

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Adult Social Care
Date:	29 June 2012
Title:	Permission to Tender for Older People's Day Care
Reference:	3922
Report From:	Director of Adult Services

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1. Executive Summary

1.1. All contracts for day care for Older People are due to expire August/September 2012. The purpose of this paper is to seek permission from Executive Member for Single Tender Approval as an interim arrangement for these services until 30 June 2013 and to seek permission for competitive tender for these services from this date for three years on a one year plus one year plus one year (1+1+1) basis.

1.2. The Single Tender Approval will result in moderate changes to the existing provision. The later tender will involve a greater change to existing services, as evidenced by the service specifications and information on cost.

1.3. This paper seeks to

- set out the reasons why changes to day services for older people are necessary.
- Set out the scope of the changes, in terms of cost and volume.
- Show how the project will help the adult services department to achieve its vision.
- Set out the procurement process and timetable.
- Consider how the long term vision for day opportunities for older people will be achieved.

2. Contextual information

2.1. In line with the Departmental Vision, day opportunities for older people are being modernised to promote prevention and re-ablement and improve cost-effectiveness.

Discussions have been held with providers on developing a joint long-term vision (the "World Café") for day opportunities. Parallel to this, discussions

have taken place with Older People/Physical Disabilities area directors, district service managers, legal services and contracts to agree the short and medium term future for each contracted day service. These agreements are now summarised in this report.

2.2. The long-term vision for day opportunities for older people will be developed in partnership with older people themselves, with service providers and other stakeholders. In essence, the guiding principle that emerged from the World Café was that people will continue to live their own life as they grow older. People will not have to live a life that is imposed on them as a way of meeting their care needs. People do not change their identity as they grow older. They do not necessarily want to change their way of life, circle of friends, their interests or their habits. People will be enabled to live as much of their own life as they can for as long as possible. Several elements of a holistic approach must be in place for this to happen:

- An effective approach to re-ablement is needed that will prevent people at point of crisis from moving into long-term high-level care.
- Communities will be enabled to become “dementia-friendly” and “older-person friendly”. This will help people living in their own homes to remain included and valued in their own communities.
- Day opportunities will be personalised and responsive with clear individualised outcomes for everyone that uses them. People will remain in control until the end of their lives, determining how they live and how their care is provided.
- Day opportunities will play a key role in supporting people to remain healthy and independent, reducing the need for long-term, high level care. They will do this by supporting the person to remain an active part of their local community. They will support people coming out of hospital and out of re-ablement.

2.3. Despite the demographic pressures, more older people are choosing not to use the present services. Changing aspirations on the part of older people have led to more service users opting where possible for a more personalised approach, such as the use of the popular personal assistant service.

3. Finance

3.1. Overall expenditure on day care for older people is £4.58 million, consisting of £3,171 million on purchased day care (of which £2.4 million is in the 27 block contracted services) and £739k on in-house services. This provides a total of 2130 places per week, of which approximately 850 are for older people with dementia and approximately 600 are for older people with physical needs (note information on voids below). The older people accessing these services are assessed as meeting Adult Services eligibility criteria of critical or substantial needs.

3.2. In addition to the block contracts there are 7 in-house day care centres, providing 510 dementia places and 160 frail elderly places per week. 32% of

the total day care places funded by Adult Services are provided by in-house services.

- 3.3. In terms of providers, the biggest supplier of contracted or capacity places is Age Concern Hampshire (ACH) who provide 43% of all Dementia Elderly (DE) places and 42% of all Frail Elderly (FE) places. Four of these services are provided in Hampshire County Council owned buildings, two of these being attached to Hampshire County Council residential care units (Malmesbury Lawn and Addenbrooke). In addition to Adult Services, who provide 37% of DE places and 21% of FE places, there are a number of smaller organisations providing 20% of the DE places (5 organisations) and 38% of the FE places (6 organisations).
- 3.4. The review conducted in September 2011/12 of contracted and in-house Older People's day care by Clinical Commissioning Group (CCG) area shows that 81% of the 2,130 places funded by Adult Services (in house or contracted) are utilised (a void of approximately 400 places), and, from provider audits, only 75% of available places are attended (a void of approximately 540 places). These void levels will have increased since then, due to the 28% reduction in the numbers of service users. It is therefore evident that changes are required to existing contracts.

4. Legal issues

- 4.1. There are three key stages to the procurement process for older people's day care: the short, medium and long-term plans. These are set out in the detail below.
- 4.2. The Executive Member for Adult Social Care has previously given single tender approval in respect of the day service contract (decision ref 957) in December 2009. It was assumed at that time that it would be possible to go out to tender and award new contracts by September 2012. A detailed Strategy has now been developed (and is outlined in this report).
- 4.3. Single tender approval is therefore being sought for short-term contracts for these services to continue on a similar (but reduced and improved) basis until July 2013. Although these will be new contracts, they will not be tendered so the principle of "no material change to the existing contract" has been adopted. As such some services have been decreased (to a maximum of 10%) and none have been increased. The service specification has been re-written with moderate changes to bring it more in line with the departmental vision. The total contract value will be £2,285,793 (full year equivalent) for contracts from 31 Aug/30 Sept 2012 to 1 July 2013. Nobody will lose their existing day service place as a result of the single tender approval.
- 4.4. At the same time, we will be beginning the tendering process for the medium-term contracts, with services to be operational from 1 July 2013. Greater reductions to the existing market will be made, with the service provision itself open to competitive tender. A new service specification (rather than an amended version of the existing one) will form the basis of the new model. The contracts will be awarded on a 1+1+1 (one year plus one year plus one year) basis. This will enable development work to continue. Total contract

value will be up to £2,285,793 per annum for up to three years, potentially totalling up to £6,857,379.

- 4.5. We will continue to work on the long-term vision with older people themselves, the community and voluntary sector to ensure that services are continuously developing to reflect need and aspirations.
- 4.6. As funding is reduced in the existing market through the single tender approval, it is proposed that it will be re-invested in new models that promote re-ablement and prevention and make use on a broader scale of the facilities being developed within extra-care. It will also enable the department to move to a more equitable level of service provision across the county, accounting for local demographics.
- 4.7. In exercising its functions an authority must have due regard to the need to: eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act and advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

5. Performance

- 5.1. As stated above, the total 2013 places per week available across the county are presently being under-utilised. Some of the services are also outdated. The short and medium term contracts will make significant progress in moving services towards a modernised approach. At the same time, we will continue to monitor usage, so we will not be tied into contracts that people are not choosing to use. HR issues have been discussed and addressed within the revised service specification.

6. Outline of Options

- 6.1. Three main options were considered when developing this approach. These are as follows;
- 6.2. move to a model in which only services for people with dementia and a high level of need are contracted, making efficiency gains on other services.
- 6.3. tender all services as a single lot to a single provider, with the expectation that they would transform the service.
- 6.4. promote local development through supporting existing good quality providers and at the same time encouraging growth of new services.

7. Option Analysis & Comparison

- 7.1. **Option 1.** The option to focus the contracted market on people with dementia and high support needs no longer supports the departments vision and does not put forward a realistic approach to financial efficiency. The assessed need for care for the physically frail would remain (and probably increase) and the market would not be developed to respond to it. This could potentially increase both unit and overall costs. This option also ignores the financial benefits of early intervention, prevention and re-ablement.

7.2. **Option 2.** The aim of this option would be to select one organisation which would have responsibility for (and be capable of) modernising day opportunity provision for older people across the board. However, Hampshire has a growing number of smaller organisations that offer a very good quality of service for a single locality. They tend to be locally developed and have an in-depth knowledge of the local community, including the individual needs of the older people within it. The principle of community development is for communities to take greater responsibility for themselves. This runs counter to the idea of locally developed services being taken over by one large provider.

Although this option could provide some economies of scale, it would not promote a diverse and competitive market and would reduce funding for locally developed services to spot-purchases only.

7.3. **Option 3.** Under this option, services would be encouraged to develop a preventative and re-abling approach in line with a phased tendering process. Local services would be encouraged and increased community responsibility, knowledge and engagement would be fostered. The underlying principle would be that the local community would be more inclusive, more “dementia-friendly” and also more “older people-friendly”. The service would be part of a local partnership which not only includes statutory services across the board, but all aspects of the local neighbourhood.

7.4. For these reasons, Option 3 is recommended.

8. Equality Impact Assessment

<http://www3.hants.gov.uk/as-equality-ia-archive.htm>

8.1. People who access these services will be enabled to live as independently as possible whilst engaged in meaningful day opportunities that meet their individual needs and promote their well being. The service will be expected to support people coming out of hospital and out of the Rapid Re-ablement Service as well as providing more long term high levels of support. There are no negative impacts expected and the anticipated outcome will be positive in relation to age and disability with an aim to reach out to other minority groups such as Black and Minority Ethnic (BME) communities.

9. Future direction

9.1 The transformation of older people’s day opportunities is a large-scale and intensive piece of work. Key areas of work required are:

- a. Development of the long term vision with older people and service providers.
- b. Pilots to test out new models of service. These will show cost, volume, duration and the procurement process.
- c. Aligning resources with need and demographic trends (by CCG areas)
- d. Programme of change that will provide alternatives for in-house services where deemed necessary as a result of care management assessments.

- e. Resources required to manage the project.

10. Conclusion

- 10.1 Day Opportunities for older people need to change to make them fit-for-the-future, cost-effective and supportive of the department's vision. A stronger relationship is being forged with service users and providers to ensure that the future direction is right for the people of Hampshire. Nationally there is an increased drive for localism with communities being urged to take greater responsibility for the vulnerable people living within them. Hampshire is at the forefront of this development, with its pioneering work on dementia-friendly communities and the development of the needs analysis, showing the effectiveness of early intervention and prevention. In addition to this, the rapid re-ablement pilot and the investment in extra-care funding provide a unique opportunity to develop a community-focused model of day opportunities that will genuinely improve the lives of older people.

11. Recommendations

- 11.1 That the Executive Member for Adult Social Care approves for a Single Tender for contracted older people's day care from August/September 2012, depending on individual contracts, to 30 June 2013 at a value of £2,348,888.
- 11.2 That the Executive Member for Adult Social Care grant permission to go out to tender for older people's day care on a 1 year + 1 year + 1 year basis to a total maximum contract value of up to £2,285,793 per annum for three years, with a maximum total value of up to £6,167,287.
- 11.3 That the Executive Member for Adult Social Care endorses the overall direction of travel set out in this report which promotes personalisation for the individual, enhances the approach to prevention and re-ablement across services and aims to strengthen local communities.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	yes
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	yes
Corporate Improvement plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u> Older People and Physical Disabilities Contracting Strategy	<u>Reference</u> 957	<u>Date</u> 11 December 2009
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1 People who access these services will be enabled to live as independently as possible whilst engaged in meaningful day opportunities that meet their individual needs and promote their well being. The service will be expected to support people coming out of hospital and out of the Rapid Reablement Service as well as providing more long term high levels of support. There are no negative impacts expected and the anticipated outcome will be positive in relation to age and disability with an aim to reach out to other minority groups such as BME communities.

2. Impact on Crime and Disorder:

- 2.1 The reconfiguration is not likely to have a large impact on crime, but will enable older people who are often victims of crime to have the information, support and advice that they need in order to remain safer in their own homes.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

The increasing focus on localism across all services for older people will have a positive impact on the environment as people have their needs met locally, reducing the need for transport.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

As services become more integrated into the local community, services will increasingly become included in all mainstream responses to climate change.