

## Report of the Director of Adults and Health

### Report to Executive Board

Date: 21 October 2020

### Subject: Recommissioning of the Learning Disability and Autism Care and Support Services

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Has consultation been carried out?	<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
Will the decision be open 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

### 1. Main issues

- In 2015, the Council's in-house learning disability support provision was spun-out through the formation of a new social enterprise called Aspire. The Adults and Health directorate commissions Aspire, through a block contract, to deliver all of the services for people with learning disabilities and/or autism which were previously delivered in-house.
- The block contract arrangement with Aspire, including the 12 month extension period, expires on 31st July 2021 and the range of services delivered through the contract need to be re-commissioned. The report outlines the various scenarios that have been considered for the re-provisioning of the three different elements of the services and proposes the options to be progressed.
- As part of the spin-out of the services, there were a number of support services including business support, human resources support, transport, training, financial and billing support, ICT, which Aspire purchased and has continued to purchase from the Council through Service Level Agreements. Future re-commissioning arrangements will need to take account of these current agreements and the financial and service implications for the Council arising from the changes.
- The report recommends that consultation is undertaken in relation to the proposed re-provisioning arrangements.

## **2. Best Council Plan Implications** (see the [latest version of the Best Council Plan](#))

These services contribute to a number of the priorities specified in the 2020-2025 Best Council Plan: Tackling poverty and reducing inequalities, including:

- Inclusive Growth: helping people into paid employment
- Health & Wellbeing: supporting self-care, with more people managing their own health conditions in the community; supporting healthy, physically active lifestyles; working as a system to ensure people get the right care, from the right people in the right place
- Housing: Providing the right housing options to support older and vulnerable residents to remain active and independent
- Safe, Strong Communities: keeping people safe from harm, protecting the most vulnerable; Being responsive to local needs, building thriving, resilient communities

## **3. Resource Implications**

- The financial value of the Aspire block contract for the financial year 2020-21 is £20,497,000. The agreed price for the contract extension period, covering 1st August 2020 to 31st July 2021, is £20,508,000.
- The costs for the additional 1:1 hours of provision was £2,597,831 in 2019/20. The estimated cost for 2020/21 is £2,413,000. This is in addition to the block contract value and needs to be included in the overall budget as part of the re-commissioning arrangements.

## **Recommendations**

It is recommended to Executive Board:

- a) That different approaches are followed for the different areas of service, based on existing commissioning arrangements for similar services, current expertise and capacity in the market, and based on the financial implications of the different scenarios. It is proposed that the following scenarios are progressed further, including through formal consultation:
  - Supported Living – commission the services from Aspire through individual spot purchasing arrangements, as per Scenario 4.1 (b) in Appendix 3,
  - Respite and Emergency Respite services – undertake market sounding and procure the services through a competitive tender process, as per Scenario 4.2 (b) in Appendix 3,
  - Day Opportunities – commission the services from Aspire through individual spot purchase arrangements, as per Scenario 4.3 (b) in Appendix 3.
  - And to note that the Deputy Director of Integrated Commissioning will lead and progress this work.

## 1. Purpose of this report

- 1.1 The existing block contract arrangement with Aspire expires on 31st July 2021. This report outlines the proposals for re-commissioning of the services currently provided through this block contracting arrangement. The report also proposes the commencement of consultation on the proposals.

## 2. Background information

- 2.1 In 2015, following approvals, the Council's in-house learning disability support provision was spun-out through the formation of a new social enterprise called Aspire Community Benefit Society Limited (Aspire). Aspire is now commissioned by the Adults and Health directorate to deliver all of the services which were previously delivered in-house. The type of services provided are outlined in Appendix 1, and include:

- supported living
- day opportunities (Fulfilling Lives)
- respite (including emergency respite)

- 2.2 The Council has a block contract in place with Aspire for the delivery of the above services. The block contract was originally issued for five years from 1<sup>st</sup> August 2015 to 31<sup>st</sup> July 2020. The contract contains provision for one 12 month extension period and this extension has been invoked and so the contract is due to expire on 31st July 2021. There are no further extension provisions.

- 2.3 Aspire provides services to just under 1000 adults with a learning disability and their family carers, through day services, supported living services, respite and crisis services. The head office is based in Lower Wortley, however, the vast majority of the staff work in numerous locations across the whole of Leeds from where they directly deliver care and support services.

- 2.4 Aspire employs approximately 800 staff, 72% of whom are former Council employees and who have retained their Leeds City Council (LCC) terms and conditions. 567 former LCC employees who transferred to Aspire remain active members of the Local Government Pension scheme. The Council acts as pension guarantor for Aspire in relation to these legacy staff. Staff employed by Aspire since the spin-out have been recruited on new terms and conditions and have access to a new pension scheme.

- 2.5 The block contract value was agreed prior to the services moving over to Aspire in 2015. Since that time, the annual contract value has been negotiated with the provider as part of the annual review process. The annual value for each year of the contract is as follows:

2015/16 (8 months)	2016/17	2017/18	2018/19	2019/20	2020/21
13,489,820	20,486,380	20,433,250	20,481,170	20,462,440	20,497,000

- 2.6 The annual value is determined through discussions between Aspire and Council's Finance colleagues relating to pension costs, and staffing costs including pay inflation as well as any further costs specific to each year e.g. Microsoft licenses. Through this process there has been an overall reduction of approximately 5% in the contract value since the award of the contract. Aspire and the Council operate a 'contract change log' which reflects in detail any deviation from the above pre-agreed contract prices.

- 2.7 In addition to the services provided within the block contract, Aspire has expanded its service provision to include additional 1:1 support for individuals who are assessed as requiring higher levels of care and support. The provider has also developed new services for people with complex needs. The annual cost for these additional hours in 2019-20 was £2,597,831 and the breakdown of the cost per service area is outlined in Appendix 2.
- 2.8 The block contract arrangement includes and covers the costs arising from voids for both the supported living and the respite and emergency respite provision. Future recommissioning arrangements will need to include consideration of these costs and the arrangements that will need to be put in place in relation to these costs.
- 2.9 Aspire has notified the Council that the funding allocated through the block contract for the delivery of the three elements of service does not sufficiently cover the actual costs of delivering these. This has been confirmed through value for money (VfM) analysis undertaken by Commissioners. At the time of the spin-out, there was an expectation that Aspire would generate further income by expanding its service and seeking new customers, including from other local authorities. The intention was that this would enable the provider to sufficiently cover its management overheads through increased economies of scale.
- 2.10 Aspire has not managed to widen its customer base and generate income from other sources. However, the volume of services commissioned by the Adults & Health directorate and by Leeds CCG has continued to increase both in relation to additional one-to-one support charges for existing service users and from other new service developments as outlined in Appendix 1. The income generated by Aspire through this additional provision has enabled the organisation to achieve full cost recovery.
- 2.11 Despite the higher staffing costs, the provider's average weekly unit costs for all three elements of their provision compare very favourably in the context of the rest of the local learning disability provider market. In addition, VfM analysis has shown that the provider's non-staffing costs are exceptionally low.
- 2.12 The additional volumes of service commissioned from Aspire have not been built into the block contract, but instead have been purchased through spot purchasing arrangements in the same way that supported living services and day opportunities commissioned from other providers have been arranged, through Individual Service Agreements. In planning the future re-commissioning arrangements, the funding for the additional support (£2,597,831 in 2019/20) will need to be added to the base budget as this reflects the full cost and volume of the services currently being provided.
- 2.13 As part of the spin-out of the services, there were a number of support services which Aspire purchased and have continued to purchase from the Council through Service Level Agreements. These services include business support, human resources support, transport, training, financial and billing support, ICT amongst others. During 2019-20 c £2,003,017 was recharged back to Aspire for the services delivered by the Council. Any re-commissioning arrangements will need to take account of these current agreements and the financial and service implications for the Council should the arrangements need to change.

### **3. Main issues**

- 3.1 The block contract arrangement with Aspire expires on 31st July 2021. There are no further extension provisions and so decisions are required to determine the future commissioning and contractual arrangements for the services currently contained in the Aspire block contract.

- 3.2 Whilst there were benefits to putting in place a block contract for the services when they were initially spun-out, commissioning services in this way has resulted in a lack of transparency of the actual cost of each individual package of support. Due to increasing levels of need and an ageing population, the services delivered by Aspire have not been contained within the block contract, with additional 1:1 hours, and new packages of care being commissioned over and above the block contract value.
- 3.3 A full review of the Aspire service has been undertaken by the Integrated Commissioning Team within Adults and Health with input from the relevant social work and finance colleagues. The review has included completing an appraisal of the various scenarios for re-commissioning and re-provision of the services at the point at which the block contract expires. The scenarios considered are:
- Scenario 1: Decommission all elements of the service provision  
Scenario 2: Bring the whole service in-house  
Scenario 3: Procure the full range of services through open tender as a single lot  
Scenario 4: Establish different commissioning arrangements for each of the three services as follows:
- 4.1 Supported Living:  
(a) Bring services in-house, or  
(b) Commission the services through individual spot purchase arrangements with Aspire
- 4.2 Respite and Emergency Respite services:  
(a) Bring services in-house, or  
(b) Procure the services through tender process
- 4.3 Day Opportunities:  
(a) Bring services in-house, or  
(b) Commission the services through individual spot purchase arrangements with Aspire, or  
(c) Procure the services through a tender process
- 3.4 In considering each of the scenarios, account has been taken of the implications and potential impact of changes for service users and carers, the implications for the Service Level Agreements and the financial implications (see Appendix 3 for brief overview).
- 3.5 This Council has a statutory duty, under the Care Act 2014, to provide appropriate services to people based on their eligible needs whether that is through direct in-house provision or through externally commissioned services. The services delivered by Aspire are meeting eligible needs of just under 1000 people with learning disabilities and/or autism and therefore Scenario 1 above is not feasible.
- 3.6 Consideration has been given to Scenario 2: to bring the whole range of services back in-house. However, given that TUPE will apply, this scenario could have significant cost implications of approximately £1.7m per annum arising from the transfer if going forward all the Aspire staff were to be placed onto the Council's Terms and Conditions of employment. Given the Council's overall financial position, this is not considered to be a viable option at the current time.
- 3.7 In relation to Scenario 3: there is a diverse market of supported living and day opportunities delivered by a range of independent and voluntary sector providers. Currently, the number of providers delivering the bed based respite services is very limited but there is some potential to develop this. It is therefore feasible to seek to procure these services through an open procurement process. It is important to note however, that the VfM analysis of the services provided by Aspire shows it is competitive and the average weekly unit costs for all elements of the Aspire provision

compare favourably relative to other learning disability providers operating locally, particularly in relation to non-staffing costs. Given that TUPE provisions could apply, it is likely that this may deter some providers from bidding for the services or that other providers will not be able to respond to the competitive process within the current financial envelope. Therefore there are significant risks that there will be limited interest from providers other than the current provider. A market sounding exercise can be undertaken to gauge market interest, but actual extent of interest would only be known by undertaking the procurement process.

- 3.8 In relation to Scenario 4: two or three different approaches have been considered for each of the three elements of service including bringing the service in-house, commissioning the service under different contractual arrangements, or procuring the service through open tender.
- 3.9 The current block contract arrangement does not provide maximum opportunity to apply a person centred approach and to commission individually tailored care and support services based on the specific needs of each service user. It has also prevented the cost of each package of care being transparent based on an individual's needs and the support they receive to meet these needs.
- 3.10 In considering different commissioning arrangements, there is an opportunity to ensure that the re-provisioned services are developed in accordance with the 'Being Me' learning disabilities strategy with a focus on personalised and strengths based approaches based on each person's specific needs and outcomes, that there is a strong emphasis linking people in to their local communities and people are supported to access training and enter into paid employment.
- 3.11 There is a range of providers in the market delivering supported living and day opportunities for people with learning disabilities and/or autism. These services are commissioned through Individual Service Agreements (ISAs) through spot purchasing arrangements. Commissioners within the Adults & Health directorate are working with procurement and legal colleagues to develop a framework with a set of quality standards as an accreditation process and as the means by which all supported living and day opportunities are arranged. Bringing the supported living and day services provided by Aspire under the same arrangements will ensure there is consistency of approach across all providers. In relation to the services delivered by Aspire, this arrangement will also enable fee levels to be negotiated for individuals based on their needs and based on strengths based approaches, rather than being allocated as a block payment for a fixed volume of services as is the case currently.
- 3.12 With regards to respite services, the general respite services provide planned respite support and the emergency service is for short term stays, up to a maximum of three months, where a service user's existing accommodation arrangements may have broken down or be at risk (e.g. a family carer goes into hospital or a relationship breakdown occurs). The current services are well used but there are times when the services will have voids based on demand. As a result, block contract arrangements are likely to be required as the majority of the costs of such provision are fixed costs regardless of bed utilisation and the market is unlikely to deliver these services based on utilisation alone.
- 3.13 The following scenarios are proposed, based on existing commissioning arrangements for similar services, current expertise and capacity in the market, and based on the financial implications of the different scenarios:
- Supported Living – commission the services from Aspire through individual spot purchasing arrangements, as per Scenario 4.1 (b)

- Respite and Emergency Respite services – undertake market sounding and procure the services through a competitive tender process, as per Scenario 4.2 (b)
- Day Opportunities – commission the services from Aspire through individual spot purchase arrangements, as per Scenario 4.3 (b)

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 The Aspire services have been subject to a review over the last 12 months and consultation was undertaken as part of that process. This included new consultation with partner organisations and services who work alongside Aspire. Feedback was also received from the Good Lives Leaders<sup>1</sup> and from the annual internal Aspire Customer Feedback exercise.
- 4.1.2 A number of key themes emerged from this work: Aspire services are highly valued by service users and their families. The staff including the management team are seen to be well informed, person centred and inclusive. Stakeholders were predominantly positive saying that they felt that Aspire services complement their own and applauded Aspire's proactive approach in organising events and leading the way with some areas of work such as promoting Safe Places and Changing Places.
- 4.1.3 The engagement feedback also noted that the block contract arrangements are complex and do not provide sufficient scope for fee negotiations based on individuals' needs and that personalised care can be difficult to cost and implement. A number of other areas for development were noted including more consistent staffing, services that were tailored for older service users with more complex needs and the opportunity for service users to engage in activities after 9.30pm.
- 4.1.4 As part of the recommissioning process there is a need to undertake much wider consultation including with the existing provider, service users and family carers to help inform the future arrangements of these services. Consultation and engagement with service users with a learning disability will be undertaken in line with best practice guidance, for example, through the use of pictorial materials. The coronavirus pandemic and associated social distancing directives will impact on the facilitation of the consultation however, it is anticipated that wide public consultation can be undertaken over a two month period during November and December 2020.

### **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 A full Equality Impact Assessment will be undertaken in relation to the scenarios which are put forward as recommendations for recommissioning the services.

### **4.3 Council policies and the Best Council Plan**

- 4.3.1 This continued delivery of these services will help support the ambition of the Health and Well-being Strategy that 'Leeds will be the best city for health and wellbeing', with a vision that 'Leeds will be a healthy and caring city for all ages, where people who are the poorest improve their health the fastest'. It also recognises the importance of the Inclusive Growth Strategy and delivering growth that is inclusive, draws on the talents

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<sup>1</sup> Good Lives Leaders are people with learning disabilities and family carers who visit services and talk to people with learning disabilities who use those services to check they have good lives

of, and benefits, all of our citizens and communities. It is acknowledged that all commissioned services will need to demonstrate their contribution to achieving these strategic aims.

- 4.3.2 The 'Being Me' Strategy 2018-2021 sets out the plan for Leeds to implement real changes for people with learning disabilities, based on the following key principles;
- Focus on what is strong, on what people can do
  - Linking people in with their local communities and neighbourhoods
  - Helping people to take control of their lives
  - Supporting people to be the best they can be

The strategy has three main themes:

- Being well
- Being safe
- Being connected

- 4.3.3 These services contribute to a number of the priorities specified in the 2020-2025 Best Council Plan: Tackling poverty and reducing inequalities, including:

- Inclusive Growth: helping people into paid employment
- Health & Wellbeing: supporting self-care, with more people managing their own health conditions in the community; supporting healthy, physically active lifestyles; working as a system to ensure people get the right care, from the right people in the right place
- Housing: Providing the right housing options to support older and vulnerable residents to remain active and independent
- Safe, Strong Communities: keeping people safe from harm, protecting the most vulnerable; Being responsive to local needs, building thriving, resilient communities

#### 4.3.4 Climate Emergency

When re-commissioning these services for people with learning disabilities the service specifications will reflect the Council's requirement to minimise the environmental impact and make use of the Social Value Act to ensure this. This will include a focus on reducing carbon emissions through, for example, greater reliance on electric vehicles, looking for ways to reduce mileage, reduce waste, increase biodiversity, use renewable energy and making buildings energy efficient. There will also be greater emphasis on raising awareness and supporting people with learning disabilities and/or autism about the purpose and benefits of recycling.

## 4.4 Resources, procurement and value for money

- 4.4.1 The price for the Aspire block contract for the financial year 2020-21 is £20,497,000. The agreed price for the contract extension period, which is from 1st August 2020 to 31st July 2021, is £20,508,000. The costs for the additional 1:1 hours of provision (£2,597,831 for 2019/20) and estimated as £2,413,000 in 2020/21 is in addition to the block contract value.
- 4.4.2 The financial implications of each of the scenarios, where these are known, have been highlighted in Appendix 3.

## **4.5 Legal implications, access to information, and call-in**

- 4.5.1 There are no specific issues in this report with respect to these matters.
- 4.5.2 This decision is eligible for Call-In.
- 4.5.3 There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 4.5.4 The block contract arrangement expires in July 2021 and there is a requirement to put in place alternative commissioning arrangements and to ensure that the appropriate services continue to be delivered to meet eligible need in accordance with the Care Act, 2014.

## **5. Conclusions**

- 5.1 This report outlines the various scenarios that are available to the Council to help inform the recommissioning decisions.
- 5.2 For the scenarios which require market testing and procurement, the full financial implications are unknown at this time and can only be determined through market sounding and through the procurement process. For the scenarios related to bringing some or all of the services in-house, the financial implications have been identified.

## **6. Recommendations:**

It is recommended to Executive Board:-

- 6.1 That different approaches are followed for the different areas of service, based on existing commissioning arrangements for similar services, current expertise and capacity in the market, and based on the financial implications of the different scenarios. It is proposed that the following scenarios are progressed further, including through formal consultation:
  - Supported Living – commission the services from Aspire through individual spot purchasing arrangements, as per Scenario 4.1 (b) in Appendix 3,
  - Respite and Emergency Respite services – undertake market sounding and procure the services through a competitive tender process, as per Scenario 4.2 (b) in Appendix 3,
  - Day Opportunities – commission the services from Aspire through individual spot purchase arrangements, as per Scenario 4.3 (b) in Appendix 3.
  - And to note that the Deputy Director of Integrated Commissioning will lead and progress this work.

## **7. Background documents<sup>2</sup>**

- 7.1 None.

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<sup>2</sup> 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.

## **8. Appendices**

- 8.1 Brief outline of services provided by Aspire.
- 8.2 Breakdown of additional 1:1 support provided by Aspire in 2019/20, by type of service and costs.
- 8.3 Brief appraisal of the various scenarios.

## **Services provided by Aspire**

### **1 Supported Living**

- 1.1 The block contract has provision for 311 individual supported living placements. The support ranges from 24 hour staff on site to visiting support for a few hours each week and advice on all aspects of independent living. Types of accommodation include shared bungalows and houses, individual flats and individual tenancies. The properties are owned by a range of different landlords including Registered Providers of Social Housing and the Council.

### **2 Day Opportunities (Fulfilling Lives)**

- 2.1 There are a total of 29 day services, of which 26 are for people who do not have complex needs, providing 577 spaces each week and 3 complex day services providing 65 spaces each week. Non-complex day services are delivered in mainstream community settings such as leisure centres. Complex placements provide a higher staffing ratio and support some people with complex physical needs (including Continuing Healthcare [CHC] eligible people) and people who are living with older carers. These day opportunities are located in three Fulfilling Lives Centres (Bramley, Rothwell and Potternewton).
- 2.2 Day opportunities are attended by individuals who live with parents and individuals who live in Aspire or other supported living services. The block contract includes an annual amount of £220,880.00 which is used by Aspire to pay third sector providers delivering other day opportunities (Carlshead, Home Farm Trust, Leep1, Open Country, Purple Patch Arts, Yorkshire Dance and Pyramid of Arts). This amount has remained the same since the start of the contract and is a straight transfer to pay for these day opportunities; Aspire do not charge an administration fee, as these services remain closely interlinked with Aspire service delivery.

### **3 Respite and Emergency Respite**

- 3.1 There are four general respite services each offering five spaces per week. There is also a fifth service providing emergency respite with a capacity of five spaces. The general respite services provide planned respite support whereas the emergency service is for short term stays (three months maximum) where a service user's existing accommodation may have broken down or be at risk (e.g. a family carer goes into hospital or a relationship breakdown occurs).
- 3.2 The respite beds are very well-used and are managed by the Learning Disability Respite Panel which is chaired by social work colleagues. The Aspire units are pre-booked up to a year in advance. Aspire is increasingly accepting people with more complex health and behavioural issues.

### **4 Additional Provision**

- 4.1 Further to the provision covered in the block contract, Aspire also receives additional funding from the Council for other services if and where additional one-to-one support hours are required for individuals who require extra support (always based on their assessed need). The service may be delivered in the supported living placement or at a

day opportunity, or it may be delivered as intensive one-to-one hours for individuals living at home with parents or living independently in other (non-Aspire) accommodation. The annual cost for these additional hours in 2019-20 was £2,597,831.

- 4.2 Aspire has also started to deliver specialist bespoke supported accommodation provision for 15 service users with complex needs, including service users within the 'Transforming Care Programme' cohort who have returned to Leeds from out-of-area long term hospital placements. The new complex developments include a one person bungalow that opened in 2019 and The Vicarage service that opened in 2020. The Vicarage includes eight flats and two bungalows and will support 14 individuals. The projected annual cost for these services is £1,908,962. There is a further specialist bespoke service due to open in 2020-21 where Aspire will be the support provider. This additional provision provides the Council with an alternative supplier for complex support services in the city that has been difficult to source historically in Leeds.
- 4.3 Aspire took over the Templegate service when the previous provider (CIC) withdrew when their contract expired. This is a supported living service for two individuals who house share and the cost is £221,234.00 per annum.

**Breakdown of additional 1:1 support provided by Aspire (2019/20) by type of service and costs**

Type of additional provision	Average number of users	Average number of hours delivered per week	Expenditure
Community Support	22	394	£ 307,011
Supported Living Service	78	1950	£1,465,882
Day Services	49	960	£ 715,719
Respite Service	5	166	£ 30,976
Crisis Service	1	(1 admission for 4 months)	£ 22,929
<b>TOTAL</b>	177 individuals	Total hrs delivered in year: 162,921	£2,597,831

**1 Scenario 1: Decommission all elements of the service provision**

This Council has a statutory duty, under the Care Act 2014, to provide appropriate services to meet the eligible needs of people with learning disabilities and/or autism, either directly or through external commissioning arrangements, and therefore this scenario is not feasible and should be discounted.

**2 Scenario 2: Bring the whole service in-house**

Pros:

- This option would enable the Council to have direct influence and control over the way in which the services are arranged and delivered, and may enable some rationalisation in order to deliver savings and efficiencies
- There should be low impact on service users and carers assuming that all staff would transfer under TUPE arrangements enabling continuity of service delivery
- There will be minimal impact on the current SLA arrangements with other directorates in the Council and may provide an opportunity to review the way some of these services are provided.

Cons:

- There are significant financial implications relating directly to TUPE whereby the cost of transferring the staff back into the Council could be approximately £1.7m per annum if going forward all the Aspire staff were transferred onto the Council's Terms and Conditions of employment.

<b>Impact Analysis</b>	
Changes for service users and carers	Low – If all staff transfer under TUPE
Support Services - Service Level Agreements	Low – current arrangements could be maintained
Financial Impact	
Service Element:	TUPE costs:
Supported Living	£1,198,000
Respite	£165,000
Day Opportunities	£350,000
Total	£1,713,000*

\*Costs per annum

**3 Scenario 3: Procure the full range of services through open tender as a single lot**

Pros:

- The impact of the changes for service users and carers may be low if the current configuration of services remains the same, especially given that TUPE provisions will apply.

Cons:

- The annual contract value does not cover the actual costs of the services delivered through the block contract. In order to make the contract viable, the volume of the

services to be procured will need to be reduced or additional funding allocated into the cost envelope to cover existing volumes of service provision.

- Given the direct and indirect staffing costs in the current contract, and given that TUPE provisions will apply, there is a strong likelihood that the wider provider market will not be able to respond to the competitive process within the current financial envelope.
- There is a strong likelihood that bidders will not want to maintain some or any of the arrangements to purchase support services from the Council in accordance with the current Service Level Agreements. This will result in a loss of income and service reductions in some directorates.

<b>Impact Analysis</b>	
Changes for service users and carers	Low – If all staff transfer under TUPE
Support Services - Service Level Agreements	High – Potential loss of income of a minimum of £540,000 per annum* up in excess of £2m per annum
Financial Impact	Potentially high impact – unknown until competitive tender is completed

\* based on key assumptions that the two tier workforce continues; LCC Support Services cease; potentially some of the other arrangements including property, transport and facilities are built into the service specification

#### **4 Scenario 4: Establish different commissioning arrangements for each of the three services**

Different approaches can be undertaken with each element of service provision on a separate basis. This would enable Commissioners to put in place the most appropriate commission arrangements for each service type.

There are a number of different options within this scenario, as outlined below.

##### **Scenario 4.1 (a): Supported Living – Bring services in-house**

Pros:

- This scenario would enable the Council to have greater influence and control over ways in which the supported living services are delivered, including greater application of strength based approaches which may over time result in some cost efficiencies

Cons:

- This scenario would cost an estimated £1.198m per annum in additional staffing costs if going forward all of the transferring staff were to be placed on the Council's terms and conditions.
- This will be a new in-house service as the Council is currently not a provider of supported living services

<b>Impact Analysis</b>	
Changes for service users and carers	Low – If all staff transfer under TUPE
Support Services - Service Level Agreements	Low assuming the arrangements will remain in place
Financial Impact	High - £1.198m per annum

#### **Scenario 4.1 (b): Supported Living - Spot purchasing arrangements**

This scenario would involve commissioning supported living directly with Aspire via individual spot purchasing arrangements (SLISAs). A new Dynamic Purchasing System is currently being progressed within Working Age Adults Commissioning which will enable all providers of supported living to be assessed on a quality and financial footing before individual SLISAs are agreed and put in place.

##### Pros:

- This will put the supported living services provided by Aspire under the same commissioning arrangements as all other supported living services and will enable a consistent approach
- The transition in the commissioning and contractual arrangements will enable continuity of service and minimal disruption to service users
- The SLISAs could incorporate both the support currently delivered via the block contract and any additional one-to-one hours which may have been agreed on top. This would enable the Council to clearly determine exactly what support each individual requires, and avoid ongoing discussions regarding additional funding
- This approach would enable the Council to agree costs for supported living based on individual need, rather than on a block basis and will enable better transparency on the cost of each individual package of support
- This approach has the potential to deliver savings and efficiencies over time as people's needs are reviewed and personalised care and support is agreed based on strengths based approaches and principles

##### Cons:

- In the current block contract, there is a shortfall in funding between the cost of providing the block contract and the contract price. At present, the shortfall is offset by the provider delivering more intensive one to one support to some individuals. It is highly likely that the cost of the Supported Living services will be higher than in the current block contract arrangements. Potentially, this could be redressed over time as individuals' needs are reviewed
- Current arrangements cover the cost of voids. This would need to be

<b>Impact Analysis</b>	
Changes for service users and carers	Low – If all relevant staff transfer under TUPE
Support Services - Service Level	High – Potential loss of income of a

Agreements	£308,000 per annum*
Financial Impact	Potentially high impact with increased costs in the short term, but with the potential to deliver savings and efficiencies over time through assessment and review processes

\* Based on assumption that Aspire does not continue with LCC support services

#### **Scenario 4.2 (a): Respite and Emergency Respite services – Bring services in-house**

The review of respite provision is underway in partnership with the CCG and it is evident that community-based respite services are in high demand and regular availability of these services enable people to remain living at home with their family and carers

Pros:

- This scenario may allow the Council greater influence and control over the respite service.
- The Council currently provides and has maintained its expertise in residential care home services

Cons:

- This scenario would cost an estimated £165k per annum in additional staffing costs if going forward all of the transferring staff were to be placed on the Council's terms and conditions.

<b>Impact Analysis</b>	
Changes for service users and carers	Low - if all relevant staff transfer under TUPE
Support Services - Service Level Agreements	Low - assuming the arrangements will remain in place
Financial Impact	£165k per annum

#### **Scenario 4.2 (b): Respite and Emergency Respite services – Procure the services through tender process**

Pros:

- This scenario will mean that the Council is adhering to financial regulations and procurement rules in undertaking an open tender process
- The Council will be able to award the contract for the service to the provider submitting the most competitively advantageous bid

Cons:

- There may be limited interest from the wider market because TUPE will apply, resulting in high staffing costs and associated pension liability

- There is a risk that there may be few, if any, compliant bids if the cost of delivering the service at its current capacity is deemed to be in excess of the available budget

<b>Impact Analysis</b>	
Changes for service users and carers	Low - if all relevant staff transfer under TUPE
Support Services - Service Level Agreements	Medium to high - if the preferred bidder does not want to continue the current arrangements for the supported services
Financial Impact	Unknown

### **Scenario 4.3 (a) Day Opportunities – Bring services in-house**

Pros:

- This scenario would enable the Council to have greater influence and control over ways in which the day opportunity services are delivered, including greater application of strength based approaches which may over time result in some cost efficiencies

Cons:

- This scenario would cost an estimated £350k per annum in additional staffing costs if going forward all of the transferring staff were to be placed on the Council's terms and conditions

<b>Impact Analysis</b>	
Changes for service users and carers	Low - if all staff transfer under TUPE
Support Services - Service Level Agreements	Low - assuming the arrangements will remain in place
Financial Impact	High - £350k per annum

### **Scenario 4.3 (b) Day Opportunities – Commission the services through individual spot purchase arrangements with Aspire**

Pros:

- This will put the day opportunity services provided by Aspire under the same commissioning arrangements as all day opportunity services and will enable a consistent approach
- This scenario would enable the Council to agree costs for day opportunities based on individual need rather than on a block basis and will enable better transparency on the cost of each individual package of support

- This approach has the potential to deliver savings and efficiencies over time as people's needs are reviewed and personalised care and support is agreed based on strengths based approaches and principles

Cons:

- It is not possible to assess the financial implications at this time as individual care plan reviews or reassessments would need to be undertaken with service users in order to agree the package of support and the cost of the service for each person

<b>Impact Analysis</b>	
Changes for service users and carers	Low - if all staff transfer under TUPE
Support Services - Service Level Agreements	Low - assuming the arrangements will stay in place
Financial Impact	Unknown

#### **Scenario 4.3 (c) Day Opportunities – Procure the services through a tender process**

Pros:

- This scenario will mean that the Council is adhering to financial regulations and procurement rules in undertaking an open tender process
- The Council will be able to award the contract for the service to one or more providers based on the most competitively advantageous bids
- There is already an established market of providers delivering similar services in Leeds

Cons:

- There may be limited interest from the wider market because TUPE will apply resulting in high staffing costs and associated pension liability
- There is a risk that there may be few, if any, compliant bids if the cost of delivering the service at its current capacity is deemed to be in excess of the available budget

<b>Impact Analysis</b>	
Changes for service users and carers	Low - if all staff transfer under TUPE
Support Services - Service Level Agreements	Medium to high – assuming the preferred bidder/s do not want to continue the current arrangements
Financial Impact	Unknown