

WIRRAL COUNCIL

CABINET

17 MARCH 2011

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| SUBJECT: | TRANSFORMATION OF ADULT SOCIAL SERVICES - CONTRACTS FOR RESIDENTIAL AND NURSING HOME CARE AND PERSONAL SUPPORT |
| WARD/S AFFECTED: | ALL |
| REPORT OF: | INTERIM DIRECTOR OF ADULT SOCIAL SERVICE |
| RESPONSIBLE PORTFOLIO HOLDER: | COUNCILLOR BOB MOON |
| KEY DECISION? | YES |

1.0 EXECUTIVE SUMMARY

- 1.1 *The purpose of this report is to seek Cabinet agreement to award contracts for Residential and Nursing Home Care and Personal Support provided to people in their own homes. A robust tendering procedure has been followed with an evaluation process that included carers and people who use services.*
- 1.2 *The list of Providers to be awarded the Contract is provided as an Exempt Appendix in accordance with paragraph 3 of Schedule 12A of the Local Government Act 1972.*
- 1.3 *In view of the urgency of this matter, Cabinet is also asked to waive "call-in", recognising that the Health and Social Care Overview and Scrutiny Committee will receive a report on the matter at its next meeting on 22nd March 2011. The matter is considered urgent on the grounds that the Council's and public interest will be seriously prejudiced due to successful Tenderers needing time to organise taking on new work in April 2011, in particular where those areas are connected to the re-provision of services which will not be provided by the Council from 31st March 2011.*

2.0 RECOMMENDATION/S

- 2.1 Cabinet are asked to:-
- (a) award Contracts to those Providers listed in the Appendix to this report.
 - (b) note the closure and re-provision of services currently provided at Maplehome, Pensall House, Poulton House, Manor Road and Meadowcroft in accordance with the planned dates.
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- (c) change the decision to close Fernleigh respite centre and instead retain the current level of respite and crisis beds provided at Fernleigh respite centre for people with mental health needs.
- (d) authorise the Director of Adult Social Services to continue to consult with people who use services and carers about the future provision of mental health services provided at Fernleigh
- (e) waive “call-in” as the Council’s and public interest will be seriously prejudiced due to time restrictions on successful Tenderers needing to organise taking on new work in April 2011

3.0 REASONS FOR RECOMMENDATION/S

- 3.1 The new contracts need to be in place as soon as practicably possible as the current contract expires no later than 11th April 2011. The Council agreed a standard price for the provision of residential and nursing home care at its meeting of 9th December 2010. The commencement of this Contract by the 11th April 2011 for all Residential and Nursing Home Care and Personal Support to people in their own homes is projected to deliver the £5.4m savings target agreed by Council in the 2011-12 Budget at its meeting of 1st March 2011.
 - 3.2 The timely implementation of these agreements secures capacity in the independent sector to replace provision currently provided by the Council in Maplehome, Pensall House, Poulton House, Manor Road and Meadowcroft. The earlier these Contracts are awarded the more time Providers will have to deliver a smoother transition for the people who rely on their support. For these reasons it is requested to waive the call in procedure in accordance with Paragraph 17 of the Overview and Scrutiny Procedures rules in the Constitution.
 - 3.3 Cabinet are advised that the evaluation of Tenders for new business was conducted by carers, colleagues from NHS Wirral and officers of the Department. This evaluation concluded on 9th March 2011 and highlights:-
 - (a) There is sufficient interest and capacity from good quality providers of Residential and Nursing Home Care, Intermediate Care and Respite Care to accommodate the services currently provided to older people and people with a learning disability at Maplehome, Pensall House, Poulton House, Manor Road and Meadowcroft.
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(b) There is uncertainty over the capacity of care in the market providing services to people with Mental Health problems. Therefore it is the opinion of the Director of Adult Social Services that people could be at risk if the closure of Fernleigh continues as planned. However it is believed this uncertainty will be resolved by further work with Providers and the consideration of commissioning replacement services from the voluntary, community and faith sectors or the consideration of a social enterprise solution. It is proposed to continue the consultation with people who use services and carers and report back to Cabinet later in the year with options which may include retaining Fernleigh respite centre and services continuing to be provided by the Council.

3.4 Cabinet are also advised the Tenders for Personal Support have been evaluated and are asked to award Contracts to those Providers listed in the Appendix.

4.0 BACKGROUND AND KEY ISSUES

4.1 Following extensive consultation with Providers in 2010, tenders were invited for these services on 21st January 2011. The deadline for their return was 21st February 2011.

4.2 Residential and Nursing Home Care (Permanent and respite care)

4.2.1 The tender was based on the acceptance of the reduced rate standard prices set by the Council. The following outcome was achieved:

| | No. of Homes | No. of Beds | % of Market |
|---|---------------------|---------------------|--------------------|
| i) Tender submitted electronically on- line | 83 | 2,549 | 76 |
| ii) Homes subsequently agreeing to revised terms | 11 | 273 | 8 |
| iii) Homes that tendered but did not agree to revised terms* | 8 | 215 | 6 |
| iv) Homes that did not tender* | 12 | 354 | 10 |
| Total | <u>114</u> | <u>3,391</u> | <u>100</u> |

*It should be noted that approximately 250 residents are supported by the Council in these homes; the existing contract will be extended with the agreement of the providers for the lives of the residents or as long as they wish to remain in the homes. This will delay some of the savings agreed by Council as the 2010-11 fee levels will be retained for the period of their residency, however, it will ensure vulnerable people do not have to move home as a result of this tender exercise.

4.2.2 As there is no disadvantage to tenders submitted on the 21st February 2011 it is proposed to award contracts to all those who have since indicated they wish to be awarded the Council's contract and agree to its terms and conditions for their existing residents. This offer will continue to apply to all providers who have not yet agreed to accept the Council's new contract. Late tenders have not been considered for any part of the contract that is price sensitive such as Intermediate Care and Re-ablement.

4.2.3 Cabinet are reminded there is no guarantee of service volume to Providers by being awarded the contract, as the choice of home is at the absolute discretion of individuals needing that support. The award of contracts to 94 Homes (Appendix 1 (a), providing 2,822, beds in Wirral including those that have since indicated their wish to operate under the terms and conditions of the new contract delivers the majority of the savings target agreed by Council and ensures there is sufficient supply to meet demand and enable the Council to continue with its planned closure of the homes listed in paragraph 3.2. The remainder of the savings target of around £0.8m is predicated on prices in homes outside of Wirral and not subject to this tender being negotiated down by, on average 9.5%. Work is underway to commence this process which follows the successful implementation of local agreements as precedents to those negotiations. In some cases where Wirral pays the prevailing local authority rate it may not be possible to achieve the full 9.5% in individual cases. A number of high cost placements have been identified which are expected to deliver a greater saving to compensate this and officers from the Department of Adult Social Services and the Corporate Procurement Unit will be working with NHS Wirral and with NHS at a regional level to pursue this.

4.2.4 Cabinet will be aware that it is proposed to close Maplehome, a residential home that supports up to 23 people with learning disabilities. This closure can take place on 31st March 2011 as, in addition to the 22 vacant beds in the independent sector, up to 11 beds have been retained in the in-house service at Girtrell Court and Sylvandale. There is therefore more than sufficient capacity to replace Maplehome and offer people more choice. Over the coming months this choice will be further expanded as options for respite in other community settings are developed as part of the roll out of Personal Budgets.

4.2.5 The evaluation panel, made up of Council Officers, carers and colleagues from the NHS, considered there were too few tenders of sufficient quality to award contracts for respite care for people with mental health needs at this time. It is considered that people could be at risk if the closure of Fernleigh continues as planned. Further work with Providers and the consideration of commissioning replacement services from the voluntary, community and faith sectors or the consideration of a social enterprise solution will be undertaken. It is proposed to continue the consultation with people who use services and carers and report back to Cabinet later in the year with options which may include retaining Fernleigh respite centre and services continuing to be provided by the Council.

4.3 Intermediate Care

4.3.1 Provision in this area consists of:

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|------------------------------------|------------------|
| Poulton & Pensall House | 37 |
| Independent Sector | <u>16</u> |
| | <u>53</u> |

The Council has also built on its established partnership with NHS Wirral who have commissioned a Rapid Response Service, covering such areas as support in the home and temporary residential provision on discharge from hospital. Health staff who are already deployed to work in intermediate care will provide occupational health and physiotherapy support to people receiving these services to assist with demand until 30th June 2011.

4.3.2 A total of 19 competitive tenders were received from homes wishing to provide this service. These were evaluated by a panel of officers from Adult Social Services and NHS Wirral. The panel applied a rigorous assessment of the Tenders and ruled out 17 of the tenders on quality grounds, leaving 2 providers to be awarded a contract providing a maximum capacity of 52 beds. However a proportion of this capacity will not be immediately available. For this reason, the Council will work with NHS Wirral to confirm an extension of the NHS Wirral Rapid Response Service Transitional Service as is required to complete the market change. It is therefore proposed to award contracts to those listed in Appendix 1(c) and work closely in partnership with NHS Wirral to ensure the availability of intermediate care during the transition period.

4.4 Personal Support at home

4.4.1 Open tenders were invited to supply Personal Support Services at a price determined by the Council at its meeting of 9th December 2010. There were 71 tenders and 69 have accepted the agreed Wirral rate. It is proposed to award contracts to those listed in appendix 1(b), these being the existing Providers of domiciliary care and Supported Living who have agreed to operate at no more than the standard price set by Council. Further work is underway to evaluate tenders from Providers who do not currently operate in Wirral in order to extend the range of choice for people. The award of these contracts will coincide with the outsourcing of Supported Living Services. People currently supported by the Council will therefore be able, and be supported, to choose from a list of accredited suppliers.

4.5 Re-ablement Support

4.5.1 These tenders were price competitive and evaluation also included a quality threshold. A Panel has evaluated their submissions and recommend the award of contracts to those listed in Appendix 1(d). There were 36 tenders for re-ablement and the Panel ruled out 33 of these on the grounds of quality. It is also proposed to offer the unsuccessful tenders, and any other interested provider operating in Wirral, ongoing support to develop their approach to reablement services. This may lead to more choice for people in the future.

5.0 INDIVIDUAL SERVICE REVIEWS

5.1 Where changes to service provision are being implemented, each individual who uses services will be subject to a review of their needs. This will ensure that transfers to new providers will be achieved taking into account individual presenting needs.

6.0 RELEVANT RISKS

6.1 Cabinet is advised of the threat of legal action being taken by a group of Homeowners regarding the fee reduction. At the time of writing this report no such action had been served. In the light of the good response to the tender the likelihood of such action is abating. It could gain momentum if the Council-run homes re-provision does not take place as tenders were invited on the basis of this increased business potential. The retention of Fernleigh does not materially affect this consideration.

6.2 Cabinet will be aware of an injunction to delay the closure of Pensall House, Poulton House, Maplehome, Meadowcroft and Fernleigh. The hearing is due to take place on 17th March 2011 in the High Court of Justice Administrative Court. The Interim Director will provide a supplementary report to Cabinet on the outcome of this hearing.

6.3 Should either action prevent the award of contracts or closure of homes listed in paragraph 6.2 £10.5m of the savings agreed by Council in the 2011-12 Budget would be at risk: -

- £2,765,750 from the re-provision of respite care
- £762,314 from the re-provision of reablement support
- £1,610,650 from the re-provision of Supported Living
- £5,368,000 from the 9.5% reduction in Residential and Nursing Home fees

7.0 OTHER OPTIONS CONSIDERED

7.1 No other option is available for consideration

8.0 CONSULTATION

8.1 The award of these contracts is the culmination of an extensive consultation exercise undertaken 2010 with providers. Representatives of people who use services have been involved in the evaluation of tenders and the recommendation to award contracts contained within this report.

8.2 The option to reduce fees and re-provide Council-run services featured as part of the wider consultation "Wirral's future" and the Adult Social Services Task Force at its meeting of 11th November 2010 recommended both options to Cabinet.

9.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

9.1 A number of voluntary, community and faith sector organisations have tendered and been successful in the award of Contracts.

10.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

10.1 The award of Contracts and re-provision of services delivers £10.5m savings in a full year as detailed in paragraph 6.3. This has been included in the 2011-12 Budget agreed by Council.

10.2 The delay in re-providing services currently provided at Fernleigh will require a re-instatement of the budget in 2011-12 of £480,000 for a full year.

10.3 There are no IT implications

10.4 Across the range of facilities planned for closure the Council employs 242 staff. Approximately 144 of these are due to leave on EVR/VS over the coming weeks. The remaining 98 posts are to be redeployed into posts vacated from services that are being retained by the Council.

11.0 LEGAL IMPLICATIONS

11.1 There are legal implications arising from the potential Judicial Reviews identified in Section 5.

12.0 EQUALITIES IMPLICATIONS

12.1 Equality issues were taken into account as part of the conduct of Equality Impact Assessments to mitigate the risk of any form of discrimination. There would be a risk to service continuity for people with mental illness should the closure of Fernleigh proceed as originally planned. This risk is mitigated by the extension recommended in this report.

12.2 Equality Impact Assessment (EIA)

(a) Is an EIA required? Yes

(b) If 'yes', has one been completed? Yes (June 2010), updated January 2011

13.0 CARBON REDUCTION IMPLICATIONS

13.1 The Personal Support Services covered by these Contracts are diverse and operate in Communities by a largely mobile workforce. The Residential and Nursing Home Contract governs support provided in over 100 buildings supporting nearly 3,500 people. Whilst the carbon reduction implications are not understood at this time, it is believed there is significant potential for sustainable reductions. It is therefore proposed to hold a series of workshops with Contracted Providers later in 2011 and report back to Cabinet on the implications and further options.

14.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

14.1 There are no specific planning implications.

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APPENDICES

APPENDIX 1 LIST OF CONTRACT AWARDS

- 1 (A) RESIDENTIAL AND NURSING HOME PROVIDERS TO BE AWARDED NEW CONTRACT*
- 1 (B) PERSONAL SUPPORT PROVIDERS TO BE AWARDED NEW CONTRACT*
- 1 (C) INTERMEDIATE CARE*
- 1 (D) REABLEMENT*

REFERENCE MATERIAL

SUBJECT HISTORY (last 3 years)

| Council Meeting | Date |
|------------------------|-------------|
| | |