

**Forward Plan reference number:** (if applicable)

<b>Report title:</b> To delay bringing the Shared Lives Service In House until 1st June 2021 and extend the current contract until end May 2021.	
<b>Report to:</b> Cllr John Spence, Cabinet Member for Health and Adult Social Care	
<b>Report author:</b> Jessica Stewart, Head of Strategic Commissioning and Policy	
<b>Date:</b> 26 August 2020	<b>For:</b> Decision
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<b>County Divisions affected:</b> All Essex	

## **1. Purpose of Report**

- 1.1 The Shared Lives service provides the opportunity for adults with care and support needs to move in with, or regularly visit, an approved Shared Lives Carer, living as part of the household or sharing time during the day and/or for overnight breaks. The majority of current placements are long term placements for people with learning disability and/or autism (Shared Lives Service).
- 1.2 A decision was taken by Councillor Spence earlier this year to bring the service in house however due to the impact of COVID-19, the implementation of this decision is requested to be delayed and the Shared Lives Service to be bought in house on the 1<sup>st</sup> June 2021. Given this position, it is proposed that the current contract with the Macintyre will be extended until 31<sup>st</sup> May 2021.

## **2. Recommendations**

- 2.1 To agree to delay bringing the Shared Lives Service inhouse until 1<sup>st</sup> June 2021
- 2.2 To extend the current contract with MacIntyre until 31<sup>st</sup> May 2021, to ensure service provision is maintained.

## **3. Summary of issue**

- 3.1 The Shared Lives service in Essex is currently externally commissioned and is being provided by MacIntyre with the current contract expiring on 30<sup>th</sup> November 2020. The current service supports 43 individuals and the Council pays a management fee of £84.15 per person per week giving a total management fee of circa £189,000 per annum.
- 3.2 The population of people with Learning Disabilities and Autism in Essex is forecast to grow 10.8% by 2035. The Council aspires to ensure that people with Learning Disabilities and/or Autism can live as independently as possible and lead lives which are meaningful to them.

- 3.3 The Meaningful Lives Matters Programme (MLM), a programme within the Council which aims to transform the way services are delivered to Adults with a Learning Disability or Autism, underpins the delivery of the Shared Lives Service. The programme is based on a principle that many of the long-term solutions to people's care and support needs is with themselves and with their families, social networks and surrounding communities.
- 3.4. Earlier this year, the Cabinet Member for Health and Adult Social Care took a decision to bring the Shared Lives Service in-house and be delivered by ECC. This decision was based on the following reasons
- The £4.5m cumulative gross savings target for Shared Lives, included in the 2020/21 Medium Term Resource Strategy (MTRS) are predicated on using Shared Lives placements as an alternative to a supported living or residential placements, which are more costly. These savings can only be achieved if the Shared Lives service expands considerably. The research shows that the majority and best performing Shared Lives services are directly provided by Local Authorities. Under both the existing contract and the previous one the providers have not been successful in driving the growth of the service.
  - The current service is suboptimal with only 43 people currently using the service as opposed to higher numbers in other local authorities that deliver the service in house. Delivering the Shared Lives Service in house would enable the Council to drive forward the growth of the service and widen the offer to new client groups to give those people more meaningful lives and a family environment for them to belong to as well as reducing care costs. Research carried out by the Council has shown that shared lives services delivered in-house provide greater growth and development than externally run Shared Lives services due to:
    - Control over the service and development opportunities;
    - Greater integration between social work teams and shared lives workers;
    - Best practice shows in-house services achieve higher quantities of placements than externally commissioned services.
  - The majority of Shared Lives services in England and Wales are delivered in house, and many externally commissioned services appear to be struggling with growth and development.
- 3.5 In March 2020, the Covid-19 outbreak reached a peak and ECC Adult Social Care resources were refocused to provide an effective response to the Covid-19 outbreak, meaning that there was not necessary resource to continue the work to bring -in-house on 1<sup>st</sup> of December 2020 and give effect to the previous recommendations.
- 3.6 In order to ensure that the Shared Lives Service can continue to be provided, it is proposed that the contract with MacIntyre be extended for a period of six months to allow for transition to ECC.

- 3.7 The terms of the contract with Macintyre provides that ECC is able to extend the arrangements by giving not less than 3 months' prior written notice to the expiry provided that such extensions shall not exceed 24 months in total. The contract has not previously been extended and ECC is entitled to extend by the proposed period under the terms of the contract with MacIntyre.

#### **4. Options**

##### **Option 1: Delay the in-sourcing of the service until 1<sup>st</sup> June 2021 and extend the current contract until end May 2021 (recommended option)**

- 4.1 For the reasons detailed above, it is recommended to delay moving forward with the previous decision until 1<sup>st</sup> June 2021 and extending the current contract until 31<sup>st</sup> May 2021.
- 4.2 This will mean that there is an appropriate amount of time to prepare for the transition to providing Shared Lives in-house and safely carry out the transition
- 4.3 A disadvantage will be that in-house start date and associated service improvements will be delayed.

##### **Option 2: In-sourced service**

- 4.4 Bring the service in house by 1<sup>st</sup> December 2020 as per the approved Key Decision on Shared Lives (Appendix 1) paper.
- 4.5 This option is not recommended at this current time due to lack of operational resource to deliver safely.

##### **Option 3: Decommission the existing service**

- 4.6 If ECC were to decommission the Shared Lives Service alternative accommodation would be required for the people living in the existing arrangements. Should it be determined that the individual would require a supported living or residential placement then this would be an additional average cost for care of circa £34,000 per annum per individual for those with Learning Disabilities.
- 4.7 It is likely that discontinuing current care arrangements and moving people who are settled in their homes to alternative accommodation would cause distress to those concerned as well as rehousing costs. Accordingly, this option is not recommended.
- 4.8 The MLM accommodation strategy seeks shared lives to be a default option and savings proposed in the 2020/21 budget and the MTRS are predicated on the growth of Shared Lives.
- 4.9 This option is not recommended.

## 5. Financial implications

- 5.1 The decision to bring the Shared Lives service in-house included costs for the implementation of the Shared Lives team over the four-year period to 2023/24 of £1.7m. This cost was to be met from the previous budget for external management fees and from additional savings made by growing the number of Shared Lives placements as an alternative to residential or supported living provision.
- 5.2 The delay in bringing the service in-house and the extension to the current contract arrangements, for a period of 6 months will have a number of financial implications on the budget and MTRS as set out below.
- 5.3 The summary below details the financial basis for 2020/21 on which the original decision to bring the Shared Lives service in house was predicated. The table also reflects the expected budget position as a result of the delay and the pressure that this creates in 2020/21.

	2020/21 - Impact of delay (£)				
	2019/20 Baseline Budget	Original MTRS (Savings)/ Pressure	2020/21 Original Budget	Revised 2020/21 Cost Due to Delay	2020/21 (Savings)/ Pressure from Delay
Shared Lives savings - Care & Support	-	(423,000)	(423,000)	(48,000)	375,000
In-house team costs	-	157,000	157,000	68,000	(89,000)
External contract cost	324,000	(108,000)	216,000	207,000	(9,000)
<b>Total</b>	<b>324,000</b>	<b>(374,000)</b>	<b>(50,000)</b>	<b>227,000</b>	<b>277,000</b>

*Note: 2020/21 revised contract costs include an element of back dated payments. hence are slightly in excess of annual contract cost stated in paragraph 3.1*

- 5.4 The impact of the delay on future years budgets for each element is set out below.

### 5.4.1 In-house team costs

- 5.4.2 The following table sets out the revised profile of funding for the In-house team versus the profile included within the original decision assuming a revised date of 1<sup>st</sup> June 2021. Costs in 2020/21 relate to a period of mobilisation ahead of the go live date.

- 5.4.3 The profiling includes stepped costs associated with the growth in Shared Lives clients, and the number of Shared Lives Officers and Support Workers required to manage the caseload. This assumes growth in clients is linear across the year.

## Delivery of the Shared Lives Service in Essex

	In-house Shared Lives Team Costs (£)				
	2020/21	2021/22	2022/23	2023/24	2024/25
Original CMA Go-live - 1/12/2020	157,000	413,000	512,000	611,000	611,000
Delayed Go-live - 1/6/2021	68,000	339,000	418,000	504,000	641,000
<b>Reduction in costs</b>	<b>(89,000)</b>	<b>(74,000)</b>	<b>(94,000)</b>	<b>(107,000)</b>	<b>30,000</b>

*Note original CMA did not include 2024/25, costs assumed to be as per 2023/24*

### 5.4.4 Delivery of planned savings

5.4.5 The MTRS included the savings from utilising Shared Lives as an alternative to residential and supported living placements. Delivery of these savings was dependent on the growth of the Shared Lives service, which it is felt can only be achieved through the in-house provision.

5.4.6 The following table reflects the changes in planned savings from the care and support budget. The revised savings are based on updated modelling assumptions, including the weighted average costs of services, which has led to an increase in the average saving from £31,000 to £34,000 per additional placement and revised assumptions around volumes of growth in the service.

	Care & Support Savings - Cumulative(£)				
	2020/21	2021/22	2022/23	2023/24	2024/25
Original MTRS savings	(423,000)	(1,521,000)	(2,988,000)	(4,456,000)	(4,456,000)
Revised Savings	(48,000)	(181,000)	(1,396,000)	(2,738,000)	(4,081,000)
<b>Pressure from Shortfall in savings</b>	<b>375,000</b>	<b>1,340,000</b>	<b>1,592,000</b>	<b>1,718,000</b>	<b>375,000</b>

*Note original CMA did not include 2024/25, savings assumed to be as per 2023/24*

5.4.7 The savings shortfall in 2020/21 has already been recognised and reported as part of the MLM Programme savings monitoring. This pressure, along with other savings pressures resulting from the pausing of the programme due to the COVID-19 Pandemic, are being managed as part of the Adult Social Care outturn position which in the first quarter of this financial year reflected a small underspend of £100,000. This position will continue to be monitored through the monthly reporting process and escalated as appropriate.

5.4.8 The shortfall in future years savings will be considered as part of the 2021/22 MTRS process.

### 5.4.9 Cost of the contract extension

5.4.10 The current provider will charge a management fee of £81.27 per person per week for the period of the contract extension – extending the contract by 6 months will have a total additional cost of £90,000 for the 43 people currently in a shared lives placement.

5.4.11 The profile of the additional cost is £60,000 in 2020/21 and £30,000 in 2021/22. This will be contained within the existing budget for the Shared Lives management fees which, when set, had assumed a growth in cases which has not been seen.

## **6. Legal implications**

- 6.1 The contract with MacIntyre contains provision for the Council to extend the contract, for such periods as it may specify on as many occasions as it sees fit, provided that the total period of extension does not exceed 2 years, there have been no previous extensions and ECC is able to serve the notice required in accordance with the contract terms.
- 6.2 The Council is therefore able to extend the contract with MacIntyre, subject to their agreement, for a period of 6 months provided it follows the contract process for the extension.

## **7. Equality and Diversity implications**

- 7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
  - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 7.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

## **8. List of appendices**

- Approved Key Decision - \_Shared Lives (Appendix 1)
- Equality Impact Assessment

<b>I approve the above recommendations set out above for the reasons set out in the report.</b>	<b>Date</b>
<b>Councillor John Spence, Cabinet Member for Health and Adult Social Care</b>	<b>09.09.20</b>

**In consultation with:**

<b>Role</b>	<b>Date</b>
<b>Director, Finance and Technology (S151 Officer)</b> <b>Stephanie Mitchener on behalf of Nicole Wood</b>	28 August 2020
<b>Director, Legal and Assurance (Monitoring Officer)</b> <b>Laura Edwards on behalf of Paul Turner</b>	08.09.20