

# Executive Decision Report

7<sup>th</sup> July 2014

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## **Review of Voluntary and Community Sector Preventative Services (Adult Social Care)**

Lead Director: Tracie Rees

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## Useful information

- Ward(s) affected: All Wards
- Report author: Mercy Lett-Charnock, Lead Commissioner
- Author contact details: Mercy: 454 2377
- Report version number: 1.0

### 1. Summary

- 1.1 This report seeks Executive approval to implement the findings of a review of the Voluntary and Community Sector (VCS) preventative services funded by Adult Social Care (ASC).
- 1.2 With the expiry of the existing contracts (31<sup>st</sup> March 2015), a review was undertaken to ensure that the preventative services funded by ASC, delay, reduce or prevent people from needing long term expensive statutory care and support.
- 1.3 Following the review, a consultation exercise was undertaken on a range of proposals with service users, existing providers and other stakeholders, including Healthwatch. Information relating to the proposals is detailed in the main report and feedback from the consultation was taken into account when developing the final options.
- 1.4 Overall, the review found the majority of existing preventative services were still required, but more emphasis was needed to demonstrate improved outcomes for service users. A procurement exercise is also needed to comply with the Council's Contract Procedure Rules. Option 2 details the preferred approach.

### 2. Recommendations

- 2.1
  - (i) Executive approval be given to Option 2 and
  - (ii) Subject to the approval of Option 2, a procurement exercise to take place in accordance with the Council's Contract Procedure Rules, where appropriate

### 3. Supporting information including options considered

#### Background

- 3.1 ASC currently contracts with 37 VCS organisations, that provide 60 preventative services across the City (a list is attached at appendix 1). These services are non-statutory and most people using them fall under the statutory eligibility threshold for ASC support. However, low level assistance, such as social inclusion activities, befriending schemes, carer training, advice and information can stop or delay people from needing long term statutory support.
- 3.2 These services are open to a range of vulnerable adults, such as those with a mental health issue, older people, carers and people with a learning disability.
- 3.3 In October 2013 the Executive agreed to support an exercise to consult on agreed

proposals which followed a review of these services.

- 3.4 The existing contract value for these services is £1,546,563, but the actual budget is £1,293,000. The reduced monies reflect the budget settlement in 2011/12 which saw a reduction to the VCS spend. However, 'one off' monies from the Leicester Clinical Commissioning Group (CCG) to support prevention has meant the budget reductions have not been implemented and an additional £90,000 has been allocated for 2015/16 and 2016/17. This takes the total spend to £1,638,000 per annum over the next 2 years. In 2017/18 the budget will revert back to base allocation of £1,293,000 per annum, however it is not known what the council's financial position will be or if further monies will be allocated by the CCG, although prevention is a key priority for health as part of the Better Care Together programme. Better Care Together is a Department of Health programme, which is designed to integrate health and social care to provide improved services and deliver efficiencies.
- 3.5 As the existing contracts have been in place for many years, a procurement exercise is needed to ensure new contracts are in place by 1<sup>st</sup> April 2015. However, the review showed that many of the current preventative services will continue to be required, although they will need to be more outcome-focused in the future. Therefore, the majority of the existing providers will be well placed to tender for new contracts and support will be given to the sector to assist them through the procurement process.
- 3.6 New contracts will run for 2 years with the option to extend for a further 2 years, depending on the future available budget. However, it is acknowledged that the procurement process is disproportionate for the level of funding to be awarded for some services. Therefore, it is proposed to give grant funding for activities which support social inclusion, such as lunch clubs and criteria will be introduced to ensure the fair allocation of funding.

### **Consultation approach**

- 3.7 Appendix 2 provides details of the consultation approach and stakeholder responses. A full public consultation exercise was undertaken where a budget reduction was proposed or for the reshaping of services. This affected nine advocacy and counselling services and consultation took place with service users, providers and other stakeholders to enable the impacts to be explored with relevant parties.
- 3.8 It is proposed that spend on advocacy services is reduced, because the current spend is disproportionate and accounts for 24% of the total VCS prevention budget. Current advocacy services have developed over time, rather than in response to a planned commissioning exercise. Also, it was found that some services are providing information and advice rather than advocacy. An analysis of the numbers of people using advocacy services shows that current contracts are not being fully utilised and some did not offer value for money when compared to other similar provision.
- 3.9 It was also proposed that funding would be withdrawn for counselling services as these were not specifically targeted at ASC clients.

3.10 Where there is no significant service reshaping proposed, i.e. service areas where there is additional investment or no financial reduction, consultation was undertaken with providers and stakeholders to ensure that ASC priorities reflected the needs of the community. This was undertaken for all service areas except for advocacy and counselling.

3.11 Providers of existing services had been consulted earlier in the review process about the ASC priorities and the consultation exercise focused on the particular issues for each service area. This meant providers have been able to influence the review recommendations. Whilst changes were not significant it was good practice to involve partners in this process.

3.12 The review exercise has also reflected other recent activity including the Mental Health summit, issues relating to mental health support amongst the Black/African Caribbean population and wider sources such as the Service User and Carer Research Audit Network (SUCRAN) report on preventative mental health services in Leicestershire. In addition work being undertaken in the Culture and Neighbourhood Services team on lunch clubs has also been factored in, to give a unified Council wide approach to provision.

### Consultation findings

#### **Advocacy - proposal**

3.13 The proposal detailed two possibilities for the future delivery of advocacy services:

- 1 - Through a single organisation
- 2 - Through a number of organisations who can provide specialisms

3.14 As part of the consultation exercise, the existing providers of advocacy services were made aware of reduced investment in this area.

#### **Advocacy – outcome of the consultation**

3.15 Support for proposal 2, was overwhelming (81% of questionnaire respondents) with common themes in support of this being:

- Specialisms in both subject area and advocacy (relevant qualification) improve service delivery
- BME and cultural issues are better met through specialist provision
- Access is improved through locally based specialists
- Support for advocacy around issues beyond the ASC pathway

3.16 No other models were proposed as preferred alternatives.

3.17 Whilst proposal 1 was acknowledged in some comments to offer a clearer point of access in the city, there was limited support for this option and issues associated with the Leicestershire service were cited.

3.18 Support for the specialist model, means that in future the focus will be on the provision of advocacy and not information, advice and guidance (IAG) which some providers had been offering. IAG will be commissioned separately from the

advocacy.

3.19 Some respondents have raised concerns about the reduction in funding for advocacy. However, there should be no reduction in provision experienced by users of services, due to:

- under performance within current advocacy provision
- current providers delivering IAG not advocacy (in some cases)
- variation in provider unit costs
- better value for money through the procurement process

### **Counselling – proposal**

3.20 The proposal detailed in the consultation exercise was to stop funding the current counselling services (Leicester Relate and Leicester Counselling Centre) and reinvest the money into other low level community based mental health services.

### **Counselling – outcome of the consultation**

3.21 There was a strong response to the withdrawal of funding to the counselling services, concerns from the feedback included:

- It is a valued service, that supports families, not just the individual
- It keeps people well and out of hospital (avoids “sectioning”)
- Stakeholders report that it is preventative (reduces medication and reduces suicide)
- It is excellent value for money
- It is different to what Improving Access to Psychological Therapies (IAPT) offers – longer term support and more complex
- Service users report a significant impact in improving their mental health

3.22 One of the key elements of the consultation was a discussion with the CCG who fund the IAPT service. This is part of ongoing joint work around improving mental health pathways. This work is still developing and as the Mental Health Strategy for the city is refreshed later this year, which may provide an opportunity for counselling services to be funded via health. Therefore it is proposed that the Council continues to provide funding for counselling provision pending the outcome of this work.

### **Provider/stakeholder findings**

3.23 As part of the consultation process views were sought from a range of stakeholders and providers about the types of services to be provided. This also included the relevance of the services, funding arrangements and the use of outcome based specifications. Outcome based specifications enable the impact of a service to be monitored as opposed to simply outputs and volume. This helps to ensure services are in effective for service users.

3.24 Feedback was received about how outcome based specifications might be developed for preventative services.

3.25 Providers confirmed the types of services proposed were what was required and gave some additional detail, which can be addressed as service specifications are developed.

- 3.26 Providers also supported the use of grant funding in some areas and a large emphasis was placed on what procurement support will be required as training and support will be organised.
- 3.27 Providers (existing and potential) as well as stakeholders also considered the different approaches in terms of increasing access for potential users of services. For example, whether it is more helpful for customers to have one provider or one point of contact for all services along the pathway or whether a variety of provision is better.
- 3.28 In relation to the provision of information, advice and guidance, it is intended that specialist services will be procured rather than generic provision, as specialists support provides more effective and positive outcomes for service users.

### **Option 1 - Do Nothing**

- 3.29 To do nothing has significant legal implications as contracts expire on 31<sup>st</sup> March 2015 without scope for further extension and therefore new provision needs to be put in place to ensure the preventative service delivery can continue.

### **Option 2 – Procure new VCS services wef 1<sup>st</sup> April 2015**

- 3.30 To use a variety of procurement and grant funding opportunities to ensure new service are in place by 1<sup>st</sup> April 2015. Contracted services will be awarded on a 2 year basis with an option to extend over a following 2 years, depending on the availability of future funding.
- 3.31 Services proposed to be procured are detailed at appendix 3. This offers stability to the sector in as much as provision is similar to the current services, but with a greater focus on improved outcomes for service users as well as flexibility and sustainability – including the greater use of volunteers.
- 3.32 Grant funding opportunities which support older people facing social isolation, including the provision of lunch clubs, will be available. The approach will be Council-wide to ensure a clear rationale for allocation of funding to small organisations which may operate out of community centres, libraries or other buildings. The grant funding conditions are being drawn up in conjunction with Culture and Neighbourhood Services (CNS) to ensure small VCS organisations are supported to apply for grant monies to support local activities. Award of funding will take account of relevant charges levied by CNS for use of community buildings where this applies. The approach will be transparent and reduce the current funding inequalities.
- 3.33 Service specifications will be produced to address the current gaps and issues raised through the review and subsequent consultation.
- 3.34 For advocacy this will mean procuring as per proposal 2 from the consultation proposal – providing specialisms within advocacy.
- 3.35 For counselling this will mean the Council continuing to fund counselling provision on a temporary basis as part of a low level pathway of services, pending a review by the Leicester CCG. Feedback from stakeholders and users reflected how

crucial counselling was as part of the mental health pathway and that at this time there is insufficient access to alternative provision. It is envisaged that following the new strategy there may be changes to pathways and potentially to commissioning responsibilities but this work remains ongoing.

3.36 The continuation of counselling provision means that the £40,000 invested in these services cannot be re-invested into alternative low level services (such as peer groups and local support networks). However, there still remains £20,000 additional investment in mental health provision, which is part of the overall increase in preventative services.

#### **Option 2 - risks and issues**

3.37 It is recognised that some VCS providers will need support to change in line with the review recommendations. CaSE-da has been commissioned by the Council to support small organisations to develop to ensure they can meet the procurement requirements. Corporate procurement have also confirmed they will support the training for providers. Opening the provision out to the market also provides an opportunity for new VCS providers to apply for procurement or grant funding opportunities.

#### **4. Details of Scrutiny**

Internally the report is supported by:

Adult Social Care Leadership Team  
Assistant Mayor for Adult Social Care

#### **5. Financial, legal and other implications**

##### 5.1 Financial implications

5.1.1 The base budget for the VCS services is £1,293,000 and there will be additional one off CCG funding of £690,000 utilised during 2015/16 and 2016/17 to create an overall budget of £1,638,000 per annum over the next two years.

5.1.2 The funding is only confirmed for the next two years and no commitments can be made beyond that time.

*Rod Pearson, Finance Head ASC*

##### 5.2 Legal implications

5.2.1 This report details the outcome of a review and consultation exercise in respect of the VCS Preventative Services that are commissioned by the Council.

5.2.2 The Executive are asked to approve the recommendations in part 2 of this report.

5.2.3 The Council has a general duty under Section 149 Equality Act 2010 to have

regard to the need to eliminate unlawful discrimination, harassment and victimisation and advance equality of opportunity between different groups and foster good relations between different groups. In fulfilling this duty, when making decisions of this nature, the Council must consider equality impact, the Executive must consider this (Appendix 4) as a matter of law.

5.2.4 Should the Executive approve the recommendations, in particular Option 2, legal services will continue to advise client officers in respect of implementing that decision and commissioning. Where services are procured, the Public Services (Social Value) Act 2012 applies to services contracts over EU thresholds, and client officers should consider social value considerations during any pre-procurement stage of commissioning.

*Beena Adatia, Principal Lawyer (Commercial and Contracts)*

### 5.3 Climate Change and Carbon Reduction implications

Where services are delivered from providers own premises, new service specifications will be put in place, which will include measures to ensure environmental sustainability, such as commitment to recycle, reduce waste and energy consumption. The carbon impact of changed transport provision will also be considered in the re-design of services, where appropriate.

*Anna Dodd, Environment Team*

### 5.4 Equality Impact Assessment

The EIA attached at appendix 4 shows the demographic data of the service users using the current services subject to consultation (advocacy and counselling).

## **6. Background information and other papers:**

Not applicable

## **7. Summary of appendices:**

Appendix 1 – List of providers

Appendix 2 – Consultation report

Appendix 2 – Recommended provision

Appendix 3 – Equality Impact Assessment

## **8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?**

No

## **9. Is this a “key decision”?**



Yes

**10. If a key decision please explain reason**

It affects communities living or working in two or more wards in the City.