

**Proposed Key Decision to be taken by the
Deputy Leader
on or after 23rd May 2014**

Re-Design of Dementia Community support

Recommendation(s)

That the Deputy Leader:

- 1) Approves the tender for the provision of the Dementia Navigator Service and cost and volume/spot model of commissioning dementia specialist day care/day opportunities for people with Dementia and their carers; and
- 2) Authorises the Strategic Director for the People Group to enter into all relevant contracts for the provision of Dementia Navigator Service and cost and volume/spot model of commissioning dementia specialist day care/day opportunities on terms and conditions acceptable to the Strategic Director for Resources.

1.0 Introduction

- 1.1 The National Dementia Strategy 2009¹ and Prime Ministers Challenge on Dementia² both highlight the need to ensure that people with dementia receive the right care and support at the right time to enable them to live independently at home for as long as possible.
- 1.2 In line with the demographic demands of an ageing population, the number of people with dementia in Warwickshire is increasing. There are currently an estimated 7651 people with dementia living in Warwickshire this is due to rise to over 9000 by 2021.
- 1.3 WCC currently commission a small range of community based services specifically for people with dementia including; 1:1 support, information, advice, peer support and dementia specialist day care. All services aim to maintain the health, wellbeing and independence of people with dementia whilst providing an opportunity for informal carers to have a break.
- 1.4 Current service provision however can be difficult to access as it is inconsistently available across the county and services are unlikely to be able to respond to future demographic pressures. Services are also variable in

¹ Department of Health (2009) National Dementia Strategy

² Department of Health (2012) Prime Minister's challenge on dementia - delivering major improvements in dementia care and research by 2015.

terms of the outcomes and benefits they deliver and do not form part of a locally defined dementia care pathway meaning that referrals are inconsistent and not always at the right time for individuals.

- 1.5 New EU regulations and contract and procurement rules require us to re-tender all services before the current extension period 31st March 2015.
- 1.6 Consultation and engagement in relation to Warwickshire's local dementia strategy highlights that people who use services and their carers need a range of support services to meet their needs in the community and prevent them from requiring more intensive levels of care and support. People with dementia and their carers highlighted the following aspects of support as important when designing a new service model:
 - Access to timely post diagnostic support
 - Carers are supported to have a life of their own
 - Care and support that focuses on the needs of individuals
- 1.7 There is a business requirement to re-design existing dementia community based support services to ensure there is greater equity of access across the County, services are fit for future demographic pressures as well as being able to meet individuals' outcomes. The re-designed model will also more closely respond to People Group outcomes including; *People are safe, People are Independent, People enjoy life, People are cared for, People enjoy life and People can contribute.*

2.0 The re-designed Service Model

- 2.1 The redesigned dementia service model aims to meet the Council's business requirements and achieve the following objectives and outcomes:
 - To support people with dementia to live well and independent at home for as long as possible;
 - People with dementia and their carers feel confident and plan for their future needs;
 - People with dementia are offered early support following a diagnosis which prevents them from reaching crisis point;
 - People with dementia feel informed and have a sense of autonomy which maximises their ability to exercise choice and control;
 - People with dementia have access to social contact, meaningful activity and stimulation which enhances their health and wellbeing;
 - People with dementia feel safe and secure and are safeguarded from harm or neglect;
 - People with dementia enjoy life and feel part of their communities; and
 - Carers and families feel recognised and valued and are supported to continue in their supportive roles for as long as possible.

3.0 Options Appraisal

3.1 Options for the re-shape of services were considered and appraised by officers and wider stakeholders by considering the benefits and risks for each.

3.2 Two options were considered for both aspects of re-design; information, advice and support and day care/day opportunities.

3.3 Information advice and support:

Option 1a - Re-shape current dementia information, advice and support services and commission a single countywide Dementia Navigator Service.

Option 1b – Create a generic information, advice and support that includes support to people with dementia.

3.4 Dementia day care/day opportunities:

Option 2a - Re-design of Dementia Day Care/day opportunities; cost and volume and spot purchase model.

Option 2b - Re-design of Dementia Day Care; spot purchase only.

3.5 The option to ‘Do nothing’ was not viable for either community support services or day care/day opportunities because all opportunities for extension of current services via exemptions have been exhausted. New EU regulations and contract and procurement rules require us to re tender all services before the current extension period 31st March 2015.

4.0 Recommendation

4.1 The recommended options for the re-shape of the dementia community based support services are **1a and 2a** as it is envisaged that these will best meet the Council's business requirements and deliver the widest benefits.

4.2 **Option 1a** - Re-shape current dementia information, advice and support services and commission a single countywide Dementia Navigator Service. The service will serve as a single point of entry for people with dementia following a diagnosis where they will receive information, advice, emotional support and signposting based on their individual needs. They will be supported to ‘navigate’ the health and social care system, and will be provided with information, practical advice and signposting to other service where required.

4.3 **Option 2a** - Re-design of Dementia Day Care/day opportunities; cost and volume and spot purchase model. Cost and volume contracts are where a fixed sum is paid for access to a defined range and volume of services. If levels of planned activity change there is a variation in payment according to a pre-determined threshold which sets the per unit payment rate for higher/lower than target performance. The volume that is procured will be

based on average number of spaces required over the past 12 months; this will be reviewed on an annual basis.

This model will enable WCC to maintain the current level of capacity at current rates whilst having the flexibility to purchase additional places at defined rates from current or new providers. In addition, to ensure that customer choice is optimised, the service specification will also be utilised with providers to generate a spot rate for wider day opportunities with the aim of increasing the range and type of services available. The introduction of an outcome based specification will also ensure that for the first time, we are measuring dementia day care based on achievement of defined outcomes rather than outputs.

- 4.4 To procure both options a 2 stage commissioning process will be utilised. Both the Dementia Navigator Service and Cost and Volume Model of commissioning day care will be commissioned via the PVI sector on a 2 plus 2 year contract.

5.0 Costs and funding

5.1 Option 1a: Dementia Navigator

Current dementia community support services will be reshaped freeing up £78,877 to be used to fund the Navigator model. These services are currently paid from Social Care and Support teams' budgets.

Public Health Warwickshire have committed £40,000 per annum for a two year period funding for the Navigator model.

Total budget available for the Navigator service = £118,877

- 5.2 Based on projected service activity, WCC would need to commission a Navigator service with sufficient capacity to cover the county and link to the 3 CCG areas and memory assessment services. It is estimated that we would require 4 FTE Navigators which could be achieved within the identified budget envelope of £118,877. This would cover recruitment, management and overheads associated with employment of 4 Navigators, admin support and support to recruit and manage volunteers.

5.3 Option 2a: Re-design of Dementia Day Care; cost and volume and spot purchase model

It is projected that this model can be delivered within current budgets. Despite significant rises in the numbers of people with dementia across Warwickshire within the next few years it is projected that the cost, volume and spot model will provide greatest flexibility and value based on level of need. The way in which contracts and specifications will be constructed will enable WCC to negotiate the best value rates based on capacity and need.

Current cost of dementia day care = £314,285 per annum / 200 places per week / weeks of operation (50 weeks per year) = average day rate of £31.50

Current spot rates for specialist dementia day care range between £35- £42 per day

Cost and volume will help ensure that WCC can continue at current best value average rate of around £31.00 per day.

6.0 Risks

6.1 **Risk:** Financial: to fund a comprehensive navigator service WCC requires greater investment than is available within current contracts. The model is reliant on having public health and possible CCG contributions confirmed. Without this it is unlikely we will have an adequate budget to go out to tender for the model that we have specified.

Mitigation of risks: extensive stakeholder engagement and work in collaboration with partners has taken place when scoping out the new model. Key contributors are sufficiently subscribed to the need for the model and the proposed delivery mechanism.

6.2 **Risk:** Timescales: the timescales to undertake procurement activity are tight and current contracts will need to be re-shaped to new services which will require a transfer period. Current contracts cannot be extended following March 31st 2015.

Mitigation of risks: The procurement team have been engaged from the outset and have advised on the best approach to meet timescales e.g. an 'open' tender that combines ITT and PQQ stages which will save time. We are also using a project management approach to monitor delivery against milestones

6.3 **Risk:** Decommissioning current dementia services. In order to re-shape to options 1a dementia Navigator service and 2B day care cost and volume we will need to decommission existing dementia services to fund the new model.

Mitigation of risks: We are confident in the modelling of the new services that these will offer at least the same or enhanced levels of service for individuals currently utilising them and will increase the capacity of service meaning that more people will be able to benefit from dementia community support services in the future. In addition we have worked in a 3 month transfer period to new service arrangements, in the procurement plan to ensure that there is time for providers to communicate with existing customers whilst working with the incumbent providers in readiness of the new service offer. For day care users the impact of tendering may be that their current day care provider is not successful in securing a cost and volume contract. In these cases, to minimise disruption for individuals WCC would work with existing providers to transfer them onto the new service arrangement or set up spot contract with the provider if appropriate to ensure continued service delivery.

7.0 Key Milestones/Timescales

- ASM GLT approval 27th March 2014
- GLT approval 17th April
- Adults Joint Commissioning Board (for information) 19th of May 2014
- Portfolio Holder / Deputy leader decision: 23rd May 2014
- Development of x 2 service specifications by: 4th July 2014
- Development of equality impact assessments by: 4th July 2014
- Tender process opens: 7th July 2014
- Tender closes: 27th August 2014
- Contract award date: 13th October 2014
- Transition period from current to new arrangements 2nd January 2015 - 1st April 2015
- Date new contracts go live 1st April 2015

8.0 Conclusions

- 8.1 In order to progress the review of dementia community support services and ensure best outcomes for customers, the Deputy Leader is asked to approve the procurement of the Dementia Navigator Service and cost and volume/spot model of commissioning dementia specialist day care/day opportunities and to authorise the Strategic Director for People Group to award contracts on terms and conditions acceptable to the Strategic Director for Resources.

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OUTLINE BUSINESS CASE (Project Justification)



Group:	People group	Division:	Strategic Commissioning
Programme:	Older People Commissioning / Dementia strategy delivery	Project:	Re-design of dementia community support
Proposer:	Katie Herbert / Zoe Bogg	Date:	27th March 2014

Background:

In 2011, Warwickshire County Council (WCC) in collaboration with partners, published its first Dementia Strategy¹. This strategy highlights the need to ensure that people with dementia receive the right care and support at the right time to enable them to live independently at home for as long as possible.

There are currently an estimated 7651 people with dementia living in Warwickshire this is due to rise to over 9000 by 2021. The diagnosis rate of dementia in Warwickshire is 43%, although this is in line with the national average, there are a number of national drivers such as the *Prime Ministers Challenge on Dementia*² as well as health CQUIN targets³ that are likely to result in increased rates of diagnosis, in particular earlier diagnoses'.

WCC currently commission a small range of community based services specifically for people with dementia including; 1:1 support, information, advice, peer support and dementia specialist day care. All services aim to maintain the health, wellbeing and independence of people with dementia whilst providing an opportunity for informal carers to have a break. However, current service provision and accessibility is inconsistent across the county and services are unlikely to be able to respond to future demographic pressures. Services are also variable in terms of the outcomes and benefits they deliver and do not form part of a locally defined dementia care pathway meaning that referrals are inconsistent and not always at the right time for individuals.

This business case seeks to put forward a number of options for how WCC can re-design community based services and day care for people with dementia which;

- Seamlessly link with key parts of the health economy,
- Are fit for the current and future needs of our population,
- Ensure that people with dementia and their carers are supported to remain independent in the community for as long as is appropriate and possible.

This work links with the following People Group Outcomes; *People are safe, People are Independent, People enjoy life, People are cared for, People enjoy life and People can contribute.*

Business Requirement:

There is a need to re-design current dementia community based support services to ensure these are fit for future demographic pressures as well as being able to meet individuals' outcomes.

Warwickshire profile;

¹ Warwickshire County Council (2011) Living Well with Dementia in Warwickshire 2011 - 2014

² Department of Health (2012) Prime Minister's challenge on dementia - delivering major improvements in dementia care and research by 2015.

³ Commissioning for Quality and Outcomes framework (CQUIN) 2013/14

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7651 people expected to have dementia
 Most live in Stratford or Warwick (27% and 25% respectively)
 The least amount of people (10%) live in North Warwickshire
 Two thirds of people with dementia live in the community with the majority likely to exhibit mild or moderate symptoms (78%)
 12% of those with dementia are likely to have severe symptoms

Demographic demands have resulted in both providers and practitioners reporting capacity pressures in dementia specific services. This has required careful management over the past 12 months working with providers to manage availability of services. Although increased capacity and flexibility of service provision is required, the current block contracts' limit the ability to flex capacity of service to levels of need and demand. In addition, the recent closure of Coventry and Warwickshire Partnership Trust's (CWPT) organic day hospitals, which fulfilled a similar function to day care, has also impacted on the numbers of new customers being placed within WCC commissioned day care services, which has resulted in additional capacity pressures.

To offer fully personalised support to people with dementia, a range of service provision is required from the market that can respond to differing levels of individual need and provide options for people with dementia to use direct payments to purchase services. We undertook a Market Testing Exercise early in 2013 and received responses from over 30 providers who indicated their willingness to offer a broader range of community based services than is currently on offer. Submissions from providers indicated that they felt there was a need to offer more preventative and early intervention services for people with dementia than are currently available in Warwickshire. Providers also supplied innovative and creative ideas around the type of support they could offer this included ideas around creating a single point of entry for advice and support following a diagnosis.

We also engaged with providers, people with dementia and their carers during engagement events in November 2012 and December 2013 which had a combined attendance of over 60 people. People told us that they wanted commissioning to focus on the following 3 areas;

1. **Access to timely post diagnostic support:** Current availability of support following a diagnosis is patchy; there needs to be a single point of entry to support following a dementia diagnosis. This support needs to be proportionate to individual needs and should comprise of information and advice, emotional support, and peer support.
2. **Carers are supported to have a life of their own:** Carers need dedicated information, advice and emotional support. They also need to be able to access training that can help equip them with the skills and confidence to cope in the caring role. Carers need the opportunity to take a break.
3. **Care and support that focuses on the needs of individuals:** Support should be built around the needs of individuals focusing on individual outcomes. People need support earlier in their journey to prevent later potential crises' rather than re-active support once crisis point already reached.

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Whilst ensuring there are a range of dementia specific services available in the market it is also crucial that these seamlessly link to local health and care pathway's. Currently, due to a mix of different service provision and gaps across the county, it has been difficult to achieve a seamless pathway as the service an individual can utilise depends on where they live. This has also been exacerbated by some duplication in service delivery amongst commissioned services resulting in users being unsure what service they can utilise. It is important to ensure that the Council's service offer seamlessly links to secondary mental health services which currently provide diagnosis services for dementia.

Locally partners in CWPT are re-designing the memory service pathway, which is the primary diagnostic pathway for dementia. It is expected that the re-designed memory service pathway will be age independent and will be consistent across Coventry and Warwickshire, with a single point of entry to memory assessment services. The new pathway is likely to be introduced during the financial year 2014/15 making it timely to also re-shape our community based services to ensure there is adequate and seamless support to people following a diagnosis.

In addition, all 3 of the Clinical Commissioning Groups (CCG's) have identified dementia as a priority area within their commissioning intentions. Research and policy⁴ identifies that one of the barriers to diagnosis for people with suspected dementia can be GP perceptions around there being little or no support available to people and therefore perceiving there to be limited or no benefit in referring an individual for a diagnosis. Offering post diagnosis support to people with dementia in the form of community based services is one way in which overall diagnosis rates may increase as professionals are reassured that the diagnosis will enable people to receive appropriate support. It is therefore also timely to have a joined up conversation with CCG's about future plans around dementia commissioning, particularly post diagnostic support.

Moreover, Warwickshire Public Health have also highlighted dementia as a priority area in their Mental Health Strategy and are keen to work with the People Group to develop sustainable models of community based services for people with dementia to keep individuals living well at home for longer.

This business case looks at the whole model of community based support for people with dementia in Warwickshire from post diagnosis support to dementia day care/day opportunities. This is because we recognise the need for support to be targeted to people with dementia across their journey to keep them independent for longer. Appendix 1 outlines the proposed model for dementia community based support services. Options in relation to this will be explored in detail in the **Objectives / Outcomes** section.

Objectives / Outcomes:

⁴ House of Commons, All Parliamentary Group on Dementia (2012) Unlocking the diagnosis

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Under the umbrella of the People Group Outcomes, the Strategic Commissioning Business Unit Plan identifies ‘**Care and Independence**’ as a key ambition and details the need to do the following;

- Stimulate universal services in local communities where people live, building on the skills and assets that people already have;
- Commission services for older people which reduce isolation and support independence so that, where appropriate, they can live as independently as possible;
- Develop day opportunities by continuing to move away from traditional styles of delivery;
- Increase the number and range of day opportunities in local communities to reduce isolation and increase mental wellbeing.

To deliver against the Business Unit objectives, and the commissioning intentions outlined within Warwickshire’s Dementia Strategy, options for the re-design of dementia services are detailed below.

It is worth noting that the ‘Do Nothing’ option is not viable for either community support services or day care. This is because all opportunities for extension of current services via exemptions have been exhausted. New EU regulations and contract and procurement rules require us to re tender all services before the current extension period 31st March 2015.

Option 1a - Re-shape current dementia information, advice and support services and commission a single countywide Dementia Navigator Service

Current dementia community support services detailed in Appendix 2 have extensions in place until March 31st 2015. It is proposed that notice will be served on these contracts and they will be re-shaped into a countywide Dementia Navigator Service. The service will serve as a single point of entry for people with dementia following a diagnosis where they will receive information, advice, emotional support and signposting based on their individual needs. They will be supported to ‘navigate’ the health and social care system, and will be provided with;

- Information about the diagnosis/prognosis;
- Practical information such as driving and dementia, power of attorney;
- Be a listening ear to help people deal with emotional aspects of the diagnosis;
- Use of active listening skills to draw out needs and outcomes with people in order to work to address areas of issue;
- Provide initial signposting to other/ universal services and further sources of information such as Warwickshire’s Dementia Portal.

According to CWPT’s memory assessment data for Warwickshire there are approx. 970 people in Warwickshire referred to memory services each year. Of these referrals, approximately 54% are likely to have dementia with the remaining 46% having Mild Cognitive Impairment or other conditions that are not dementia. Based on these estimates the

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Dementia Navigator service in Warwickshire would need to support up to 523 people each year. As not all of these individuals would take up the offer of the service this number could be reduced. However, given that the service will also support those worried about their memory, it is useful to expect that take up of the service will equate to 100% of referrals from memory assessment, this will help offset any additional numbers accessing the service from other routes e.g GP referral / someone worried about their memory or actively seeking a diagnosis but not yet diagnosed.

The average increase in diagnosis rates year on year is estimated by the Alzheimer's Society nationally as 2%. By applying the annual 2% increase the projected number of users of the service over the duration of the contract would be as follows;

Contract Year	Projected number of users in Warwickshire
Year 1	523
Year 2	533
Year 3	543
Year 4	553

To meet this demand it is estimated that we will require 4 FTE Dementia Navigators covering the whole county. This has been calculated by consulting providers on the service activity of comparable roles and their case load capacity for a 12 month period. The geographical spread of their work will be as follows;

- CCG North (Nuneaton and North Warwickshire districts): 1 Navigator
- Coventry and Rugby CCG (Rugby district): 1 Navigator
- South Warwickshire CCG (Stratford and Warwick Districts): 2 Navigator's

We require additional capacity in the South due to the projected significant rises in the numbers of people being diagnosed with dementia in this area.

It is proposed that the Dementia Navigator service is procured from the PVI market with a 2 plus 2 years contract. A service specification will be developed accordingly. The proposed procurement Plan for the Dementia Navigator model is attached as Appendix 3.

Benefits:

- This service will seamlessly link with the memory service pathway and with individual GP practises in each of the 3 CCG areas, with at least one named Navigator for each CCG area providing advice and support to those worried about their memory that may be referred to the memory service for diagnostic tests.
- The level of support offered to each individual will be proportionate to their needs and Navigators will seek to address the individual outcomes and support needs that will enable the person to live at home for as long as possible.

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- The service will also seek to link people in with their communities and will stimulate the development of peer support networks, recruiting volunteers to support this, which is in line with strategic intentions of offering sustainable support.
- Although service activity will primarily be focused on the person with dementia the service will also work holistically with carers and families to ensure that the best support is offered to individuals. The service will also link and refer to with the countywide Carers Support Service to ensure carers are adequately supported in their own right.

Risks:

Financial – to fund a comprehensive navigator service WCC requires greater investment than is available within current contracts (see costs and funding). This model is therefore reliant on having Public Health and possible CCG contributions confirmed. Without this it is unlikely that there will be an adequate budget to go out to tender for the model that we have specified. In addition, in relation to the savings required for community based services there may be the requirement to make savings on certain voluntary sector contracts. The impact on the development of the Navigator Model would need to be considered within any savings plan.

Mitigation of risks – to offset demographic pressures it is crucial that there are adequate services available to people at an early stage in their dementia journey to prevent their need for more formal and costly support later on. Therefore investment in the whole model is required to ensure we achieve this. This should be sourced from growth monies if funding from other sources (Public health) cannot be guaranteed for the whole life of the contract (4 years).

Option 1b – Create a generic information, advice and support that includes support to people with dementia

The People Group currently commissions a range of information, advice and support services for other client groups, these include;

- Countywide carers support service
- LD hubs
- Mental Health hubs (joint funded with Public Health)
- Age UK Gateway

(not an exhaustive list)

These services could all be re-shaped and commissioned as one information, advice and support service or hub that would aim to meet the needs of all client groups across the People Group. This could be procured from one or more providers but would need to be based around a common service specification.

Benefits:

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- It is likely that a generic service would be cheaper to procure than specialist and distinct services for client groups
- Customers and carers and partners across the county would know that there is one service that they can access, this may facilitate more timely access to support
- It would help achieve consistency of response to individuals in need

Risks:

- Although a generic service may be a longer term goal, currently other contracts are not in line with the timescale to review dementia community support services which cannot be extended following 31st March 2015, meaning time is a key driver for change in this work
- By creating a service for all client groups, it is likely that the dementia specialist element of the proposed Dementia Navigator service would be harder to achieve. A generic service is unlikely to be staffed by people with specialist knowledge or experience of dementia, who fully understand the impact that the dementia diagnosis has on those diagnosed and those that support them unless this was specifically specified
- It would also be more difficult to specifically link a generic service to key points in the local health system. This would impact our aim of creating a seamless pathway for users and carers

Option 2a - Re-design of Dementia Day Care/day opportunities; cost and volume and spot purchase model

Currently dementia specific day care services are delivered by a number of providers, predominately within the voluntary sector, as traditional block purchase arrangements (see Appendix 4 for full details). These contracts are unlikely to be flexible enough to meet the needs and outcomes of a growing number of people with dementia.

Based on a review of the current value of block contracts, capacity and usage we are paying an average rate of £31 per day per user for dementia day care. Compared to average costs of generic older peoples day care and in comparison to other local authority rates for specialist day care this is good value for this customer group who generally have higher levels of needs than those using the dementia community support services. Those using current dementia day care require care from staff with a increased level of skill and knowledge in managing dementia symptoms which can result in the need for a higher staff ratio than older people's day care, given the likelihood of people exhibiting behaviours that challenge.

To enable access to a more substantial and flexible model of day care it is proposed that future services should be commissioned and procured using a model of cost and volume and spot purchase arrangements. Cost and volume contracts are where a fixed sum is paid for access to a defined range and volume of services. If levels of planned activity change there is a variation in payment according to a pre-determined threshold which sets the per unit payment rate for higher/lower than target performance. The volume that is procured will be

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based on average number of spaces required over the past 12 months, this will be reviewed on an annual basis.

This model will enable WCC to maintain the current level of capacity at current rates whilst having the flexibility to purchase additional places at defined rates from current or new providers. In addition, to ensure that customer choice is optimised, the service specification will also be utilised with providers to generate a spot rate for wider day opportunities with the aim of increasing the range and type of services available. The introduction of an outcome based specification will also ensure that for the first time, we are measuring dementia day care based on achievement of defined outcomes rather than outputs.

Benefits:

- The market will be stimulated, increasing customer choice and control, whilst a level of capacity across the county is retained.
- There is likely to be consistency for current customers as incumbent providers will retain their customer base if successful/take part in the tender exercise. Any new entrants to the market will be available to new customers.
- Revised service specifications for day care will allow WCC to clearly identify the quality outcomes required for people with dementia. Specifications will make clear that support should not just be offered within a building base but should focus on outreach support into the community too. Where building bases are used, requirements around the creation of dementia friendly environments will be specified. These environments have been evidenced as being conducive to good dementia care as they help minimise the incidence of people exhibiting behaviours that challenge.
- This option will also provide wider choices for the self-funder market. This is important as the areas where incidence of dementia is likely to increase most are also the areas where there are likely to be the highest levels of self-funders.
- Advice from WCC procurement team is that the cost and volume approach is likely to ensure that best value rates for dementia day care/opportunities are secured in comparison to a purely spot or block based model.

Risks:

Customers may not be able to continue with current service providers if current providers either do not tender or are unsuccessful in tender exercise.

People with dementia currently utilising generic older peoples day care, because there is limited capacity within specific dementia day care, may choose to switch providers once capacity is opened up. This could impact on the older people's day care market.

Mitigation of risks:

A clear communications plan will accompany the transition plan to new service arrangements which will identify time to clearly communicate the changes and impact of changes with customers, should they need to change provider.

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The transfer to new arrangements will need to be clearly managed in terms of any new customers choosing to use dementia day care. This will need to link to the commissioning plans for generic older peoples commissioning to ensure that there is no undue impact on the generic older peoples day care market.

Option 2b - Re-design of Dementia Day Care; spot purchase only

Decommission all current block contracts at the end of the contract period and negotiate spot rates with current and new providers for dementia day care/opportunities.

Benefits:

- Customer choice is strengthened as opens ability for many new providers to begin delivering dementia day care/opportunities
- The Council would not have to guarantee an amount of places at specified rates and therefore this model may cost less overall

Risks:

- We may not be able to secure the volume of places at good value rates.
- The learning from the LD model is that a spot only approach has resulted in providers submitting complex pricing structures which make it difficult to determine a fair price for services
- Without a guaranteed level of business providers are likely to price their service offer at higher prices than with a cost and volume model.
- It may be difficult to secure a sufficient supply or quality of dementia specific services as specific dementia providers may not be able to continue delivery without a level of guaranteed business.

Recommendation:

Having completed an appraisal of the above options, to ensure we effectively deliver against the proposed model for dementia support (Appendix 1), it is recommended that Option 1a Dementia Navigator Service and Option 2a Cost, Volume and spot day care are pursued.

These options offer the most potential benefits to the organisation and can be re-designed within the 12 month time scale. They are also firmly in line with our strategic intentions and can be delivered within available budgets if the desired level of investment is achieved.

Costs and Funding:

Option 1a: Dementia Navigator

Current dementia community support services (Appendix 2) will be reshaped freeing up £78,877 to be used to fund the Navigator model. These services are currently paid from Social Care and Support teams budgets.

OUTLINE BUSINESS CASE (Project Justification)



Group:	People group	Division:	Strategic Commissioning
Programme:	Older People Commissioning / Dementia strategy delivery	Project:	Re-design of dementia community support
Proposer:	Katie Herbert / Zoe Bogg	Date:	27th March 2014

Public Health Warwickshire have committed £40,000 per annum funding for the Navigator model.

Total budget available for the Navigator service = £118,877

Based on projected service activity, WCC would need to commission a Navigator service with sufficient capacity to cover the county and link to the 3 CCG areas and memory assessment services. It is estimated that we would require 4 FTE Navigators which could be achieved within the identified budget envelope of £118,877. This would cover recruitment, management and overheads associated with employment of 4 Navigators, admin support and support to recruit and manage volunteers.

Option 2a: Re-design of Dementia Day Care; cost and volume and spot purchase model

It is projected that this model can be delivered within current budgets. Despite significant rises in the numbers of people with dementia across Warwickshire within the next few years it is projected that the cost, volume and spot model will provide greatest flexibility and value based on level of need. The way in which contracts and specifications will be constructed will enable WCC to negotiate the best value rates based on capacity and need.

Current cost of dementia day care = £314,285 per annum / 200 places per week / weeks of operation (50 weeks per year) = average day rate of £31.50

Current spot rates for specialist dementia day care range between £35- £42 per day

Cost and volume will help ensure that WCC can continue at current best value average rate of around £31.00 per day. This is calculated by using the current block value divided by capacity, divided by weeks of operation (50 weeks) current rates ranges from at the lowest level £22.00 per day to the highest £41.00 the average rate is £31 per day.

It is proposed that the Dementia Navigator service and cost and volume model of day care is procured using a competitive tender process from the PVI market with a 2 plus 2 years contract. Service specifications for both will be developed accordingly.

Benefits:

The re-design of dementia services, by pursuing both Options 1a and 2a, is expected to deliver benefits that have been split into the following categories; benefits to the individual, benefits to the organisation, benefits for partners.

Benefits to the individual:

- People with dementia are supported to live well and independent at home for as long as possible

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- People with dementia and their carers feel confident and plan for their future needs
- People with dementia are offered early support following a diagnosis which prevents them from reaching crisis point
- People with dementia feel informed and have a sense of autonomy which maximises their ability to exercise choice and control
- People with dementia have access to social contact, meaningful activity and stimulation which enhances their health and wellbeing
- People with dementia feel safe and secure and are safeguarded from harm or neglect
- People with dementia enjoy life and feel part of their communities
- Carers and families feel recognised and valued and are supported to continue in their supportive roles for as long as possible.

Benefits to the organisation:

- Reduced incidence of people with dementia being admitted to permanent residential care
- Current services will be future proofed and better designed to meet demographic demands and individual outcomes
- People with dementia will be able to benefit from personalisation, better outcomes and choice and control which could result in increased take up of direct payments
- Services are effectively targeted at those most in need and will form part of a seamless care pathway
- Supporting carers to continue caring will reduce costs associated with carer breakdown such as the requirement for urgent or emergency care
- The care provider market will be stimulated and shaped to deliver WCC's commissioning intentions and key performance and quality indicators
- Community development and capacity will be enhanced as people with dementia are encouraged and supported to access their communities and form their own peer support groups
- Individuals receiving support are achieving quality outcomes
- Value for money is achieved as we will have greater leverage to negotiate contract price, terms and conditions and based on outcomes delivered.

Benefits for partners:

- Diagnosis rates could increase due to better service offer available in the community resulting in more referrals to memory assessment services
- Quality of referrals received by secondary mental health services is improved due to availability of specialist dementia advice at GP practise level
- Increased independence of people with dementia coupled with better support for carers will reduce avoidable admissions to acute or urgent care
- Opportunities to revise contracts and service specifications provide partners with the opportunity to shape these in line with other strategic priorities such as MECC.

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Risks:

The risks associated with options 1a and 2b are outlined within the options appraisal in the **outcomes/objectives** section.

The main risks associated with the proposed options are:

Risk: Financial – to fund a comprehensive navigator service WCC requires greater investment than is available within current contracts. The model is reliant on having public health and possible CCG contributions confirmed. Without this it is unlikely we will have an adequate budget to go out to tender for the model that we have specified.

Mitigation of risks: extensive stakeholder engagement and work in collaboration with partners has taken place when scoping out the new model. Key contributors are sufficiently subscribed to the need for the model and the proposed delivery mechanism.

Mitigation of risks – to offset demographic pressures it is crucial that there are adequate services available to people at an early stage in their dementia journey to prevent their need for more formal and costly support later on. Therefore investment in the whole model is required to ensure we achieve this. This should be sourced from growth monies if funding from other sources (Public health or CCG's) cannot be guaranteed for the life time of the contract.

Risk: Timescales – the timescales to undertake procurement activity are tight and current contracts will need to be re-shaped to new services which will require a transfer period. Current contracts cannot be extended following March 31st 2015.

Mitigation of risks: The procurement team have been engaged from the outset and have advised on the best approach to meet timescales e.g an 'open' tender that combines ITT and PQQ stages which will save time. We are also using a project management approach to monitor delivery against milestones.

Risk: Decommissioning current dementia services. In order to re-shape to options 1a dementia Navigator service and 2B day care cost and volume, we will need to decommission existing dementia services to fund the new model.

Mitigation of risks: We are confident in the modelling of the new services that these will offer at least the same or enhanced levels of service for individuals currently utilising them and will increase the capacity of service meaning that more people will be able to benefit from dementia community support services in the future. In addition we have worked in a 3 month transfer period to new service arrangements, in the procurement plan to ensure that there is time for providers to communicate with existing customers whilst working with the incumbent providers in readiness of the new service offer. For day care users the impact of tendering may be that their current day care provider is not successful in securing a cost and volume contract. In these cases, to minimise disruption for individuals, WCC would work with existing providers to transfer them onto the new service arrangement or set up spot contract with the provider if appropriate to ensure continued service delivery.

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Key Milestones / Time Scales:

The Key milestones and timescales associated with the re-shape of dementia community support and day care are as follows;

- ASM GLT approval for model: 27th March 2014
- GLT approval: 17th April
- Adults Joint Commissioning Board: 19th of May 2014
- Portfolio Holder / Deputy leader decision: 23rd May 2014
- Development of x 2 service specifications by: 4th July 2014
- Tender process opens: 7th July 2014
- Tender closes: 27th August 2014
- Contract award date: 13th October 2014
- Transition period from current to new arrangements: 2nd January 2015 - 1st April 2015
- Date new contracts go live: 1st April 2015

DRAFT: Warwickshire's Dementia Community Support Model

