

Day services for younger people living with dementia – contract extension

Date: 27 July 2022

Report of: Deputy Director, Integrated Commissioning, Adults & Health

Report to: Director of Adults & Health

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

Community Links hold a contract with Leeds City Council for the provision of day services for younger people with dementia. The funding for this contract is a 'pooled budget', with an NHS contribution via the Better Care Fund. This provides a day centre, support at home, and a well-being offer including a carer support worker and memory café. The contract runs from 1st January 2018 – 30th September 2022, with options to extend by up to three years. This report describes how Community Links have developed the service offer within the same contract funding during the contract lifetime, and recommends the option to extend by the full three years. It describes the impact of fixed funding without annual uplift, and recommends an approach to managing this during the three-year extension period.

Recommendations

For the Director of Adults and Health to approve:

- a. That the Council offers Community Links a three-year extension to the contract 'Day Services For Younger People With Dementia' ref: DN252936, to run from 1st October 2022 to 30th September 2025 for the value of £885,564 (total value for three years).
- b. That a variation is applied to the original terms of the contract, for the offer of a contract extension. This will cover the following provision for inflationary uplift:
 - i. The annual NHS England tariff uplift will apply to the NHS share of the pooled funding, for the duration of the contract extension. For 2022-23, this uplift is 2.4%, and will be applied from 1st April 2022. This will add £2,688pa. to the previous level of contract funding, as follows, with zero net impact on Council expenditure:

	2021-22	2022-23
NHS funding contribution, paid to the Council	£112,000	£114,688
Leeds City Council contribution	£180,500	£180,500
Total contract funding, paid to Community Links	£292,500	£295,188

- ii. Leeds City Council will not apply uplift within the current financial year to its share of the pooled funding.
 - iii. Day services for people with dementia will be included in the Directorate's annual decision-making process to determine any uplifts to fees and contracts.
- c. That the Commissioning Programme Lead, Dementia will be responsible for the above actions.

1. What is this report about?

- 1.1. The Council has a contract with Community Links for the provision of day services for younger people with dementia (ref. ref: DN252936). The contract period is 1st January 2018-30th September 2022, with options to extend by up to three years. This report recommends taking up the option for maximum contract duration, to extend by a period of three years.
- 1.2. The rationale for this is the service improvement, innovation and value for money achieved by Community Links. This is described below. The benefits of continuity are judged to greatly outweigh any prospective gains from going out to competition.
- 1.3. At the start of the current contract, the annual value of the contract was £292,500. This annual value applied until 31st March 2022. The NHS West Yorkshire Integrated Care Board (Leeds Office) contributed £112,000pa.; and the Council's net contribution was, and remains, £180,500pa¹. NHS colleagues agreed, in July 2022, to apply 'uplift' with effect from April 2022; the detail of this is described in section 5 below.
- 1.4. The value for a three-year contract extension represents a commitment of over £500,000 and this is therefore a Key Decision.
- 1.5. This report considers the value for money achieved by the provider, in the context of pressures on public finance. There has been no inflationary uplift in the lifetime of the contract to date, and the report explores options for the proposed extension.

2. What impact will this proposal have?

- 2.1. The impact will be positive: it will sustain a service which provides social support, meaningful activity, and an NHS treatment pathway for younger adults diagnosed with dementia, and families / carers. Consultation carried out during autumn / winter 2021 provides evidence of the value of this service.
- 2.2. It would delay the next market test / competition for this contract. This is judged to be of low or even zero adverse impact, given the positive views expressed about the service, and evidence of continuous improvement, including value for money. Competition for this contract has always been limited. The previous long-term provider was the Alzheimers Society, which decided in 2017 to not bid for the contract. In previous competitive procurement exercises, there have been at most two providers submitting bids.
- 2.3. The current provider reports routinely on diversity of people using the service, with information supplied on gender, ethnicity and sexual orientation. The ethnic diversity regarding service uptake has increased during the lifetime of the contract and further community engagement work is planned. Extending the contract will enable this work, already interrupted by the pandemic, to continue.

3. How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

¹ This joint commissioning arrangement to support people living with younger-onset dementia, dates back to grant funding of the Alzheimers Society in 1997.

- 3.1. There are c. 180 people in Leeds aged under 65 with a dementia diagnosis. There are likely to be a similar number of people who were diagnosed with dementia aged under 65 and have since passed their 65th birthday². There will still be health and social needs associated with younger-onset dementia, ranging from prevalence of rarer types of dementia, to loss of income pre-retirement. Additionally, there are likely to be a further c. 200 people living with undiagnosed dementia aged under 65³.
- 3.2. The services provided under this contract are:
- i. A day centre offering 15 places per day, 5 days per week. At any one time, 25 people use this service, attending 1-5 days per week (average 3 days pw).
 - ii. A community outreach service, offering 40 sessions per week of 3-4 hours of 1:1 support. This is usually outside the home and accessing the community. Again, 25 people use this service in any given week, for 1-2 sessions pw.
 - iii. A carer support worker post, in partnership with Carers Leeds. It is available to all carers of people living with younger-onset dementia in Leeds, and does not depend on the person accessing the day centre or outreach service.
 - iv. A well-being offer, including Memory Café and Cookery group (both Saturday mornings), and Cognitive Stimulation Therapy group⁴. These make use of the Cottingley 'Hub', and again can be accessed without allocation of a formal day centre place.
- 3.3. This achieves:
- meaningful activity and occupation for people living with dementia;
 - an effective 'treatment pathway' for NHS colleagues from the LYPFT⁵ Younger People With Dementia Team, who make the great majority of referrals to the service.
 - carer breaks and support, up to a level which enables spouse carers to remain in employment.
 - information, advice, and support for wellbeing that is accessible for all living with younger onset dementia in Leeds.
- 3.4. Community Links is a 'Real Living Wage Employer'⁶. This supports the Inclusive Growth Strategy aim of tackling low pay.
- 3.5. The service is exploring the provision of services at other locations away from its main Hub at Cottingley, LS11. This would reduce travel distances and therefore the 'carbon footprint, as well as improving access to the service. Service development and additional investment are not within the scope of this report, but an extension to the contract will enable the provider to focus on service improvement.

4. What consultation and engagement has taken place?

Wards affected: this is a Leeds-wide service. The 'Hub' is located in Beeston and Holbeck ward but there is no local focus to service uptake.

Have ward members been consulted? Yes No

² www.youngdementianetwork.org/wp-content/uploads/2022/06/JofDC-Janet-Carter-prevalence.pdf

³ From prevalence estimates in www.alzheimers.org.uk/about-us/policy-and-influencing/dementia-uk-report

⁴ Cognitive Stimulation Therapy is recommended by NICE for people with mild / moderate dementia, and is the only non-drug treatment recommended by NICE.

⁵ Leeds and York NHS Partnership Foundation Trust.

⁶ www.commlinks.co.uk/careers-and-volunteering/careers/

- 4.1. There has been recent consultation with people and carers who use the service, the provider and NHS colleagues from the LYPFT Younger People with Dementia Team. This took place in autumn 2021, to assess the impact of a proposed 10% cut to the Council contribution in the current financial year. This provided strong evidence of:
- The positive experiences of using the service, value and outcomes for people and carers.
 - The value for money achieved during the contract lifetime, including the addition of the well-being offer described at 3.2 (iii. and iv.) above.
 - The value of the service as a ‘treatment pathway’, with over 80% of referrals coming from the LYPFT Younger People With Dementia Team.
 - The likely cost of alternative services for people who would not be able to access day services – eg. home care and care home provision for carer breaks, and to keep working carers in employment.
- 4.2. Following the above consultation and impact assessment, the decision was made to sustain current funding and not to proceed with a cut⁷. The provider’s contribution to the consultation did include the impact of zero uplift.
- 4.3. There was also earlier consultation in 2016-17 to develop the service specification for the tender exercise in 2017-18. The options at that time included disinvestment from the day centre model in order to develop a more personalised offer. This option was not pursued, again because of evidence that the day centre is valued by people, enables carers to continue in paid employment, creates peer support and offers a point of contact. The service specification was developed to include the above ‘well being’ offer, and this has been implemented by the provider.
- 4.4. There has been further consultation with the provider regarding this contract renewal. This has emphasised:
- the cost pressures related to wages, food, utilities and fuel (transport) costs;
 - the impact of the pandemic to increase the needs of people attending the centre, regarding both individual support to participate in activities, and personal care needs.
 - ambitions for service development, including improved staffing levels; development of services in other locations; community engagement to improve access for people from diverse minority ethnic origins.
- 4.5. NHS colleagues have been involved as joint funders of this service: the Director of Pathway Integration, Head of Frailty, and Head of Finance, for the NHS West Yorkshire Integrated Care Board (Leeds office). They have committed to annual uplift of the NHS contribution. They support the commitment to the maximum three-year extension, with the intention to explore potential innovation during that time. They wish to consider the option of a contract model that further integrates diagnosis and support for people living with younger-onset dementia.

5. What are the resource implications?

- 5.1. The NHS West Yorkshire Integrated Care Board, Leeds Office⁸, have committed to continue with the contribution of £112,000pa. via the Better Care Fund; and furthermore to apply the

⁷ Decision references D54912, D54913, D54914; report and impact assessment:
<https://democracy.leeds.gov.uk/ieDecisionDetails.aspx?ID=54912>

⁸ Prior to 1st July 2022, the NHS funding came from the former NHS Leeds Clinical Commissioning Group.

annual NHS tariff uplift⁹ with effect from 1st April 2022. The tariff uplift is calculated annually, based on a calculation of cost uplift, offset by an efficiency factor. For 2022-23, the tariff uplift is 2.4%.

- 5.2. Therefore, the £112,000 will increase by 2.4%, to a new figure of £114,688. This will be received as income to the Council from the NHS, via the Better Care Fund 'section 75' agreement. The additional income will equal the expenditure passed on to the provider via the contract. Therefore, there will be zero net impact on Leeds City Council expenditure.
- 5.3. The contract extension would continue the Council's long-standing policy of committing £180,500pa to this important service, alongside £114,688 of NHS funding, giving an annual value of £295,188pa. Therefore, the overall cost for the proposed three-year extension period is £885,564. This funding is committed and available in a dedicated cost centre.
- 5.4. The Council further resources the contract via the 'Hub' accommodation at the former Springfield Day Centre, Cottingley. The building and maintenance is provided at 'peppercorn' rent; there are recharges for utilities and other costs which are paid by Community Links from the contract income.
- 5.5. This service was proposed for a 10% cut to the Council funding, as part of the Council's medium-term financial strategy for 2022-25. As stated at 4.2, the final decision was made to withdraw the proposed cut and leave the funding unchanged for the financial year 2022-23. This was a decision applicable to the whole of the current financial year, made in the context of the financial position of the Council. Therefore, it is proposed not to revisit the funding level for 2022-23.
- 5.6. Community Links have achieved the above-mentioned service development and improvement over the past four years, and absorbed inflationary cost pressures, within the contract funding. It is acknowledged that these pressures are increasing still further, with the day service including transport and food costs as well as staffing; at the same time as the Council is managing budget pressures. For the financial years 2023-24, and 2024-25, it is proposed to bring the consideration of uplift into the annual process which covers eg. care home fees and domiciliary care rates.

6. What are the key risks and how are they being managed?

- 6.1. There are risks to financial sustainability on both the provider and Council side of the contract. It is proposed to manage these through the Directorate's annual process covering fee uplifts for a range of externally commissioned services, and this gives a mechanism for managing the challenges, and fair comparison with other contract uplifts¹⁰.
- 6.2. In extending a contract rather than going out to competitive procurement, there is a risk of missing an opportunity to obtain improved value for money from a different provider. This risk is judged to be very low, in view of: the service improvement achieved since 2018; the provider not requesting uplifts during that period; and the limited interest in providing this service in previous procurements. It is proposed that this risk is accepted.

7. What are the legal implications?

- 7.1. The decision to extend this contract is a Key Decision because of the financial value. The options to extend by up to three years is written into the current contract, and can therefore be implemented by mutual consent.
- 7.2. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.

⁹ www.england.nhs.uk/pay-syst/national-tariff/

¹⁰ The 2022-23 decision on uplifts can be found at: <https://democracy.leeds.gov.uk/ieDecisionDetails.aspx?!D=55097>

7.3. The recommendations within this report are in accordance with Contracts Procedure Rules 21.2 which allow for a contract to be extended before its expiry date where it is in accordance with its terms and proves to deliver Best Value. Although there is no overriding legal obstacle preventing the extension of these contracts, the contents of this report should be noted. In making their final decision, the decision maker should be satisfied that the course of action chosen represents Best Value for the Council

Options, timescales and measuring success

8. What other options were considered?

- 8.1. There are options for shorter contract extension periods. The longest possible, ie. three years, is recommended because of the performance of the provider to date, and the benefits of stability to support further planned service improvement, and the wellbeing of people living with dementia. NHS colleagues wish to explore innovative partnership arrangements as described at 4.5 above. A three-year extension allows time for this dialogue, and would allow implementation of change by mutual consent before the contract end date.
- 8.2. There are alternative options for the Council to commit to annual inflation uplift, eg. match the NHS position by committing to apply the same percentage. However, the Directorate of Adults and Health manages local fee uplifts on an annual basis (see 6.1), and it would be inconsistent to approach this contract differently.
- 8.3. There is also the option to state in advance that the Council's contribution to the pooled funding will not be increased during the three year extension. This would require the provider to accept the financial risk (section 6) involved in providing a specified service level on reducing income in real terms. The recommended approach is consistent with the Council's values, which include "work with partners to achieve best value".

9. How will success be measured?

- 9.1. The Commissioning Programme Lead, Dementia, manages the monitoring of this contract. A range of information is supplied quarterly, covering service uptake, diversity monitoring, budget, service development, safeguarding, and individual narratives.

10. What is the timetable and who will be responsible for implementation?

- 10.1. If the recommendations are agreed, then the Commissioning Programme Lead, Dementia will work with the provider, and colleagues in Procurement And Commercial services, to issue the contract extension.

Appendices

- None

Background papers

- None.