

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	19 th August 2013
Report of:	Lorraine Butcher, Executive Director of Strategic Commissioning
Subject/Title:	Early Intervention and Prevention Services (Key Decision Ref CE 13/14-25)
Portfolio Holder:	Cllr. Janet Clowes - Health and Adult Social Care

1.0 Report Summary

- 1.1 The Council continues to make a positive, substantial commitment to investment in early intervention and prevention services. It is known that these services, when focused on specific outcomes, reduce demand on social care resources.
- 1.2 In 2012-13 all grants for adult services with Voluntary, Community and Faith Sector (VCFS) providers were commissioned and tendered for the first time to focus on the delivery of outcomes. Bids from organisations which were low in cost and could clearly evidence how through early intervention and prevention they would avoid or delay an individual's entry into the social care system or reduce or maintain current levels of support were prioritised for funding.
- 1.3 An Innovation Fund was also established to make awards of up to £10,000 for innovative solutions which address need through early intervention and prevention approaches.
- 1.4 These contracts are now due to be retendered, together with Children's Early Intervention and Prevention Services. Universal Services (provided by CABs and Healthwatch) are not included within this process.

2.0 Recommendations

- 2.1 That approval be given to a re-tender of all Early Intervention and Prevention services.
- 2.2 A minimum budget of £3,113,840 for Early Intervention and Prevention services be approved for a five year period from 1 April 2014 – 31 March 2019. This enables services to be commissioned for a three year period, with the potential to extend the contract for a further two years if required.
- 2.3 The continuation of the Innovation Fund be approved (see Appendix 2 for Application Form and Guidance and Appendix 3 for Innovation Fund Examples for 2013/2014).

- 2.4 The Executive Director of Strategic Commissioning be delegated authority to award the contracts to the highest scoring bidders, following a legally compliant procurement exercise, and subsequently enter into contracts.

3.0 Background

- 3.1 The previous contracts for adult services with VCFS providers, which pre - dated Local Government Re-organisation (LGR) in April 2009, had been extended over a number of years and had remained largely unchanged. The requirement for providers to tender for contracts therefore represented a significant step change in the council's approach and for this reason the new contracts, which required providers to deliver measurable and clearly specified outcomes, were awarded for one year only from 1 April 2013 – 31 March 2014.
- 3.2 An Innovation Fund was also established to evaluate bids of up to £10,000 to deliver innovative solutions which address need through early intervention and prevention approaches. Applications for the Innovation Fund are accepted throughout the year and multiple applications can be accepted from organisations. All monies must be spent in the year that the award is made and only revenue funding costs are met. Applications are evaluated by a panel on an ad hoc basis, based on the proposed outcomes included within the application. Examples of initiatives funded by the Innovation Fund in the current financial year can be found in Appendix 3.

4.0 Wards Affected

- 4.1 All wards.

5.0 Local Ward Members

- 5.1 All ward members.

6.0 Policy Implications

- 6.1 The recommendations within this report support the delivery of priority two and three of the Cheshire East Council Three Year Plan—developing affordable and sustainable local models of care for vulnerable children and adults and focusing services on early intervention and prevention and the Carers Strategy, October 2011.

7.0 Legal Implications

- 7.1 Existing contracts for Early Intervention and Preventions services are due to end on 31 March 2014 and cannot be extended.
- 7.2 Replacement services must be procured by the Council in order to fulfil its statutory duties under the Health and Social Care Act. The Council needs to undertake a competitive tender exercise in

accordance with the Public Contracts Regulations 2006 and the Council's own Finance and Contract Procedure Rules.

- 7.3 As these contracts will potentially be in place for a five year term, the service will need to instruct Legal Service so that suitable termination provisions are included to allow the Council to terminate on notice and provisions allowing the Council to apply appropriate penalties should the providers fail to provide the services to the required standard.

8.0 Financial Implications

- 8.1 Targeted savings of £364k were achieved in 2013/14 through the previous tendering round.

- 8.2 As these services are focused on delaying or even averting entry into the social care system or reducing the need for more costly interventions it is proposed that this funding is maintained at existing levels.

- 8.4 The current funding for the provision of Early Intervention and Prevention Services is £3,113,840 (£1,780,840 for Adults Services and £1,333,000 for Children's Services). This spend is already accounted for through the Strategic Commissioning budget.

- 8.5 Cabinet are therefore requested to commit the current budget of £3,113,840, for a five year period from 1 April 2014 – 31 March 2019 to allow services to be commissioned for a three year period, with the potential to extend the contracts for a further two years if required.

- 8.5 Break clauses will be included within the contract. Payment to providers may also be withheld if Key Performance Indicators within the contract are not achieved.

9.0 Risk Management

- 9.1 Failure to commission the replacement services will mean that no Early Intervention and Prevention Services will be available to residents of Cheshire East from 31 March 2014.

- 9.2 The services provided enable the Council to fulfil its statutory duty under the Health & Social Care Act.

- 9.3 As with all contracts there is a risk that once contracts are awarded the preferred supplier will not be in a position to fulfil the contract. This risk would be mitigated through active contract management but in rare circumstances the service may need to be re-procured.

- 9.4 Some organisations that were previously funded in 2013/14 may not be the highest scoring bidder in the new procurement process and will not therefore be funded for between three and five years when they will have the opportunity to retender for services. These organisations will, however, be free to bid to the Innovation Fund and we will also

support them to access to other avenues of funding where this is appropriate.

10.0 Access to Information

The background papers relating to this report can be inspected by contacting the Officer named below:

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