleven responses were received which clearly demonstrated providers were interested and able to provide this service.

4 Corporate Considerations

4.1 Consultation and Engagement – service review consultation

- 4.1.1 Adult Social Care and Children's Services undertook a review of this service during 2015/16 and this included meeting with approximately 80 service users and 10 stakeholders. Further consultation will be undertaken as part of the procurement process and the service specification and model will be co-produced.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An Equality Impact Assessment Screening Tool has been completed and is attached at Appendix 1. If the recommendation is approved an EDCI screening will be undertaken as part of the procurement process.

4.3 Council policies and the Best Council Plan

- 4.3.1 The service directly contributes 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 The services make significant contributions to a range 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.

4.4 Resources and value for money

- 4.4.1 The value of the three year contract plus two 12 month extensions awarded on 4 April 2011 until 31st March 2016 combined total was £3,699,200.

Approval was sought and approved to enter into a ten month contract with LCIL from April 1st – 31st January 2017, Children's Services contribution for the ten month contract is £91,666 and Adult Social Care's (ASC) contribution is £524,033. The combined value of the current ten month contract is £615,700.

- 4.4.2 There is a budget provision for the 9 month contract commencing February 1st 2017, however consideration will be given as to whether or not savings can be made. The service is jointly commissioned with Children's Services' and their contribution for the nine month contract will be £113,250, (which includes up to an additional £30,000 enhancement based on demand) and ASC's contribution is £471,630. The combined value of the nine month contract will be £584,880.

- 4.4.3 This waiver report has been discussed with the Director of Children's services and agreement reached on the waiver and their financial contribution to the contract.

This service has been delivered by LCIL since April 2011. LCIL have not received additional uplifts since this date, therefore the council can demonstrate value for money has been achieved over this period. The Service will be subject to a competitive exercise to achieve further efficiency savings.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 This is a Key Decision which is subject to call-in. A notice was published on the List of Forthcoming Key Decisions on the 18th August 2016.

- 4.5.2 This report does not contain any exempt or confidential information under the Access to Information Rules.

- 4.5.3 Awarding the new contract direct to LCIL in this way could leave the Council open to a potential claim from other providers, to whom this contract could be of interest, that it has not been wholly transparent. In terms of transparency it should be noted that case law suggests that the Council should always consider whether contracts of this value could be of interest to contractors in other EU member states, and if it is considered they could, the opportunity should be subject to a degree of European wide advertising. 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.

- 4.5.4 The Director of Adult Social Services have considered this and, due to the nature of the services being delivered and the requirement to be physically located in Leeds

in order to deliver those services, is of the view that the scope and nature of the services is such that it would not be of interest to providers in other EU member states.

- 4.5.5 There is a risk of an ombudsman investigation arising from a complaint that the Council has not followed reasonable procedures, resulting in a loss of opportunity. Obviously, the complainant would have to establish maladministration. It is not considered that such an investigation would necessarily result in a finding of maladministration however such investigations are by their nature more subjective than legal proceedings.
- 4.5.6 Although there is no overriding legal obstacle preventing the waiver of CPRs 9.1 and 9.2 using the authority set out in CPR 1.3, the above comments should be noted. In making their final decision, the Director of Adult Social Services should be satisfied that the course of action chosen represents Best Value for the Council.

4.6 Risk Management

- 4.6.1 The contract will continue to be performance managed by officers in Leeds City Council's ASC section in partnership with Children's Services. This includes regular reviewing of performance information and quarterly contract management meetings with the provider, at which any delivery issues are discussed. To date the service has delivered in accordance with the service requirements and performance criteria outlined in the specification.

5 Conclusions

- 5.1 The new contract commencing 1 February 2017 will ensure that there is continuity of service delivery whilst the consultation with service users and stakeholders takes place. This will also ensure that the service specification and subsequent service model is co-produced.
- 5.2 The Director of Adult Social Services should note that:
- The Council's Projects, Programmes and Procurement Unit will be requested to issue the new contract
 - Sinead Cregan, Adult Commissioning Manager is the officer responsible for implementation.

6 Recommendations

- 6.1 For the Director of Adult Social Services to waive CPRs 9.1 and 9.2 using the authority set out in CPR 1.3 to enter into a contract with LCIL for nine months from 1 February 2017 in the sum of £584,880 from 1st February 2017 until 31st October 2017.
- 6.2 The Commissioning Manager, Adult Social Care, will implement this decision once Call In has been completed.

7 Background documents¹

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

7.1 None