

**Glasgow City  
Integration Joint Board  
Finance and Audit Committee**

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**SHARED LIVES TENDER**

<b>Purpose of Report:</b>	To inform the IJB Finance and Audit Committee on the intention to proceed with an open tender for Shared Lives Services for Adults with Disabilities.
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<b>Recommendations:</b>	<p>The IJB Finance and Audit Committee is asked to:</p> <p>a) note the contents of this report and the request to the IJB to direct the Council to advertise this requirement.</p>
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**Relevance to Integration Joint Board Strategic Plan:**

The shared lives model of delivering care to adults with disabilities fits with the aspiration of the Partnership to deliver support at the right time, in the right place, and from the right person, and to provide health and social care services in local communities where possible. It supports the Partnership's key priorities of shifting the balance of care and enabling independent living for longer.

**Implications for Health and Social Care Partnership:**

<b>Reference to National Health &amp; Wellbeing Outcome:</b>	Outcome 2: People, including those with disabilities or long term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.
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Personnel:	None																						
Carers:	None																						
Provider Organisations:	None																						
Equalities:	See section 7 in relation to EQIA. Initial EQIA screening does not indicate significant negative impact for equality groups.																						
Financial:	<p>Guidance recommends basing the estimated value of a contract on a 4 year duration. The estimated value of this contract based on a 4 year duration would be <b>£3,102,508.50</b>.</p> <p>The projected value of the contract is £310,250.85 in year one (recurring) increasing by an estimated £310,250.85 per year as detailed in the table below.</p> <table><tr><td></td><td>Yr 1</td><td>Yr 2</td><td>Yr 3</td><td>Yr 4</td></tr><tr><td>New</td><td>£310,250.85</td><td>£310,250.85</td><td>£310,250.85</td><td>£310,250.85</td></tr><tr><td>Recurring</td><td></td><td>£310,250.85</td><td>£620,501.70</td><td>£930,752.55</td></tr><tr><td>Yrly Total</td><td>£ 310,250.85</td><td>£620,501.70</td><td>£ 930,752.55</td><td>£1,241,003.40</td></tr></table> <table><tr><td>4 Year Contract Value</td><td>£ 3,102,508.50</td></tr></table> <p>It should be noted that the planned term of this social care contract is intended to be 5 years plus the option to extend for 2 years. This is in line with provisions under section 7 of the Public Contracts (Scotland) Regulations applicable to Social and other Specific Services and the Best Practice Guidance on the procurement of Care and Support Services. (See section 5.3 for further financial details.)</p> <p>In general terms the projected costs for this model of service compare favourably with other models of service such as residential care and supported living for people with disabilities with similar needs. In this regard this procurement exercise will help to ensure service user choice, diversity of service models available and Best Value in relation to services for people with disabilities. Funding for the new service will come from existing budgets such as the personalisation and residential care budgets and the shared lives service will be offered as an alternative to these services for those that require it.</p>		Yr 1	Yr 2	Yr 3	Yr 4	New	£310,250.85	£310,250.85	£310,250.85	£310,250.85	Recurring		£310,250.85	£620,501.70	£930,752.55	Yrly Total	£ 310,250.85	£620,501.70	£ 930,752.55	£1,241,003.40	4 Year Contract Value	£ 3,102,508.50
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Legal:	The tender will be carried out in accordance with the Standing Orders Relating to Contracts 2016 and the Public Contract																						

	(Scotland) Regulations 2015. The Executive Director of Corporate Services will be required to conclude the contract.
<b>Economic Impact:</b>	None
<b>Sustainability:</b>	Commitment to contracting with an employer who can demonstrate commitment to maintaining a well-managed, motivated and properly remunerated work force.
<b>Sustainable Procurement and Article 19:</b>	Article 19 is not considered to apply to these services.
<b>Risk Implications:</b>	Failure to award the contract to a successful bidder would hinder the Partnership's ability to place vulnerable people in shared care placements.
<b>Implications for Glasgow City Council:</b>	None
<b>Implications for NHS Greater Glasgow &amp; Clyde:</b>	None

## 1. Purpose

- 1.1 The purpose of this report is to inform the committee of the intention to go to open tender for a preferred bidder to deliver the Shared Lives service to adults with disabilities under a single supplier framework agreement.

## 2. Background

- 2.1 Shared Lives (SL) is a longstanding, but innovative form of care and support. Formerly these services were known in Glasgow as Adult Family Placement Services. SL services operate by matching service users in need of accommodation and support with approved SL carers who offer support to service users in their own home. The carers are recruited and given ongoing support by an organisation which is registered with the Care Inspectorate to provide SL services. The SL organization is responsible for carefully matching service users and SL carers on compatibility grounds. When a compatible match is established, a service user goes to live with the SL carer in the carer's home. Ongoing support, training and supervision is offered to SL carers by the SL organisation. The service is unique in that, it enables adult service users to receive the support they require for independent living in the family home of the shared lives carer. The model enables the service user to become part of the SL carer's family life, participate in family events with the SL carer and get to know and enjoy the carer's family and friends.

- 2.2 Shared lives services are currently provided by Quarriers to 22 service users placed long term with families. Social Work Services pay a sum of £525,487 annually to Quarriers for this service, which is broken down into 4 key elements; the provider management fee; the purchase of day opportunities; the purchase of respite support and the core fee paid to the self-employed shared lives carers.
- 2.3 Following withdrawal in 2016 from the shared lives market of another provider (PSS) Social Work obtained permission from Legal and Audit to negotiate with a single supplier (Quarriers) who already supported 10 people with learning disabilities in Shared Lives services on the understanding that a procurement exercise be planned for the service requirement going forward.
- 2.4 Quarriers took on an extra 12 people formerly supported by PSS bringing the total number of people funded by the Council and supported in long-term shared lives placements to 22.

### **3. Procurement Planning Issues**

- 3.1 The disabilities commissioning team's original procurement plan for the tendering of the Shared Lives Service included new business as well as all 22 legacy placements which were commissioned over the past circa 30 years. This included service users who have been with their current shared lives carers for between 20 to 30 years (8), 10 to 20 years (9), and under 10 years (5).
- 3.2 The procurement planning process highlighted the risk that including the legacy placements in the tendering exercise could lead to service users losing their homes if the business was offered to a new provider. Many of the service users are elderly and/or have been living with their shared lives carers for considerable time, and it is deemed in their best interests to remain in their shared life placement whilst the service model continues to be appropriate for their needs.
- 3.3 SWS have, historically been in similar situations with Children's Fostering Services and have taken the decision not to re-tender existing/legacy placements. Advice was therefore sought from Legal Services and GCHSCP senior managers.

### **4. Legal Perspective**

- 4.1 Legal Services have advised that it is not possible from a contractual perspective to force existing shared lives carers to work with a potential new provider given the circumstances as outlined above. On this basis we requested approval from Legal and Audit to exclude the existing business from the shared lives procurement exercise.
- 4.2 The legal advice was that this was permissible provided the situation met the exemption criteria set out in section 33 of the Public Contracts (Scotland) regulations 2015.

- 4.3 In order to evidence the exemption criteria, Legal services suggested that SWS may wish to establish whether the carers are prepared to move to a different provider, establish the intentions of possible providers in relation to being prepared to “take on” existing Shared Lives Carers and attempt to draft the tender in a way that makes it clear that existing business would only be moved with the permission of the shared lives carer. Work has commenced to undertake this work.

## 5. Procurement Planning

- 5.1 Information was collated and provided to the senior management team on the risks inherent within the options (include legacy business or exclude) and commissioning have been instructed by the Chief Officer to proceed with the procurement exercise for new business only. (See Appendix 1.)
- 5.2 The performance over the past 10 years of shared lives services indicates negative growth, however there is renewed interest in the Shared Lives approach due to its positive and unique features.
- 5.3 Consultation with fieldwork colleagues has confirmed expectations of a small, ongoing demand for this service model. For planning purposes we are projecting an estimated take up of 7 long-term placements per year. This figure comprises of 5 new placements and an estimated annual transfer of 2 legacy placements to the new contract. A transfer of legacy placements to the new contract would apply if for example, an existing shared lives carer were to retire and the service user required the creation of a new shared lives arrangement. Due to the unique characteristics of this service model and to help support the particular requirements in relation to continuity of service, the contract term will be five years plus a two year extension option. The estimated annual contract values are shown in the table below:

<b>Timeframe and estimated placements: 5 year plus 2 year extension.</b>	<b>Estimated Annual Values</b>
Year 1	£310,250.85 pa
Year 2	£620,501.70 pa
Year 3	£930,752.55 pa
Year 4	£1,241,003.40 pa
Year 5	£1,551,254.25 pa
Optional Extension Year 1	£1,861,505.10 pa
Optional Extension Year 2	£2,171,755.95 pa

## 6. Provider Market

- 6.1 The recompense to any provider for arranging the shared lives service rests in the management fee. This means that the model relies on economies of scale to be cost effective. For this reason we are predicting that the model, on the scale we are projecting, may not be particularly attractive to new entrants to the market.

- 6.2 In terms of the existing market, we have found no other third sector providers of Shared Lives services in Scotland specific to adults with learning disabilities. We are aware of one other organisation which supports a very small project for young people leaving care/at risk of offending in Perthshire, one small project in Renfrewshire and a small project for children in Highland.
- 6.3 Other services exist in several local authorities but they are provided in house by those local authorities. Experience indicates that providers in England are unlikely to be interested as the business we are offering is relatively small. The English provider most likely to have been interested is PSS, the organisation which withdrew from all its Scottish services in 2016.

## **7. Equality Impact Assessment**

- 7.1 Early indications from EQIA screening provides no evidence to suggest that this procurement exercise will negatively impact any equality group. However arrangements are being put in place to complete a full EQIA in advance of the tender being published (estimated end October 2017) with any issues reported back to this committee.

## **8. Next Steps**

- 8.1 The key priorities for the Commissioning Team are to:
- a) Request the IJB to direct the Council to tender this requirement;
  - b) Proceed with the development of the tender documents with a view to publishing the tender for **new** shared lives business in October 2017 or as soon as possible thereafter;
  - c) Conduct market engagement to gather evidence in justification for the exemption for legacy business referred to in 4.3 above;
  - d) Instruct a full Equality Impact Assessment in advance of publication of the tender;
  - e) Consider requirements to develop contractual arrangements for the **legacy** business.

## **9. Recommendations**

- 9.1 The IJB Finance and Audit Committee is asked to:
- a) note the contents of this report and the request to the IJB to direct the Council to advertise this requirement.

## Appendix 1: Analysis of risk

<b><u>Risks in Tendering Legacy Placements</u></b>	<b><u>Risk rating (High/Medium/Low)</u></b>
<b>Risk of challenge from Carers</b> if a new provider wins the contract and the Carer does not wish to move	<b>Medium</b> Carers tend to be very loyal to the service user they have welcomed into their family which may mitigate this risk in part. Carers may ultimately change to a different provider even if they were unhappy with the result of the tender. Tendering this business is likely to cause carers anxiety/alarm which proved to be the case when PSS served notice last year
<b>Risk of challenge from Service Users</b> and Advocates/Legal Proxies if carers withdraw and service users loses/fears loss of home and right to a family Life Article 8 of the Human Rights Act: Right to respect for private and family life	<b>High</b> Precedents exist e.g. Edinburgh (ECC) when a tender was successfully challenged by SUs and Carers. Even though shared lives is a paid service, the way shared lives is set up means people are fostered into a new family and where the placement is successful become firmly embedded in family life.
<b>Risk of reputational Damage for SWS</b> who could be accused of tendering away peoples existing support	<b>High</b> If this were to be taken up by the press, Media interest and elected member interest is likely to be high. From a moral perspective it is difficult to argue how tendering this legacy business is in the best interest of service users. ECC suffered a high degree of reputational damage when they attempted to enforce a change of supported living provider on existing service users.
<b>Reputational risk to potential providers</b> who by tendering may be accused of being complicit in tendering away people's existing support	<b>High</b> Reputable providers are likely to be very wary of this and this is likely to mean that few would tender for it.

Risk in <u>not</u> Tendering Legacy Placements	Risk rating (High/Medium/Low)
<p><b>Risk of Legal Challenge by potential providers:</b></p> <p>Legacy placement business is over the OJEU threshold and were SWS to use Regulation 33 to exempt the need to tender. A potential provider may decide to challenge. SWS would then have to evidence how the legacy business meets the exemption to tender.</p>	<p><b>Low</b></p> <ul style="list-style-type: none"> <li>• There are only 3 providers with experience of providing this service in Scotland</li> <li>• All 3 are reputable organisations which would be very alive to the reputational risk to their organisation of challenging a decision to continue this type of home based service which have been in place for anything up to 30 years.</li> </ul>