



Report of the Director of Adult Social Services

Executive Board

Date: 22nd July 2009

Subject: Neighbourhood Network Schemes Review – Future Vision and Way Forward

Electoral Wards Affected:

Ward Members consulted (referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In (Details contained in the report)

EXECUTIVE SUMMARY

In looking at how we develop our overall strategic approach to ageing in Leeds, it is important to recognise the progress made over a number of years through a range of activities, sponsored by the Council, reflecting an inclusive approach to involving and meeting the universal wellbeing and support needs of older people.

The approach focused on the creation, development and sustainment of the Neighbourhood Network Schemes which now cover all areas of the City. The Neighbourhood Network Schemes represent the principal manifestation of this approach, initiated in 1992, making creative use of community care funding. These activities have resulted in the Council attaining Beacon status in 2001 and, subsequent to that, attracting attention from other Authorities (most notably Birmingham) seeking to adapt the Leeds approach to their own locality and communities.

Since 1992 the Network schemes have developed to provide city-wide coverage, providing funding for this development has been opportunistic and, as a consequence, significant inequities have become increasingly apparent. In 2007 a review programme, conducted jointly with NHS Leeds, was initiated to attempt to determine how more equitable funding and performance arrangements could be put into place to preserve and further develop the work of the schemes within a new social care environment with its twin emphasis on promoting prevention through better access to universal support services, and increasing choice and control for people with support needs.

A key objective of the review, has therefore been to find a more transparent, fair and equitable process for commissioning Neighbourhood Network Services. The joint Neighbourhood Network review has highlighted a series of issues to be considered to enable current, and potentially new,

Neighbourhood Network providers to support Leeds City Council in delivering high quality, innovative, universal, preventative services for older people in Leeds.

This report provides details on the following issues:

- The long term vision for Neighbourhood Networks and how a commissioning process can support its delivery
- The alignment between the proposed development of the Neighbourhood Network Schemes and the opportunities afforded by contraction in direct Local Authority provision
- The recommended application of a funding formula and procurement route
- Recommendation and justification for additional investment in this important service area.

1.0 Purpose of this Report

- 1.1 To provide information and recommendations for developing greater access to universal wellbeing support through Neighbourhood Network Schemes (NNS) and to highlight the issues and proposed remedies. The report requests support for the courses of action proposed which, it is proposed, will ensure the most effective and equitable means for commissioning NNS services.

2.0 Background

- 2.1 NNS were created to improve the lives of older people in Leeds. Each scheme covers a specific geographical area across the city of Leeds and is run by, and for, local older people.
- 2.2 In this regard, older people are no longer regarded as passive recipients of services but rather as active citizens engaged on many levels in the life of our communities, both as consumers and contributors of social capital.
- 2.3 Our recognition of the increasing numbers of older people and the potential demand on public services, especially in health and social care, has become a crucial driver for national policy and increasingly for our local approaches.
- 2.4 It is this demographic and policy background which informs the long term vision for the NNS. NNS have already evidenced that they can reduce the level of social isolation and exclusion experienced by older people, increase the level of involvement and participation of older people in their community and provide choice and information to support the health and well-being of older people.
- 2.5 Our aim for the next stage of their development is to develop Neighbourhood Networks which are innovative, flexible and committed to the development of inclusive services that reflect the aspirations and needs of older people and are responsive to the personalisation of health and social care.
- 2.6 With the move towards self directed support the development of NNS will be crucial as older people are enabled to choose and purchase their own services that will meet their specific need and deliver individual outcomes. Leeds Adult Social Care and Leeds NHS need to promote the development of NNS as vibrant and inclusive community based services that reflect the strategic direction of travel for older people's services and acknowledge NNS role in supporting Leeds Adult Social Care

in meeting the following national and local performance indicators.

2.7 In particular the NNS contribute towards the achievement of excellence against Outcome 3 of the Care Quality Commission outcome framework – “Making a Positive Contribution”. Leeds was judged to be ‘Good’ overall against this indicator in the 2008 Inspection of Independence Well-Being and Choice, our further concentration on the engagement by and with older people as exemplified through the NNS will assist in our aim of achieving excellence in this area. In addition the following Corporate Improvement Priorities are supported:

- ◇ Harmonious Communities Improvement Priority: An increased sense of belonging and pride in local community neighbourhoods that help build cohesive communities.
- ◇ National performance indicator (National Indicator (NI) 1): Percentage of people who believe people from different backgrounds get on well together in their local community.
- ◇ Harmonious Communities Improvement Priority: An increased number of local people engaged in activities to meet community needs and improve the quality of life for local residents.
- ◇ National performance indicator (NI 6): Percentage of people participating in regular volunteering.
- ◇ Harmonious Communities Improvement Priority: An increase in the number of local people that are empowered to have a greater voice and influence over local decision making and a greater role in public service delivery
- ◇ National performance indicator (NI 4): Percentage of people who feel they can influence decision making in their locality.
- ◇ Harmonious Communities Improvement Priority: Enable a robust and vibrant voluntary, community and faith sector to facilitate community activity and directly deliver services.
- ◇ National performance indicator (NI 7): Environment for a thriving third sector.

3.0 Main Issues

3.1 In addition to delivering the core outcomes to be specified in the new contracts, NNS are key to the longer term market development of services in support of the transformation agenda. The review of day services for older people will inevitably lead to increased opportunities for NNS to develop their role and enable more older people to access services within their own local community as opposed to day centre provision that requires older people to travel on community transport at times dictated by service need rather than service user outcome.

3.2 The cessation of services based at Richmond Hill Day Centre has allowed Adult Social Care to reinvest £35,000 into the Richmond Hill (RHEA) area to this end, Richmond Hill Elderly Action has expanded its outreach, individual support and social activity opportunities, including support activities for older people with dementia undertaken in collaboration with Burmantofts Senior Action, Crossgates & District Good Neighbours Scheme and Halton Moor & Osmondthorpe Project for Elders.

- 3.3 A further £65,000 pa is planned to be reinvested, commencing in September, for older people who live in the areas where the peripatetic service previously offered one day a week from Farfields in Farsley, the Willows in Horsforth, Otley and Pendas Way with the aim of meeting similar outcomes for people with dementia and their Carers.
- 3.4 Over the last 17 years considerable differences in statutory (Adult Social Care/NHS Leeds) funding levels have evolved. The range of funding contracted with individual schemes is wide, from £15,522 to £122,219. The city-wide average is £43,278.
- 3.5 Adult Social Care (ASC) is the main funding body, contributing £1,420,000 to the total investment of £1,690,000 in 2008-09. NHS Leeds contributes the remaining £270,000 towards the funding of 19 of the 38 schemes.
- 3.6 **Funding Formula**
- 3.7 In order to rectify the current inequitable allocation of funding, a funding formula has been created by the NNS Project Team (which incorporates ASC officers, and other key stakeholders including user representatives, NHS colleagues and voluntary sector representatives) with guidance and support from ASC finance team. The funding formula is closely linked to the Older People's Relative Needs Formula which is the mechanism that the Government uses to allocate the portion of the Councils Revenue Support Grant allocation to Older People. The NNS funding formula also takes into account additional criteria to reflect deprivation and BME demography. The justification for the relative weighting attributed to deprivation has largely been derived from NHS Leeds' requirements to target their contribution to deprived Wards. The formula is shown for reference at table one at the end of this report.
- 3.8 In addition to the person centred elements of the funding formula, the NN's funding formula also takes into account the catchment area (square mileage) that the NN's covers.
- 3.9 If the funding formula is applied to the demographic data, it is clear that some existing NNS would gain funding in relation to current allocation, and some would be net losers against the same allocation. The main reason for this is the relative geographical area covered by networks in relation to the size of population served, as the funding formula allocation is proportionate to both demographic and geographical data.
- 3.10 It is evident on 'bench testing' the impact of the formula that some of the current identified best performing NNS that cover a small geographical area would receive substantially less funding which would clearly have a negative and undesirable impact on their ability to support the achievement of more positive outcomes for older people in the communities they serve. The second illustration at Appendix 1 sets out how the application of the formula would impact if applied today within the area management areas.
- 3.11 The following steps are designed to address this possibility. Adult Social Care has identified that a further investment of £360,000 into NNS from April 2010 would ensure the full beneficial effects of the formula could be applied, this is illustrated in the third diagram at Appendix 1. The intention would be to introduce the revised funding formula alongside the implementation of new contract agreements which are designed to standardise the framework within which the NNS operate, be specified in terms of improving outcomes as the key goal and be designed to be monitored for their efficacy.

- 3.12 It is clear that the long term vision for NNS set out earlier in this report, can only be realised if additional investment is made to enable NNS to increase their capacity, improve sustainability and therefore meet, not only the future challenges that a rising ageing population will present, but the opportunities presented for all citizens through the greater personalization of social care.
- 3.13 The contraction of utilisation in traditional buildings based and related services signifies another impact of the NNS and the wider availability of so called 'universal services'. The resultant contraction and increased specialisation of such buildings based directly provided services, provides some reinvestment opportunities in more activities like those promoted by the NNS. It is clear many of these organisations have the experience, knowledge and ability to provide or arrange supportive interventions designed to improve outcomes for individuals and communities.
- 3.14 Applying the funding formula over three area management areas East/North East, West/North West and South/East , highlights the amount of additional investment needed to ensure that no NNS would experience any loss of funding. (The shift from the current to the overall optimum position is shown at Appendix 1).
- 3.15 **Procurement Route**
- 3.16 The procurement route would be via a restricted process. Within the Contract procedure rules this allows for conditions to be placed around the features and types of organisation eligible to bid for council contracts, the use of this procedure will allow officers and stakeholders to select appropriate providers prior to inviting them to tender.
- 3.17 Given the nature of the existing organisations, whom we are certain will wish to tender, the process will be designed with as little bureaucracy as possible whilst still achieving Corporate requirements. The process will commence with the creation of a simplified 'pre-qualification questionnaire' which will be used to determine the appropriateness of current and any potential new providers to be able to deliver the desired outcomes within a revised set of funding arrangements.
- 3.18 Once potential providers have been short listed having met the basic criteria, they will be invited to tender for business (against the new service specification) within the appropriate area management board domain. The total indicative funding amounts for each area are set out at Appendix 1. This will clearly provide opportunities for organisations to group together to tender for larger sums and to provide greater geographic coverage.
- 3.19 The tender evaluation criteria will require organisations (or confederations of such) to demonstrate how existing NNS management committees and members are to be involved in the governance, planning and running of the future service.
- 3.20 Structuring the process in this way will create significant opportunities for existing (and any new potential providers meeting the restricted tender criteria set out above) to work collaboratively to tender for the delivery of Neighbourhood Network services. This creates the possibility, on the one hand, of one collaborative bid to cover the whole area, through denominations of collaboration, down to an effective replication of the current structure.
- 3.21 Incentivising greater collaboration is perceived to be particularly desirable, it will support the sharing of skills and resources and maximise the financial resources available within the three geographical areas. Within collaborative structures,

individual NNS can retain their individual geographical identity and continue to provide services at local level, whilst maintaining and extending the social capital they have secured over the years.

- 3.22 The area based approach to the application of the funding formula set out above, offers a creative way forward on the issue of equity of funding and should reassure providers with regard to the incentivisation of collaboration between schemes.
- 3.23 The restricted procurement process will allow Adult Social Care to act in the best interests of the people using current neighbourhood networks by avoiding the destabilization of the those organisations, supporting them through the tender process, encouraging collaboration and innovation between them to achieve the goals outlined in this report.
- 3.24 To continue to safeguard the existing arrangements, It is proposed that any current NNS submitting a tender that does not fully meet the evaluation criteria will be invited to agree an improvement plan over the first 12 months of the new arrangements. Such organisations will be awarded a contract for one year in the first instance and will be closely supported and monitored to ensure they have developed sufficiently to provide a high quality service.
- 3.25 It is intended that all other successful providers are provided with contracts lasting for a minimum 5 year period to provide additional certainty and stability of funding.
- 3.26 A Communication Plan will be developed to ensure Members and other key stakeholders are regularly informed and kept up to date on the commissioning process.
- 3.27 In terms of the current position, on conclusion of the NNS review in March of this year, all existing 38 providers received a 12 months contract extension, to ensure continued provision until the revised service model is implemented, following the process highlighted in earlier sections of this report with the target start date set for April 2010.
- 3.28 Corporate Procurement advice indicates that although this programme can be achieved, there are risks inherent, for example that there is no contingency period for managing issues that may arise in relation to TUPE. Nor does it allow any consideration for mobilization periods for successful organizations.
- 3.29 In the circumstances it is proposed that, taking cognisance of the progress achieved by September this year, a decision is taken providing for a further extension to the existing contracts for a period of three months.

4.0 Implications for Council Policy and Governance

- 4.1 The procurement of NNS will be fair, open and transparent. Commissioning NNS within three Leeds Area Management boundaries will align services with Local Area Agreement Plans and performance targets. This approach will also allow close alignment with the restructuring proposals for Local Authority Day services within the three area management areas as set out within the companion report presented to this meeting of the Executive Board.
- 4.2 The overall outcome of the NNS review and subsequent procurement strategy will affect all wards throughout the city.

5.0 Legal and Resource Implications

- 5.1 Application of an agreed and approved funding formula addresses the current inequalities and disparities. To continue funding in the current form will not provide value for money across the NNS and will result in increased pressure for funding without any assurance of quality of service or delivery of the identified outcomes for older people.
- 5.2 Additional investment in the NNS of approximately £370,000 per annum would ease the introduction of changes to funding levels and encourage further development of the network by the use of incentives. This recognises the creation of a budget pressure. However, sufficient time is available to factor this pressure into the 2010/11 budget round and to identify the potential release of resources achieved through the reconfiguration of other elements of ASC provided services as opportunities to cover the value of the proposed investment.
- 5.3 Within the NNS review process, NNS staff and trustees have requested support and guidance throughout the procurement process and in readiness to develop their services to meet future expectations and service needs. Recruitment of an Enterprise Development Officer post, part funded with NHS Leeds for the first year and based within Adult Social Care Commissioning Services is well underway and a detailed programme of workshops has been developed to support any potential new and existing organisations who wish to provide NNS as part of this process.
- 5.4 Without additional investment NNS will not be in a position to develop their services in accordance with ASC's early intervention and prevention strategy.
- 5.5 The Project Team, which includes members of the Procurement Unit and a range of other stakeholders representing people using network scheme support services and the wider voluntary sector, will manage risks through ongoing review of progress and full communication with key stakeholders. The project and communication timetables have built-in time for support of current schemes, and, importantly, for engaging with Elected Members, in whose wards the networks are based, throughout the process.

6.0 Conclusions

- 6.1 The immediate difficulty presented by the current, fixed NNS budget is that it is not possible to apply any funding formula that re-distributes funding more equitably, without larger (older and good practice) schemes losing money. Even if the changes were introduced gradually over a period of time, without further investment, money would need to flow to current areas of underinvestment from areas receiving an appropriate allocation, there would therefore be a risk to some older people experiencing a diminution in support matched by the creation of disincentives for the more developed schemes to innovate.
- 6.2 Having examined a range of possible solutions to this difficult issue it is the firm view of the project team that to commission NNS over 3 three area management areas, within a revised funding arrangement designed to lift funding levels across the board (but to invest the greatest amount in those areas determined via use of the funding formula) offers the most straightforward and equitable solution. The Project Team has also concluded that the greater equity and universality envisaged for the NNS would best be delivered by the proposed additional investment which, by the application of a 'no detriment' principle, will negate the need to withdraw funding from any of the NNS in order that it is redistributed to others.

6.3 Based on the review feedback, not all existing NNS are yet prepared for collaborative bids, though current feedback does indicate that a number of NNS are already holding discussions with each other to explore how they are going to work together in the future and are keen to move forward.

6.4 The procurement process will further encourage collaborative tenders and stimulate the current market to develop services which deliver the outcomes older people need and want to enable them to live independently within their own community.

7.0 Recommendations

7.1 That members of Executive Board approve the following recommendations:

- The adoption and application of the NNS funding formula.
- That a revised NNS service specification sets out the long term vision for NNS and incentivises collaborative models of working and organisation.
- That Adult Social Services identify the funding investment shortfall of £370,000 within the 2010/11 budget setting round for inclusion into the new contractual arrangements due to be let in that year.

7.2 Members are requested to note

- The potential need for a contract extension for existing NN providers in the light of the advice provided by Corporate colleagues and set out in para 3.28, this would be managed through the delegated powers of the Director of Adult Social Services should this prove to be necessary.

Background and Reference Documents:

1. Office of National Statistics (ONS) – “Projecting Older People Population Information (POPPI)” website <http://www.poppi.org.uk/index.php?pageNo=319&areaID=8400>
2. LCC Risk Management Unit - “Neighbourhood Network Schemes Options Appraisal Workshop Day 2 Report” 19 November 2008 (available on Leeds Older People’s Forum website at <http://www.opforum.webeden.co.uk/#/nns/4515407805>)
3. NNS Review Project Team – 2008 Baseline Assessment Report (also available on Leeds Older People’s Forum website at <http://www.opforum.webeden.co.uk/#/nns/4515407805>)

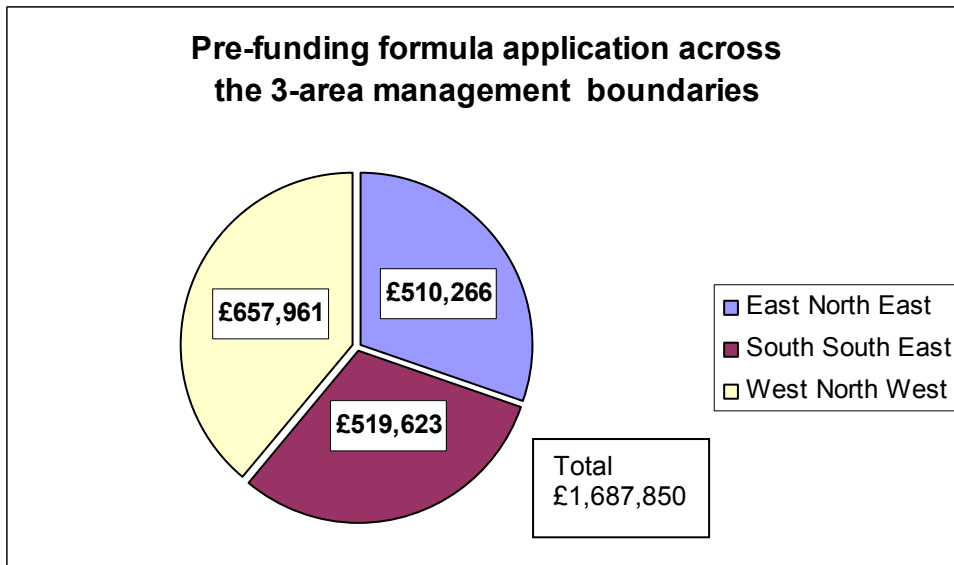
Appendix 1 Illustration showing the impact of ‘uplifting funding across the three Area management areas from the current position.

Table 1 The funding formula.

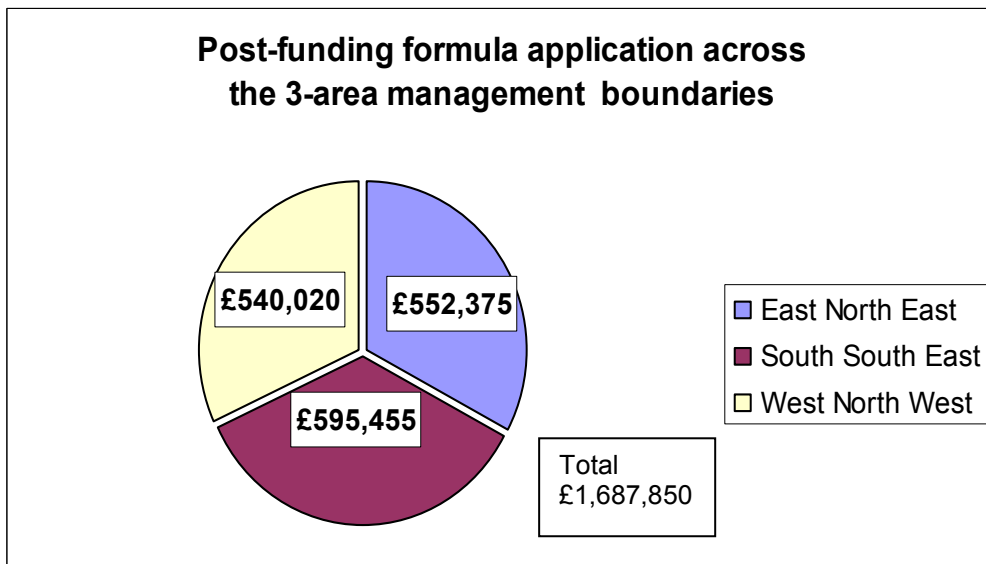
Relative Needs Formula (RNF) for Older People 2009/10				
Projected Household and Supported Residents aged 65 and over in 2009	109,205			
Element of Formula	Leeds RNF	Proportion of total	Total Excl negative factor	Proportion of total excluding threshold adjustment
Older People Basic Amount (based on No. of over 65s)	0.000920924730200	50.8%	50.8%	34.8%
Age Top-Up (No. of over 90s as a prop. of over 65s)	0.000186974571340	10.3%	10.3%	7.1%
Older People Living Alone Top-Up (No. living alone as proportion of 65+)	0.000289356029080	16.0%	16.0%	10.9%
Older People in Rented Accommodation Top-Up (No. in rented Accom as a prop of 65+)	0.000211678340230	11.7%	11.7%	8.0%
Older People Receiving Pension Credits Top-Up (No. receiving pension credits as a prop. of 65+)	0.000583467494480	32.2%	32.2%	22.1%
Older People Receiving Attendance Allowance Top-Up (Older People receiving Attendance allowance as a prop. of 65+)	0.000400866894570	22.1%	22.1%	15.2%
Older People Adjustment Threshold (Negative Factor)	-0.000831256499120	-45.9%		0.0%
Low Income Adjustment (includes factors for older people in rented accommodation and ACA)	0.000029777995377	1.6%	1.6%	1.1%
Sparsity Adjustment (proportion of population living in sparsely populated areas)	0.000002329326423	0.1%	0.1%	0.1%
Area Cost Adjustment	0.000018120600714	1.0%	1.0%	0.7%
TOTAL RNF for Older People	0.001812239483294	100.0%	145.9%	100.0%

Appendix 1 - Funding formula over the 3-area management boundaries

1



2



3

