

**Decision Maker:** For pre- decision scrutiny by Care Services Policy Development and Scrutiny Committee

**Executive**

**16<sup>th</sup> January 2013**

**Date:**

**6<sup>th</sup> February 2013**

**Decision Type:**

Non-Urgent

Executive

Key

**Title:**

**GATEWAY REVIEW : ADULT DIRECT CARE SERVICES**

**Contact Officer:**

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**Chief Officer:**

Executive Director, Education & Care Services

**Ward:**

(All Wards)

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1. Reason for report

- 1.1 In line with the Council's Corporate Operating principle that the Council's services will be provided by whoever offers customers and council tax payers excellent value for money, and in accordance with our gateway review process under Contract Procedure Rules, Education and Care Services have considered options for delivering reablement, extra care housing for older people and learning disability services which are currently provided by in house teams.
- 1.2 It is proposed that extra care housing and reablement services are tendered in April 2013 in order to establish who is best placed to deliver these services and that further work is carried out to establish the most appropriate model for future commissioning of learning disability services.

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2. **RECOMMENDATION(S)**

- 2.1 The Policy Development and Scrutiny Committee is asked to comment on the proposals in the report.
- 2.2 The Executive is asked to:
- a) agree to proceed to tendering the extra care housing service using the framework which was set up in 2011;

b) agree to proceed to tendering the reablement service; and

c) note that savings will be sought in the in house learning disability service in 2013/14 and that a further report on the most appropriate future commissioning model will be made during 2013.

### Corporate Policy

1. Policy Status: Existing Policy:
  2. BBB Priority: Supporting Independence and Excellent Council
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### Financial

1. Cost of proposal: Estimated Cost: £500, 000 savings identified for 2013/14
  2. Ongoing costs: Recurring Cost: £5,519, 000 2013/14
  3. Budget head/performance centre: Care Services – Learning Disability Respite and Day Care; Learning Disability Homes; Extra Care Housing; Reablement
  4. Total current budget for this head: £6, 019, 000
  5. Source of funding: Care Services Portfolio
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### Staff

1. Number of staff (current and additional): In post : 29.5 FTE (38 staff) in reablement service; 48.4 FTE (68 staff) in extra care housing service
  2. If from existing staff resources, number of staff hours:
- 

### Legal

1. Legal Requirement: Statutory Requirement
  2. Call-in: Applicable
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### Customer Impact

1. Approximately :130 residents in extra care housing schemes; 50 service users in reablement service at any one time; 39 residents in learning disability supported living and care homes; approx 90 service users of learning disability day and respite services
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

### 3. COMMENTARY

- 3.1 The Council's Corporate Operating principles include a commitment that services will be provided by whoever offers customers and council tax payers excellent value for money. This is underpinned by a commitment to be a commissioning organisation determining who is best placed to deliver high quality services based on local priorities and value for money principles.
- 3.2 To support this, the Council has undertaken to regularly review why and how we provide services and to identify who is best placed to deliver services.
- 3.3 Within Education and Care Services (ECS), a number of adult social care services are still directly provided by in house teams. These include reablement, extra care housing for older people and learning disability services (day care, short breaks (aka respite), supported living and residential care). To date none of these services have been market tested, although separate tender processes did indicate that external providers of care and support in extra care housing and reablement were more economic.
- 3.4 The Council's 2013/14 draft budget includes savings options for these services, totalling £0.5m.
- 3.5 Each of the service areas are described below, together with recommendations for the future of the services.

#### **Extra care housing**

- 3.6 The Council still provides an in house care and support service within four extra care housing schemes for older people. These are:

Norton Court	(Beckenham)	45 units
Durham House	(Shortlands)	30 units
Lubbock House	(Orpington)	30 units
Apsley Court	(St Mary Cray)	26 units

- 3.7 There are currently 48.4 FTE (68 staff) in post providing the service. The buildings in which the schemes are located are owned by Affinity Sutton and by A2Dominion.
- 3.8 The average weekly cost of the care and support within these schemes is approximately £298 per week.
- 3.9 During 2011 and 2012 the Council opened three new extra care housing schemes in Bromley and Penge in buildings owned by Hanover Housing. The care and support within these schemes was tendered, the later two schemes being tendered through a framework set up in 2011. The contracts were awarded to two external providers, Mears Care and Sanctuary Care. The hourly rates for these schemes are between £12.68 and £14.25 per hour depending on the volume of hours provided, which results in an average weekly cost of £184. However, the actual cost of schemes is dependent on the number of service users and their level of dependency.
- 3.10 The savings options for 2013/14 assume a reduction in costs of £100k from the in house extra care scheme budget.
- 3.11 Following the previous tendering exercises, a generic specification for the delivery of care and support in extra care housing is already available which can be tailored to meet the specific requirements of the four in house schemes. Given the potential to realise savings from tendering, it is proposed that the service within the four in house schemes is tendered using

the framework. As the framework is already available, this could take place in April 2013. Once the result of the tendering is known, a further report will be made to the Executive recommending the way forward.

## Reablement

- 3.12 The in-house reablement service started in March 2010. The service was developed alongside the in house domiciliary care service and as this service closed some of the staff joined the reablement service.
- 3.13 Reablement services aim to maximise a service user's independence for as long as possible. The service is the usual response to most new referrals to ECS where an element of care is required and engages with service users for up to six weeks, working to meet a set of goals established during an initial assessment by a Care Manager. The key outcome achieved from the service is that 68% of users do not require an ongoing package of care, whilst 24% continue with a care package indefinitely. The service has also proved successful in reducing the level of existing packages through improving the confidence and functioning of the individual.
- 3.14 In 2010, as the in-house reablement service was proving to be successful, it was decided to test whether the independent sector domiciliary care providers could deliver a reablement service for self funders to the same specification. Providers were invited to tender for a contract to deliver reablement and contracts were awarded to two providers. As the external service was slow to develop, only one provider, Advanced Care and Support Services (ACSC), was subsequently awarded any work. ACSC have delivered a service since February 2011 to people who are receiving Council support, providing additional resource if the in house service does not have sufficient capacity to deal with the demand for service. The outcomes from this service have been consistent with those achieved by the in house service, but have been delivered at a more cost effective rate.
- 3.15 The comparative costs of the services are:
- |          |                              |
|----------|------------------------------|
| ACSC     | £ 12.89 per hour             |
| In House | £ 24.99 per hour (estimated) |
- 3.16 The number of hours being delivered by the in house service is approximately 480, to an average of 50 service users. There are currently 29.5 FTE (38 staff) in post delivering the in house service, including administration staff.
- 3.17 The 2013/14 savings options assume a reduction in the cost of the reablement service of £250k.
- 3.18 Although the Council's domiciliary care providers are expected to re-enable service users wherever possible it is understood that the majority of users will be with the service on a long term basis and the providers are commissioned on a time and task basis. The key difference between traditional domiciliary care and reablement is the emphasis on achieving sustainable independence outcomes for service users.
- 3.19 As with extra care housing, a generic specification for reablement is already available and the previous tender has demonstrated that there are providers in the market with reablement experience. It is therefore proposed that the reablement service is tendered and subject to the response a minimum of two external providers sought to deliver the service in the borough in order to maximise the potential for incentivising the providers. The service could be tendered

in April 2013. As with extra care, once the result of the tender is known, a further report will be made to the Executive recommending the way forward.

- 3.20 With regard to outcomes, other authorities have built in incentives to providers to achieve the required outcomes. Whilst this is desirable it must be balanced with a practical approach to management as it would not be prudent to build in incentives which result in a complex monitoring arrangement involving the Council and provider in further costs. It is recommended that options for incentives are explored prior to going out to tender for this service which balances all these considerations.

## **Learning disability services**

### Residential and supported living

- 3.21 Bromley's in house service currently provides support to 39 clients, seven of whom live in two registered care homes and the remainder in supported living homes located around the borough.
- 3.22 The in house services are well established in Bromley. Care and support is provided to clients with a wide range of needs. Due to the length of time in which some clients have been in the service, some may only just meet current eligibility criteria whilst some would fall into the 'critical' banding.
- 3.23 The services have developed over many years without a clear strategy and this is reflected in the diverse mix of community based properties and registered care homes. The benefits of supported living were recognised by management some years ago and most of the properties are now registered for domiciliary care and support and with only two of the homes registered as care homes (although the Executive agreed to pursue deregistration of these two homes in July 2012 and this is being progressed). Whilst of benefit to the clients, who have assured tenancies, the supported living properties are of varying quality, type and ownership and some will be more suitable in the longer term, than others. The Council owns the two registered care homes and two other properties for which it receives rental income, which currently contributes to the overall cost of service provision.
- 3.24 Many clients' needs have changed over the years and meetings with the Group Manager have established that some individuals may benefit from living in more accessible properties or moving to properties where the client compatibility is more appropriate. Three properties have already been closed as a result of such moves.
- 3.25 Within the current service there is a heavy reliance upon Supporting People funding and Independent Living Funded support. These funding streams potentially add to the complexity of re-providing services and care must be taken to ensure that in seeking value for money the funding streams are not destabilised resulting in increased cost for the Council.
- 3.26 The diverse funding streams of some of the services and the complexity of establishing the full package costs for individual properties and/ or individuals mean that it would be premature at this stage to progress to market testing as there are a number of actions that should be undertaken before consideration is given to market testing the service. This would include consideration of appropriate groupings of schemes, the identification of the properties where ownership could/ should be retained and establishing / progressing any individual moves following consultation with service users and families.

## Respite and day care

- 3.27 Learning disability respite services were reconfigured as part of the learning disability campus re-provision programme, which resulted in the closure of the services at 44 Bromley Road and 3 Tugmutton Close and the opening of an integrated service at 118 Widmore Road which opened in November 2012. There are currently 16.02 FTE (17 staff) in post in the respite service, 6 of whom are seconded to the Council from Bromley Primary Care Trust (PCT) and who will transfer to the Council's employment from 1<sup>st</sup> April 2013. Bringing together the two previous services provides an opportunity to review the staffing structure within the new service with a view to establishing whether there is potential for efficiencies.
- 3.28 Day services are provided from three locations – Astley Day Centre, Cotmandene and Kentwood - which together cater for approximately 90 service users at any one time. There are currently 39.71 FTE (51 staff) currently in post in the day service, 11 of whom are seconded to the Council from Bromley Primary Care Trust (PCT) and who will transfer to the Council's employment from 1<sup>st</sup> April 2013.
- 3.29 Discussions with learning disability providers have indicated that, due to their experience with for example PCT campus re-provision programmes, there is a reluctance to tender for public sector services where these involve TUPE staff transfers (the risks associated with pension scheme deficits appear to be the main concern). It is therefore proposed that the learning disability service continues to work to identify the potential to achieve efficiencies prior to consideration of commissioning options for the future. Initial estimates are that the in house service is likely to achieve a significant part of the £150k assumed during 2013/14 by internal reconfiguration of services, including deregistration of residential services and staff restructuring. Further reports will be presented to Members during 2013 on these proposals including proposals for the future commissioning of the services.

## **4. POLICY IMPLICATIONS**

- 4.1 All of the services referred to in the report support the Council's aim to help people live as independently as possible in the community and are in accordance with the Council's Corporate Operating Principles as set out in para 3.1.

## **5. FINANCIAL IMPLICATIONS**

- 5.1 The draft budget for 2013/14 assumes savings in respect of the in house services covered by this report. They are:

<b>Service</b>	<b>Budget</b>	<b>Savings assumed</b>
	<b>2012/13</b>	<b>2013/14 Draft budget</b>
	£000s	£000s
Extra care housing	971	100
Reablement	1,701	250
LD homes	1,317	75
LD day and respite	2,030	75
<b>Total</b>	<b>6,019</b>	<b>500</b>

- 5.2 Full year savings of £100k p.a. and £250k p.a have been assumed in the budget for Extra Care Housing and the Reablement service. Any shortfall in delivering this will need to be contained within the overall budget for 2013/14.

5.3 The savings for Learning Disabilities totalling £150k will in part be met from changes to staffing structures and deregistration of residential services.

## 6. PERSONNEL IMPLICATIONS

6.1 Informal consultation with staff and their representatives around market testing these services has been ongoing since 2011 following the publication of the Departmental Business Plan which outlined the services identified for market testing. Further meetings with staff and their representatives will be taking place before the date of the Committee and any feedback from these discussions will be provided at the meeting. In the event that a recommendation to proceed with tendering is made by the Executive and as more detailed proposals are developed these will be the subject of formal consultation with staff and their representatives.

6.2 Any staffing implications arising from the recommendations in this report will need to be carefully planned for and managed in accordance with Council policies and procedures and with due regard for the existing framework of employment law. The tendering process will consider whether or not the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) would apply and the consequential legal and financial implications arising from this.

## 7. LEGAL IMPLICATIONS

7.1 The Extra Care Housing and Reablement Services are Part B Services for the purposes of Schedule 1 to the Public Contract Regulations 2006 (as amended). For Part B services there is a lighter regulatory regime under the 2006 regulations mainly covering non-discriminatory simplification and publishing award notices. Regards must also be had to government guidance around to ensure the appropriate level of advertising needed to demonstrate a transparent process, We also have to have regard to our general fiduciary duty to local tax payers to secure value for money and comply with our internal Procurement and financial regulations in the process followed..

7.2 The proposals to use a recently established framework agreement for Extra Care Housing services and to follow a competitive tendering process for Reablement Services will secure compliance with the principles set out in paragraph 7.1 above.

<b>Non-Applicable Sections:</b>	
Background Documents: (Access via Contact Officer)	