

Report to: Deputy Leader (and Cabinet Member for Health and Social Care),
Councillor Ben Coleman

Date: 04/10/2023

Subject: Contract extension of the contract for Learning Disability Flexible
Support (LDFS)

Report author: Adie Smith, Programme Lead Adult Social Care

Responsible Director: Linda Jackson, Strategic Director of Independent Living (DASS)

SUMMARY

Hammersmith & Fulham Council (H&F) has commissioned Certitude to deliver a Learning Disabilities Flexible Support (LDFS) service since 1 July 2018. On 5 February 2018 Cabinet approved a three-year contract with an option to extend for two further periods of two years. The first of two extension periods were agreed until June 2023. This final extension will support the timeline of a resident led redesign of the LDFS model to align with H&F's vision for Independent Living and priorities of the Adult Independent Living Commissioning Steering Group.

Approval to award the contract extension was delegated to the Cabinet Member for Social Care and Health (Deputy Leader) and the Strategic Director of Independent Living (DASS), as detailed in the Cabinet award report for the initial contract.

This service provides supported living services for 50 adults with learning disabilities with low to medium support needs, in 11 houses across the borough.

During the proposed extension, the provider has agreed to work with social care to transform how they deliver this service. The transformational plan is focussed on and supporting people to build skills for independent living and where appropriate move out of the LDFS, to support placements sufficiency.

The aims of the transformation plan include:

- increase capacity, by bringing previously considered unsuitable void accommodation back into availability.
 - increase efficiency by reducing the core element of the service to reflect a true cost of support, rather than the current method which has management costs included within the core.
 - stimulating throughput by supporting eligible residents to move out into either general needs accommodation and/or Extracare.
 - coproducing a vision to redesign service to accommodate a return to borough (previously placed out of borough) placements and creating capacity for future Transition cases.
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RECOMMENDATIONS

1. That the Deputy Leader approves the award of an extension to Certitude for the Learning Disability Flexible Support Service for a further two (2) years from 1 July 2023 to 30 June 2025 with a total contract value of £5,210,300.
2. That the Deputy Leader approves the aims of the transformation outlined in this report. The aim of which will be to maximise use of available property, see a reduction in voids and increase placement sufficiency.

Wards Affected: All

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	The council and the provider will, continue to support residents towards being engaged in meaningful activities, including volunteering and paid work. This will include addressing barriers to independent living and promoting social inclusion and parity of esteem.
Creating a compassionate council	An independent living approach, alongside coproduction processes with residents and their circles of support will enable residents to develop greater personal resilience and have more control over their lives.
Doing things with local residents, not to them	Officers have added a coproduction KPI for the contract extension period. The provider has a specific action plan to increase resident, families, and circles of support engagement in the design and delivery of services in their current business plan. This will be reflected in their quarterly reporting over the extension period.
Being ruthlessly financially efficient	Through a remodelling transformation process, the Council will create efficiencies across the LD Supported Accommodation placements and ensure best value is achieved and maintained.
Taking pride in H&F	The council and the provider will, continue to develop opportunities for residents with learning disabilities to be integrated into and to be active

	<p>participants of their local community. This will enhance community cohesion and social inclusion. Residents will also benefit from a new council led community offer for adults with learning disabilities focusing on skills development and employment.</p>
<p>Rising to the challenge of the climate and ecological emergency</p>	<p>The provider has committed to:</p> <ul style="list-style-type: none"> • Reviewing staff policies to increase and promote the use of public and green transport; • Undertaking an environmental sustainability review of properties; • Creating an action plan identifying opportunities to improve recycling, carbon reduction, energy efficiency and waste reduction; • Improving on their current green strategy in their offices; • Creating an easy read information leaflet for residents on recycling waste and how to reduce the use of energy.

Financial Impact

The total spend over the first five years of the contract was £13,405,759. The first 3 years operated as an Individual Service Fund (ISF) model then the contract changed to core and flexi model. See below.

The contract operates as a core and flex model with two financial elements.

- The **core price** which is currently fixed cost of £1,723,748 (per annum) which covers the essential elements of the service, such as night cover, scheme manager, handover times and supervision. The management costs have now been removed from this and therefore the Core now reflects the hours being delivered. The new core cost will be £1,312,389.
- The **flexi element**, which is variable and paid based on assessed need and current occupancy levels. The current flexi element is paid at a rate of £17.40 per hour. This has been increased to £20.97 per hour. This is to allow for the management on costs. A new system will be implemented to approve the flexi element, allowing Commissioners to have more scrutiny over how this is delivered, to ensure best value is being delivered.

The full financial implications of the contract extension are set out in the table below.

Expenditure type and budgets	2023/24	2024/25	2026/27	Total for 2-year contract extension
	01/07/2023 to 31/03/2024	01/04/2024 to 31/03/2025	01/04/2025 to 30/06/2025	
Expenditure	£	£	£	£
Core hours 41 residents, including 1 health funded	806,911	1,075,882	268,970	2,151,764
Voids 9 properties	177,380	236,507	59,127	473,014
Flexi hours for 32 residents	675,706	900,942	225,235	1,801,883
Additional flexi hours (based on full occupancy)	0	626,911	156,728	783639
Total cost	1,659,998	2,840,241	710,061	5,210,300
Adult social care budget	2,110,500	2,814,000	703,500	5,628,000
NWL ICB budget	19,681	26,241	6,560	52,482
Total Budget	2,130,181	2,840,241	710,060	5,680,482
Underspend	-470,183	0	0	0

The contract value over the 2 year contract extension period is £5,210,300, compared to the budget of £5,680,482, which gives a one off underspend of £470,183.

The underspend this financial year is due to only 32 of the 41 current residents needing additional care and support (flexi) hours, and 9 void properties which have no resident living in the property receiving no additional care and support hours.

The transformation plan, as outlined in the summary above and report recommendation, will result in voids being filled and the additional flexi hour costs incurred from April 2024, which means the savings delivered are one off this financial year.

Any inflationary uplifts will be negotiated on an annual basis, as part of the departments care providers uplifts processes.

Financial implications completed by David Hore Finance Manager (Social care).

Financial Implications verified by Prakash Daryanani Head of Finance (Social Care & Public Health).

Legal Implications

The Council is under a legal duty to provide these services under the Care Act 2014.

The contract is a public services contract for the purposes of the Public Contracts Regulations 2015 (PCR). The contract provided for this extension in unambiguous

terms and the Council is therefore permitted to exercise it without undertaking a further competition under regulation 72 of the PCR.

This is a high value contract for the purposes of the Council’s Contract Standing Orders. The extension is permitted under CSO 25.3.1 as the contract contains a clear and unambiguous extension provision and the extension is on the basis of the same pricing model.

The exercise of this extension is a key decision under the Council’s constitution and needs to be included in the key decision list on the Council’s website.

John Sharland, Senior solicitor (Contracts and procurement)

Dated 15 May 2023

Background Papers Used in Preparing This Report – ALL PUBLISHED

Proposals and Analysis of Options

1. The options are as follows:

Option	Benefits	Risk
<p>1. Extend the contract for two years engaging in service transformation. With a view to running a new procurement, for a newly transformed service specification in 2 years time.</p> <p>RECOMMENDED</p>	<ul style="list-style-type: none"> • A continuation of care and support to residents whilst a redesign and transformation of the model is developed • Potential improved throughput of residents • Reduction in out of area placements. • Improvement in coproduction. • Increased placement sufficiency. • Improved Demand Management and flexibility. 	<ul style="list-style-type: none"> • Staffing resources needed to run a transformation project.

<p>2. Extend the contract for 1 – 2 years with a 5 bed reduction in capacity and launch a new procurement exercise.</p> <p>NOT RECOMMENDED</p>	<ul style="list-style-type: none"> • Generate an instant saving as the Council would no longer pay for voids. • The council could appoint a new provider within the next 1-2 years. 	<ul style="list-style-type: none"> • By reducing the voids now, there is no capacity to allow out of area placements to return to borough. • By reducing the voids now, there is no capacity for future transition cases needing supported living within the next 2 years. • The exposure of both these two risks, present a greater risk to the council regarding complaints and negative publicity.
<p>3. Do not extend the existing contract</p> <p>NOT RECOMMENDED</p>	<ul style="list-style-type: none"> • Potential cost saving 	<ul style="list-style-type: none"> • The current service specification is not suitable to meet future demand and requires transformation. • Limited providers as to who will support the council with this necessary transformation. • Potential disruption to residents with a Learning Disability and their families. • Limited time to engage in co-production events. • Not having a service suitable for residents being transitioned into adult services.

Reasons for Decision

2. The recommendation is to extend the contract for a final two years for the following reasons:
- Any change in the provider without a lengthy mobilisation plan would create unrest and anxiety amongst residents.
 - To enable the redesign of a fully co-produced model that is specific to the needs of residents and their circles of support in Hammersmith & Fulham.
 - Forward planning to align the recommissioning of a new service which accounts for future transition planning.

- The current provider support the transformation of the service design to focus upon empowerment and enablement, to support service users to move on into independence, supporting the Council to meet future demand see greater efficiencies.
- The recommendation allows the council to lead and have oversight over this transformation to ensure continuity of care and quality assurance remains paramount.
- This recommendation provides the option to convert and transform void services into specialist services that can tailor the needs of individuals previously placed out of area and or future transition need.

Social Value Implications

3. The councils' social value policy requires that all spend over £100,000 needs to achieve a social value return of 10%. This contract is above this threshold and therefore certitude have committed to delivering a minimum of 10%
4. The provider has had multiple meetings with commissioning officers to agree upon a method of delivery which is achievable. These will be captured within the Contract Monitoring 'Workbook' and reported on.
5. The contract monitoring will occur as a minimum of quarterly. This will enable Commissioners to be alerted to the Social Value progress and intervene where necessary, as soon as possible.
6. The first Contract monitoring meeting scheduled in 12 weeks from the start date, the provider will lay out their 10% delivery plan.
7. It is advised that the commissioner works with legal to ensure clauses are included in the contract to enable the council to seek remedies should Social Value commitments not be delivered.

*Implications completed by: Oliur Rahman, Head of Employment and Skills
14/07/2023*

Equality Implications

8. There are no anticipated negative implications for groups with protected Characteristics, under the Equalities Act 2010, by the approval of these recommendations.

Risk Management Implications

1. The report recommends a further two year extension of a contract to the existing provider to support the timeline of a resident led redesign of the LDFS model to align with the Adult Independent Living Commissioning Strategy. The extension will provide continuity of service for vulnerable residents, which is in line with the objective of creating a compassionate council. The options

appraisal includes a consideration of risks in proposing the preferred course of action. The remodelling transformation process will help create efficiencies across the LD Supported Accommodation placements and ensure Best Value is achieved and maintained, which is in line with the objective of being ruthlessly financially efficient.

Implications verified/completed by David Hughes, Director of Audit, Fraud, Risk and Insurance, 17 June 2023

Climate and Ecological Emergency Implications

9. The provider has committed to:

- Reviewing staff policies to increase and promote the use of public and green transport.
- Undertaking an environmental sustainability review of properties.
- Creating an action plan identifying opportunities to improve recycling, carbon reduction, energy efficiency and waste reduction.
- Improving on their current green strategy in their offices.
- Creating an easy read information leaflet for residents on recycling waste and how to reduce the use of energy.
- All 90 staff are committed to using public transport to and from their workplace and in the course of the working day supporting residents.

*Implications verified by:
Hinesh Mehta, Head of Climate Change, 04/07/2023*

Consultation

10. The incumbent provider has been consulted with regarding the proposals in the report.
11. As soon as the contract extension is awarded, a wider public consultation and Co-Production events will take place. The purpose of this will be to agree with residents the scope of the new service.

LIST OF APPENDICES

None