



Report of the Director of Adult Social Services

Scrutiny Board, Adult Social Care

Date: 12 January 2011

Subject: Adult Social Care Commissioning Services Update

Electoral Wards Affected:

All

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Executive Summary

1. This report provides members of the Scrutiny Board, Adult Social Care (ASC) with an update on progress made with the current commissioning initiatives. It follows on from the report presented to the July 2010 meeting of the Scrutiny Board. The report provides information on how Commissioning Services have, through effective service specification and procurement, produced significant savings and efficiencies as well as improved outcomes for service users with a diverse range of needs, including older people, physically disabled people and those with learning disabilities or mental health needs. Finally, the report sets out the direction of travel for the development of commissioning in the context of an increasingly challenging financial climate. This will require an ever more robust approach to all aspects of commissioning in order that services for the most needy and vulnerable continue to be sustainable and affordable.

1.0 Purpose Of This Report

1.1 To provide an update on current commissioning activity.

2.0 Background Information

2.1 The Board has previously been appraised of a number of significant commissioning initiatives and this report provides an update on progress with them:

- The framework contracts for the provision of domiciliary care and support
- The award of new contracts for hearing and visual impaired services
- The award of a care and support services contract for the residents of Terry Yorath House
- The award of framework contracts for the provision of care and housing-related support to young adults with Autistic Spectrum conditions (with Supporting People)
- The arrangements for care and support services for South Leeds Extra Care Housing Scheme, due to open in January 2011
- Procurement and commissioning of Neighbourhood Network Services (NNS)

2.2 In addition, commissioning services have developed a range of opportunities to generate savings and better value for money through its activities, in order to ensure that budget targets are met and that the Council procures the best quality services at the keenest prices. Examples of these are described below.

3.0 Main Issues

3.1 Leeds City Council and NHS Leeds have worked jointly to successfully commission framework contracts for domiciliary care and support. These new arrangements became operational on 1 November 2011. This framework agreement gives much wider choice of domiciliary care providers, 23 providers instead of the six block contract providers previously commissioned. A new maximum price has been set to ensure affordability, which has reduced the hourly rate for domiciliary care by a minimum of £1.00. The framework agreement will run until 31 March 2013, with the option of renewal for a further two years.

3.2 The current contract delivering services for people with hearing and visual impairment provided by Coherent Vision, the trading name of Leeds Society for Deaf and Blind People, comes to an end on 31 March 2011. After extensive consultation with service users and other stakeholders, the decision was taken to put out to tender two distinct services - one for hearing impaired services and one for visual impairment services. This process was commenced in July 2010 and has now been completed, with recommendations for the award of these new contracts having been submitted to the Director of ASC. The decision on the award of contracts is expected in early January 2011. The new contracts are scheduled to be in place from 1 April 2011 (this may be extended depending on the outcomes of any TUPE discussions) and will last for three years, with the option to extend for a further two 12 month consecutive periods.

- 3.3 The tender process for the award of the contract for care and support services for physically disabled people resident at Terry Yorath House (TYH) commenced on 26 May 2010 and was concluded in November 2010. The existing provider, the Disabilities Trust, was not successful in the process and the contract was awarded to a new provider, St John of God Hospitallier Services, in December 2010. The new contract will commence on 1 April 2011 and run for three years, with an option for two 12 month consecutive extensions. The new provider has an excellent track record on the provision of support and care and will greatly enhance the quality of care provided with the minimum of disruption to the lives of the residents at TYH.
- 3.4 The new framework agreement for the provision of services for people experiencing Autistic Spectrum conditions has been in place since May 2010 and has already achieved savings of £336,000 in this financial year. The framework will allow increased choice of service provision from quality-assured providers at a price guaranteed to provide best value for money.
- 3.5 The South Leeds Extra Care Housing Scheme (to be known as Assisi House) is set to open on 19 January 2011. It will provide 45 two bedroomed apartments to a very high specification for people over 55 who need some level of extra care in order to sustain them living independently. The nomination rights for all the apartments are held by ASC and, as this report is being compiled, 26 individuals or couples have been selected as tenants. This scheme offers the opportunity for people to continue to live independently who might otherwise have had to move into residential care. The cost of care in the scheme is much lower than the cost of residential care and therefore offers much better value for money, with better outcomes for individual service users.
- 3.6 Since July 2010, all parties have been working to implement the outcomes of the July Executive Board report. Five year contracts have been let to a total of 27 NNS. In addition, one year contracts have been awarded to five NNS on the understanding that full five year contracts will be let once specified conditions have been met, and excellent progress has been made in those areas. The arrangements to facilitate a partnership between Leeds Irish Health & Homes (LIHH) and the five East Leeds NNS have proved to be problematic. Two meetings have been held with representatives of all the six organisations in attendance, which have enabled the stakeholders to get to know one another as well as how they see the partnership developing. A second stage has now been entered into whereby all the five East Leeds NNS have agreed to meet individually with LIHH in order to explore the detail of what a partnership arrangement might look like. These meetings have now either taken place or are about to take place in January 2011. Although progress has been slow, for a variety of reasons, the process is moving positively forward and there continue to be tenuous grounds for optimism that a partnership arrangement can be agreed by all parties. A detailed progress report is to be presented to the Executive Board in February 2011.
- 3.7 As the examples above have demonstrated, improved commissioning practice can deliver improved outcomes for service users, best value cost structures, and the opportunity to achieve cost reductions and increased efficiencies. In addition to those already mentioned, ASC commissioners have used a new cost-calculator methodology to achieve reductions in the cost of pre-existing learning disability care packages of £700,000 and £670,000 non-cash savings (where new packages have been reduced in price as a result of the application of the funding cost calculator) in this financial year. This programme of work is ongoing and is set to make a significant contribution to managing the ever-growing cost of providing care to those with a learning disability. It is furthermore intended to utilise this methodology with

other groups of service users, eg those with mental health needs. Over the next six months, Commissioning Services plan to open a wide-ranging dialogue with service providers, eg, residential care providers, about opportunities to reduce costs across the board. Finally, a new approach to commissioning assistive technologies will aim both to promote the independence of service users in imaginative ways, and also reduce the requirements to utilise conventional forms of support and care.

4.0 Legal And Resource Implications

- 4.1 Joint commissioning arrangements are now well established with NHS Leeds and are delivering improved outcomes and efficiencies in services for older people as well as those with learning disabilities and mental health problems. Changes in the organisation of the NHS signal the need to develop new commissioning partnerships with GP Commissioning Consortia and negotiations are underway to achieve this prior to the abolition of Primary Care Trusts.
- 4.2 The challenge presented by the increasing need to identify significant savings and efficiencies in the coming months and years will require a robust approach to negotiations with providers concerning quality and costs. A range of initiatives are being launched which build on the progress exemplified in this report, but which will challenge our providers to deliver quality services at an affordable rate in much more fundamental ways. This will enable us to continue to ensure the support and care needs of the most vulnerable people in Leeds continue to be met.

5.0 Conclusions

- 5.1 In the past three years, Commissioning Services have made good progress in developing efficient and effective systems for the specification and procurement of ASC services which accurately target need, are outcome-focused and deliver value for money. However, this work will need to be taken to a new level if we are to ensure that services for the most vulnerable remain effective and affordable.

6.0 Recommendations

- 6.1 Members of the ASC Scrutiny Board are asked to consider and note the information contained in this report.

Background Documents referred to in this report

NNS Executive Board Report – July 2010
Independent Review of the Procurement and Commissioning Process for the Neighbourhood Network Schemes – June 2010