

**NORTH SOMERSET COUNCIL
DECISION**

**DECISION OF: DIRECTOR OF PEOPLE AND COMMUNITIES
WITH ADVICE FROM: SECTION 151 OFFICER AND HEAD OF STRATEGIC
PROCUREMENT
DIRECTORATE: PEOPLE AND COMMUNITIES**



DECISION NO: PC105 (2019/20 SCHEME)

SUBJECT: WELLNESS AND ACTIVE LIFESTYLES DAY SERVICES

KEY DECISION: YES

REASON: This is a Key Decision based on the value of the Contract.

BACKGROUND:

The Contract for the provision of care and support to Tamar Court extra care housing development was directly awarded to Alliance Living Care following two unsuccessful tender processes – P&C39 November 2016. The first tender saw no bidders and the second tender saw the Contract awarded to The Human Support Group who then exited the market in North Somerset prior to the Contract commencing on 16th January 2017.

The Contract contains the provision of day services at the Wellness Centre facility located at Tamar Court. North Somerset Council's in-house dementia day service provision, which was formally provided on the site where Tamar Court was built, was to be transferred to Alliance Living Care as part of the Contract award.

DECISION:

1. To vary the Tamar Court Extra Care Housing Contract to remove the provision of the Wellness Centre Service.
2. Direct award a 2-year Wellness and Active Lifestyles Contract to Alliance Living Care, commencing 1st April 2020, for the south of North Somerset, as an exception to Contract Standing Orders.

REASONS:

The transfer has taken 3 years to realise due to ongoing dialogue with Alliance Living Care over the financial modelling of the Service. The transfer had commenced on several occasions but had not taken place due the Council and Alliance Living Care being unable to reach an agreement for a model of the Service that was financially agreeable to the Alliance Living Care Board. This was further impacted by numerous changes of personnel within Alliance Home Group.

The Alliance Living Care board were supportive of the transfer and expanding their service offer in North Somerset in principle but had concerns over the financial modelling. Subsequently, Alliance Living Care have asked for some conditions from the Council in order to proceed with the transfer. These are detailed in the Finance section.

The vision for the Wellness Centre service initially was for the existing in-house dementia service to transfer but to also use the service to develop a range of activities for the wider community. We want to move away from a traditional buildings-based day service and provide a service that will enhance the people who use the service's physical and emotional wellbeing. We see this transfer and new contract as the opportunity to develop our day service provision further with an existing strategic provider.

Variation to the Tamar Court Contract

Tamar Court is the only Extra Care Housing development with a day service attached. At the time of the tender, it was appropriate to include the Wellness Centre Service in the same contract as there was no other comparable provision. It is recommended that the Wellness Centre Service be removed from the Tamar Court contract to allow for the distinction of the care service and day service.

This is not a material change to the contract as there are no services currently being provided at the Wellness Centre under the current contract.

OPTIONS CONSIDERED:

1. To retain the Tamar Court day service in house. The Council have no other in house services remaining. The capacity of the service is not optimised and therefore is costing the Council more to run than income gained.

FINANCIAL IMPLICATIONS:

In order to transfer the Tamar Court day services Alliance Living Care requested two funding conditions.

1. A financial "block" agreement, with the Council funding a set number of places to guarantee income to the provider that meets the costs of the service.
2. The funding of some one-off start-up costs that will allow the provider to effectively mobilise the service and make improvements.

Costs

The Council will fund a minimum of 16 places per day or 32 sessions at £65 per day; a session is half a day. This meets the breakeven cost of the service for the provider. Should the number of North Somerset Council funded attendees drop to less than 16 in one day, but Alliance Living Care have self-funding service users attend, who they invoice independently, the Council will deduct the cost of the appropriate number of self-funding placements from the block payment. If there are users in excess of the 16 per day, the Council will fund them on a "spot" basis at £65 / day

Three examples of possible users and payments are shown in the table below to illustrate the payment mechanism.

	Example A	Example B	Example C
No. of users per day			

- NSC funded	12	16	20
- Self funded	4	4	4
- TOTAL	16	20	24

Payments (per day)

- Block payment to Alliance	£1,040	£1,040	£1,040
- Credit note to NSC	-£260	£0	£0
- Spot payment to Alliance	£0	£0	£260
- TOTAL	£780	£1,040	£1,300

Payments (annual equivalent)

- Block payment to Alliance	£270,400	£270,400	£270,400
- Credit note to NSC	-£67,600	£0	£0
- Spot payment to Alliance	£0	£0	£67,600
- TOTAL	£202,800	£270,400	£338,000

With 16 North Somerset funded users per day, the annual payment would be £270,400 per annum, which would equate to £540,800 over a two-year term.

In addition to these on-going costs, it is also proposed that the Council funds one-off costs, up to a maximum of £50,000 and subject to proof of payment by the provider. These relate to additional management, staffing, training, HR and legal costs. These are required in order to ensure continuity and quality of service and to address any potential issues that might arise from the mobilisation.

Funding

The existing in-house service is funded from the Adult Social Care budget and the current cost of the elements of service transferring to Alliance, excluding overheads, is as follows.

Item	Current Annual Cost £000s
Operational salaries	230
Management	32
Meals	27
Rent	5
TOTAL	294

Given that the equivalent cost of the service proposed by Alliance is c. £270k, including overheads, this indicates that a value for money solution is being proposed.

The Council will continue to invoice Council-funded clients for their payments, should a financial assessment indicate that they should make a contribution to the costs of their care. The provider will charge new self-funders directly.

Funding

Funding will come from the Adult Social Care budget.

There are no financial implications or costs associated with removing the Wellness Centre Service in the Tamar Court Extra Care Housing Contract.

LEGAL POWERS AND IMPLICATIONS

Contract Standing Orders 6.3

6.3.3 the Council would otherwise be exposed to immediate and significant financial, legal or reputational risk that has been identified in the relevant risk register;

6.3.4 only one supplier is objectively able to provide the works, services or goods in question including, but not limited to, where the provision is specialist, where the supplier has exclusive intellectual property rights, artistic or other rights, has a monopoly or where the goods bought are for re-sale. In such circumstance only that one supplier may be asked to quote / tender, however the quote / tender must be evaluated for capability and suitability.

Tamar Court Extra Care Housing Contract Clause 11 Change Control.
Contract Standing Orders Clause 27.

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

The contracts will contain a social value paragraph. That paragraph contains the following wording;

Environmental

The Provider shall endeavour to develop sustainable transport initiatives in the provision of its services including encouraging 'greener' ways of travelling i.e. Staff walking and cycling to work where appropriate; and

The Provider will dispose of all waste, including proper disposal of, and take measures to reduce, re-use and recycle these resources where possible.

Any buildings used for the provision of services will look to use energy efficient ways of providing and using power, meals and activities.

CONSULTATION

Alliance Living Care has commenced consultation with the in-house day service staff and service users as part of the transfer of the Wellness Centre service.

RISK MANAGEMENT

Promotion will be done within the operational social care teams to increase the referrals to the services. Alliance Living Care will be requested to produce a plan of engagement to increase awareness of the services and what they offer. This will reduce the financial risk to the Council in paying a block funding arrangement. The services being successful will also minimise the risk of the north service closing and Alliance Living Care evoking the redundancy agreement.

EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment? Yes - summary. The impact rating is low. This is due to the services remaining open being only a positive impact to the relevant protected characteristics and Carers of service users.

CORPORATE IMPLICATIONS

None

APPENDICES

N/A

BACKGROUND PAPERS

Full Council Report 21 19/07/16 minute number COU52
Executive Member Decision paper PC39 November 2016

SIGNATORIES:


DECISION MAKER(S):

Signed: 

Title: Director, People and Communities

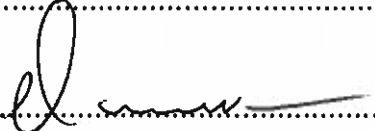
Date: 11.3.20

WITH ADVICE FROM:

Signed: 

Title: S151 Officer

Date: 11.3.20

Signed: 

Title: Head of Strategic Procurement

Date: 11.3.20

Footnote: Details of changes made and agreed by the decision taker since publication of the proposed (pre-signed) decision notice, if applicable:

