



Cabinet Meeting on Wednesday 15 May 2019

New Supported Living Dynamic Purchasing System

Cllr Alan White, Deputy Leader and Cabinet Member for Health, Care and Wellbeing said,

“We are committed to supporting adults with disabilities to live full, independent lives in Staffordshire and will continue to put as much control as possible in people’s hands.

“This proposed change will introduce greater flexibility in matching the provision of support to the needs of the individual and will continue to provide the highest standards of care.”

Report Summary:

Supported Living is an alternative to Residential Care or living with family that enables adults with disabilities to live in their own home (as tenants) with support to meet their assessed eligible care needs and maintain or increase their independence. It also enables individuals to have some choice around where they live, who they live with, and how they are supported.

The Council funds around 436 Supported Living placements for adults with a Learning Disability, Autistic Spectrum Condition, Mental Ill Health, Physical Disability, Sensory Impairment and Acquired Brain Injury to meet their assessed eligible care and support needs. The Council makes around 30 new Supported Living placements annually for adults, as well as placements for individuals aged 16-17 years of age with similar needs as they prepare for adulthood.

Supported Living placements are currently made using the Learning Disability and/or Autistic Spectrum Condition Community Support Framework, which ends 30 September 2019, and aside from one existing Physical Disability service which is under contract, the Council is without a formal procurement process or contracts for other adults. A new Supported Living Dynamic Purchasing System (DPS) would enable the Council to develop the market for Supported Living and get proper contracts in place for all placements.

Over the 4 year period of the DPS the Council would expect to make around 120 new placements (plus around 50 existing placements that require bringing under

contractual arrangements), a total expenditure in excess of £2m. Increased demand is allowed for within the Medium Term Financial Strategy.

Recommendations

I recommend that:

- a. Cabinet approves the use of a dynamic purchasing system to procure and contract for Supported Living placements for adults.
- b. Cabinet delegate the award of ongoing Call Off contracts via the dynamic purchasing system to the Director of Health and Care

Local Members Interest
N/A

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Recommendations of the Deputy Leader and Cabinet Member for Health, Care and Wellbeing

I recommend that:

- a. Cabinet approves the use of a dynamic purchasing system to procure and contract for Supported Living placements for adults.
- b. Cabinet delegate the award of ongoing Call Off contracts via the dynamic purchasing system to the Director of Health and Care

Report of the Director of Health and Care

Reasons for Recommendations:

Supported Living

1. Supported Living is an alternative to Residential Care or living with family that enables adults with disabilities to live in their own home (as tenants) with support to meet their assessed eligible care needs and maintain or increase their independence. It also enables individuals to have some choice around where they live, who they live with and how they are supported.
2. The Council uses Supported Living to meet the assessed eligible needs of adults with a Learning Disability, Autistic Spectrum Condition, Mental Ill Health, Physical Disability, Sensory Impairment and Acquired Brain Injury.

Procurement and contracting

3. For adults with a Learning Disability and/or Autistic Spectrum Condition the Council currently procures Supported Living placements using a Community Support Framework Contract, which is due to cease on 30 September 2019.
4. The Council has around 380 existing Supported Living placements for adults with a Learning Disability and/or Autistic Spectrum Condition, with an annual expenditure of approximately £20m. There are approximately 15 new placements made annually, with an in-year cost of around £0.6m (reflective of varying start dates throughout the year) with a full year effect in the following year of around £0.83m. New placement in-year costs for 2018/19 are included in the £20m figure. The Council's annual expenditure on Supported Living for this cohort is likely to increase by around £0.83m each year, less any contributions from the NHS. Increased demand is allowed for within the Medium Term Financial Strategy.

5. For adults with Mental Ill Health, no formal procurement process or contracts have been used historically, with placements made ad hoc and on a non-contracted basis.
6. The Council has around 50 existing Supported Living placements for adults with Mental Ill Health, with an annual expenditure of approximately £1.2m. There are approximately 14 new placements made annually, with an in-year cost of around £0.19m (reflective of varying start dates throughout the year) with a full year effect in the following year of around £0.35m. New placement in-year costs for 2018/19 are included in the £1.2m figure. The Council's annual expenditure on Supported Living for this cohort is likely to increase by around £0.35m each year, less any contributions from the NHS. Increased demand is allowed for within the Medium Term Financial Strategy.
7. The Council has around 6 existing Supported Living placements for adults with a Physical Disability, Sensory Impairment or Acquired Brain Injury, with an annual expenditure of approximately £0.365m. There were 0 new placements made during 2018/19 with all 6 individuals having been in their service for at least 12 months. The Council's annual expenditure on Supported Living for this cohort is likely to remain fairly constant.

Dynamic Purchasing System (DPS)

8. With the Learning Disability and/or Autistic Spectrum Condition Community Support Framework due to cease, the Council has been considering options from 01 October 2019. The proposed solution is to use a DPS, which is an electronic procurement system. Providers who satisfy standard selection criteria are admitted onto the system. The DPS is open for Providers, without any limit to numbers, to enter at any point during the term, 4 years in this case. When a service is required, it is advertised for Providers on the DPS and they can respond with an offer of service against a specification of need. Provider responses are evaluated on the basis of quality and price and contracts awarded as appropriate.
9. The major advantage of a DPS is that it allows new Providers to join throughout its term, rather than restricting services to the Providers who were awarded contracts at the outset, as with a Framework. Commissioners are aiming to develop the market for Supported Living to enhance choice and competition, and a DPS is consistent with this aim. The Council has held market engagement events in July and December 2018 to discuss future commissioning intentions, and Supported Living providers were broadly supportive of using a DPS.
10. Following approval from Cabinet, Providers would be given an opportunity to join the DPS. Once sufficient Providers have been admitted, the Council would begin to advertise services for individuals and subsequently award contracts.
11. The DPS would be used for new Supported Living placements for adults with a Learning Disability and Autistic Spectrum Condition, Mental Ill Health, Physical Disability, Sensory Impairment and Acquired Brain Injury as well as 16-17 year olds, with similar needs, preparing for adulthood from 01 October 2019 (or earlier if possible). Also, around 50 existing placements for adults with Mental Ill Health

would be sourced through the DPS in order to get proper contracts in place, allow quality assurance against defined standards, and thereby protect clients.

12. At the market engagement events the Council proposed hourly reference rates for Supported Living of between £13.60 and £14.50 per hour, with a sleep-in reference rate of between £78 and £87 per night. In response to feedback from providers and following some wider benchmarking, the hourly reference rates have been amended to between £13.60 and £14.75 per hour, with the sleep-in reference rate remaining unchanged. This aims to balance the risk of setting too low a rate and being unable to secure Providers of care against the risk of setting too high a rate, which would place an additional and potentially unsustainable cost pressure on the Council.
13. Based on the anticipated volume of new placements, the size of care packages and these hourly rates, then over the 4 year period of the DPS the Council would expect to commit a total expenditure in excess of £2m. Increased demand is allowed for within the Medium Term Financial Strategy.

List of Background Documents/Appendices:

Not Applicable

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