

# North Tyneside Council

## Report to Cabinet

### Date: 14 March 2016

#### ITEM 7(d)

Title: Older People's Day Services

Portfolio(s): **Adult Social Care**

Cabinet Member(s): **Councillor Alison Waggott-Fairley**

Report from Service

Area: **Health, Education, Care and Safeguarding**

Responsible Officer: **Jacqui Old** (Tel: 0191 643 7317)

Wards affected: **All Wards**

### PART 1

#### 1.1 Executive Summary:

The purpose of this report is to seek Cabinet approval to undertake a competitive procurement exercise to establish a new framework contract for the provision of Day Services for Older People. The Framework will support older and other vulnerable individuals to live independently in their own homes.

Despite their popularity amongst older people, day services are often seen as an outdated model of service provision that does not reflect what would be wanted by today's older people. There is, however, substantial national and local evidence that many older people in receipt of personal budgets continue to choose to use day services and also satisfaction rates of those who use them are extremely high.

The current contract expires on 30 June 2016 and therefore, to ensure compliance with the Authority's procurement rules and our duties under the Care Act 2014 in respect of Market Shaping, it is necessary to put a new Framework in place.

It is anticipated that the procurement exercise will begin in March 2016, with a view to the contract commencing in July 2016.

#### 1.2 Recommendation(s):

It is recommended that Cabinet authorise Head of Commissioning and Investment in consultation with the Head of Health, Education, Care and Safeguarding, the Cabinet Member for Adult Social Care, the Head of Law and Governance and the Head of Finance to undertake a competitive procurement exercise to procure a Framework of providers and award contracts to those providers whose tenders are the most economically advantageous to the Authority.

### 1.3 Forward Plan:

Twenty eight days notice of this report has been given and it first appeared on the Forward Plan that was published on 8th February 2016.

### 1.4 Council Plan and Policy Framework:

This report relates to the following priorities contained within the 2014 - 18, Our North Tyneside Plan:

- Our People will be supported to live healthier and longer lives
- Our People will be cared for and kept safe if they become vulnerable

The new service will also contribute to the achievement of the Creating a Brighter Future Programme, outcomes of:

Cared for, safeguarded and healthy by:

- Encouraging our customers to be more independent; and
- Better managing demand for services so people access the right services at the right time.

### 1.5 Information:

#### 1.5.1 Background

- Nearly half (49%) of all people aged 75 and over live alone<sup>1</sup>
- Loneliness can be as harmful for our health as smoking 15 cigarettes a day<sup>2</sup>
- People with a high degree of loneliness are twice as likely to develop Alzheimer's as people with a low degree of loneliness<sup>3</sup>
- Feeling lonely has been shown to increase blood pressure and risk of cardiovascular diseases, elevates cortisol and stress levels which weakens the immune system<sup>4</sup>

With an ageing population the number of people with dementia is increasing. Around two-thirds of people with dementia live in the community and a third live in care homes. Of the people who live in the community a third live alone in their own homes.

Day service provision provides a very cost effective way of supporting older people to continue to live at home whilst helping them to maintain connections with friends and the local community. Carers also find day services a huge benefit by giving them a break from their caring role.

Day services are valued for making a real difference to older people's and carers' lives in the following areas:

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<sup>1</sup> *General Lifestyle Survey 2010*, table 3.3 (GB), ONS, 2012

<sup>2</sup> *Social relationships and mortality risk: a meta-analytic review*. Holt-Lunstad J, Smith TB, Layton JB. *PLoS Med* 2010;7(7)

<sup>3</sup> *Loneliness and risk of Alzheimer disease*. Wilson RS, Krueger KR, Arnold SE, Schneider JA, Kelly JF, Barnes LL, et al. *Arch Gen Psychiatry* 2007 Feb

<sup>4</sup> Hawkley, LC, Burleson, MH, Berntson, GG, Cacioppo, JT. (2003) 'Loneliness in everyday life: cardiovascular activity, psychosocial context, and health behaviors'. *Journal of Personality and Social Psychology*, 85 (1), pp. 105–120

- Social contact - combating social isolation and loneliness
- Carer support - providing respite for carers
- Low-level support - monitoring welfare and providing advice, information and signposting
- Health and nutrition - providing a hot meal and opportunities to eat with others
- Volunteering opportunities – people can make a contribution to their own communities

### 1.5.2 The current service

An Older People's Day Services/Opportunities Framework has been in place since 1<sup>st</sup> December 2010.

The Framework consists of five providers who deliver services over seven sites:

- Age UK North Tyneside
- Dementia Care
- St. Anthony's of Padua
- St John Ambulance
- Tynemouth Village

Between them, these organisations offer a range of building based day services including dementia care provision. All services provide a range of stimulating activities; some services provide specialist equipment and are able to support people with a range of disabilities; some offer daily trips out to local places of interest and provide additional opportunities for older people to make links with the wider community that might not otherwise be possible.

Day service placements range from 3 hours to 7 hours per session.

#### Cost of the service

Payments to providers are made on a 'spot-purchase' basis with the Authority only having to pay for those customers who use the service.

Spend on the service in 2014/15 was £0.589m. The forecasted spend for the service in 2015/16 is £0.523m and this reflects the decreasing demand for the service in recent years, as set out below.

#### Current demand for the service

Between 2012 and 2015 the number of people accessing council managed day services has reduced steadily. The number of sessions accessed per week is also reducing, but at a slower rate than client numbers. Although less people are accessing day services now than in 2012, on average those who attend a day service go for more sessions per week.

The following data is taken from one week service provision in September each year.

	2012	2013	2014	2015
<b>No of people</b>	242	229	220	195

	2012	2013	2014	2015
<b>Sessions per week</b>	374	386	379	326
<b>Average no of sessions per Client</b>	1.5	1.7	1.7	1.7

Six of the seven day services have experienced decreasing numbers of people attending over the years, except for Linskill Park which currently only provides care for people with dementia.

All current service providers report attendance by 'self funders'. People are sometimes being signposted and are making their own arrangements to attend, and additionally some of those assessed as having social care needs that will be met by attendance at a day service, are paying for additional sessions themselves as they and their families consider that they benefit from extra attendance.

#### Customer views on the current services

The Community and Health Care Forum (CHCF) was asked to engage with people who currently use day services and their relatives and carers. They held group discussions with users of the day services and also distributed questionnaires to unpaid carers.

Overwhelmingly people who use day services appreciate the opportunity to attend. Some of the reasons for using day services include; opportunities to socialise and make new friends; to "get out of the house"; and to give carers a break. There were many positive comments about the staff in the centres, who were considered to be very kind, caring and respectful. Customers were also appreciative of good quality food which is available at some resources.

#### Carer views on the current services

67 questionnaires have been returned by carers of people attending day services.

Relatives / carers refer to how much happier their loved ones seem when they return from a day service. When asked what they thought was the least enjoyable part of their relative's day service experience, relatives / carers struggled to find any negatives, "going home" was quoted by one carer.

Some relatives / carers thought a wider range of more stimulating activities should be on offer.

Relatives / carers clearly value the opportunity to have a break from their caring role. Many use the time to catch up on housework and shopping, or to support them to continue to remain in employment.

#### Current service provider views

Current providers advised that as people are being supported to live at home for longer, the level of need of the people who are attending has increased. Many people who now attend have multiple health conditions and some have very complex needs. Some

referrals to the services are being made whilst people are almost at the palliative stage of their illness.

The prevalence of dementia of those attending services has increased significantly over the last five years; therefore the level of training that is required for staff has also increased.

Providers felt that day services are often seen as a less expensive form of support, and that there was a mis-match between what Commissioners were prepared to pay for the service versus their expectations of what providers would/could deliver, for example outings and activities.

#### North Tyneside Resident 50+ Group

The CHCF held a focus group with residents who were 50+ but not yet accessing formal services. Unsurprisingly people found it difficult to imagine themselves using this type of service. People acknowledged that day services have an image problem so every effort should be used to avoid an 'institutional' appearance. Some useful suggestions were made in terms of people's expectations of the service. The comments will be used to develop the specification for the service.

#### Healthwatch North Tyneside

Healthwatch North Tyneside offered residents who attend local activity and social groups in a range of locations around the borough the opportunity to give their views about day services. Additional group discussions were held in Killingworth library; Wideopen library; and John Willie Sams Centre. People were asked what they felt was good, what could be done better, and what day service provision people would like to see in the future.

People approached these questions in a range of different ways and their feedback varied from practical detailed suggestions for future activities; organisational and staff approaches within day centre provision; and access to information about different services available; to describing personal wishes.

The information gathered will be used to develop the specification for the service.

#### Adult Social Care staff views

Staff recognised the important part that day services play in supporting the objective of helping people to remain at home for as long as possible, and reducing the need for more formal costly services.

Although there is a need for people to be encouraged to use their Personal Budgets in more appropriate ways to tailor support to meet their needs, it was acknowledged that people actually want to access group activities with people who will not judge them for their disabilities. Enabling services have a place, however they can be quite isolating as the circle of friends that older people have diminish.

#### Quality Monitoring

Quality across all existing services is generally good, with all of the seven services receiving a quality monitoring visit during 2015. The average quality score was 85% across all services.

## Future Demand

Although there has been a declining trend of 12% reduction in people attending since 2012, it is anticipated that for the next 3 – 5 years that there will be a continued demand for day services.

This is due in part to changing demographics but also because of; the increasing frailty of people accessing the service; the anticipated increase in the number of people with dementia; the increase in the number of older carers who will require respite; and the increasing number of individuals who are being supported to live independently.

### 1.5.3 Moving Forward

The future model for day services will be targeted at supporting people who are not suitable for universal services. It will support people in tier 2 with a view to preventing progression to tier 3 of the Target Operating Model.

There will be an expectation that providers who are successful in this procurement exercise will support and encourage people to become more independent wherever possible, to potentially access more appropriate community facilities as their confidence and ability increases. Providers will therefore need to be linked to other services and support in the Borough and will also be expected to contribute to the Dementia Friendly Communities agenda.

All providers will be expected to promote healthy lifestyles, reduce isolation, stimulate interest and support people to regain skills to promote and increase independence.

### 1.5.4 The new Day Services for Older People Framework

The new Framework will operate for two years with the option to extend for up to two further years.

The Framework will comprise of three lots.

#### **Lot 1 General Day Service**

A number of Providers are required to provide a day service from a suitable venue which is easily accessible by residents of North Tyneside.

Providers of this service will also be expected to offer a service to people who have complex needs including those associated with dementia. Many of the people who would attend this service may be at risk of admission to long term care.

As the number of people with dementia accessing the services is increasing, services provided to people with dementia will no longer be classified as specialist. There will be a requirement for all successful services to provide dementia training to at least Qualifications and Credit Framework (QCF) Level 2 to all staff.

Support for people who require a higher level of support as a result of their needs, will be dealt with on a case by case basis and their Personal Budget will be adjusted accordingly to ensure that they receive the right level of support.

As part of the tender the Council will set out a range of basic requirements that must be met. Providers will be required to submit prices, supply a breakdown of their costs and demonstrate how their service is value for money, by providing information about their service which is over and above the basic requirements, for example provision of specialist equipment or services, enhanced staff training etc.

Providers in Lot 1 will be scored on a Pass/Fail basis.

### **Lots 2 and 3 - Services to be provided from Rowan Croft and Linskill Park Extra Care Schemes**

The Council has an agreement with Housing 21 to enable it to use the purpose built facilities at both Rowan Croft and Linskill Park extra care schemes for the provision of day services. A suitable provider(s) will be sought deliver day services from both of these venues.

The Contracts for Lots 2 and 3 will be awarded to the most economically advantageous tenderer(s) based on a Quality/Financial split of 70/30.

#### Transition

Existing customers will be able to remain with their current day service provider if that provider passes the quality threshold set by the Authority. Where an existing provider is not successful and people wish to remain with their current provider, people will be supported to use a Direct Payment to pay for services or move to an alternative provider on the new Framework.

#### Quality Monitoring

The Framework will have a clear contract monitoring process that links to a strong performance management framework, to ensure that it meets the requirements set out in the service specification. Key Performance Indicators will be developed with the providers and will include:

- Quality of care;
- Choice, control and dignity for customers;
- Customer quality of life outcomes;
- Satisfaction levels of customers, families and carers experience; and
- Staffing information including; recruitment and retention and training delivered.

#### 1.5.5 Pricing

There has been no increase in the prices for day services since the contract was put in place in 2010. Moving forward any price for day services agreed will need to reflect:

- The Council's legal responsibility in terms of the Care Act 2014;
- Implementation of the National Living Wage;
- Requirements to provide varied & stimulating activity – requires appropriate staffing levels;
- Rates that are sufficient to cover staff wages; operating costs; travel costs for customers; recruitment; training and supervision; and
- Different models of day service provision i.e. purpose built day centres versus services delivered from community venues.

It is proposed that the Council set a maximum price for day service sessions.

The price for the day service sessions will remain fixed for the full term of the contract. The Contract will however recognise the impact that the National Living Wage will have and will allow for cost negotiations on the staffing element of the price only, to reflect the increases that this will bring in subsequent years.

The contract will include a clause to ensure that the Provider is not able to charge the Council a price which is above their published rates for private customers.

A supplier event will be held for potential providers prior to the start of the procurement exercise. The event will be used to provide information about the contract and set out the Councils approach to supporting people in line with the Target Operating Model.

### Regional Comparisons

Across the region, charges for day services range from £25 to £60 depending on the type of provision, support provided and length of session.

#### 1.5.6 Social Values

Social Values will be considered as part of the procurement exercise. Day Services can play a significant role in building links with local communities whilst supporting older people with social care needs and multiple long-term conditions to continue to live in the community. Specific social benefits that the Providers can contribute to include:

- Improved social inclusion for residents;
- Greater engagement between the local population and the wider community
- Greater participation with third sector organisations in the community;
- Supporting our local population to keep well;
- Improved healthy life expectancy; and
- Supporting the local population to have more choice, control and independence.

#### 1.6 **Decision options:**

The following decision options are available for consideration by Cabinet:

##### Option 1

Agree the recommendations set out at section 1.2.

##### Option 2

Not agree the recommendations set out at section 1.2.

Option 1 is the recommended option.

#### 1.7 **Reasons for recommended option:**

Option 1 is recommended for the following reasons:

If Cabinet approves the recommended option, the procurement process will begin immediately and the Authority will be ready to award new contracts which will begin on 1 July 2016.



### **There are a number of reasons to support this recommendation:**

1. As the current contract is due to expire, the Council must re-tender the service to satisfy procurement requirements.
2. Day Service provision is proven to have a key role to play in supporting older people remain independent.
3. Day Services are a cost effective way of supporting people to maintain social contact and prevent isolation. Six hours of day service provision will cost approximately 50% less compared to only three hours of support that could be provided by the Supporting People to Live at Home contract, at a cost of £42.
4. The 2011 Census identified 22,208 adult carers in North Tyneside and highlighted a 19% increase in the number of people who are caring for more than 20 hours: the point at which caring starts to significantly impact on a carer's health and wellbeing and their ability to have a life alongside caring. Day Services have a significant part to play in providing respite from the caring role.

If the preferred option is not approved, the Authority will be unable to progress its procurement exercise and will not be in a position to award new contracts.

### **1.8 Appendices:**

None

### **1.9 Contact officers:**

Sheila Watson, Strategic Commissioning Manager Adults and Older People, People Based Commissioning, Tel (0191) 643 7007

Susan Meins, Commissioning Manager, People Based Commissioning, Tel (0191) 643 7940

Sue Graham, Principal Accountant, Strategic Finance, Cofely, Tel (0191) 643 7066

Alison Campbell, Senior Business Partner, Finance, Tel (0191) 643 7038

Carol Humphries, Legal Services, Tel: 0191 643 5340

Phil McConnell, Head of Governance and Procurement, Cofely, Tel (0191) 643 4304

Judith Robson, Procurement and Contracts Officer, Cofely, Tel (0191) 643 5660

### **1.10 Background information:**

The following background papers/information and have been used in the compilation of this report and are available at the office of the author:

- Carers UK - State of Caring 2015
- ONS - Insights into Loneliness, Older People and Well-being, 2015

- Age UK Evidence Review: Loneliness in Later Life 2014
- Policy Paper – National Living Wage

## **PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING**

### **2.1 Finance and other resources**

The service is demand led and often part of a larger individual care-plan. Day Services are a cost effective way of supporting people to maintain social contact and prevent isolation. Any procurement exercise will need to take account of the introduction of the National Living wage from 1 April 2016. The 2016/17 Budget approved by Council on the 18 February 2016 includes some contingency for the pressures that the National Living Wage will bring.

It is anticipated that the costs associated with a new contract can be met within existing budget provision. If this is not the case a report will be brought back to Cabinet / Council, as appropriate for a decision before any expenditure is incurred.

### **2.2 Legal**

Given the value of the services, the procurement exercise will be undertaken in compliance with the Public Contract Regulations 2015 and the Authority's Contract Standing Orders.

Any successful provider shall enter into a contract with the Authority on terms agreed by the Head of Law and Governance. Contracts shall be awarded to the most economically advantageous tenderers.

### **2.3 Consultation/community engagement**

A comprehensive consultation and engagement programme has been undertaken to inform this procurement exercise, including current customers and carers; people who may potentially use a service in the future; current service providers; and social care staff.

The comments made about each individual service have been shared with the current service providers to support them to make changes to their services where required.

#### **2.3.1 Internal Consultation**

Internal consultation has been undertaken with Adult Social Care staff to obtain views on the current service and also on the requirements of a new service.

#### **2.3.2 External Consultation/Engagement**

The Community and Health Care Forum (CHCF) was asked to engage with those who currently use day services and their relatives and carers. The purpose was to elicit views on the range and type of activities provided as well as what people would like to see available to them within the service they receive. In addition the views of carers and relatives were also sought. The CHCF made contact with each of the five named providers and the people who use their services at the seven sites during November 2015.

The CHCF also held a 50's and over focus group to establish what future service users may want to see as a day service model.

Healthwatch North Tyneside have conducted some additional focus groups with people who attend community groups in the borough, to establish what they would like to see included in a future service.

### **2.3.3 Consultation with providers on the current Day Service Framework**

A focus group was held with all existing providers to discuss their views on the current service. This information has been used to support the development of the future service specification.

### **2.3.4 Future Supplier Event**

A supplier event will be held for potential providers prior to the start of the procurement exercise. The event will be used to provide information about the contract and set out the Councils approach to supporting people in line with the Target Operating Model.

## **2.4 Human rights**

The proposals contained in this report relate to the following human rights:

- Right to liberty and security
- Right to respect for private and family life
- Freedom of thought, belief and religion
- Freedom of expression
- Protection from discrimination

## **2.5 Equalities and diversity**

The use of a new framework agreement for the provision of Day Services will promote choice, respect and recognition.

The Contract stipulates that the Provider will not unlawfully discriminate in relation to race, gender, religion, disability and sexual orientation for both employees and service users alike. The contract also stipulates that the Provider must ensure that its workforce receives appropriate training in order to understand their roles and responsibilities under the 2010 Equality Act including promoting equality of opportunity and preventing discrimination.

There is a requirement for the Provider to support users from black and minority ethnic communities and ensure that their needs are understood and catered for. Providers will be asked to consider establishing support for minority groups.

An Equality Impact Assessment has been conducted; no negative impacts have been identified. The procurement process and on-going performance monitoring against the requirements set out in the service specification, will be used to assess and monitor the values and practices of providers in relation to equal opportunities.

## **2.6 Risk management**

Undertaking this procurement exercise and establishing a Framework Agreement ensure that older people in the borough are able to remain connected with their communities.

Procuring a new service will allow the Authority to update the current service to reflect the change in need by those attending and recognised best practice. This procurement exercise will ensure new contracts are in place by July 2016.

Risks have been considered and evaluated. Actions that could be taken to mitigate the risks have been identified. During the process of contracting, risks will be discussed with the Risk Champion, evaluated and actioned as appropriate.

## 2.7 Crime and disorder

There are no crime and disorder implications directly arising from this report.

## 2.8 Environment and sustainability

There are no environment and sustainability implications directly arising from this report.

As part of the procurement exercise providers will be asked to detail the environmental management measures that the organisation uses to demonstrate environmental sustainability. Also, how they will contribute to minimising environmental impacts that may arise as part of the operation of this contract.

## PART 3 - SIGN OFF

- Deputy Chief Executive
  - Head(s) of Service
  - Mayor/Cabinet Member(s)
  - Chief Finance Officer
  - Monitoring Officer
  - Head of Corporate Strategy
-