

DMT

Informal Briefing paper

11th September 2019

Director: Erik Scollay

Subject: Re - tender of Disabilities, Enablement and Support Framework (DES) and the re –tender of the Mental Health Framework (MH)

Matter for Consideration:

To seek approval to re -tender the above services and do so under one combined framework, rather than separately, to be known as the Focussed Care and Support Framework.

Background Information and Key Issues:

The DES contracts which covers Learning Disabilities and Physical Disabilities, expires on 31st May 2020. The MH framework was due to expire in August 2019, however steps have been taken to align this with the DES date.

Currently the majority of contracted providers are on both of the frameworks and use the same staff group. Combining the frameworks will give a number of benefits as detailed below:

- Efficiencies for the Council in terms of commissioning, tendering and procurement time and cost.
- Reduction in the number of contracts for contract monitoring.
- Significant benefits to providers, through reduction in tender submissions, providing economies of scale and having a more flexible and resilient work force.
- Improved service to clients – more clients focussed provision to needs, and opportunity to expand market provision.

To facilitate a suitable mobilisation period it would be desirable to go out to tender during October 2019, with a proposed start date of 1st June 2020.

Unlike the current frameworks, under the 'light touch' procurement rules, the Legal Department have advised that the Council could have a longer contract in place, exceeding the standard limit of 4 years. The framework can also be opened up periodically to allow other providers to apply. This would be beneficial for those coming through transitions seeking continuity of care.

A Project Group, comprising both commissioning and operational staff, has considered all of the above and are in agreement, the group recommends 'opening' of the framework periodically will invite more providers, competition and capacity in the market.

The Project Group have recommended different Lots under the framework for persons aged 16+ (this will allow for persons coming through transitions to access services).

Lot – Mental Health - Primary Need.

Lot – Learning Disabilities – Primary Need.

Lot – Physical Disabilities – Primary Need. Currently the DES framework is under-utilised for those with physical disabilities, because the providers on the frameworks tend to prefer to cater for clients with learning disabilities. This will give the opportunity to stimulate the market in this area, in order to provide a more focussed service.

Lot – Shared Lives – Again the Project Group would like to test the market in this area as it provides a further option for users of services and could also include respite/short break and day opportunity services.

It is recognised that not all individuals will fit neatly under the listed primary support needs. However, it is felt that this service will be flexible in meeting the care and support needs of individuals who require support that is more focussed on their condition than domiciliary care, but whose needs are not as complex as those requiring specialist support through the PBS framework.

The views of service users and representatives have been sought via social work reviews. Social workers asked further questions following the review to capture the thoughts of service users on what they value and what they would change. There has also been attendance at day services, with some group sessions, as well as attendance at a carers' meeting. Key requirements include continuity of staff, appropriately trained staff, accessible staff and managers, staff to be on time and support in the right place. The outcome of this will be incorporated into the service specification.

A Market Engagement Event took place on 20th June and due to the high demand a further event took place on the 23rd July. In all 31 different providers attended the event. Providers' comments about contract length, recruitment/retention and training and skills were taken and circulated to the Project Group so they could understand the particular issues Providers face when delivering the service. Overall Providers understood the rationale to combine the frameworks and would prefer longer length contracts which would give more continuity for staff and service users and would also provide a level of financial resilience.

Financial Implications

In total, there are approximately 11,558 hours per week provisioned under the DES and MH frameworks at an annual cost of £6,126,700 for 2019 -2020. Hourly

rates range from £14.07 to £15.45 per hour. In comparison other local authority rates in the area currently range from £14.28 to £16.29.

The new framework would commence on 1st June 2020 and therefore the current providers will receive an uplift in April 2020 of at least 1.5%. The cost is:

Hourly rate - £14.28 to £15.68

Annual Budget - £6,220,655

However, historically services have received above inflation increases to take account of National living wage, which is set to increase by 0.79p to £9.00 per hour by April 2020. A total annual uplift of c4% would result in the following costs:

Hourly rate -£14.63 to 16.07.

Annual Budget - £6,438,378

As an internal comparison on hourly rates the following are currently in place:

Homecare - £15.86 (this would be the April 2020 rate with a 1.5% uplift)

PBS Framework - £17.15 (April 2020 with 1.5% applied)

The expectation is that the Focussed Care & Support Framework rates should be between the Home Care and PBS rates. To encompass NLW increases it is suggested that bidders should submit prices in the range of £15.70 to £16.70, however, it is recognised that this will have an impact on the financial budget. A paper has been prepared (see attached) for the MTFP and indications of the impact have already been put forward.

£15.90 would result in a £241.2k impact for 20/21 and a full year impact of £289.4k.

£16.70 would result in a £513k impact for 20/21 and a full year impact of £616.5k

The re –tender will affect all current Providers, if they tender and are not successful they will lose their current packages of care and these will TUPE to successful bidders. In order to incentivise bidders to put in rates at the lower end of the fee rates there will be a proviso at tender that any TUPE services will be given to the lower end price submissions first.

Work is currently ongoing to reduce the cost of individual learning disabilities services by reviewing packages of care, ensuring both health input and technology is considered. The new service specification will incorporate the need for providers to move forward with assistive technology wherever possible, not just to reduce costs but to increase service user's independence.

Shared Lives services are recognised as being socially inclusive and having positive mental and physical health outcomes for service users, as well as

providing substantial savings when compared with traditional models of care. This type of service has been underused in Middlesbrough in recent years and it would benefit clients to stimulate the market in this area, as well as having the potential to free up supported housing placements.

Shared Lives services utilise a number of different costing models. Some have one rate for all clients, some have a number of different bands for different levels of support and some have individual costs based on the service user's needs. It is proposed that we have two bands for this service, Band 1 for people who require supervision, encouragement and/or emotional or physical support and Band 2 for those with complex needs who require a concentrated level of support.

Costs for these services would be between £300 - £320 for Band 1 and £450 and £470 for Band 2. There would be a management fee to the Provider on top of this between £80 - £100 per service user.

Potential Legal and Financial Implications:

The financial implications are outline above and a further briefing paper is attached.

A budget is already available for these services and therefore a Delegated Decision is not required.

Recommendations costs and/or issues on which guidance is being sought:

Both the Disabilities, Enablement and Support Framework (DES) and the Mental Health Framework (MH) are due to end on 31st May 2020. It is proposed that the framework should run for 4 years with the option to extend by a further 2 + 2 years (8 years in total). It is recommended that approval is given to retender the services as outlined in the body of the report.

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