

## Award contract for care and support services to Shared Lives South West in Somerset

Cabinet Member(s): Cllr David Huxtable, Cabinet Member for Adult Social Care Division and Local Member(s): All

Lead Officer: Mel Lock, Director of Adult Social Care

Author: Steve Veevers, Strategic Commissioning Manager

Contact Details: 07977 423588

	<b>Seen by:</b>	<b>Name</b>	<b>Date</b>
	County Solicitor	Honor Clarke	2/8/19
	Monitoring Officer	Scott Wooldridge	2/8/19
	Corporate Finance	Sheila Collins	1/8/19
	Human Resources	Chris Squire	N/A
	Property	Paula Hewitt	1/8/19
	Procurement / ICT	Simon Clifford	1/8/19
	Senior Manager	Mel Lock	26/7/19
	Commissioning Development Team	Vikki Hearn	1/8/19
	Local Member(s)		
	Cabinet Member	Cllr David Huxtable	1/8/19
	Opposition Spokesperson	Cllr Bill Revans	6/8/19
	Relevant Scrutiny Chairman	Cllr Hazel Prior-Sankey	5/8/19
<b>Forward Plan Reference:</b>	FP/19/07/02		
<b>Summary:</b>	<p>Shared Lives is where an individual or family is paid a modest amount to include an older or disabled person in their family and community life. In many cases that person goes to live with a Shared Lives carer and their family. In Somerset our Shared Lives service is not working well.</p> <p>This decision aims to improve Somerset's provision and to improve lives for vulnerable people as well as those enrolled in the scheme.</p> <p>It is an exciting opportunity to be ambitious for our vulnerable residents. The report includes some case studies at the end of this report to paint a picture of people who benefit and the significant difference an effective Shared Lives scheme can make to them.</p>		

	<p>The recommendations will lead to increased investment and attention that will enable the Shared Lives scheme to flourish and be a vibrant provider to the people of Somerset.</p> <p>This will be delivered in partnership with an established and CQC “Outstanding” rated external provider to improve the performance of the current service, grow it through development of the scheme and widen the offer to people with other support needs.</p> <p>This paper sets out the options, financial implications and recommendation for the service to be made external to the council and the support and improvement that this would give to the scheme.</p>
<p><b>Recommendations:</b></p>	<p>That the Cabinet:</p> <ol style="list-style-type: none"> <li>1. Agrees that Appendices 01-03 &amp; 09 be treated as exempt information and be treated in confidence, as the case for the public interest in maintaining the exemption outweighs the public interest in disclosing that information.</li> <li>2. Agrees to exclude the press and public from the meeting where there is any discussion at the meeting regarding exempt or confidential information (Appendices 1-3 and 9)</li> <li>3. Approves the use of a waiver to Contract Standing Orders for the proposed contract award to Shared Lives South West</li> <li>4. Approves the award of a contract to Shared Lives South West, for a period of up to two years with an option to extend by a further year, to deliver care and support services across Somerset Shared Lives Schemes.</li> <li>5. (pursuant to recommendation 4 above) delegates authority to the Director of Adult Social Care and Director of Finance to negotiate and agree the commercial terms of the contract with Shared Lives South West, including as to the allocation of pension liabilities;</li> <li>6. (pursuant to recommendation 4 above) delegates authority to the Director of Adult Social Care, in consultation with the County Solicitor, to negotiate, conclude and enter into the contract with Shared Lives South West;</li> </ol>

<p><b>Reasons for Recommendations:</b></p>	<p>Somerset County Council, Adult Social Care is not well positioned to provide in-house services or has the specialist skills and knowledge to support the excellent service delivery that is needed. It is therefore preferable to transfer this service to another organisation with the necessary attributes to do this.</p> <p>Due to the inherent risk to people supported within the scheme, the potential organisational risk to Somerset County Council and the lack of a marketplace for effective competition, it is recommended that the transfer happens by way of a waiver and direct award.</p> <p>The service will be recommissioned through a tendering process in the end of this direct award period, this approval will enable enough time:</p> <ul style="list-style-type: none"> <li>• to recruit a registered manager</li> <li>• to invest in the service to reach standards in line with Shared Lives best practice, reach a CQC "good" rating and be a position that makes the service attractive as an opportunity for organisations to take on</li> <li>• to complete a legally compliant process to recommission Shared Lives in an appropriate and measured process during 2022.</li> </ul> <p>The accompanying confidential appendices 01-03 and 09 contain commercially sensitive information relating to the contract and the Council's financial and business affairs. Officers recommend that this is treated as exempt information. "Exempt information" is defined by Section 100 of the Local Government Act 1972, by Schedule 12A to that Act.</p>
<p><b>Links to County Vision, Business Plan and Medium Term Financial Strategy:</b></p>	<p><u>County Plan Priorities and Targets:</u></p> <p>Somerset is a safer and healthier place where:</p> <ul style="list-style-type: none"> <li>• Our most vulnerable people have the care they need and the choices they want.</li> <li>• Help vulnerable and elderly people stay in their own homes for longer.</li> <li>• Somerset is a place where people have the good quality services they need by: <ul style="list-style-type: none"> <li>○ Giving residents a voice and acting on what they say.</li> </ul> </li> </ul>

	<p><u>Adult Social Care Commissioning Intentions 2015/16 – 2016/17</u></p> <ul style="list-style-type: none"> <li>• Key Activity 1: Providing high quality care and support in a range of settings including Care at Home, Extra Care Housing and Care Homes.</li> </ul> <p><u>Social Value Policy</u></p> <p>Commissioning and procurement practices and underlying principles of:</p> <ul style="list-style-type: none"> <li>• Sustainable Procurement.</li> <li>• Taking a value for money approach, rather than lowest cost, when assessing contracts.</li> </ul>
<p><b>Consultations and co-production undertaken:</b></p>	<p>Discussions have been held between the Lead Commissioner and Operational colleagues alongside Commercial and Procurement team have taken place leading up to the production of the proposed waiver to competitive tendering and direct award recommendation.</p> <p>Commercial and procurement have appropriately commented on the plans for the direct award and waiver process.</p> <p>Initial meetings with the shared lives workers have happened, to discuss the options set out in section two of this paper, which have been positive and constructive.</p> <p>Roadshows with the shared lives carers are booked in for August to set out the next steps if the recommendations of this paper is agreed.</p>
<p><b>Financial Implications:</b></p>	<p>The new contract to provide care and support to customers who have their outcomes met by the Shared Lives service will have a total cost of £1.585m per annum in year 1.</p> <p>The above cost is broken down as Shared Lives South West operating costs of £0.398m per annum and care and support costs of £1.187m per annum.</p> <p>The current costs of delivering the service in house are £1.312m per annum meaning an increase of £0.273m in year 1, with projections for year 2 and 3 included in Confidential Appendix 1.</p> <p>Initially it is expected that the service will cost more than the current in-house delivery model, however this recognises that</p>

	<p>the local authority wishes to invest in the improvement of the service and provide a great offer for the people of Somerset.</p> <p>The contract will offer efficiency savings through the growth of the service, moving away from the current “block contract” model to a management fee and recognising the difference in payment value to need. For example, Shared Lives South West operate on a banding system and this could be implemented within Somerset.</p> <p>Further information is available in the confidential financial appendix to this report.</p>
<p><b>Legal Implications:</b></p>	<p><u>Relevant statutory duties</u></p> <p>The delivery of the Shared Lives Service by the preferred provider will assist SCC in meeting its statutory duty to meet an adult’s needs for care and support in accordance with Part 1 of the Care Act 2014.</p> <p>In taking the decision to outsource delivery of the Shared Lives Service, SCC must have due regard to the equality needs listed in section 149 of the Equality Act 2010, including the need to remove or minimise disadvantages suffered by persons who share a relevant protected characteristic. Accordingly, the equality impact assessment appended to this report must be properly analysed and considered by the Cabinet before the decisions in this report are taken. A failure to comply with the section 149 duty could lead to a legal challenge from service users affected by the decision.</p> <p><u>Contract with Shared Lives South West</u></p> <p>If the recommendations in this report are approved, the Director of Adult Social Care, with the support of SCC Legal Services, will negotiate the terms of a contract with Shared Lives South West for the delivery of the Shared Lives Service. The contract will be for an initial term of two years with a right for SCC to extend for a further one year at SCC’s discretion. The contract will include provisions enabling SCC to terminate the contract early if there are significant and/or persistent performance issues. The contract will deal with the allocation of pensions risks in relation to the employees who are transferring from SCC to the provider under TUPE.</p>

<p><b>HR Implications:</b></p>	<p>There are 4 employees affected where TUPE implications would apply therefore a consultation process with employees is required.</p> <p>Human Resources staff are fully involved in this process and initial conversations with Union representatives have occurred, and no significant objections or concerns have been raised to date.</p> <p>Working sessions with the staff involved have been productive and staff are broadly supportive of this process and commissioners have undertaken to continue the good links with staff through any transfer process.</p> <p>Commissioners will also be meeting with the self-employed Shared Lives carers to inform them of the changes to the service.</p>											
<p><b>Risk Implications:</b></p>	<p>There are risk implications in relation to ensuring sufficient continuity of existing Shared Lives Schemes, including continuity of care and support for existing customers. A sufficient supply of effective Shared Lives Carers is important to SCC's wider commissioning strategy for long term care and people being supported in their communities. Further details regarding risks and opportunities are set out in Confidential Appendix 2 &amp; 3 and in section <b>1.25</b> below.</p> <p>Soft market testing earlier this year found that there was no other provider available to undertake this opportunity, therefore Somerset has a sole supplier situation in the South West, which mitigates the risk of challenge.</p> <table border="1" data-bbox="496 1507 1423 1552"> <tr> <td><b>Likelihood</b></td> <td><b>2</b></td> <td><b>Impact</b></td> <td><b>4</b></td> <td><b>Risk Score</b></td> <td><b>8</b></td> </tr> </table>						<b>Likelihood</b>	<b>2</b>	<b>Impact</b>	<b>4</b>	<b>Risk Score</b>	<b>8</b>
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<p><b>Other Implications (including due regard implications):</b></p>	<p>There are no specific equalities or wider social impact considerations as the re-commissioning of the integrated care and support service will build on and take into account existing arrangements.</p> <p>There are approximately 85 shared lives carers that are self – employed, contracting with Somerset County Council for the care and support being delivered to people supported.</p> <p>Commissioners will consult with those carers relating to the changes that will happen as part of the service being commissioned from a third party.</p>											

<b>Scrutiny comments / recommendation (if any):</b>	There has not been any pre-scrutiny of these proposals by the Scrutiny Committee for Adults and Health.
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## **1. Background**

- 1.1.** What is Shared Lives?
- 1.2.** Shared Lives (SL) is where an individual or family is paid a modest amount to include an older or disabled person in their family and community life. In many cases that person goes to live with a Shared Lives carer and their family, although Shared Lives nationally is also used to support people living in their own homes, as day support, as respite care for unpaid family carers, as home from hospital care and as a stepping stone for someone to get their own place.
- 1.3.** There are around 10,000 SL carers in the UK. Shared Lives carers are recruited, trained and approved by a Shared Lives scheme, which is regulated by that nation's care regulator. Shared Lives is unique in regulated adult support, in that Shared Lives carers and those they care for are matched for compatibility and then develop real relationships, with the carer acting as 'extended family', so that someone can live at the heart of their community but in a supportive family setting.
- 1.4.** The Care Quality Commission (CQC), the government's social care inspectors for England, gave 38% of Shared Lives schemes the top rating of Outstanding. This is nearly double the percentages for other forms of care. 83% of all forms of support were rated good or excellent, whereas 95% of Shared Lives schemes were good or excellent. Previously, no Shared Lives scheme has been rated as "requires improvement" or "inadequate" for the last two years. The inspection regimes in the other nations don't allow for explicit comparisons of this kind, but rate Shared Lives strongly.
- 1.5.** This model supports individuals to be more independent and therefore, depending upon the complexity of an individual's needs, Shared Lives schemes can reduce anticipated new spend by between £35 and £640 a week per person in comparison to traditional services. By having this alternative model of delivery there is a potential 60% reduction on spend demand for someone with a learning disability in residential care.
- 1.6.** Shared Lives Plus is the overarching body and is the UK network of very small, family and community-based care and support solutions for older and disabled people: it is all about ordinary people and families contributing to the care and support of local people, sometimes in extraordinary ways.

- 1.7.** Shared Lives has been recognised by governments across the UK as crucial to the future of personalised care and support systems. Some Shared Lives schemes are delivered in-house by councils and many will continue to be.
- 1.8.** Outsourcing, however, is becoming more common, particularly in England, where the proposed right to challenge would make it much harder for councils to keep services in-house, if a voluntary organisation expressed an interest in running that service. In addition, the new right to provide requires local authorities to respond positively to requests from staff members to take services outside the authority. English councils are expected to increase personal budget uptake with most people to be enabled to take their personal budgets as a Direct Payment, which cannot be spent on an in-house council service (unlike in Scotland, where it can). The policy direction for Wales and Scotland is less explicit on these issues but in all nations, outsourcing can be seen as a way of introducing new providers and competition into previously closed markets. Some schemes have in the past driven the move to independence themselves, seeing it as a positive opportunity.
- 1.9.** We see this time of change as one of opportunity for Shared Lives services to reach many more groups and communities with their unique brand of personalised, family and community based care and support. Shared Lives is distinct from other forms of care and support. Without those differences and values being understood, there is a real risk that the gains in this group of individuals, which delivers better outcomes whilst managing demand and reductions in costs being achieved by good in-house Shared Lives schemes will be lost. Some key differences between Shared Lives and other services are:
- A service is not Shared Lives unless the appropriate processes are in place, managed by a regulated Shared Lives scheme.
  - Shared Lives carers are self-employed, not employees of the council. They are free, in theory, to contract with any registered Shared Lives scheme they wish.
  - An effective Shared Lives service is a partnership between the Shared Lives carers and their scheme. The quality of the support delivered by the scheme and of the relationship between the scheme workers and carers is crucial to the quality of the Shared Lives service.
  - Shared Lives carers don't clock on and off. They typically provide much more than they can be said to have been paid for. They expect to feel valued and they need regular breaks.
  - Shared Lives carers and service users are matched for compatibility. Successful matches pay huge dividends: they may be lifelong supportive relationships. But matching involves an up-front investment of time. Shared Lives carers have family homes, not 'vacant beds' to be filled.
  - Shared Lives is regulated as home care, not residential care and funded through council funds and also benefits, including Housing Benefit. This makes it highly competitive in comparison to residential care

and enables it to be offered to groups with lower personal budget allocations.

**1.10. Somerset Shared Lives Situation**

In Somerset, the Shared Lives scheme is targeted mainly at people with Learning Disabilities but can also be used to meet the needs of younger adults with physical disabilities, customers with mental health problems and the elderly. There are 86 Shared Lives providers that deliver packages of personal care to 150 customers who meet the eligibility criteria for Somerset County Council (SCC) funded support. Of these 86 providers, 27 providers deliver respite support to up to 9 people for incidental or regular respite, per provider over the course of the year.

**1.11.** The current contract for care and support in Shared Lives is one that is directly provided by Somerset County Council's Adult Social Care services.

**1.12.** Historically the shared Lives scheme was part of the in-house Learning Disability Provider Service (LDPS). In 2016, it was decided that the Somerset Adult Placement Scheme (Shared Lives) would be kept in house whilst the remainder of the LDPS service was outsourced. As Somerset County Council's only adult provider in-house service, it sits alongside the usual commissioning processes of contracting and monitoring of external providers.

Historically, it has provided a good service model and is valued by the people supported but with the loss of the overarching infrastructure of the LDPS, there has been little investment, the service has stagnated and has not kept up to date with current market best practice.

**1.13.** This is a national picture, not a local one, with most authorities opting to externally provide Shared Lives schemes, where generally you'll have access to a range of more skilled staff who can develop and support the network of carers to deliver safer, more responsive, and more outcomes focused care to the people being supported. SCC consider that as the skills and experience of both the carers and staff improve, the scheme will be able to support a wider range of priority needs and more complex people, ensuring the Council can match more people into a shared lives placement and reduce the reliance on more traditional models of care.

**1.14.** The more commercial approach of an external provider, with staff and resources for marketing and communications, will allow the scheme to recruit more carers and therefore support more people. From a quality perspective, Somerset will be transitioning from a situation where they have a small service with limited management cover, to having access to three registered managers, ensuring continuous access to support for safeguarding and challenging situations.

- 1.15.** SCC wish to work with a CQC rated, outstanding provider of service, Shared Lives South West, to improve the service and the experience of people, as well as expand it to provide support to a wider group of individuals (including those with mental health support needs, people with complex physical health needs and aiding older people to have a more community based option that residential or nursing care)
- 1.16.** The Council is therefore presented with an opportunity to consider several options with its sole remaining directly provided service, which has been set out in Section 2.
- 1.17. **Understanding the current and potential outcomes of Shared Lives****  
If a council is to achieve good value for money from potential providers of its Shared Lives scheme, either within or outside of its own organisation, it will first need to understand the cost-benefit of the existing scheme. This will involve understanding the scheme's:
- Costs: including hidden costs.
  - Outputs: e.g. how many people receiving which kinds of support.
  - Quality: systems for planning, gathering evidence, acting on feedback, safeguarding etc.
  - Outcomes: evidence of the differences made to people's lives.
  - Capacity: current and potential.
- 1.18.** There are a number of questions to ask about a scheme's capacity:
- Is the scheme at or exceeding capacity?
  - Is the service well used by all potential service user groups?
  - Could shared lives carers' vacancies be used more effectively?
  - Would investment in additional capacity allow the scheme to become more productive?
- 1.19.** Shared Lives Plus is aware of a number of in-house schemes who are being asked to support well over the optimum number of Shared Lives arrangements. This has two negative impacts. Firstly, the quality of placements can deteriorate because of inadequacies in setting up and monitoring matches. Secondly, the scheme has no capacity to improve productivity through more efficient working, or to innovate and develop new services.
- 1.20.** Good schemes achieve positive outcomes in areas such as:
- Mental and physical health
  - Involvement in employment/ training
  - Ability to self-care/ independent living skills
  - Number, quality, strength of unpaid relationships
  - Self-determination/ efficacy - ability to make and act on choices
  - Contribution to family and community life
  - Resilience, ability to cope with crises/ change

**1.21.** In-house Shared Lives schemes have not always been asked to gather evidence of outcomes or even outputs data routinely, so commissioners may need to work with the existing scheme to gather evidence of outputs and outcomes before decisions are taken about development possibilities and outsourcing options. Even schemes who lack formal or academic evidence of outcomes, should be able to gather evidence from a number of sources:

- the scheme's inspection results and safeguarding record;
- quotes from service users and their families;
- feedback from referrers;
- notes taken during placement reviews or needs assessments;
- feedback collated from annual satisfaction surveys of users, carers, referrers;
- case studies which give examples of positive outcomes;
- formal surveys of the outcomes above: e.g. the number of unpaid relationships an individual has at referral and six or twelve months later.

**1.22. What are the pros and cons of outsourcing?**

Outsourcing, like any model of provision, can be done well or badly. There are a number of high quality, well-funded independent Shared Lives schemes in the network of Shared Lives Plus members who were previously 'in-house' (council-run) and where both scheme and local authority consider the move to have been an extremely positive one. There are also examples where a poor outsourcing process seems to have resulted in a reduction in the quality and effectiveness of the Shared Lives service. Selecting a provider through a competitive tendering process presents challenges if Shared Lives carers do not buy into the process, because they are self-employed people and can work with the scheme of their choice (see above).

**1.23. Spin outs or tendering?**

There have been some very successful transfers ('spin outs') of in-house council schemes into new independent organisations. Some of the most effective of the current independent schemes used this model and their strength has allowed them to generate significant efficiencies for their local authority customers. This is an option which should be discussed with staff, particularly in England if the new rights to challenge come into place as a result of the Localism Act 2011.

**1.24.** The development of a new independent Shared Lives scheme goes through distinct phases:

- setting up and / or transfer;
- early development, probably still with close local authority support;
- growth;
- full independence as the scheme stand on its own feet and contracts are renegotiated.

**1.25.** There are many unpredictable variables, particularly in the early stages if the scheme is new or starting from a small-scale base. A small independent

scheme may not become cost-effective and may be very vulnerable to fluctuations or challenges until it has grown.

**1.26. The opportunities and risks of outsourcing**

When outsourcing is managed well it can achieve these outcomes:

- The ability to attract non-statutory funding (particularly if outsourced to a charity or CIC).
- The involvement of Shared Lives carers, people who use the service and families in governance, leading to improvements in carer recruitment and retention.
- A new flexibility to respond to need and develop services for new service user groups and communities.

**1.27.** Contracts can involve a clearer definition of outputs and outcomes and careful monitoring of delivery against targets.

**1.28.** None of these advantages are a given: they will require a well-planned organisation with strong management and governance. There are also risks which should be considered. Authorities planning a staff 'spin out' will need to consider the skills of the current team and those required in the new organisation:

- entrepreneurial and marketing skills;
- influencing and lobbying skills;
- strong business and financial management skills;
- a good understanding of governance responsibilities.

**1.29. Additional risks to be considered include:**

- The scheme's new freedom could lead to 'mission drift'.
- Many external providers are used to providing services with a very different culture and value base and may struggle to adapt to the expectations of Shared Lives.
- If Shared Lives carers have not been effectively engaged in the process, they may reject the new organisation and move to another scheme or leave caring altogether.

**1.30.** The risks above point to a need for the commissioner to have a good understanding of the strengths and flexibilities of Shared Lives and of the factors which are important to an effective Shared Lives service. There is also clearly a requirement for an established, formal role for Shared Lives carers, service users, families and other stakeholders to play in the outsourcing process and in developing the new provider.

**1.31.** In-house service managers sometimes express fears about the impact on quality of any outsourcing decision. It is the view that quality is not guaranteed by any particular model of delivery, and that there are example

of high quality services in both the council-run and independent sector and both are subject to the same inspection regime. It is useful to consider:

- What is currently in place in terms of Quality Assurance (QA)?
- What evidence do you have of the impact of this?
- What QA system will the new provider be expected use?

**1.32.** In addition to inspection and other quality measures, many small and medium not for profits use PQASSO or a similar QA tool to monitor and improve the quality of their structures, functions, finances and governance. The regulation and inspection regime for Shared Lives, of course, remains the same for all models of provision.

**1.33. After a contract has been awarded**

Whatever the chosen form of outsourcing, commissioners should be aware that the process may take months or years from a contract being issued until the new scheme is fully independent. This will require boundaries and expectations to be continually reviewed: simply issuing a contract and seeing the scheme as no longer the councils' responsibility is likely to result in the early failure of the new scheme. So it is important to establish the ongoing relationship between the scheme and the lead commissioner, with regular meetings about issues and clear boundaries about responsibilities. Eg: what will be the council's responsibility for the well-being of service users using the new scheme?

**1.34. Finances**

The current scheme has an overall budget of £1,311,700pa Net

**1.35. Current and potential unit costs**

There are three elements to the unit cost of Shared Lives:

1. the payment to the Shared Lives carer.
2. the full cost of the time team member(s) spend supporting that carer to deliver support.
3. the scheme's overheads.

Note: that the gross cost of the service is the total payment to the Shared Lives carer, plus the costs of running the scheme. The net cost to the council, will be the gross cost less the contribution the service user makes through Fairer Charging for their personal care, and also less any additional payments they make to the Shared Lives carer for rent, food, heating, lighting etc.

**1.36.** Shared Lives will not necessarily meet all an individual's support requirements. For instance, where Shared Lives is meeting an individual's long term support and accommodation needs through providing stable family life, that individual should nevertheless have the opportunity to take part in activities outside of their home during the day.

- 1.37.** A scheme may have several different units of support, such as a week of support and accommodation, a day of day care, or a 48 hour break. The costs of those units might also differ according to the person's level of support need. Some schemes have a clear, banded system of costs, with, for instance Band A being high need, Band B, medium need and Band C, low need. It is likely that an independent scheme would need a system of this kind, so it may be worthwhile moving to that system ahead of any outsourcing decision. Shared Lives Plus have produced a guide to carer payment models for members.
- 1.38.** Schemes should be able to estimate how many staff members were needed to deliver each kind of support and commissioners should discuss with managers whether that ratio was efficient, realistic and sustainable. Shared Lives Plus have produced guidance on calculating optimum staff workloads.
- 1.39.** The payment to the Shared Lives carer is made up of several elements:
- The user's contribution to rent, food, heating and lighting, paid for from the person's own money and/ or their benefits including Housing Benefit.
- 1.40.** The social care-funded element, paid by the council to the carer, or paid to the individual as a personal budget, which they then pay to the carer via the Shared Lives scheme. Under Fairer Charging rules, the service user's ability to contribute to this will be assessed and they may be charged for part or all of this cost.
- Anything else the scheme pays to the carer, to cover:
  - any training or supervision they are paid to attend;
  - travel expenses
  - covering when they are sick;
  - their respite;
  - their insurance;
  - CRB checks;
  - their Shared Lives Plus membership.
- 1.41.** Local arrangements as to what the Scheme covers from the list above and what the carer pays for themselves will vary. Within an area, the cost of individual carers will also vary. For instance, some may attend more training or use more sickness cover. Some carers and support arrangements need more support than others (see Shared Lives Plus Support Profiling Tool and Workload Analysis tool). Full costs of staff members may have the potential to change if there was a move from in-house to outsourcing, as councils have very different infrastructure costs to not for profits. Any potential bidder will need to work out its costs on a full cost recovery basis. This could include estimating marketing costs, finance team's time, payroll, proportion of a senior manager, CQC registration, public liability insurance.

- 1.42.** Remember that all of these figures will necessarily be estimates and averages, with a considerable margin of error, so overly detailed calculations of current and potential unit costs are likely to be misleading and counter-productive.

## **2. Options considered and reasons for rejecting them**

### **2.1. Continuing the service in house**

The service has fallen below expected standards and significant change and support for that change is required to sustain and develop the service in line with best practice and how the local authority would wish it to be delivered.

- 2.2.** To keep the service in house would be a significant strain on existing resources, who are generally without the required experience and expertise of an established and successful Shared Lives provider. The local authority currently lacks that infrastructure to deliver a safe and effective service, so would have an associated cost with rebuilding this support to the Shared Lives scheme, which would not be cost effective route for a relatively small service.

### **2.3. Withdrawing all funding and not re-commissioning the service.**

This would significantly undermine the Council's early help and prevention agenda. This option would create a significant risk to service delivery and service budgets, in particular social care, in the form of increased demand and greater intensity of presenting needs in the near future. It would also have an immediate and very significant negative impact on the exiting service users, their families and carers as well as on the current service providers. Alternative provision would need to be sourced as customers have assessed support needs.

### **2.4. Entering into a contract with an external provider to deliver the service**

Completing a waiver and direct award process for a 24 month period, with the potential to extend to 36 months whilst undertaking a legally compliant commissioning process before the end of this time and building the skills, capacity and resilience within the Shared Lives service to make it a vibrant and flourishing scheme.

- 2.5.** The reason for the length proposed of the direct award, that being 24 to 36 months, is that this is the expected time for Shared Lives South West to be able to implement the changes required in the service and simultaneously for the council to plan, review and re-commission the service in 2021 – 2022.

### **2.6. Recommendation from Commissioners**

For the Council to directly award a contract to the preferred provider (Shared Lives South West) is the recommended option as this enables service continuity, provides the time to deliver the identified improvement

plan following the last CQC rating. It will also allow commissioners to build on the existing arrangements and allow the council to add in greater flexibility for the potential tendering of any future contract arrangements as well as there being a better and more effective service.

### **3. Background Papers**

**3.1** An Independent report into the benefits of an outsourced shared lives scheme has been produced by Community Catalysts, who initiated the Somerset Micro Provider scheme, working with Derby City Council.

<https://www.communitycatalysts.co.uk/wp-content/uploads/2011/06/Derby-County-Council-Shared-Lives-for-Local-Authorities.pdf>

Confidential Appendix 1

Confidential Appendix 2

Confidential Appendix 3

Shared Lives Specification - Appendix 4

Shared Lives Service Delivery Plan - Appendix 5

Shared Lives good practice example 1- Appendix 6

Shared Lives good practice example 2 - Appendix 7

Confidential Appendix 8

## Somerset Equality Impact Assessment

Before completing this EIA please ensure you have read the EIA guidance notes – available from your Equality Officer

**Version**

**2**

**Date**

**2.8.19**

### Description of what is being impact assessed

Shared Lives is where an individual or family is paid a modest amount to include an older or disabled person in their family and community life. In many cases that person goes to live with a Shared Lives carer and their family. In Somerset our Shared Lives service is not working well.

This decision aims to improve Somerset's provision and to improve lives for vulnerable people as well as those enrolled in the scheme.

It is an exciting opportunity to be ambitious for our vulnerable residents. The report includes some case studies at the end of this report to paint a picture of people who benefit and the significant difference an effective Shared Lives scheme can make to them.

The recommendations will lead to increased investment and attention that will enable the Shared Lives scheme to flourish and be a vibrant provider to the people of Somerset.

This will be delivered in partnership with an established and CQC "Outstanding" rated external provider to improve the performance of the current service, grow it through development of the scheme and widen the offer to people with other support needs.

This paper sets out the options, financial implications and recommendation for the service to be made external to the council and the support and improvement that this would give to the scheme.

## Evidence

**What data/information have you used to assess how this policy/service might impact on protected groups?** Sources such as the [Office of National Statistics](#), [Somerset Intelligence Partnership](#), [Somerset's Joint Strategic Needs Analysis \(JSNA\)](#), Staff and/ or [area profiles](#), should be detailed here

Assessed care data for the customers across the affected Shared Lives schemes. Staff profile information.

**Who have you consulted with to assess possible impact on protected groups?** If you have not consulted other people, please explain why?

Consultation with service users regarding the proposed award of the contract was not taken due to the timescales for implementation. Informal engagement has happened with the four members of staff employed by Somerset County Council

## Analysis of impact on protected groups

The Public Sector Equality Duty requires us to eliminate discrimination, advance equality of opportunity and foster good relations with protected groups. Consider how this policy/service will achieve these aims. In the table below, using the evidence outlined above and your own understanding, detail what considerations and potential impacts against each of the three aims of the Public Sector Equality Duty. Based on this information, make an assessment of the likely outcome, before you have implemented any mitigation.

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
Age	<ul style="list-style-type: none"><li>There are no age related impacts of this decision</li></ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<b>Disability</b>	<ul style="list-style-type: none"> <li>• The shared lives schemes supports people with a disability and there may be anxiety, due to people’s understanding of the changes that may happen.</li> <li>• Adults with disabilities that live in Shared Lives benefit from receiving tailored support to enable them to live independently and this will continue after the externalising of the service.</li> </ul>	☒	☐	☐
<b>Gender reassignment</b>	<ul style="list-style-type: none"> <li>• There are no gender reassignment impacts of this decision</li> </ul>	☐	☒	☐
<b>Marriage and civil partnership</b>	<ul style="list-style-type: none"> <li>• This is not an affected group due to the decision</li> </ul>	☐	☐	☒
<b>Pregnancy and maternity</b>	<ul style="list-style-type: none"> <li>• This is not an affected group due to the decision</li> </ul>	☐	☒	☐
<b>Race and ethnicity</b>	<ul style="list-style-type: none"> <li>• There is a requirement that people that may have other communication needs, through language, race, ethnicity or disability and it is recognised that support may be needed to understand the decision and changes.</li> </ul>	☒	☐	☐
<b>Religion or belief</b>	<ul style="list-style-type: none"> <li>• This is not an affected group due to the decision</li> </ul>	☐	☒	☐

<b>Sex</b>	<ul style="list-style-type: none"> <li>This is not an affected group due to the decision</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sexual orientation</b>	<ul style="list-style-type: none"> <li>This is not an affected group due to the decision</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b>	<ul style="list-style-type: none"> <li>There are 86 paid carers and many other unpaid carers in the shared lives households that will be impacted by the organisation that they contract with changing from Somerset County Council to the new provider.</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Negative outcomes action plan

Where you have ascertained that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.

Action taken/to be taken	Date	Person responsible	How will it be monitored?	Action complete
Consultation with the people supported and carers will happen over the three year period, to help inform and shape the tendering exercise to the	01/08/2022	Lead Commissioner	Regular contract monitoring	<input type="checkbox"/>
Commissioners and Shared Lives staff will meet with the shared lives carers to explain the changes that will happen due to the externalisation of the service. This will happen in	30/08/2019	Lead Commissioner	Engagement sessions	<input type="checkbox"/>

face to face roadshows and opportunities for individual meetings.				
The impact of any translation (for example Easy Read material) will be considered as part of the contract transition and will either be met through current translation contracts held or provided for.	14/10/2019	Lead Commissioner	Regular contract monitoring	<input type="checkbox"/>
	Select date Select date Select date Select date			<input type="checkbox"/>
	Select date Select date Select date Select date			<input type="checkbox"/>
	Select date Select date Select date Select date			<input type="checkbox"/>
	Select date Select date Select date Select date			<input type="checkbox"/>
	Select date Select date Select date Select date			<input type="checkbox"/>

**If negative impacts remain, please provide an explanation below.**

No negative impacts remain.

**Completed by:** **Bev Cole**

<b>Date</b>	<b>22<sup>nd</sup> May 2019</b>
<b>Signed off by:</b>	<b>Steve Veevers</b>
<b>Date</b>	<b>24/07/2019</b>
<b>Equality Lead/Manager sign off date:</b>	<b>02/08/2019</b>
<b>To be reviewed by:</b> (officer name)	<b>Steve Veevers</b>
<b>Review date:</b>	<b>30/08/2019</b>

