

Future Commissioning Arrangements for Supported Living Services in Staffordshire

Appendix 1: summary of process and outcomes of the options appraisal

Process for the options appraisal

1. An options appraisal has been used to understand how the Council (we) can best support individuals that require supported living in Staffordshire. We looked at possible contracting and pricing options for the future following a review of a range of different models being used by other Local Authorities or models which could be applied to supported living services. We looked at the strengths, weakness, opportunities and threats (SWOT) of each option as well as scoring them against strategic objectives for the new service. The strategic objectives use learning from the current services and consider what we need moving forwards. The highest scoring options were identified as the options that best met our strategic objectives.

Other Local Authority research

2. To inform the options appraisal, nine other Councils were contacted in June 2021 to understand their approach to supported living. This identified:
 - a) A number of different models were being used for Learning Disability and Mental Health supported living services;
 - b) In the main, Local Authorities were setting pricing rates – There was a mix of one rate or two rates - dependant on an individual's needs, or rates were based on zones within the county - taking into consideration rural areas. One Local Authority did not set rates; they based evaluation of tenders on 70% quality and 30% price;
 - c) In the majority of areas, Local Authorities utilised an electronic Dynamic Purchasing System (DPS) procurement tool or flexible framework contracting arrangements;
 - d) In most cases, Local Authorities were allowing entry onto a DPS or Framework based around Care Quality Commission (CQC) registration and in some instances CQC rating and upfront additional quality questions were considered in this.

Options and scoring

3. The following possible contracting options considered were:

- a) Remain with what is currently in place, with a DPS and no needs-based or geographical lots (lots representing separate contracts in separate geographical areas), where quality checking is completed after joining the DPS;
- b) Re-tender a new DPS where the inclusion of lots and more robust quality checks would be completed before we would accept providers onto it;
- c) Introduce a closed framework with geographical lots and lots for needs – this only opens up to new providers once and is then closed to new providers for the remainder of the contract term;
- d) Establish a flexible framework arrangement with geographical lots and lots for needs – which can be opened up regularly to new providers throughout the contract term;
- e) Have one provider (either Local Authority trading Company (LATC) or private provider) to deliver all care and support through a block contract arrangement (where an agreement is made for the provider to deliver a specific quantity of care);
- f) Allocate a percentage of business (e.g. 20% for most complex cases) to a LATC or Prime (single) Provider and the remaining 80% of business would be offered via another option in this list;
- g) Block contract in geographical areas with one or multiple providers in each area;
- h) Work with 8-12 core providers for the majority of work on a block contract basis based on specialism or geographical basis. With the DPS or Flexible Framework to fall back on if core providers cannot offer supply or are not able to source care for any reason.

4. The following pricing options were considered:

- a) Remain with what is currently in place with a reference banding rate (which uses benchmarks);
- b) Fix a one hourly and sleep-in charge/rate across all Supported Living regardless of complexity of an individual's needs;
- c) Fix a clearly defined hourly and sleep in rate for standard and more complex needs across all supported living;
- d) Agree a cost per person per week with a block contracted providers across multiple homes and needs.

5. The strategic objectives that the contracting and pricing options were scored against are as follows:

- a) The model ensures less variability in costs and less risk of very high cost placements;
- b) The model offers more consistent quality of provision;
- c) The model supports flexibility to meet the changing support needs of individuals;

- d) The model ensures providers can address unmet need (for example to deliver more complex care and/or adapt their provision across different categories of care needs);
 - e) The model is manageable in respect of its resource requirement (for example on staff time) to us and to providers of services;
 - f) The model allows placements to be made and paid for in a timely manner;
 - g) The model ensures ongoing security of supply to us throughout the term of the contract, is not anti-competitive to the wider market and is inclusive of new entrants and Small and Medium Enterprise's (SME's);
 - h) The model supports client choice;
 - i) The model supports us to have positive partnership relationships with contracted providers.
6. Each contracting option was scored against each strategic objective and then a total score was calculated, whereby the highest score represented the option scoring highest across all nine strategic objectives. Pricing options were also scored on all appropriate strategic objectives. The scores applied ranged from 0-2, whereby:
- a) A score of 0 meant that the possible model did not meet our strategic objective.
 - b) A score of 1 meant that the possible model partially met our strategic objective.
 - c) A score of 2 meant that the possible model did meet our strategic objective.

Outcome of the options appraisal

Contracting options reviewed

7. From the analysis, the top three scoring contracting options identified as best suiting the Council's needs are as below:
- a) A flexible framework with lots for districts and disability – this can be reopened regularly to new providers throughout the contract term – scored 15
 - b) A percentage of business (e.g. 20% for most complex cases) to a LATC or Prime Provider and the remaining 80% of business offered via another option in this list – scored 12
 - c) To work with 8-12 core providers for most of the work on a block contract basis based on specialism or geographical basis. With the DPS or Flexible Framework to fall back on if core providers cannot offer supply or are not able to source care for any reason – scored 12

8. All other options scored between 3 and 10 out of a possible 18.

Pricing options reviewed

9. From the analysis, the top scoring pricing option identified as best suiting the Council's needs was to agree a cost per person per week with a block contracted providers across multiple homes and needs. This option scored 10 out of a possible 10.

10. All other options scored between 5-6 out of a possible 10.