

Cabinet Meeting on Wednesday 19 October 2022

Final Recommendations for the Future Commissioning Arrangements for Supported Living Services in Staffordshire



Cllr Julia Jessel, Cabinet Member for Health and Care said,

“Supported living services give people with physical and learning disabilities, mental health issues the care and support they need, while also ensuring they can be as independent as they wish. It is important that the services provided offer good quality care, promote independence, and offer the best value for money.

“After talking to our service users, providers and other stakeholders, it is clear they want us to ensure we get the best quality of care from our contracting arrangements, one that builds

on people’s strengths, promotes independence, and allows them to achieve the outcomes they want.”

Report Summary:

This report is to detail the outcome of the engagement undertaken with stakeholders and final recommendations for the future commissioning arrangements for Supported Living Services in Staffordshire.

Recommendations

I recommend that Cabinet:

- a. Note the outcome of the engagement undertaken as part of the recommissioning of Supported Living services in Staffordshire.
- b. Approve final recommendations for the future commissioning arrangements for Supported Living Services in Staffordshire as set out in paragraphs 8 to 12.
- c. Approve the further extension of the Dynamic Purchasing System (DPS) for commissioning Supported Living until 30th June 2024.

Cabinet – Wednesday 19 October 2022

Final Recommendations for the Future Commissioning Arrangements for Supported Living Services in Staffordshire

Recommendations of the Cabinet Member for Health and Care

I recommend that Cabinet:

- a. Note the outcome of the engagement undertaken as part of the recommissioning of Supported Living services in Staffordshire.
- b. Approve final recommendations for the future commissioning arrangements for Supported Living Services in Staffordshire as set out in paragraphs 8 to 12.
- c. Approve the further extension of the Dynamic Purchasing System for commissioning Supported Living until 30th June 2024.

Local Member Interest:

N/A

Report of the Director for Health and Care

Reasons for Recommendations:

1. Supported Living schemes offer housing along with care and support for people with learning disabilities, autism, mental health problems and/or physical disabilities. Housing is typically funded by housing authorities and provided by a social landlord. Where people are eligible for care and support then this is funded by the Council and provided by an appropriate care provider.
2. The Council currently funds a total of 509 Supported Living placements with 81 care providers, 433 in county and 76 out of county, at a total gross annual cost of £28.9 million. This includes:
 - a. 426 Supported Living placements with 70 care and support providers paid by the Council, 364 in county and 62 out of county, at a total gross annual cost of £25.7 million.
 - b. 83 Supported Living placements with 32 providers funded through Direct Payments, 69 in county and 14 out of county, at a total gross annual cost of £3.2 million.

3. On 19 January 2022 Cabinet considered current arrangements and associated issues in Supported Living as well as proposals for future commissioning arrangements and:
 - a. Endorsed the outcome of an options appraisal for future commissioning arrangements for Supported Living services in Staffordshire.
 - b. Approved engagement with stakeholders to discuss the options and proposals.
 - c. Requested that feedback from stakeholders be used to refine the options appraisal and develop recommendations for future commissioning, with these recommendations to be brought to a future Cabinet meeting for approval.
 - d. Used the additional one-year contract extension available in the current Supported Living contracts to extend these contracts until 30th September 2023.
4. This report includes the process and outcomes from stakeholder engagement. The feedback received has been used to develop the final recommendations for future commissioning arrangements for Supported Living services in Staffordshire.

Stakeholder engagement

5. For the stakeholder engagement the Council engaged with 34 people in Supported Living placements, 36 parents and carers, 28 housing providers, and 26 care providers, District and Borough Council housing departments, social work staff, the NHS, and teams across the Council involved in commissioning Supported Living.
6. Feedback from stakeholders included that the Council should:
 - a. Be clear about what should be expected from Supported Living, as well as local demand and the capacity required.
 - b. Continue to engage with stakeholders to shape the details of Supported Living services.
 - c. Review the proposed numbers of care providers in the block contract arrangements due to concerns over lack of choice and putting pressure of the proposed flexible framework.
 - d. Set prices that allow care providers to offer quality and financially viable services.
 - e. Ensure business opportunities for larger and more experienced care providers as well as medium and small businesses and new entrants to the market.
 - f. Explore the potential to work with care providers using Individual Service Funds as an alternative to direct payments

- g. Set contracts for as long as possible to allow time for care providers to invest in Staffordshire
 - h. Ensure that Supported Living schemes qualify as specialist supported housing and allow tenants to access the full range of benefits.
 - i. Ensure that future commissioning arrangements are compatible with greater integration with the NHS.
 - j. Be mindful of the risk that care provision in-house or through a Local Authority Trading Company might destabilise the care market.
 - k. Improve communication between care providers and families.
7. A report was presented to the Health and Care Scrutiny Committee on the 3rd October 2022 detailing the outcomes of stakeholder engagement and the final recommendations. Feedback from the Committee included:
- a. It would be useful to talk to the NHS about their own commissioning of Supported Living to see if arrangements can be integrated.
 - b. Consideration should be given to ensure that contracts are long enough to give providers sufficient time to invest in the services.
 - c. Confirmation that all of the District and Borough Councils had been involved in workshops to develop the model.
8. Details of the process and outcomes from stakeholder engagement are included in Appendix 1.

Final Recommendations

9. **Definition of Supported Living.** Supported Living should be defined as care and support provided for people with disabilities in a specialised housing scheme provided by registered housing providers. Where the care and support involve personal care and/or administration of medication, the care provider is required to be registered with the Care Quality Commission (CQC).
10. **Model of Supported Living.** Supported Living should have staff shared across a number of people in the scheme – typically four to six people - with additional 1:1 support provided for individuals, if necessary, based on their assessed eligible needs.
11. **Procurement and contracting arrangements.** Procurement of Supported Living should be with three tenders:
- a. All highly complex (around 65 people; 15% of contracted placements) would be procured by block contract from around 5 care providers with lots defined by geography. This would enable care providers to specialise and develop the necessary staff expertise and environmental adaptations to support these individuals. It would also allow individuals placed out of county to be repatriated to Staffordshire where their

needs could be better met locally. Detailed discussions would be held with potential providers to ensure that demand is met and gaps in provision are filled.

- b. All complex individuals (around 300 people; 70% of contracted placements) would be procured by block contract from around 15 care providers with lots defined by geography. This would enable the Council to fill vacancies, benefit from economies of scale and establish a productive partnership with care providers and housing providers. It would also facilitate the development of a 'core and cluster' model using staff flexibly across more than one scheme. Detailed discussions would be had with potential providers to ensure demand is met and gaps in provision are filled. Systems would be put in place to manage capacity and fill vacancies.
 - c. The block contracts above would be for a minimum of 5 years and a maximum of 10 years. This would give care providers a reasonable guarantee of long-term business and should enable investment in staff expertise and environmental adaptations.
 - d. Remaining highly complex and complex individuals as well as less complex individuals would be procured by a flexible framework agreement from care providers appointed at the start of the contract. The framework would be periodically reopened to allow the Council to appoint additional care providers where there is unmet demand or gaps in service provision that cannot be filled by block contracting arrangements. Lots would be defined by complexity of need and geography. This would enable capacity to be flexed to meet demand and ensure that sufficient placements are available.
 - e. A small number of current placements are ad hoc arrangements provided by Personal Assistants or other community services rather than Supported Living by the new definition. Suitable alternative contractual arrangements would be established for these, using existing arrangements if possible or through approval of new arrangements if necessary.
12. **Pricing.** A series of weekly rates for Supported Living services should be set according to complexity of need, size of the scheme and number of placements commissioned. These would be determined by a cost of care exercise. Contracted placements would be paid on the basis of achieving outcomes for the individual, potentially using Individual Service Funds. This would allow care providers to flex the support they offer between individuals and across schemes without the need to continually request an assessment or review for minimal changes in needs. A change in payment from net to gross will be implemented in line with residential

services, with the Council collecting people's own contribution to the cost of their care. People would still have the option of taking Direct Payments and using these to buy Supported Living, with existing Direct Payments will be reviewed to ensure that people are clear about their roles and responsibilities in managing their accounts.

13. **Quality assurance and care provider development.** Contracts would specify quality requirements including the care providers are compliant with CQC standards and providers adopt strengths-based approaches. The Council would work with care providers to develop their skills and facilities, especially in managing challenging behaviour, in order to minimise the use of 1:1 support. 1:1 is highly intrusive and should be avoided, if possible, although there would be some individuals who require this level of support in order to remain safe. For less complex individuals, care and support would have a reablement focus to maximise people's independence.
14. The Council already provides Supported Living services at Horninglow Bungalows in Burton on Trent. The role of in-house provision and/or for Supported Living services provided by Nexxus or another Local Authority Trading Company is being explored. These options may be necessary in the event that there are one or more failed tenders. Any recommendation to alter in-house and/or Local Authority Trading Company provision would be put to a subsequent Cabinet meeting if necessary.

Benefits

15. The benefits to this approach are:
 - a. The Council will set clear expectations about Supported Living, the capacity required, and the services expected from care providers.
 - b. The Council will be able to develop relationships with a smaller number of care providers over a long period, which will enable investment in staff expertise and environmental adaptations.
 - c. Stronger working relationships with District and Borough Council housing departments.
 - d. Flexible use of staff within and between schemes to support sustainability and productivity of services.
 - e. Strengthened quality assurance and contract management and the ability for the Council to work with care providers to develop and enhance their skills and facilities.
 - f. Better communication between care and support providers and families.
 - g. Opportunities to allow individuals placed out of county to be repatriated to Staffordshire where their needs could be better met locally.

- h. Better market control to be able to balance needs and future demands against availability of services.

Risks

16. There are a number of risks that will be managed during implementation:

- a. **Procurement.** There is a risk of insufficient interest from care providers. This will be mitigated by a transition plan and market engagement prior to tender. Contingency plans are being developed for an incomplete response to tender for the block contracts. There is also a risk of complaints from unsuccessful care providers. This will be mitigated by open and transparent competition in line with the Public Contracts Regulations 2015.
- b. Impact on individuals in receipt of services. If existing care providers for a Supported Living scheme are not successful through the tender process, then the contracts will transfer to new care providers. For the vast majority of residents' their housing arrangements are separate, and their tenancy rights will be unaffected. Their care will transfer to the new provider – or they will be able to take a Direct Payment and choose their own provider. As we plan for the transfer of care from current to new providers, we will work with the individuals affected to ensure that they are aware of the options available to them. For the small number of residents who have care and housing arrangements with the same company we will work with them to determine the most appropriate future arrangements.
- c. **Staffing.** Where new care providers are appointed to a Supported Living scheme then staff should be eligible to transfer to the new employer under TUPE. There is a risk that staff are lost during transfer. This will be mitigated by close working with incoming and outgoing care providers to ensure that staff are retained.
- d. **Housing.** There is a risk that housing providers are reluctant to work with new care providers. This will be mitigated by engagement with housing providers as well as District and Borough Council housing departments during the procurement process.
- e. **Pricing.** Prices set too low risks compromising the quality and/or financial viability of services; too high and there is a risk of poor value for money for taxpayers. This will be mitigated by careful modelling of costs and engagement with the market prior to the procurement process.

- f. **Change in registration.** There is a risk that some Supported Living schemes are unable to operate in line with the new model for Supported Living and had to change their registration to a residential home. This will be mitigated by engagement with current and prospective care providers as well as housing providers prior to and during the procurement process to understand the risks as they apply to any individual scheme.

Next steps

17. If the recommendations are approved then the plan is for the block contracts to be tendered in March 2023 with a contract start date of December 2023, and for the flexible framework agreement to be tendered in January 2024 with a contract start date of June 2024. This timeline gives adequate time for engagement with care providers prior to tender and ensure that the procurement process is compliant with legal requirements.
18. The timeline requires an extension of the current Dynamic Purchasing System (DPS) for commissioning Supported Living until 30th June 2024. Use of the DPS would decrease once the block contracts have started.
19. The Council are committed to continue to work with stakeholders to shape the details of Supported Living services including to ensure that they are compatible with greater integration with the NHS.

Link to Strategic Plan

20. The recommended approach to Supported Living would contribute to the following properties with the Strategic Plan:
- a. Support Staffordshire's economy to grow, generating more and better-paid jobs.
 - b. Encourage good health and wellbeing, resilience and independence.
 - c. Offer every Staffordshire child and young person the best start in life, and the chance to achieve their potential.

Legal Implications

21. The proposals are consistent with Care Act 2014 as well as the Public Contracts Regulations 2015.

Resource and Value for Money Implications

22. Supported Living services are currently operating within budget and there are no further savings targets in the Medium-Term Financial Strategy.
23. The recommended future commissioning arrangements will improve value for money by:
- a. Reducing the number of providers and allowing greater economies of scale.
 - b. Ensuring a fair and consistent price for care based on an objective and transparent methodology.
 - c. Allowing processes to be streamlined to reduce administrative for the Council and care providers.

Climate Change Implications

24. There are no climate change implications arising as a result of this report. Climate Change has been considered as part of the Community Impact Assessment detailed in Appendix 2.

List of Background Documents/Appendices:

Appendix 1 - Feedback from stakeholders on the future commissioning arrangements for Supported Living Services in Staffordshire

Appendix 2 – Community Impact Assessment

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