

Report of Deputy Director, Integrated Commissioning, Adults and Health, Leeds City Council and Leeds Clinical Commissioning Group

Report to Director of Adults and Health

Date: 8th August 2018

Subject: Authority to procure a third sector health & social care infrastructure forum service to commence from 1st April 2019

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes X No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes X No
Is the decision eligible for call-in?	<input type="checkbox"/> Yes X No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes X No

Summary of main issues

1. The purpose of the Third Sector Health and Social Care Forum service is to provide high quality third sector infrastructure support service to organisations that deliver health and social care outcomes in Leeds, with a particular focus on those organisations supporting people with a mental health need, older people, people with a learning disability and people with a physical or sensory impairment, and contributing to a thriving third sector in the city.
2. The current contract is jointly funded by the council and the Leeds Clinical Commissioning Group (CCG) and delivered by a consortium of organisations under the name of 'Forum Central'. The consortium were awarded the contract after a tender process was undertaken in 2015 to put in place a new single three year contract (bringing together the previous four separate contracts).
3. Monitoring of the new contract has shown that the new service is highly valued across the health and social care third sector, as well as by strategic partners and commissioners. The Forum has been successful in raising the profile of the third sector and ensuring it is represented at a strategic level, and influencing the changes occurring across health and social care in the city, in implementing the Leeds Health

and Care Plans, as well as maintaining the focus on its core areas of mental health, older people, people with a learning disability and physical and sensory impairments.

4. The current contract is due to expire on 31st March 2019 and does not contain any options to extend. Therefore this report seeks permission to undertake a procurement exercise to put in place a new five year contract (three years, plus an extension of up to 24 months) for delivery of the service, in line with the EU procurement rules and the council's own Contract Procedure Rules.

Recommendations

1. The Director of Adults and Health is recommended to:
 - approve the outlined plans to recommission the Third Sector Health and Social Care Forum service to commence from 1st April 2019; and
 - give authority to proceed with a procurement process, as detailed in this report and in line with CPRs 9.1 and 9.2, to appoint a suitable provider to deliver the service.
2. To note that:
 - a further report to approve the contract award will be submitted for approval at the end of the procurement process.

1. Purpose of this report

- 1.1 To approve the plans for putting in place a new contract to deliver the third sector health and social care forum service from 1st April 2019, when the current contract expires.

2. Background information

- 2.1 Adults and Health has a long history of supporting third sector health and social care infrastructure, with the objective of supporting a thriving third sector and ensuring that we have a diverse health and social market.
- 2.2 Historically Adult Social Care funded four separate third sector health and social care forums in the city (Volition, Leeds Older People's Forum, Tenfold and the Physical and Sensory Impairment Network). However, there were different funding and commissioning arrangements across the forums/network, with a mixture of grant and contracts and two of the four being jointly funded by health.
- 2.3 In recognition of the need to implement more consistent funding arrangements across the four forums/network and informed by an independent review undertaken in May 2013, work commenced to develop single commissioning arrangements which included the development of a single point of contact for commissioners and a joint work plan across the health and social care forums to identify cross cutting issues.
- 2.4 The work commenced with the development of new specifications for the forums to ensure they were working to the same outcomes and also put in place new two year contracts to move all of them on to the same contractual footing, supporting the development of greater partnership working across the Forums.

- 2.5 These contracts expired on 31st March 2016 and as a result a new single service specification was developed and commissioned in partnership with the CCG (formerly Leeds North and Leeds South and East CCGs).
- 2.6 A tender exercise was carried out in 2015 to put in place the new contract and a consortium led by Volition in partnership with the PSI Network (who have since merged and are now PSI Volition), Leeds Older People's Forum and Tenfold was successful in being awarded the contract. Adults and Health have acted as the lead commissioner, with responsibility for managing the contract and implementing joint monitoring arrangements with the CCG.
- 2.7 The aim of the third sector health and social care forum contract is to provide a high quality infrastructure support service for third sector organisations delivering health and social care outcomes in Leeds, with a particular focus on third sector organisations working in the area of mental health, older people, physical or sensory impairment and learning disabilities. The forum is independent, member led, and supports four key outcomes:
- Leeds has a strong and vibrant third sector delivering support to people with health and/or care and support needs;
 - the third sector delivering health and social care outcomes feels informed about relevant local and national strategies, policies, and plans, supporting the improvement of services at a local level;
 - third sector organisations delivering health and social care outcomes are able to actively contribute to and influence strategies, policies, and plans that have an impact on the sector and the people that use their services; and
 - partnership working between member organisations, and between member organisations and other partners in the health and social care sector, is increased.

3. Main issues

- 3.1 The current contract for delivery of the Third Sector Health and Social Care Forum is due to end on 31st March 2019. The current contract value is £657,000 over three years, with the council's contribution to the contract being £133,500 per year and the Leeds CCG contributing £85,500 per year.
- 3.2 The contract has been regularly monitored since it commenced and the monitoring has demonstrated that the service is delivering against the outcomes set. In addition, as part of the planning for re-commissioning of the service, members of the forum and strategic partners have been consulted with a view to inform the new specification for the service.
- 3.3 Review of the service has shown that it is highly valued and is considered to have a positive impact in terms of promoting the work of the health and care third sector in Leeds, ensuring that the sector has the opportunity to feed into strategic plans in the city. Joint working across the different areas is also valued.
- 3.4 However, two issues have been highlighted, firstly, that a longer term contract would be beneficial in terms of giving sustainability to the infrastructure that is supporting the health and wellbeing third sector. Secondly, that the emerging work around supporting the implementation of the Leeds Health and Care Plan and other related developments such as Local Care Partnerships has stretched resources within the Forum. This work wasn't part of the contract when it was initially

commissioned as the scope of these developments was not envisaged. Therefore, consideration now needs to be given to how this valuable work can continued to be supported, whilst also delivering on the other core elements of the contract.

- 3.5 Concerning this resource issue, a paper was taken by Forum Central to the Partnership Executive Group in July providing detailed options for how the third sector can fulfil its role as a key delivery partner in the transformation of health and care in Leeds and proposing a delivery model which will address the current resources gap. This followed a paper that was presented at the March meeting which outlined the opportunities and challenges for the third sector in delivering on, and contributing to, health and care transformation work.
- 3.6 The paper was positively received by the Partnership Executive Group and it was agreed that additional resource should be found to support the third sector's role in the transformation work. Details regarding the form of this additional resource are currently being developed. However, due to the differing timescales for discussions to finalise the work programme and agreeing funding to support the transformation work, and the timescales for re-commissioning the existing contract it is anticipated that the additional resource will sit outside of the new contract.
- 3.7 Due to the nature of the work of the forum, it would not be appropriate for the service to be delivered by an internal service provider as it is a fundamental element of the service that it is autonomous from the council and that it provides the third sector with an independent voice. Therefore advice was sought from Procurement and Commercial services about the procurement options.
- 3.8 In line with the feedback from the review of the contract it is recommended that this time a five year contract (three years, with the option to extend for a further two 12 month periods) is put in place to address the issue of sustainability which would give a total contract value of £1,095,000 if funding is maintained at the same level.
- 3.9 As the proposed value of the contract exceeds the EU procurement threshold of £615,278 and in line with the council's Contract Procedure Rules (9.1 and 9.2 High Value Procurements), a tender process will be required to award the contract.
- 3.10 It is proposed that the tender process commences in September 2018, with a view to awarding the contract by the end of December 2018. This would allow for a three month mobilisation period for the new contract.

Consequences if the proposed action is not approved

- 3.11 If the procurement plan is not approved then there is a risk that a new contract will not be in place before the end of the current contract which ends on 31st March 2019.
- 3.12 As the main funder of the forum service (along with the CCG), any delay or withdrawal of funding will likely result in the service ceasing to operate, leaving a significant gap in the market which would have implications for current member organisations providing services across the city and on-going pieces of work.

4. Corporate considerations

Consultation and engagement

- 4.1 As part of the re-commissioning process, consultation has been undertaken with key stakeholders, including the Forum's board, member organisations, health and

social care commissioners and the health partnerships team to assist with the review of the current service specification.

- 4.2 As part of the consultation process members of the current health and social care forum have also been sent a questionnaire to complete, to gain an understanding of what they feel should be the priorities for the new contract, understand what is working well and what needs to be improved. This feedback will be incorporated into the new service specification.
- 4.3 Consultation with the Executive Member for Health and Wellbeing will take place on 9th August 2018. To note that the delegated decision will not be published until this consultation has taken place.

Equality and diversity / cohesion and integration

- 4.4 An Equality, Diversity, Cohesion and Integration Screening Tool has been completed (see Appendix A). The screening showed that a full Equality and Diversity Impact Assessment was not required as equality and diversity issues have already been considered as part of the re-commissioning process. The outcome of the screening will be taken into account when updating the specification for the new service.

Council policies and best council plan

- 4.5 The Best Council Plan 2018-21 outlines seven priority themes, one of which is health and wellbeing, including the reduction of health inequalities, supporting active lifestyles, supporting self-care and enabling people with care and support needs to have choice and control. The Third Sector Health and Social Care Forum supports this as a key outcome of the service is that we have a thriving health and social care third sector in the city. The third sector are critical to supporting the preventative and broader health and wellbeing aspirations of the city and many of the very small, volunteer led, place based community organisations have a big impact on wellbeing in communities.
- 4.6 The work of the third sector forum supports the delivery of Adults and Health's Better Lives Strategy, which was refreshed in 2017. The strategy builds on the first strategy and focuses on taking a strengths based approach, supporting people to be better connected. The third sector are critical to delivery of the strategy and the Forum service supports the sector developing new ways of delivering services, and supporting an asset based approach in communities.
- 4.7 Through the provision of the Forum service, Leeds City Council is also better placed to meet the requirements of the Care Act 2014. This includes providing effective preventative services and information to help people maintain healthy and independent lives wherever possible.
- 4.8 The work of the third sector health and social care forum contributes to the overall vision of Leeds being a healthy and caring city for all ages, where people who are the poorest will improve their health the fastest, as detailed in the Leeds Joint Health and Wellbeing Strategy 2016-21. The Forum supports third sector members will help to contribute to achieving the outcomes detailed in the strategy; particularly people's quality of life will be improved by access to quality services, promoting

mental and physical health equally, and people will live in strong engaged and connected communities.

- 4.9 Finally, the contract supports the implementation of the Leeds Health and Care Plan which aims that by 2021 Leeds will be a healthy and caring city for all ages, where people who are the poorest improve their health the fastest. The Third Sector Health and Social Care Forum has a critical role in representing the sector in implementing the plans for the city.

Resources and value for money

- 4.10 Adults and Health's contribution to the budget for the new contract is available within existing resources. As part of putting in place the current contract, efficiencies of 15% were sought on Adults and Health's contribution to the overall contract value and therefore it is not proposed that further savings are sought.
- 4.11 The contract is jointly funded by the Leeds CCG, who contributes £85,500 per year. The CCG have confirmed their ongoing commitment to the joint funding arrangements for the new contract, over a five year period.
- 4.12 Additional resources to support the third sector's role in delivery of the Leeds Health and Care plan have been highlighted as an issue and the Partnership Executive Group are currently considering how this can be addressed. However, as outlined above, due to the timescales in agreeing the transformation work programme and the additional resources required, it is likely this additional resource will sit outside of the main contract.

Legal implications, access to information, and call-in

- 4.13 The total contract value, over a potential five year period, will exceed the £615,278 EU procurement threshold and will be subject to the full Public Contracts Regulations. Therefore competition will be sought through a tender process and the contract must be advertised in line with CPR 10.5.
- 4.14 The annual contract value will be between £100K and £250K per annum and therefore the decision to give authority to commence the tender process and award the contract will be classed as a significant operational decision and will be required to be signed off by the Director of Adults and Health. The decision is not subject to call in.

Risk management

- 4.15 A project team has been set up to oversee the re-commissioning process and ensure that the process adheres to the procurement regulations, as well as the council's Contract Procedure Rules.
- 4.16 A risk register has been established as part of the re-procurement process, identifying the key risks as well as mitigation actions.
- 4.17 A three month mobilisation period has been built into the procurement timetable to ensure that the service can be fully mobilised before the contract start date.

5. Conclusions

- 5.1 The bringing together of the previous four forums into an single contract with one point of access has worked well and monitoring of the contract since it commenced has shown that the service is highly valued and has been successful in achieving its key outcomes such as raising the profile of the health and social care third sector in the city.
- 5.2 The current contract for the service is due to expire on 31st March 2019 and the contract does not contain any provisions to extend it. As the value of the contract is over the European Procurement threshold and in line with the council's Contract Procedure Rules a tender exercise is required to be undertaken to put in place a new contract.
- 5.3 In line with the review undertaken it is recommended that a longer term, five year contract at the same annual value, is put in place to provide sustainability for the service.

6. Recommendations

- 6.1 The Director of Adults and Health is recommended to:
- approve the outlined plans to recommission the Third Sector Health and Social Care Forum service to commence from 1st April 2019; and
 - give authority to proceed with a procurement process, as detailed in this report and in line with CPRs 9.1 and 9.2, to appoint a suitable provider to deliver the service.
- 6.2 To note that:
- a further report to approve the contract award will be submitted for approval at the end of the procurement process.

7. Background documents¹

- 7.1 No background documents.

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.