

Report of Deputy Director Integrated Commissioning

Report to Director Adults and Health

Date: 8th August 2018

Subject: Request to approve the award of grant funding for each of the 37 areas making up the Neighbourhood Network Schemes for a period of 5 years in the first instance commencing 1st October 2018

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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: 10.4 (3) Appendix number: Appendix 2	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

1. For the past 8 years Neighbourhood Networks have been funded under contract arrangements. These contracts come to an end 30th September 2018. Prior to contractual arrangements, Neighbourhood Networks were funded on a rolling annual grant basis. One of the reasons for moving to a contracting model was to provide longer term security with what was at the time an unprecedented 8 year contract arrangement.
2. Over the past 18-months commissioning and contracts officers have engaged in a joint service review and subsequent redesign of the funding model for the Neighbourhood Networks. At the Executive Board meeting dated 20th September 2017 the following recommendations were approved:
 - 2.1. To continue the contributory funding of Neighbourhood Network services for a further 5 years based largely on the current mapping of the city. This investment to commence 1st October 2018 and continue through to 30th September 2023 with the proviso to review the service prior to the expiry of the agreement and to seek approval for the continuation of the grant agreement for a further 5 years.
 - 2.2. To move away from the current contracting approach to long term grant arrangements based on core, central principles aligned with the Leeds Health and Wellbeing Strategy 2016-2021, the Better Lives Strategy 2017-2022 and

Best Council Plan 2017/18. A fair, open and transparent competitive grants process to be utilised for the award of funding based 100% on quality and the price for each Neighbourhood Network area set before going to market.

- 2.3. To standardise funding currently labelled as either dementia add-on or additional funding as core funding for all areas affected (16 in total).
- 2.4. To increase the overall value of the contract by a further £564,967 per annum, with the areas that currently receive the lowest investment seeing the greatest uplifts.
- 2.5. To engage on a case by case basis with current providers adjacent to unallocated areas of the city to redefine boundaries to be covered by the funding allocation.
3. Following Executive Board approval officers engaged with existing Neighbourhood Network Schemes to redefine boundaries, resulting in 100% total geographical coverage of the city.
4. An open procurement process for the award of the grant funding commenced 20th March 2018 with a closing date for submissions of 12 noon, 9th May 2018. In total there were 46 bids received with a minimum of one bid per area for each of the 37 areas. Of the 46 submissions, 7 were identified as non-compliant leaving 39 bids to go through to full panel evaluation. All of the existing Neighbourhood Network Schemes submitted applications.
5. Appendix 1 includes the names of the successful bidders for each of the 37 areas based on the panel's consensus scoring. The outcome sees all of the current operational Neighbourhood Network Schemes secure grant funding for the respective areas they cover. In the instances where competitive bids were evaluated the panel was unanimous in agreeing that the current Neighbourhood Network Schemes submitted the highest scoring bids.

Recommendations

6. The Director Adults and Health is recommended to approve the award of grant funding as per the recommendations of the evaluation panel as presented in Appendix 1. The annual value of the awards is £3,001,890, or £15,009,450 for the full 5 year investment. The distribution of funding is as approved by the Executive Board 20th September 2017.
7. Officers on behalf of Leeds A&H commissioning and Procurement and Commercial Services will engage with all providers following the decision to ensure the smooth transition from the current contracts to grant funding with all activities supported by this funding to commence 1st October 2018.

1 Purpose of this report

- 1.1 To seek approval from the Director Adults and Health to award grant funding across 37 areas in support of Neighbourhood Network Schemes. This funding and the opportunities enabled by it to commence 1st October 2018 for an initial period of 5 years to the total value of £15,009,450, or £3,001,890 per annum. The distribution of funding is as approved by the Executive Board 20th September 2017.

2 Background information

- 2.1 The Neighbourhood Network Schemes first began development in 1985. This was in response to the growing numbers of older people in Leeds and the need to focus on preventing illness and promoting health, wellbeing and independence. The services were created to improve the lives of older people in the city by providing a variety of support with the focus of reducing social isolation and improving the health and wellbeing for the individual. The services operate to geographical boundaries and covered the majority of the Leeds Metropolitan District Area. A key element of the services lays in the fact that older people and other community stakeholders are actively engaged in the planning and running of the services, both as consumers and contributors of social capital.
- 2.2 Up until 2010 the Neighbourhood Network Schemes were funded via grants paid on an annual basis. Following a citywide review carried out between 2007 and 2009 the funding of the Neighbourhood Networks moved to a contractual model, resulting in the award of an 8 year contract consisting of 5 years plus 3 x 1 year extensions.
- 2.3 The initial procurement in 2010 resulted in 32 of the 37 areas being awarded a contract. The final five areas were awarded under a separate contract in 2012. Both contracts share the same end date of 30th September 2018.
- 2.4 A review of the Neighbourhood Network schemes and their contracting arrangements commenced December 2016. This review looked to evaluate what had worked over the lifetime of the contract and where opportunities for further service development existed. To support the review a cross-party Strategic Advisory Group Chaired by Councillor Charlwood in her role as Executive Member for Adults, Health and Wellbeing was formed. A Project Board was also established to oversee the delivery of this work and signoff reports and documentation as appropriate.
- 2.5 Recommendations on how to approach the future funding of the Neighbourhood Network Schemes were taken to the Executive Board in September 2017. These recommendations, approved by the Executive Board 20th September 2017, were:
 - 2.5.1 To continue the contributory funding of Neighbourhood Network services for a further 5 years based largely on the current mapping of the city. This investment would commence 1st October 2018 through to 30th September 2023 with the proviso to review the service prior to the

expiry of the agreement and to seek approval for the continuation of the grant agreement for a further 5 years on a rolling programme.

- 2.5.2 To move away from the current contracting approach to long term grant arrangements based on core, central principles aligned with the Leeds Health and Wellbeing Strategy 2016-2021, the Better Lives Strategy 2017-2022 and Best Council Plan 2017/18. A fair, open and transparent competitive grants process to be utilised for the award of funding based 100% on quality and the price for each Neighbourhood Network area set before going to market.
- 2.5.3 To standardise funding currently labelled as either dementia add-on or additional funding as core funding for those areas affected (16 in total).
- 2.5.4 To increase the overall value of the contract by a further £564,967 per annum, with the areas that currently receive the lowest investment seeing the greatest uplifts. The annual cost associated with the recommendations made was approved therefore at £3,001,890, with the total cost for the initial 5 years' investment being £15,009,450. This represented an annual increase of £564,967 on the current contract value.
- 2.5.5 To engage on a case by case basis with current providers adjacent to unallocated areas of the city to redefine boundaries to be covered by the funding allocation.
- 2.6 Commissioning and contracts officers engaged with the existing Neighbourhood Network Schemes to redefine boundaries, resulting in 100% total geographical coverage of the city. While the boundaries are necessary to define how funding is awarded across the city, the project brief underpinning the grant clearly states that these boundaries are not intended to curtail successful bidders but instead provide a minimum coverage area and a clear reference point to start from.
- 2.7 These redefined boundaries formed the map used for the distribution of grant funding across the city. This map, along with the grant form template, revised project brief and funding distribution were presented to the Strategic Advisory Group for this project on the 22nd February 2018 for information. Following this meeting the Project Board for this work stream approved these final documents providing officers with the authority to proceed.
- 2.8 An open and transparent grant funding process commenced on 20th March 2018 with a closing date for submissions of 12 noon, 9th May 2018. All of the existing contracted Neighbourhood Network Schemes received direct notification of the grant opportunity via YORtender. In addition the opportunity was promoted to the wider market via Leeds Older People's Forum.
- 2.9 In total there were 46 bids received with a minimum of one bid per area for each of the 37 areas. Of the 46 submissions, 7 were identified as non-

compliant leaving 39 bids to go through to full panel evaluation. All of the existing Neighbourhood Network Schemes submitted applications.

- 2.10 The evaluation panel consisted of representatives from Adults and Health, including a commissioning officer, a contracting officer, an enterprise development officer and the Head of Public Health (Older People). In addition evaluations were also submitted by the Acting Head of proactive care / population commissioning, providing representation for the NHS Leeds Clinical Commissioning Group. Finally an expert by experience sourced via Leeds Older People's Forum provided input by evaluating responses to question 2, which focused on how bidders would meet the four outcomes detailed in the project brief. Proceedings were chaired by the Commissioning Manager (Older People).

3 Main issues

- 3.1 In total the panel evaluated 39 submissions. This consisted of 35 areas where only one compliant submission was received and two areas where there were two compliant submissions per area. In addition to these submissions there were a further 7 bids received. However, during screening these 7 bids were identified as non-compliant. The basis for these decisions included 4 instances where the bidder explicitly stated the first 6-months of year one of the grant would be spent developing infrastructure with no reference as to how services would be maintained during this period. The remaining 3 non-compliant bids included statements that indicated the necessity for transition periods in the first year of funding that would impact on service availability. In two bids the statements made covered that the bidder would "initially need to tackle and manage change issues and deal with the practicalities of transitioning from the current resource. A [unspecified] transitional period will allow for change management models to be applied". In the remaining bid it was stated that in year one the bidder would "aim to have produced a local newsletter, designed publicity, established a Committee, recruited volunteers and be delivering activities and services". The grant application guidance clearly stated that services were to commence 1st October 2018.
- 3.2 The grant process included a window of approximately 7 weeks between invitation and closing date. During this period all parties who had registered interest in the grants had the opportunity to double check any assumptions and receive clarification in relation to the grant and the expectations placed with it. Additionally three presentations were held over two days in the week commencing 23rd April, with all parties who had registered interest invited. At these sessions, delivered by Leeds Older People's Forum, it was covered that: services labelled as Neighbourhood Networks had a long standing history within the city; bidders should ensure they utilised YORtender to address any questions; bidders should not make assumptions about the panels' knowledge or require the panel to make inferences, and; as part of the acronym SMART submissions should be 'time-based', i.e. when appropriate the response provides the context of when things will happen. A copy of this presentation was circulated via YORtender to all bidders.

- 3.3 Overall the quality of eligible submissions was good. The application form consisted of six questions that were individually weighted with a total score of 1000 points. Each question was eligible for a score between 0 and 10 prior to the weighting being applied. Out of the successful bids, 29 submissions consisted of responses scored as satisfactory or above. The remaining 8 submissions contained responses scored 4 or less, with a score of 4 representing a 'Less than satisfactory' response. The lowest score given was 2, representing a 'Poor' response. No minimum score criteria was set for this process. Where an area was subject to more than one evaluated bid, the bid obtaining the overall highest score is the bid recommended for award of funding.
- 3.4 Appendix 2 provides a summary of all evaluated submissions and scores awarded. This document is identified as confidential as per the Access to Information Procedure Rules 10.4 (3). This rule states that information relating to financial or business affairs is exempt if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. For clarity, "financial or business affairs" includes contemplated, as well as past or current, activities. In this instance, the information contains details about the systems, processes and management of the relevant organisations which are sensitive by their nature.
- 3.5 Based on the quality of some of the submissions, commissioning and contracts officers will implement development plans with those organisations who obtained the lower scores during the panel process. This work will also include those schemes that obtained scores of 5 (Satisfactory) for the majority of their submissions. In total officers intend to implement 10 improvement plans. The improvement plans will set achievable goals to be realised within the first 12-months of the grants.
- 3.6 All of the existing Neighbourhood Network Scheme providers were successful at securing grants through the process. Commissioning and contract officers will engage with the schemes to ensure the smooth transition from the current contract when it ends 30th September 2018 through to the new grant agreement.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Feedback was obtained from a range of stakeholders as part of the review that started December 2016. This included feedback from service members, volunteers, professionals referring to the services as well as the Neighbourhood Network organisations themselves. This research indicated a highly valued service which helped to address matters such as social isolation.
- 4.1.2 A cross party strategic advisory group chaired by the Executive Member for Health, Wellbeing and Adults was established to provide oversight and advice

for commissioning officers working on the review. This group includes representation from the NHS Leeds Clinical Commissioning Group.

- 4.1.3 All of the Neighbourhood Network schemes are governed by local people representing the communities they serve. These people steer the organisations as to how best to meet the outcomes that local older people want to achieve. The grants covered in this report will be empowering those outcomes.
- 4.1.4 The original proposals underpinning this work were placed on the Council's Forward Plan and published to the List of Forthcoming Key Decisions 4th July 2017. This list is published on the Leeds City Council public website and provides details on the decision and how it will be made. It also explains how people can give their views on the matter. These proposals were then discussed and approved at Executive Board 20th September 2017.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An Equality, Diversity, Cohesion and Integration Screening has been completed (see Appendix 3) which demonstrates that the service meets the desired equality requirements to cover the extension period.
- 4.2.2 Appropriate policies and procedures are in place with the successful bidders, which will be verified by officers during the award process.

4.3 Council policies and Best Council Plan

- 4.3.1 The award of these grants is in line with current commissioning priorities and contributes to the 5 outcomes detailed in the Leeds Health and Wellbeing Strategy 2016-2021. It also contributes to the aim of the making Leeds the best place to grow old in breakthrough project as stated in the Best Council Plan 2015-20 and reflected in the joint goals of the Age Friendly Leeds Partnership.
- 4.3.2 The services that will be enabled through the award of these grants are in line with the Adults and Health Better Lives strategy 2017-21 and address each of the five key aims, which include:
 - Promoting wellbeing and increasing personal and community resilience
 - Maximising recovery and promoting independence so people can live independently in their own communities for as long as possible;
 - Improving the quality of life for people;
 - Providing choice and control for people, and;
 - Helping to ensure value for money and the best use of the Leeds pound.
- 4.3.3 The award of these grants fully meets the task 'Recommission and increase investment in the Neighbourhood Networks' as well as contributes to the task 'Continue to invest in a range of Third Sector services in both preventative

and direct care' as listed under the priority 'Maximise the role of prevention' under the Better Living strand of the Better Lives Strategy 2017-21.

4.4 Resources and Value for Money

- 4.4.1 The total value of the proposal contained within this report is £15,009,450 over the initial 5 years, with an annual value of £3,001,890. The annual cost is £564,967 greater than the current budgeted provision. This will be met for the part-year effect in 2018/19 and full-year impact in 2019/20 from the iBCF Spring Budget monies; thereafter this will be a financial pressure. It is intended that this pressure will be met from a reduced requirement for demand and demographic growth in mainstream Community Care budgets that will be provided for within the Council's ongoing financial planning rounds.
- 4.4.2 Historically Neighbourhood Networks have evidenced their positive impact on the communities they serve through quarterly monitoring. This positive impact includes emotional wellbeing, physical fitness and nutritional wellbeing. Through their work Neighbourhood Networks can improve and maintain older people's health and independence within the community, helping to reduce the need for more intensive service intervention. This will continue to be monitored as part of the grant.
- 4.4.3 The core funding covered by this report enables the Neighbourhood Networks to attract funding from other grant awarding bodies into their local communities. In 2016/17 this equated roughly to a further £2.79 million in support of older people living in Leeds.
- 4.4.4 A further report will be presented to DLT detailing how money is being utilised and the outcomes we are achieving. This will be produced based on initial monitoring data and further research and engagement taking place with the Neighbourhood Networks working with the Centre for Ageing Better.
- 4.4.5 There will be some resource implications in terms of monitoring and reviewing the grants in order to ensure outcomes are being achieved. These resources will be provided from within existing provision in the Adult Social Care and Public Health commissioning teams.
- 4.4.6 The overall funding for this contract is held by Adults and Health. This budget will continue to be monitored annually.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The decisions highlighted in this report will be taken by the Director Adults and Health in line with the officer delegation scheme as detailed in Part 3 of the Council's Constitution.
- 4.5.2 The full budget and its distribution across the city was approved by the Executive Board as a key decision on 20th September 2017 and was subject to call in at that time. Prior to this the decision was published to the forthcoming list of key decisions 4th July 2017. In light of these details this

report is submitted as a significant operational decision and is therefore not subject to call in.

- 4.5.3 Although there is no overriding legal obstacle preventing the award of these grants the contents of this report should be noted. In making their final decision, the Director of Adults and Health should be satisfied that the course of action chosen represents best value for the Council.

4.6 Risk Management

- 4.6.1 The grant process has been conducted in line with guidance and with support from officers in Procurement and Commercial Services in order to ensure that a fair, open and transparent process has been followed.
- 4.6.2 A risk register was created and maintained as part of the overall project governance documents.

5 Conclusions

- 5.1 Approval of the grant funding will ensure the Council carries out its commitment and allows for continuity in service provision to be maintained beyond 30th September 2018.
- 5.2 Commissioning and contract officers on behalf of Adults and Health will oversee implementation of the grant in conjunction with officers from Procurement and Commercial Services and all services covered by the grant will be subject to continuing monitoring arrangements and review.

6 Recommendations

- 6.1 The Director Adults and Health is recommended to approve the award of grant funding as per the recommendations of the evaluation panel as presented in Appendix 1. The annual value of the awards is £3,001,890, or £15,009,450 for the full 5 year investment. The distribution of funding is as approved by the Executive Board 20th September 2017.
- 6.2 Officers on behalf of Leeds A&H commissioning and Procurement and Commercial Services will engage with all providers following the decision to ensure the smooth transition from the current contracts to grant funding with all activities supported by this funding to commence 1st October 2018.

7 Background documents¹

- 7.1 Appendix 1 – Neighbourhood Network Areas awarded
Appendix 2 – Evaluation Summary (Confidential)
Appendix 3 – Equality Impact Screening Toolkit

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.