

Decision Maker: **Adult and Community Policy Development and Scrutiny Committee**

Date: 26th July 2011

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **COMMISSIONING AND PARTNERSHIPS DIVISION**

Contact Officer: Lorna Blackwood, Assistant Director Commissioning and Partnerships
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Chief Officer: Terry Rich, Director of Adult and Community Services

Ward: N/A

1. Reason for report

The report sets out the arrangements for commissioning, procurement and partnerships support in relation to adult services in line with the Policy Development and Scrutiny Committee's objective to scrutinise the main areas of spend within Adult and Community Services.

2. **RECOMMENDATION(S)**

The Policy Development and Scrutiny Committee is asked to note the report.

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Excellent Council.
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Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: Commissioning and Partnerships
 4. Total current budget for this head: £1.3m controllable budget for commissioning and procurement activity plus £16.2m learning disabilities placements budget and £5.1m mental health services budget
 5. Source of funding: Budget codes 749, 750, 806900, 599,813101,813110,813300,813400,813900,813105,831106,817,821,803,819130,819200,819201,819900,820,486002,486210,486211
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Staff

1. Number of staff (current and additional): 34 FTE, of which 4.5 FTE are time limited posts
 2. If from existing staff resources, number of staff hours:
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Legal

1. Legal Requirement: No statutory requirement or Government guidance.
 2. Call-in: Call-in is not applicable.
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected):
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments:

3. COMMENTARY

Background

- 3.1 The Commissioning and Partnerships (C&P) Division in Adult and Community Services (ACS) delivers two main functions: Commissioning, and Procurement and Contract Compliance. These functions are defined in more detail at Appendix 1.
- 3.2 The work of the Division covers services for older people, people with learning disabilities, people with mental health needs and adults with physical disabilities, sensory impairment and complex needs. It also commissions treatment services for people who misuse drugs and alcohol. The Division also provides services to the Children and Young People Department where there are synergies in service provision (e.g. supporting people services) and jointly commissions a number of integrated health and social care services in partnership with the Primary Care Trust (PCT).
- 3.3 The Division supports the Portfolio's strategic vision of promoting independence, giving greater choice and control to service users and their families, enabling people to participate in the community, and promoting improved quality of life for all our service users. Divisional activity reflects the increasing focus on commissioning services which support people and communities to manage their own lives through securing:
- Universal services – access to mainstream services such as housing, leisure, education
 - Specific supports and interventions – services targeted at people with specific eligible needs
 - Self directed support – enabling people to exercise more choice in how their needs are met

Resources

- 3.4 There are a total of 29.5 permanent full time equivalent (fte) staff in the Division:
- 16 fte commissioning staff
12 procurement staff
1.5 partnerships staff
- 3.5 There are a further 4.5 fte staff employed on a time limited basis to deliver the extra care housing programme, the learning disability campus closure programme and travel training for people with learning disabilities.
- 3.6 The total controllable budgets for which the Commissioning and Partnerships Division is responsible in 2011/12 are as follows:

Commissioning and Partnerships staffing	£ 1.2m *
Commissioning and Partnerships services	£ 6.7m **
Learning disability services	£16.2m
Mental health services	£ 5.1m
Total	£ 29.2m

* Includes £360k external funding (PCT and grants)

**Includes budgets for Supporting People services, Taxicard, Carers, drugs and alcohol, misc contracts and service level agreements

- 3.7 Running costs for the Division for 2011/12 are £33,060.
- 3.8 £885k growth has been built into the learning disability budget for 2011/12 in recognition of the pressures on the service from increased numbers of clients with complex needs and young people coming through from children's services.
- 3.9 In addition, £2.3m of NHS Social Care funding is available in the Council's central contingency to invest in projects which a) are of benefit to health and b) can be demonstrated to have an impact on reducing costs in future years, in line with the agreed Section 256 Agreement with the PCT. Priority areas for investment have been identified including physical disabilities and older people particularly those with dementia. The continued cost pressures around young people with learning disabilities coming through transition from Children and Young People Services will also require consideration for further invest to save investment.

Commissioning

- 3.10 Over recent years as social care has moved away from institutionalised off the shelf care packages to bespoke care packages based on individual need and an ambition to support their independence to remain living out in their communities, the commissioning role has been fundamental to effecting the changes needed in service provision to enable a more tailored, personalised approach to be provided.
- 3.11 Commissioning, procurement and contract management is also recognised as being able to gate keep supply and demand, and to manage budgets, such as spend on residential placements, which are under pressure from increasing demand and constrained resources. Particularly in the current financial climate the commissioning and procurement functions are viewed within the department as "invest to save" activity which impacts on all service budgets (totalling £59m).
- 3.12 Equally importantly, they also have a role for making sure that the market can supply our non-eligible, self-funding residents with the preventative and universal services required to continue to live independently.
- 3.13 Commissioning activity in ACS is therefore focused on the reconfiguration of services to meet the new social care agenda and the need to contain spend within the available resources. This involves:
- Commissioning new services: e.g. Supported living, Extra Care Housing and the Adult Placement Scheme
 - De-commissioning services: e.g. Care Homes, Sheltered Housing support and PCT campus accommodation
 - Re-configuring services: e.g. Increasing dementia places in day centres
 - Managing demand: the Commissioning Team is responsible for managing the Learning Disability and Mental Health placement budgets. Through placement panels commissioning staff provide support to care managers to contain budget pressures for example through clients from residential to supported living placements
- 3.14 The range of services commissioned is broad and varied to meet needs, offer choices where possible, and take account of individual preferences. This includes sensitivity to the needs and preferences of minority ethnic groups. Service users & carers are involved in service

improvement & delivery primarily through the partnership groups within the Local Strategic Partnership (LSP) structure. The Commissioner Team leads on the support for and development of partnerships within the Department.

Procurement and contract compliance

- 3.15 ACS currently spends approximately £34m (gross of client contribution and Registered Nursing Care Contribution) on spot contracts and £27.5m on contracts which have been tendered. More detailed information on ACS contracting activity is provided in a separate report on this agenda.
- 3.16 The Procurement and Contract Compliance (PCC) in ACS team has been developed as a local “centre of excellence” around procurement in order to provide a modernised fit for purpose service to support commissioning activity with a strong focus on embedding best practice around procurement. This has resulted in an efficient and effective service being provided not only to Adult and Community Services but also to CYP services where there are synergies in service delivery (e.g. Supporting People and substance misuse services) and previously to Environmental Health/ Trading Standards and Community Safety when they were part of the ACS Department.
- 3.17 The work of the PCC team is shaped by and supports the commissioning strategies developed within the Department. The supporting independence and personalisation agenda impacts considerably on contracts as the introduction of more choice for customers will mean that entering into block contracts is a less relevant strategy than previously. Commissioners and the Procurement and Contract Compliance team are working with the market in order to identify future options for service delivery and to study best practice in order to incorporate this into procurement plans.

Summary of key achievements 2010/11

- 3.18 Commissioning and procurement activity in 2010/11 resulted in:

Crown Meadow Court, the first new extra care housing scheme for older people, was completed at the end of March 2011 and two additional schemes (due for completion in Spring 2012) are under way. Together these will provide 110 new extra care properties and will enable the Department to realise the objective to provide a realistic alternative to residential care.

Three new specialist housing schemes opened during 2010 providing supported living for 10 people with learning disabilities and 13 people with mental health needs.

At the end of the year 29 people with Learning Disabilities remained in PCT Campus accommodation. All replacement properties have planning permission granted and all care support contracts have been awarded. The programme is due to complete at the end of 2011.

Working with the housing Division, changes to support arrangements in sheltered housing were introduced which focused resources on people most in need.

The fourth home in the programme to re-provide residential care, Isard House, closed in March 2011. Consultation commenced with residents and relatives at the fifth home, Belle Grove.

Reductions in the unit costs of services through negotiation and tendering which enabled levels of front line service to be maintained.

Efficiencies in tendering transactions were achieved through the use of e-tendering, piloted in ACS on behalf of the Council, in 20 tendering exercises.

In total, savings of £949k were achieved through commissioning and procurement activity in 2010/11 through:

Procurement & commissioning of services	362,299
Management of contract costs	350,000
Management of mental health and learning disability placements budgets	237,000

Priorities for 2011/12

- 3.19 The Commissioning and Partnership Division's priorities for the coming year are centred around the Department's priority themes of:
- Managing resources
 - Integration with health
 - Commissioning for independence
 - Customer context
 - Supporting independence
 - Quality assurance and risk management
- 3.20 Joint commissioning with the PCT is long established and in Bromley and the Division's objective is to ensure that this continues and grows in the context of the changes within the local health infrastructure.
- 3.21 The integration of public health into the Council's structure will also provide opportunities for improving the social care elements of the Joint Strategic Needs Assessment (JSNA). We will be working closely with public health to identify areas where further detailed assessments are needed in order to provide a more robust evidence base for prioritising resources.
- 3.22 The Division will also be focusing on reshaping services to help meet the Department's financial objectives. As business cases for specific proposals are developed these will be considered by Members during the coming year.

4. POLICY IMPLICATIONS

- 4.1 Commissioning and procurement activity supports the Council's objectives in respect of independence and delivering excellence.

5. FINANCIAL IMPLICATIONS

- 5.1 Current resources for the C&P Division are set out in paras 3.4 - 3.9 above. In addition to the savings achieved in 2010/11 set out in section 3, savings to service budgets from commissioning and procurement activity in 2011/12 are:

	Target	Already achieved
	£	£
Procurement & commissioning:		
Supporting people	300,708	300,000
Sheltered housing	500,000	826,000
Other	270,000	324,490
Inflation management	350,000	350,000
Demand management	TBA	TBA
Total	1,420,000	1,801,198

Non-Applicable Sections:	Legal implications Personnel implications
Background Documents: (Access via Contact Officer)	[Title of document and date]

APPENDIX 1

DEFINITIONS

COMMISSIONING

- Identification of need
- Development of strategies and commissioning plans to ensure the provision of a broad range of services for client groups
- Consultation with service users and carers
- Engagement with providers in the independent and voluntary sectors
- Development of joint commissioning strategies with statutory partners in the health sector
- Development of opportunities for joint commissioning arrangements with other statutory agencies and partner organisations
- Implementation of commissioning plans through working with the Procurement and Contract Compliance Team to secure value for money, quality, safe services
- Monitoring the impact of services on users, carers and budgets
- Working with colleagues in the Care Services and Housing Divisions to ensure the delivery of commissioning plans

PROCUREMENT AND CONTRACT COMPLIANCE

- Maintaining awareness of legislation, innovation and good practice in procurement
- Providing advice on procurement strategy and activity to all staff
- Ensuring compliance with legislation and Council Financial regulations
- Ensuring that all procurement activity takes place in a timely way to ensure continuity of service
- Ensuring that procurement provides value for money, good quality and safe services
- Involving providers in the development of procurement approaches
- Involving service users in the development of specifications and the quality evaluation of tenders
- Providing support for commissioners in addressing the modernisation agenda
- Ensuring that procurement activity supports service users to exercise choice and control
- Maintaining a register of all contracts
- Monitoring the quality and delivery of services