

SCRUTINY PANEL

18 February 2016

PEOPLE CONTRACTS AND FUTURE COMMISSIONING DIRECTION

Report of the Director for People

Strategic Aim:	Meeting the health and wellbeing needs of the community	
Exempt Information	No	
Cabinet Member(s) Responsible:	Mr R Clifton, Portfolio Holder for Health and Adult Social Care Mr R Foster, Portfolio Holder for Safeguarding Children and Young People	
Contact Officer(s):	Karen Kibblewhite, Head of Commissioning	01572 758127 kkibblewhite@rutland.gov.uk
Ward Councillors		

DECISION RECOMMENDATIONS

That the Panel:

1. Endorses the approach for future commissioning relating to People Directorate contracts and makes suggestions for the future vision.

1 PURPOSE OF THE REPORT

- 1.1 This report provides Scrutiny with an overview of the proposed vision for future commissioning within Rutland and on the implications for current contracts of this proposal, and an opportunity to comment and make suggestions.

2 BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 Commissioning in Rutland needs change to be fit for purpose in the future. Significant work has been undertaken over the past eighteen months to review commissioning arrangements and processes, and assess existing contracts against local communities' needs.
- 2.2 In addition, work has been undertaken to align our procurement processes with the Public Contract Regulations 2015 which came into force in March last year, and to ensure contracting activity is compliant with this and our internal processes. All this work coupled with the wider review of the voluntary sector and how best it

can be developed and made use of in Rutland has led to the proposed approach for future commissioning.

- 2.3 Currently, there is no coherent overarching structure underpinning the service delivery model for either Adults or Children's contracted services. A paper was tabled at Cabinet in December 2015 to propose a new approach to commissioning a number of services which will enable the needs of the community to be placed at the heart of contracts and focus on quality outcomes, and to make savings against current spend. This approach was agreed by Cabinet.
- 2.4 In order to achieve a new model of commissioning and undertake the procurement, a number of existing contracts were extended or renewed for up to 12 months, whilst the procurement is undertaken.

3 THE FUTURE APPROACH

- 3.1 The key tenets of the proposed future approach to commissioning, which Scrutiny are invited to comment on, are:
- 3.1.1 A whole life approach, from cradle to grave, to ensure that service users are not viewed in isolation, but in the context of their carers, their families and their communities. Not all services will be appropriate for all ages, but the artificial barriers between children's and adults' services create difficulties in transition and separation.
- 3.1.2 Improve prevention and resilience (in line with our current key strategies and Better Care Together and Better Care Fund), supporting people to help themselves, and concurrently building capacity in communities.
- 3.1.3 Reduce service barriers and reduce duplication. Make it easier for individuals to identify the service they need and access it, without getting caught in complicated service structures or multiple referral points.
- 3.1.4 Make use of joint commissioning opportunities where appropriate, maintaining services that are right for Rutland, and maintaining key statutory and safeguarding services in-house under our direct control.
- 3.2 A number of elements of this work are Council-wide, and not limited to People Directorate contracts, these should be developed corporately to influence all commissioning activity:
- 3.2.1 Social Value –the positive impact gained beyond the direct contract requirement
- 3.2.2 Supply chain –development of the markets in Rutland and encourage use of local businesses
- 3.2.3 Quality and Outcome Based contracts – improving quality and focusing on what services achieve for people's lives, rather than on quantitative numbers of outputs
- 3.2.4 Contract payment methodology – using contract structures such as Payment by Results to incentivise positive impact and innovation.
- 3.3 This future approach will require a fundamental change in the way services have been commissioned up until now. It requires a complete re-design of service

structure against the needs of local communities and taking into account both provider and service users views, and enabling joined-up and outcomes-based commissioning, rather than developing separate contracts for individual, specific services.

4 THE PROCUREMENT APPROACH

- 4.1 With advice from the Welland Procurement Unit, a procurement process has been designed which is in line with the procurement regulations and RCC's Contract Procedure Rules. The procurement process enables the co-design of services with providers to ensure that services commissioned provide a coherent pathway for service users, with easy entry points to services and smooth transition between them.
- 4.2 The procurement exercise itself will be used to design the final services with a range of providers. The procurement will be undertaken in two phases: the first phase of co-design will require providers to submit bids and meet a minimum set of criteria in order to join the co-design. The co-design will involve a number of meetings to design and refine the service structures, based specifically on Rutland's local needs.
- 4.3 Once the services have been co-designed, the second phase will be a further competition for providers who have participated in the co-design to submit bids to deliver the specific services. The contracts will then be held for each service with individual providers or consortia and be contract managed with each responsible provider.
- 4.4 Although the approach is new, it is based on previous procurement approaches which are proven. The timescale for this procurement will enable new contracts to be awarded and the redesigned service structure to be in place by 1st April 2017.
- 4.5 If during the co-design phase, the commissioning model does not appear to be delivering as envisaged, there is the option to close the process and go through separate open tender processes for the services against specifications drawn up by RCC. Depending on the size of the contracts, this would take between 6-9 months, with the procurements for each contract running concurrently.
- 4.6 In line with the Council's Contract Procedure Rules, further reports to Cabinet seeking approval will be submitted during the procurement process.

5 IMPLICATIONS FOR EXISTING CONTRACTS

- 5.1 There are a number of existing contracts which would fall within the parameters of this approach, and consequently interim measures are needed, to ensure service continuity is maintained and to enable the procurement to be undertaken. A number of contracts have therefore been extended until 31st March 2017 to enable this, a summary of those contracts is in Appendix A.
- 5.2 Those contracts which are funded via the Better Care Programme are subject to approval by the Health & Wellbeing Board prior to extension.

6 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

6.1 There is a clear need to commission differently in the future to ensure that services are fit for purpose and outcome driven. The recommendations to support this new approach and use the new procurement process to co-design and procure re-structured services will lead to high quality, needs-led provision and improved outcomes for Rutland residents.

7 BACKGROUND PAPERS

There are no background papers.

8 APPENDICES

8.1 Appendix A – Contracts extended to enable the new procurement approach

A Large Print or Braille Version of this Report is available upon request –
Contact 01572 722577. (18pt)

Appendix A. Contracts extended to enable the new Procurement Approach

Provision	Current Contract	2015/16 Value per annum	Proposed action
Voluntary Sector Support and Community Transport Services	VAR Service Level Agreement. Expires 31 st March 2016	£73,296 core services + £18,768 on community transport	Extend for 1 year – reducing and focusing the requirement.
Community Agents Scheme	Spire Homes BCF funded. Expires 31 st March 2016	£155,553	Extend for 1 year as a single contract with sub-contracting arrangement.
Community Agents Dedicated Handyman Scheme	Home Straight Ltd BCF funded Expires 31 st March 2016	£4,500	
Community Agents Dedicated Information and Advice	Citizen's Advice BCF funded Expires 31 st March 2016	£10,500	
Community Agents Dedicated Befriending Support Scheme	Age UK BCF funded Expires 31 st March 2016	£4,200	
Support & Advice Services for visually impaired people	Vista Expires 31 st March 2016	£24,407	Extend for 1 year
Dementia services in the community for individuals and their carers	Alzheimer's Society Expires 31 st March 2016	£49,998	Extend for 1 year, revising the requirement in line with need.
Management and development of support services to older people	Age UK Expires 31 st March 2016	£38,000	