

Report to Cabinet

Report Title	Shared Lives Scheme
Date of Meeting	22 nd January 2025
Report Author	Ian Gleadell, Commissioning Manager – Adults Contract Management Team
Corporate Director	Robert Persey, Interim Executive Director Adults and Health
Lead Cabinet Member(s)	Cllr Mark Hooper
Why is this a key decision?	<p>1. Expenditure over £500K yes</p> <p>2. Significant impact on 2 or more wards yes</p>
Wards Affected	All wards
Identify exempt information and exemption category	Choose an item. - N/A

Is report Urgent?	No
Reasons for urgency (<u>only</u> where applicable)	N/A
Appendices (if any)	<ol style="list-style-type: none"> 1. Existing Banding-level of need April 2022 to October 2025 2. Stage one form – Approval to proceed to tender – Shared Lives

1. Executive Summary

This report seeks Cabinet approval to retender the Shared Lives contract, a contract that provides a cost effective, high quality, personalised alternative to residential care and supported living for vulnerable adults across Thurrock.

The Shared Lives Scheme (formerly known as adult fostering/placement) mainly supports adults with Learning Disabilities, Autism and Mental ill health. It provides a warm, stable, and nurturing family environment in which individuals can thrive.

Over the past three years the scheme has grown from six to 13 substantive placements, during the tender process a strong emphasis will be placed on growing the scheme further.

2. Recommendations

For the reasons set out in this report, the Cabinet is recommended to:

- 2.1 **Support the decision that the Council go out to tender for the Shared Lives contract. The proposed start date of this contract would be October 1st, 2025, until March 31st, 2031, with an option to extend for two years in one-year increments. If growth targets are met total during the life of the 7.5-year term the total contract value will rise to £3,920,250.**
- 2.2 **Approve the delegation to award the contract to the Executive Director of Adults and Health in consultation with the Lead Portfolio Holder.**

3. Commissioner's Comments

- 3.1 Commissioners have reviewed the content of this report and comments have now been incorporated into the final version.

4. Proposals – the rationale and evidence for the recommendations

4.1 Background and Drivers.

Shared Lives is regulated by the Care Quality Commission (CQC) and arises from several statutory sources, including the Care Act 2014 and the Health and Social Care Act 2008.

Thurrock Council has a duty under the Care Act 2014 to shape a marketplace that offers choice and control to service users and as such is obligated to promote physical and emotional wellbeing.

In order to deliver upon its statutory obligations, the Council is committed to the priorities and commitments outlined in Thurrock's Integrated Care Strategy, The Case for Further Change, published in 2022 by Thurrock Integrated Care Alliance (TICA) [Case for further change, 2022-2026 | Health and well-being strategy | Thurrock Council](#)

Shared Lives complements our Better Care Together Thurrock programme which is Thurrock Council's response to the national personalisation agenda. It builds upon our community development work and contributes to the development of resilient self-supporting communities.

4.2 The benefits of providing a Shared Lives scheme in Thurrock.

Shared Lives provides a safe and secure alternative to traditional care settings for adults with care and support needs. Typically, adults with care and support needs who are unable to live independently are likely to be placed in a Supported Living scheme or a residential care home.

Shared Lives plus are a UK charity who provide detailed information and advice based on national research, that evidences the enrichment and value Shared Lives can bring to people's lives.

It is clear from the national research (please see link below) and by talking to those placed within the Thurrock Shared Lives scheme that people feel part of a warm and loving family environment, they grow in confidence, develop social networks and access community facilities more readily. It is also clear that those in Shared Lives placements have improved physical and emotional wellbeing. Typically, Shared Lives placements range for three to 20 years, similar to those living in residential care and supported Living placements. Shared Lives outcomes and quality, published in 2023. <https://sharedlivesplus.org.uk/wp-content/uploads/2023/12/UK-state-of-sector-22-23-final-digital-compressed.pdf>

4.3 Costs

Weekly Shared Lives placement costs as of 31st October can be approximated as a median average of **£467** per week. A figure significantly lower than the lowest comparable median placement costs of **£896.06** per week.

Those who are likely to need residential care would overall not be suitable for the Shared Lives scheme. Therefore, residential placement costs have been removed from the comparator.

Service user/support category	Cost of placement per week
Shared Lives placement	£467
Adults with Physical Disabilities - supported living/accommodation	£896.06

Adults with Mental Health issues - supported living/accommodation	£921.56
Adults with Learning Disabilities and or Autism - supported living/accommodation	£932.50

There are currently 13 service users in the Shared Lives Scheme. If these 13 placements were provided at the lowest cost alternate provision, it would cost the Council approximately £0.607m; the forecast spend for 24/25 for the current Shared Lives Scheme is £0.317m. This represents an approximate cost avoidance of £0.290m for the 13 individuals.

Extending the Shared Lives Scheme has a benefit to the revenue position within Adults Social Care; but this has not been put forward as a formal saving to the MTFs as the extension of the Scheme, and resultant cost avoidance, is highly dependent on identifying suitable hosts which cannot be predicted reliably until the extension is implemented. Monitoring the financial benefits of the scheme extension will allow further information to be collated, potentially leading to a future proposal which can be put forward formally to the benefit of the MTFs.

The Shared Lives scheme represents best value as those placed are in receipt of warm, secure and community inclusive support, that is also highly cost effective and contributes to external purchasing budget expenditure avoidance.

The intention is to work with Shared Lives carers and those receiving support to co-design a comprehensive and detailed service specification, to then be able procure a provider that can articulate a clear and robust strategy that evidences how they will maintain existing placements whilst growing the scheme.

The length of the contract terms is designed to ensure continuity of support for those within the scheme and for the provider to establish and deliver on long term growth plans.

Based on placement growth of 7 over the past three years, a growth target of two new placements per year will be included in the new contract with the provider.

The Invitation to tender will place a very strong emphasis on the successful bidder being able to evidence a clear and robust Shared Lives Carer recruitment and scheme growth strategy, and that they should include any potential growth campaign costs within their bid.

If growth targets are met during the life of the 7.5-year term placements will rise from 13 to 28 and the total contract value for the life of the contract will be **£3,920,250**.

Growth is very difficult to predict and is based on multiple complex factors. Placements may increase, decrease, or remain static.

Please appendix 2 – Stage one form – Approval to proceed to tender – Shared Lives.

4.4 How the scheme works

The Shared Lives scheme operates on the basis that an adult Service User in need of accommodation care and support, who has been identified following a full care and support assessment, can live with, or have regular stays or visits with, an approved Shared Lives carer, with whom the service user has been matched for compatibility. Shared Lives schemes can also provide an alternative respite option for unpaid family carers to have a much-needed break from their caring role.

Service Users can include all those with assessed care and support needs. The majority of those placed within the scheme have Learning Disability, Autism and or Mental Health issues.

Following matching the service user to a Shared Lives carer, the carer's home is used as the basis of the care provision, whether on a full time residential basis, for respite care purposes or on an occasional basis, as the needs of the situation require.

A provider is sought to maintain and grow Shared Lives placements across Thurrock. The provider must comply with the terms and conditions of the contract agreed with the council and with all relevant statutory, regulatory, and good practice obligations.

The provider must be CQC registered and have a safeguarding policy in place prior to commencing the contract. The policy must ensure the organisation carries out enhanced DBS checks and reference searches for all shared lives carers. Safeguarding expectations are reinforced throughout the recruitment and induction process and once inducted the provider must ensure all carers and staff are trained in safeguarding, and that the training is updated at least every two years. The provider is expected to carry out both announced and unannounced. All placements are subject at an annual community care review, during which any potential safeguarding concerns can be investigated.

Following the assessment of need, the allocated social worker will identify which band the individual will be allocated to. Following this, the total placement fee is paid to the provider. The provider then removes the management fee, and the carers break payment and then pays the self-employed Shared Lives carers the remainder of the placement fee.

The provider then recruits inducts and trains respite carers, the carer break payment is then paid to the respite carers and this enables the Shared Lives carer to take a break from their caring role. Please see below for breakdown of costs below.

Band Range	Carer will receive	Management fee	Carers break	Total per week
Band 1	£200	£118	£27	£345
Band 2	£250	£118	£27	£395
Band 3	£340	£118	£27	£485

Band 4	£340+ Negotiation based on need	£118	£27	£485 + Negotiation based on need
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Please see Appendix 1 – Existing Banding-level of need April 2022 - October 2025

5. Alternative options considered

5.1 Cease to provide a Shared Lives service in Thurrock – Discounted.

This would lead to rising placing costs within the external purchasing budget and would contradict the Local Authority's Care Act duties to provide a diverse marketplace that offers individuals choice and control over the support they receive and the promotion diversity and quality in provision of service.

5.2 Bring the Shared Lives in house – Discounted.

This would need significant upfront infrastructure spend, and there would no guarantee of procuring the necessary human resources to make the scheme a success. This could lead to placement breakdown and the need to source alternatives at a much higher cost, and significant emotional and psychological anxiety and distress for the individuals involved.

6. Consultation

6.1 Those consulted with include:

- Shared Lives Carers and users of the scheme.
- Incumbent provider.
- Shared Lives commissioners from neighbouring authorities.
- Fieldwork services.
- Service Manager for Contracts and Brokerage, Contract Compliance, and Placements.
- Adults and Health Directorate Management Team
- Senior Leadership Team

All those consulted with were supportive of the scheme and the intention to retender.

Further consultation:

- The lead commissioner will work with Shared Lives carers and Service Users to co-design the contract service specification, and subsequent key performance indicators in readiness to go to tender.

7. Financial Implications

The Shared Lives budget sits within the wider external purchasing budget. This financial year the forecast spend is approximately £0.320m. The Shared Lives contract bandings have not been increased annually in line with inflation as the contract is to be re-tendered. It is expected the cost bandings will increase from the current contract's baseline costs.

An increase in the contract value of 10% will result in an increase in spend for the current scheme (13 service users) of £0.032m from £0.320m to approximately £0.352m per annum. 10% is expected to be an upper limit based on inflationary increases which may have applied for the life of the current contract.

The re-tender is to the open market so any increases may conceivably be below 10%. This will not be known until bids are received. When reviewing the tenders, a priority is to ensure any contract prices received are competitive and do not cause additional revenue pressures to the Council as well as ensuring quality of care for the end service user.

The service will also look to expand the scheme. If two additional service users were supported in the next financial year (at an average cost of £0.025m per service user and £0.320m for 13 users) then the cost of the scheme next year may potentially increase to £0.377m per annum from £0.320m per annum. It should be noted that the number of service users which can be added to the scheme each year is very much dependent on the recruitment of carers and the identification of suitable service users.

Any increase in the contract value when re-tendered and additional service user numbers should not cause a revenue pressure. The Shared Lives scheme is a more cost-effective model of care rather than other traditional types of placements as demonstrated earlier in this report. Any increase in the contract cost will be met from the overall external placements' revenue budget. As with other Adult Social Care contracts, spend will be monitored to ensure spend is in line with budgets.

Implications Verified by: Vena Kaur Bhakar – Head of Finance – Adults and Health
Date: 6th November 2024

8. Risk Implications

This report links directly back to the Corporate Risk Register, in relation to Corporate Risk (2) – Adult Social Care, Demand, Stability and Market Failure.

Other risks for consideration within this report include:

- 8.1 Providers decline the invitation to tender, which could require a further tender exercise to be completed and a delay in awarding the contract and / or a cessation of the current care provision. Although this represents low risk it is possible there will not be any market interest. By way of some mitigation for this, the incumbent provider has confirmed their definite intention to bid.
- 8.2 Tender timelines are missed, which could lead to a delay in awarding the contract and a cessation of the current care provision. A significant amount of potential slippage time has already been built into the tender timeline to mitigate this risk.

Implications Verified by: Frankie Smith – Head of Internal Audit, Risk Management and Insurance

Date: 11 December 2024

9. Legal and Governance Implications

Following issue by the Council of a s114 notice, the Council must ensure that its resources are not used for non-essential spending. Under section 5 of the Care Act 2014 above referred to, the Council has a general duty to shape and understand the market in meeting care and support needs, co-produce with partners and facilitate the development of the market.

The Council may also in any circumstance where the Care Act does not apply rely on its power in s.1 of the Localism Act 2011 to do anything an individual may do (the general power of competence) to commission this service. It is advised that none of the limitations on this power in s.2 to 4 apply to prevent the use of the power. It is advised that the use of the power, as set out in the report, is a rational exercise of the power.

In procuring goods and services, the Council is required to comply with the requirements of the Public Contracts Regulations 2015, and its own Contract Procedure Rules (although the former will override the latter if there is any inconsistency). The use of a tender process to procure goods and services is specifically authorised under PCR 2015.

Officers should ensure Legal Services are kept fully informed as they proceed through the procurement to ensure that the Council operates within the law.

The proposed award of the contract would fall within the definition of essential spending under s.114 of the Local Government Finance Act 1988.

Implications Verified by: Kevin Malloy – Principal Solicitor

Date: 6 November 2024

10. Equality and Diversity Implications (including the public sector equality duty)

For this tender we are undertaking an HLS approach to the service specification. Human Learning Systems is a human approach to the delivery of public services recognising the variety of human needs and experience and building solutions that are bespoke to the requirements of the individual.

It is about liberating workers from unnecessary bureaucracy and empowering them to co - design bespoke integrated solutions with residents..

As such, the specification will be co-designed in conjunction with Shared Lives service users, Shared Lives carers, fieldwork services and other relevant stakeholders.

The provision of this contract will support the Council to uphold responsibilities set out in the Care Act (2014), Equality Act (2010) and Public Sector Equality Duty.

A CEIA has been completed and a focus for the commissioning and procurement piece will be to place greater scrutiny on the equity of access to this service.

Social value will be included as part of the commissioning process for this service and will be monitored as part of the standard contract review cycle with the agreed supplier.

Implications Verified by: Rebecca Lee - Team Manager Community Development

Date: 6 November 2024

11. Other Relevant Implications

11.1 N/A

12. Background Documents

- Care Act 2014
- Health and Social Care Act 2008
- Shared Lives outcomes and quality, published in 2023.
- Thurrock's Integrated Care Strategy, The Case for Further Change, published in 2022 by Thurrock Integrated Care Alliance.

Relevance Check**Budget Reduction/Service Area:****Service Lead****Date:**

In what ways does this Budget reduction have an impact on an outward facing service? How will the service feel different to your customers or potential customers?

N/A

If not, how does it impact on staff e.g. redundancies, pay grades, working conditions? Why are you confident that these staff changes will not affect the service that you provide?

N/A

Is a Customer Impact Assessment needed? No