

**CABINET – 11TH OCTOBER 2016****SUPPORTED LIVING FRAMEWORK 2017-2021****REPORT OF THE DIRECTOR OF ADULTS AND COMMUNITIES****PART A****Purpose of the Report**

1. The purpose of this report is to ask the Cabinet to delegate authority to the Director of Adults and Communities to undertake the procurement of a new Supported Living Framework.

Recommendation

2. It is recommended that the Director of Adults and Communities, in consultation with the Director of Law and Governance, be given delegated authority to undertake the procurement of the new Supported Living Framework.

Reasons for Recommendations

3. The current Supported Living Framework agreement expires on 31 March 2017 and a new contractual framework will be required from 1 April 2017.
4. The Council's Medium Term Financial Strategy (MTFS) 2016/17–2019/20 identified a savings requirement of £1.165 million by 2019/20 and the new framework aims to provide the structure to facilitate the delivery of these savings.

Timetable for Decisions (including Scrutiny)

5. Subject to Cabinet approval, the procurement of the new Supported Living Framework will proceed on 19 October 2016. The new framework will be in place from 1 April 2017 and individual reviews will be undertaken with service users to ensure a smooth transition onto the new framework. It is expected that all service users will be transitioned onto the new framework by October 2017.
6. It is intended that the new Framework will be in place for a period of four years from 1 April 2017.

Policy Framework and Previous Decisions

7. The relevant policy framework includes:
 - The Care Act 2014.
 - Leicestershire County Council MTFS 2016/2017-2019/20.
 - Leicestershire County Council Adult Social Care Strategy 2016-20 and Commissioning Intentions.

8. The new Supported Living Framework will support the following priorities approved by the Cabinet as part of the "Meeting Need" elements of the Adult Social Care Commissioning Intentions 2016-20:
- Develop and embed progressive models of support, to promote increasing wellbeing, maximise independence and ensure that capacity is available to meet the demand in growth in numbers of people needing support.
 - Develop a flexible approach to providers to allow for innovation, in the context of a greater focus on managing providers' performance through improved strategic relationships to ensure the Council is getting the most from its commissioning and contracting arrangements.
 - To support the development of cost-effective alternatives to residential care.

Resources Implications

9. The supported living budget (independent sector) for 2016/17 is £14.1million and proposed savings outlined in the MTFS are £250,000 in 2016/17 rising to £700,000 in 2017/18, £865,000 in 2018/19 and £1.165m by 2019/20. The MTFS savings requirement represents 8.3% of the 2016/17 budget.
10. The Director of Corporate Resources and the Director of Law and Governance have been consulted on the contents of this report.

Circulation under the Local Issues Alert Procedure

11. This report is being circulated to all members of the Council via the Members' News in Brief service.

Officer to Contact

Jon Wilson
 Director of Adults and Communities
 Adults and Communities Department
 Tel 0116 305 7454
 Email; jon.wilson@leics.gov.uk

Sandy McMillan
 Assistant Director (Strategy and Commissioning)
 Adults and Communities Department
 Tel: 0116 305 7752
 Email: sandy.mcmillan@leics.gov.uk

PART B

Background

12. Supported living describes a combination of housing and support services, provided to enable people to be as independent as possible, to have choice and control over where they want to live, who they want to live with and the support they receive.
13. Supported living is a support option provided to people who are eligible for social care and is relevant to the 'Meeting Need' category of the Adult Social Care Strategy 2016-20 and associated Commissioning Intentions.
14. The current Supported Living Framework agreement (which is the existing mechanism to commission supported living services) expires on 31 March 2017.
15. A framework is an agreement with suppliers that sets out terms and conditions for making specific purchases (call-offs) as and when required without any guarantee of business.

Review of Supported Living

16. The Supported Living Framework has been reviewed in line with the new Adult Social Care Strategy and associated Commissioning Intentions, to ensure supported living is a cost effective and sustainable option for people who need it, and can support reductions to residential care admissions particularly for adults of working age.
17. The number of providers on the current framework exceeds 70 and approximately 20 of these providers receive business via the framework. Hourly rates on the existing framework range from £12.24 to £15.65 per hour and variations are provider-led rather than associated with the complexity, level of need or geographical location of the individual being supported.
18. The new Supported Living Framework proposes a reduction to five providers that would each be contracted to deliver supported living services in a specific area of the County, which would be divided into five geographical 'lots' as outlined in Appendix A to this report. By apportioning the County thus, the Council will be better able to manage resources, focus on driving up service quality, offer greater volumes of business to contracted providers, and improve value for money by increasing economies of scale. It is intended that each provider will be responsible for delivering all existing and future demand for supported living for people who access the service using a managed budget, in their respective 'lot'.
19. Revised arrangements are required to ensure that the Supported Living Framework is a cost-effective and sustainable option for people in Leicestershire, which can:
 - Motivate the delivery of outcomes and a progressive model of support.
 - Support the delivery of the Council's ideas to 'meet need'.
 - Support the delivery of the Adult Social Care Strategy 2016-20.
 - Facilitate improved relationships between the Council and providers through effective risk sharing and reducing the number of relationships needed, allowing resources to focus on delivering good quality support.

20. It is proposed that the Director of Adults and Communities is authorised to undertake the procurement of the new Supported Living Framework in consultation with the Director of Law and Governance.
21. As highlighted within the Commissioning Intentions document for Adult Social Care presented to the Cabinet in February 2016:

“We will work with providers to embed progressive models of support, to maximise independence and ensure that capacity is available to meet the demand from the growth in numbers of people needing support. In the shorter term this will be implemented through the procurement of Home Care, Supported Living and Community Life Choices – working with fewer providers to progressively achieve optimum levels of independence for service users and reduce the amount of support required.”

22. Supported living savings will be achieved by reducing the number of providers, and dividing the County into 'lots' as detailed in paragraph 18 above. These areas have been identified by commercial viability of geographical areas and the amount of existing business (based on current commissioning).
23. The table below shows the proposed five lots, and the number of individuals currently receiving a supported living service within those areas, together with the commissioned hours of that service and the total number of providers currently delivering that service (as of 31 July 2016). (As can be seen in Appendix A, the five areas cover the whole County; the names given to each in the table below do not correspond to town or district boundaries).

Lot	Number of individuals	Total weekly hours	Number of providers
Coalville	68	3,639	14
Hinckley	57	2,402	10
Loughborough	52	2,066	12
Market Harborough	58	2,738	14
Melton Mowbray	54	2,914	11
Total Weekly	289	13,759	~

24. In addition to facilitating greater flexibility and consistency of service delivery in each area, this approach is expected to drive down the cost of supported living by increasing economies of scale and allowing providers sufficient geographically clustered business to maximise efficiencies.
25. Realisation of MTFS savings in supported living will be further secured through effective reviews of individual packages of care, and ongoing work by the Council alongside providers to maximise the potential for ongoing savings whilst effectively meeting individual need.
26. Service providers will be expected to have the right expertise and will be best placed to determine the right methodology for savings through the identification of both innovation and efficiency related opportunities. The five successful providers will

work with the Council to identify ways of reducing the overall costs of service delivery throughout the term of the new Framework.

27. Contract management meetings will be used to proactively identify the progressive models of support. This will include the use of more flexible approaches, pooling of support, Assistive Technology, back office improvements or any other opportunities identified that can reduce the overall cost of service delivery within each financial year.
28. Reducing the number of providers will enable the Council to work more effectively with those providers as strategic partners, with the aim of continuous service improvement and development in line with customer and Departmental requirements.
29. It is expected that providers will be able to offer lower hourly rates due to:
 - Economies of scale and geographical concentrations of business, which minimise travel and other operating costs;
 - Lead provider status in a designated area providing a critical mass of business activity from which additional services and/or a self-funded client-base can be developed.
 - Providers understanding and optimising use of free or low-cost local community assets for service user and business benefits.
30. Assurance on the procurement process has been undertaken through the Adult Social Care Steering Group, the Adults and Communities Departmental Management Team and the ESPO (Eastern Shires Purchasing Organisation) Quality Assurance Panel. Risk management and commercial viability will be key considerations during the procurement evaluation.

Provider and service user engagement

31. Regular engagement and communication with providers has taken place throughout the development of the new model, including workshops, surveys and online communication. Providers have shown both an interest and capability in delivering supported living using the new model and have cited the financial benefits of commissioning services in one area to maximise opportunities to share support, increasing economies of scale.
32. Face to face meetings took place with existing supported living customers who volunteered to provide feedback on their positive and negative experiences and views. Continuity and competency of staff were commonly cited as important for individuals receiving the service, along with having choice and control, and opportunities to try new activities that promoted people's independence. It was also noted that being supported to feel safe and secure both inside and out of their home, being able to access medical appointments and treatment, having support to access work opportunities and access the community were deemed important.
33. Feedback from this exercise has been used to inform the development of the new service specification and to support transition arrangements. Having financial support in terms of being supported to manage people's finances was deemed important.

34. The proposals for the new Supported Living Framework are consistent with the approved Adult Social Care Strategy (including Commissioning Intentions) which was the subject of public consultation in Autumn 2015, and savings set out in the MTFs. The Strategy and MTFs were agreed by the full Council in February 2016.

Transition to the new Framework

35. All people currently accessing supported living will transfer to the new arrangements to ensure that the new approach is applied consistently. As a result, existing users are likely to have a change in the organisation from which their support is provided. Detailed transition and communication plans are being developed to ensure all moves to the new framework are managed effectively by communicating with stakeholders and responding to any issues that may arise in a timely manner. Working with the providers, and taking into consideration the communication and disability-related needs of service users to ensure minimal disruption is a key focus for the transition process.
36. Due to the level of change required and to ensure the needs of the individuals are considered, this process will be phased. It is the intention that all services are transferred within six months of the new framework starting. However, there may be exceptions in specific circumstances, such as where services have been set up within the last 12 months and a transition would be detrimental to an individual's package of care. In these cases, individuals will be given the option of taking their Personal Budget as a Direct Payment, should they wish to continue with their current provider.
37. In the case of applications for Direct Payments where more than one service user shares the same accommodation, reviews will be undertaken on a scheme by scheme basis to ensure that services continue to be commissioned jointly with the current or new provider, to maximise the delivery of cost effective care.

Conclusion

38. The proposed new Supported Living Framework aims to provide the structure to facilitate the delivery of the MTFs savings and will ensure a legally compliant mechanism is in place for the commissioning of new supported living services for individuals wanting to take their service as a managed budget.

Background Papers

- Report to Cabinet: 5 February 2016 - Adult Social Care Strategy 2016-2020 – <http://politics.leics.gov.uk/documents/s116262/5.Adult%20Social%20Care%20Strategy%202016-20.pdf>
- Report to Cabinet: Medium Term Financial Strategy 2016/17 to 2019/20 - <http://politics.leics.gov.uk/documents/s116262/5.Adult%20Social%20Care%20Strategy%202016-20.pdf>

Appendices

Appendix A - Map of new lots

Appendix B - Equality and Human Rights Impact Assessment

Relevant Impact Assessments

Equality and Human Rights Implications

39. A full EHRIA (attached as Appendix B) was considered by Adults and Communities Departmental Equalities Group (DEG) representatives in September 2016 including an Equality and Human Rights Improvement Plan (EIP). The EIP pays particular attention to the vulnerable nature of Supported Living service users. Their individual needs and circumstances will be taken into account during transition and as services develop in the context of the revised strategy for social care in Leicestershire.
40. Objectives included in the plan focus on supporting transition and effective communication, reducing reliance on long term services by maximising resilience for existing users and making supported living a realistic alternative to residential care for more people (particularly those of working age). Comments made by service users during engagement meetings regarding continuity and competency of staff are also addressed and the EIP and the actions will be reviewed at appropriate intervals to test for effectiveness and make necessary recommendations.

This page is intentionally left blank