

## **The Vale of Glamorgan Council**

### **Cabinet Meeting: 9 October, 2017**

### **Report of the Cabinet Member for Social Care, Health and Leisure**

### **Supported Living Service Provision - Extension of Contract with Variation**

#### **Purpose of the Report**

1. To outline the current situation within the Social Services Directorate regarding the Supported Living Service Provision for people with Learning Disability, Physical Disability, Sensory Impairment and Autistic Spectrum Conditions.

#### **Recommendations**

It is recommended that Cabinet:

1. Notes the current supported living service provision.
2. Notes the additional investment required across the requested extension period to ensure that Supported Living Accommodation providers are able to comply with changes to National Living Wage and Sleep-In arrangements
3. That delegated authority is given to the Director of Social Services in consultation with the Cabinet Member for Social Care, Health and Leisure to extend the current arrangements for a period of two years from 8th of October 2017 until 30 September 2019 with existing providers as set out in the current contract options.
4. That delegated authority be granted to the Head of Legal Services to complete and sign the necessary documentation to effect the extension to the contract.

#### **Reasons for the Recommendations**

- 1.&2.To ensure that the Authority meets the requirements of the Welsh Government's Learning Disability Strategy 2004 and the Authority's Community Strategy 2011-2021.
- 3.&4.To comply with the requirements of Financial Regulations and Contract Procedure Rules.

## Background

- In 2012 a tender process was undertaken for the provision of care and housing related support services to adults with learning disabilities and/or physical/sensory impairment in properties throughout the Vale of Glamorgan. The care and support service is provided 24 hours a day, 365 days a year in accordance with the assessed needs of individual service users.
- Contracts for a period of five-years (plus two year extension options) were awarded to three domiciliary care agencies whom commenced service delivery from 8th October 2012.
- The providers awarded contracts were Innovate Trust, Cartrefi and Care Management Group (CMG).

The organisations currently provide weekly support as follows:

Provider	Service Type	Houses	Service Users	Weekly Hours
Innovate Trust	LD	17	47	3177
Innovate Trust	PD	1	4	436
CMG	LD	5	13	914
Cartrefi Cymru	LD	5	11	1101.5
TOTAL				5628.5

- Over the three services there are approximately **1885** shared hours with individual hours of support provided each week as indicated in the table above.
- The total contract price for a combination of the care and support for the full year 2015/16 was set at:

Innovate Trust	£2,839,100
CMG	£796, 514
Cartrefi	£896,337

The Council pays for this service on an hours delivered basis. The Council expects the actual cost at the end of the period to be at the full contract price.

- Legislative changes to National Minimum Wage (under 25 years) and National Living Wage (25 years plus) alongside the latest HMRC definition of working time (sleep in duty and travel time) and auto enrolment to pensions continues to put significant pressure on supported living service provider budgets and their organisations reserves.
- These legislative costs are likely to increase until the end of the recommended contract extension period 30 September 2019, and beyond until conclusions are drawn from the central government review relating to welfare reform, which is planned for implementation 2020.
- For the latter half of financial year 2016/17 additional funding totalling £164k was agreed to offset these cost pressures, and ensure our contracted service providers continued to be compliant with their regulator and HMRC guidance.

10. The intention had been to re-tender for this service provision. However, due to uncertainty regarding the future resources envelope it was considered to constitute an unmanageable risk to accommodate at this time. As the current arrangement expires on 7th October, the Managing Director has used his emergency powers to allow an exemption from procurement/contract regulations in relation to the extension of contracts as recommended in this report for the period up to consideration by Cabinet and subsequent conclusion of contractual matters.
11. The uncertainty is a direct consequence of Welsh Government's advice that the Supporting People Grant will face a reduction, coupled with National Government's welfare reform relating to housing benefit and other related social housing policy. Therefore a full tendering exercise at this juncture is not recommended.

## **Relevant Issues and Options**

12. The Welsh Government's Learning Disability Strategy 2004 Section 7 guidance states that:

Subject to the outcomes of the assessment of needs, people with a learning disability, including people with complex and challenging needs, should have the option to live in the community independent of the family home including having their own tenancy.
13. The Authority's Community Strategy 2011-2021 reflects this guidance by identifying maintaining independence as a strategic issue for the Council:

Ensuring people are able to live full and independent lives is a priority for all organisations working to promote health and well-being. Over the coming years, public services in the Vale of Glamorgan will need to support specific groups in particular to maintain their independence.
14. During the current contract period, new and innovative ways of delivering care services that support people with learning and physical disability have been considered across the UK. For example, outcomes based commissioning and contracting is a model that enables individual service users and their family carers/ advocates to play a key role in deciding how, when and by whom their support is provided, and to achieve their own goals. This way of contracting facilitates a move away from a prescribed time, task and hourly rate arrangements, and introduces an option for people to maximise their potential for independence or interdependence, and brings a real sense of community presence. New ways to fund support that offers a flexible approach to meeting assessed needs and ensures only what is delivered is paid for by the Council. Contracting in this way brings financial stability and efficiency.
15. Supporting People are reshaping services by undertaking a task to review the support services across the provision to ensure compliance with Welsh Government grant conditions delivering appropriate support services to vulnerable people that are cost effective and value for money.
16. The Social Services Learning Disability Case management team have worked with supporting people to review all tenants within Supported Living Accommodation in order to ensure that their care and support and tenancy support needs are accurately assessment and provided. This is an ongoing process and will allow us to calculate the ongoing future costs for provision for these tenants. .

## Resource Implications (Financial and Employment)

17. In recognition of the increased cost pressures a contract variation was agreed to provide additional funding totalling £164k for the second half of the last financial year (2016/17) to offset cost pressures, and ensure our contracted service providers continue to be compliant with their regulator and HMRC guidance.
18. A revised budget forecast for supported living services has been drawn up, that is inclusive of all additional National Living Wage, National Minimum Wage, HMRC compliance and pension auto enrolment that allows service providers to be compliant.
19. Cabinet members will be aware that the Social Services community care commitments budget is consistently under strain. Should the extension be agreed this will be charged against this budget.
20. Social Services have a well-established Budget Programme that monitors spend and savings. It is proposed that given that the impact of the extension of contract is now known, this can be factored into the Projects associated with savings plans.
21. Inevitably this cost pressure will be included in the Directorates submission that outlines cost pressures within Social Services, which will be considered in due course as part of the budget setting process.
22. The increase in funding per provider for period 1 April 2017 – 31 March 2020 (Figures provided for 6 months beyond the 2 year increase proposed in order to show the full year effect) when adjusted from current 2017/18 budget would be;

Innovate Trust	£ 372,000.00
CMG	£ 354,880.00
Cartrefi	£ 373,884.00
Total	£1,100,765.00

These figures vary by provider from year to year as it takes in to account the providers expressed current position and their anticipated increases to the National Living Wage up to March 2020. This is broken down as follows:

	Increase on current annual payment			
	Cartrefi Cymru	CMG	Innovate Trust	Total
17/18	£84,152	£97,147.00	£138,136.00	£319,435
18/19	£121,024	£116,146.00	£96,822.00	£333,992
19/20	£168,708	£141,588.00	£137,043.00	£447,339
Total required for 3 years	£373,884	£354,881.00	£372,000.00	£1.1M

23. This additional cost has been identified in previous year cost pressures. This will be a direct cost pressure for the Directorate but to meet the care and support needs of the vulnerable individuals already accommodated within this provision necessitates the accommodation of this additional cost.

24. The Supported Living Project Board advises that the costs would likely be higher if the service provision was re-tendered, and would also have important implications for continuity of provision for these individuals.
25. In addition, when the Supporting People grant is reduced in April, 2018 there will be an additional financial gap for this service that will fall to the Adult Services budget. Work continues to be undertaken to accurately quantify this financial gap.

### **Sustainability and Climate Change Implications**

26. Effective delivery of the new statutory responsibilities is intended to ensure that the Council's assets are managed efficiently and effectively and that best use is made of the resources available for social care services, establishing sustainable models of assistance and support as well as contributing to the most appropriate ways of meeting the needs of vulnerable people.

### **Legal Implications (to include Human Rights Implications)**

27. It will be necessary to agree and sign the appropriate form of documentation agreeing and evidencing the extension.

### **Crime and Disorder Implications**

28. There are no crime and disorder implications as a direct result of this report.

### **Equal Opportunities Implications (to include Welsh Language issues)**

29. "Sustainable Social Services for Wales – A Framework for Action" recognises the diversity of Wales, including its status as a bilingual nation.

### **Corporate/Service Objectives**

30. The work outlined in this report addresses the following corporate objectives outlined in the Corporate Plan 2016-2020. Key objectives of the Council set out in the Corporate Plan 2016-20 and addressed by this report are:
  - Wellbeing Outcome 4: An Active and Healthy Vale
  - Objective 8: Safeguarding those who are vulnerable and promote independent living.

### **Policy Framework and Budget**

31. This is a matter for Executive decision by Cabinet.

### **Consultation (including Ward Member Consultation)**

32. Service users, family carers, advocates and representative organisations will be included as appropriate as part of any future procurement process and in future service design and reviews.

### **Relevant Scrutiny Committee**

33. Healthy Living and Social Care

### **Background Papers**

None.

**Contact Officer**

Suzanne Clifton, Head of Service.

**Officers Consulted**

Bill Colmer, Interim Commissioning Manager

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Linda Woodley, Operational Manager, Learning Disability/Mental Health Services

Pam Toms, Housing Solutions and Supporting People Team Leader, Housing Solutions.

Helen Jones, Strategy and Supporting People Manager, Housing Services.

**Responsible Officer**

Lance Carver, Director of Social Services