

LEARNING DISABILITY ACCOMMODATION AND SUPPORT PARTNERSHIP CONTRACT

PORTFOLIO RESPONSIBILITY: SOCIAL CARE ADULTS AND HEALTH

CABINET

1 MAY 2008

Wards Affected

County-wide

Purpose

To seek approval to enter into a contract for the Learning Disability Accommodation and Support Contract with Midland Heart.

Key Decision

This is a Key Decision because it is likely to be significant in terms of its effect on communities living or working in Herefordshire in an area comprising one or more wards.

It was included in the Forward Plan.

Recommendation

THAT: Cabinet authorise officers to finalise contractual terms and conditions and enter into a contract between Herefordshire Council and Midland Heart to provide Accommodation and Support for people with a learning disability on the basis described in this report.

Reasons

1. The success of the modernisation and improvement programme, which was developed following a comprehensive needs analysis and by the Commission for Social Care Improvement (CSCI) inspection, depends on a new model of service; in essence moving away from a service led response to a model based on independence and choice. The partnership with Midland Heart is a key aspect of this approach. Specifically:
 - Increasing the choice of accommodation and support options available to people with a learning disability.
 - Increasing the number of people in 'settled' accommodation, which is a key performance indicator for adult learning disability services from 2008.
 - Ensuring best use of available resources in terms of revenue costs, building and staff.

Considerations

2. Herefordshire Council, Learning Disability services, in partnership with Contracts and Commissioning, Legal Services, Corporate Procurement, Supporting People and Financial Services have undertaken a complex and comprehensive tender process to identify a partner to manage and develop Accommodation and Support options for people with a learning disability living in Herefordshire.
3. There have been separate negotiations regarding the future management of the Council and PCT properties, Ivy Close (HC) and Southbank Close (PCT). These will be managed via a long-term lease with a Registered Social Landlord (potentially Midland Heart). The Cabinet Member for Resources and the PCT Board respectively will take decisions regarding the leases.
4. The contract for Care and Support is based on the principles that by offering individuals more choice and control over where they live and whom they live with, Herefordshire Council will be able to achieve better value for money and therefore support more individuals within the financial framework available.
5. This will be achieved by offering a wider choice of accommodation options and moving away from the residential care model, which although may be appropriate for some, is expensive and offers limited opportunity to maximise independence.
6. From previous consultation and engagement work undertaken with people who have learning disabilities and their family carers it is known that some people currently living in registered care could, and would wish to, live more independently.
7. In December 2007 Cabinet authorised officers to complete the partnership negotiations on the detail of the contract. A further report was to be brought to Cabinet as a Key Decision for agreement of the contract and financial terms and conditions.
8. Cabinet also requested that a seminar be held to inform councillors on the details of the modernisation of services to people with a learning disability and specifically the partnership agreement.
9. The seminar was held in February 2008 and was attended by over 20 councillors. Midland Heart and officers completed a detailed presentation and answered queries that councillors raised.
10. The core Heads of Terms of the care and support arrangements have been agreed and the legal terms and conditions are nearing conclusion.
11. The contract for care and support will be for a five-year period, with the possibility to extend for a further two years and will be based on the Office of Government Commerce (OGC) model of terms and conditions of contracts for services for local Authorities.
12. This length of contract is required to enable Midland Heart sufficient time to make the necessary changes to the services whilst at the same time providing continuity and certainty for the individuals who live within the current services.
13. The contract will bring together a number of services currently managed by Herefordshire council and two independent sector providers. This includes, Ivy Close in Hereford, Southbank Close in Hereford, five group homes in Leominster and a supported living scheme for 10 individuals. The contract will also manage two block

purchased small homes on a sub-contract for Herefordshire Council. Both of these properties are owned by Herefordshire PCT.

14. The year 1 budget for the partnership (08/09) will be £3.2 million gross rising to £3.6 million over years 2 to 5. This 13% rise is linked to inflation only. Consideration has been given to not awarding inflation to the contract however this would significantly hamper progress in the objectives of the contract. The implications of this investment will be taken into account in the overall social care budget process during the life of the contract.
15. The principle of the contract is that there will be an increased number of individuals supported after the five-year period within the same budgetary framework.
16. The initial 80 people supported at the beginning of the contract will rise year on year to 123 by the final year - an increase of 54%.
17. This increase in service delivery will be achieved by a number of different approaches and changes: -
18. Move from residential care models to supported living reducing costs to Herefordshire Council.
 - Individuals would meet the costs of housing, utilities, food etc accessing income including housing benefit and other benefits, unavailable to those living in registered care.
 - Increased income into the services to meet the costs of care and support. Sources include Independent Living Fund; Supporting People and increased client contributions
 - Increased emphasis on maximising independence and therefore reducing cost of care and support to each individual.
 - Staff time and additional resources can then be redeployed to provide floating support and domiciliary care to more people at the same cost.
19. More creative provision of Short Breaks.
 - A move away from building based breaks, which are expensive and under-utilised, to a more individualised approach.
 - An increased use of other options such as Adult Placement, mainstream services and individual support.
 - Person Centred Planning will be used to identify the best solutions for individuals
 - Individualised budgets will be promoted to ensure the best use of resources.
20. Innovative use of existing property including:
 - Remodelling, redevelopment, refurbishment of services as appropriate
 - Acquiring more appropriate accommodation, through 'swapping' existing properties currently owned by Registered Social Landlords.

- Accessing funding via Midland Heart (as Registered Social Landlord) or another RSL to partially redevelop Southbank and refurbish Ivy Close
 - Partnership with strategic housing to maximise funding for modernisation
21. The five group homes are owned by Herefordshire PCT (2), Kemble Housing (2) and Marches Housing (1). Midland Heart is in negotiations to take the leases of these homes.
 22. The management of Ivy Close and Southbank Close will transfer to the housing arm of Midland Heart or another RSL on a long-term lease. This will enable the RSL to develop the sites and meet the refurbishment costs, something that has not been possible to achieve with the council or PCT.
 23. Leases will also ensure that individuals living in the properties will be able to have tenancies and access Housing benefit to fund the property costs. Officers will ensure that the lease of Ivy Close includes the right for the council to take the property back in the event of the termination of the service.
 24. The RSL will be granted a 75 year lease to enable the RSL, at their expense, to carry out significant upgrading and adaptations to the building to conform with regulations. The RSL will be required to ensure that the building is available for use by the Care and Support service provider during the whole 75 year period of the lease.
 25. Current staff employed within the services will transfer to Midland Heart under TUPE arrangements. These arrangements secure their employment and terms and conditions. This includes approx 90 staff employed by Herefordshire Council at Ivy Close and Southbank Close. There has been an ongoing consultation with staff and their representatives throughout the negotiations. This included participation in the selection of the preferred partner organisation, face-to-face meetings with groups and individuals. The formal process of consultation will begin following the awarding of the contract.
 26. The contract will be based on a partnership between Midland Heart and Herefordshire Council. A number of measures will be adopted to ensure success in quality and performance management, these include:
 - Learning Disability are allocating one day per week of service manager time to ensure agreed targets are met and all performance standards are attained.
 - There are financial disincentives within the contract linked to key targets. E.g. if Midland Heart do not achieve the targets they will not get all of the money.
 - There will be an executive steering group made up of senior representatives from Herefordshire Council and Midland Heart who will be responsible for ensuring delivery of the contract. Terms of reference for this group have already been agreed and will form part of the schedules of the contract.

Legal Implications

27. The council has power to enter into the contract under sections 21 and 29 of the National Assistance act 1948 and section 2 of the Local Government Act 2000.

Financial implications

28. The underlying principle of the contract is that an improved service should be provided to more people for the same budget. At 2006/7 prices, £3.2m of specific budgetary provision has been identified that in the main has supported service provision for 80 places for people with learning disabilities. Over the 5 years of the contract, the numbers should increase to 123, whilst the cost should increase by inflation only to approx £3.6m. In line with the Medium Term Financial Strategy, the inflationary increase is to be found elsewhere within the social care budget. The Council should therefore achieve better value for money.
29. As with any complex and innovative contract, there are financial risks. However a detailed contract is being negotiated, a budget has been defined, the contract will be monitored stringently and any potential overspend reported in line with revised financial regulations.

Risk Management

30. The following risks to the partnership have been identified. A risk log has been established and will be monitored by the executive group.
31. The Modernisation of services
- There may be resistance to moving from the traditional service model, by individuals, staff and family carers.
 - May not be able to achieve reductions in support thereby reducing cost effectiveness of contract.

Mitigation – Ongoing partnership and tight management of the contract with clear timescales and performance measures. Learning disability Services will be an active partner. Ongoing involvement and consultation with all stakeholders.

32. Finance

- Grants (e.g. Carers Grant and [Supporting People]) may be allocated differently in the future through the LAA (local area agreement) single pot. Risk already exists within current delivery of services. And are managed through the recently revised pooled budget arrangements (referred to as Section 31).
- Reliant on significant money from the PCT. Central Government have indicated that PCT money used to commission social care services for adults with learning disabilities will be paid direct to council's from 2009/10
- Pensions- In the absence of a bond, the Council will be required to indemnify the pension fund against any failure by Midland Heart to make the required employer contributions. The Council will indemnify the contractor against increases in pension contributions in excess of the current employer contribution rate (but this is a cost it would bear in any event).
- Individual Budgets –There is a risk that individuals may opt to use their funding to

engage an alternative supplier, thereby reducing the funding available to the contractor. Midland Heart is prepared to carry this risk subject to agreed parameters.

- Capital expenditure – Achievement of the required outcomes is dependent on capital investment on improving and adapting buildings. It depends on capital funding from strategic housing, which has been agreed and also an injection of capital from an RSL in exchange for a lease that has yet to be negotiated. Should this not materialise, consideration would have to be given to prudential borrowing if the agreed outcomes were to be achieved.

33. Property

- Planning permission may not be forthcoming
- Property developments and arrangements may be resisted or delayed

Mitigation – Partnership with strategic housing and Registered Social Landlord's already in place and commitment to changes in commissioning plan and Housing Plan.

Alternative Options

There are no Alternative Options.

Consultees

As part of the tender process we consulted people with a learning disability, staff and family carers of people with learning disabilities.

Appendices

Once the contract has been finalised a copy will be made available in the Members' Room.

Background Papers

Cabinet report September 2006

FUTURE SOCIAL CARE NEEDS AND SERVICES FOR OLDER PEOPLE AND ADULTS WITH LEARNING DISABILITIES IN HEREFORDSHIRE

Cabinet report December 2007

'A BETTER LIFE: PERSONALISED SERVICES FOR PEOPLE WITH LEARNING DISABILITY IN HEREFORDSHIRE'