

Cabinet Meeting on Wednesday 19 January 2022

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.

When looking at our future arrangements for the commissioning of supported living services in the county, we must talk to our service users, providers and other stakeholders to discuss the options available. That way, we can ensure we our service users are getting the best quality of care that builds on their strengths and allows them to achieve the outcomes they want.”

Report Summary:

This report presents options and proposals for future commissioning arrangements for Supported Living services in Staffordshire. Cabinet approval is sought to extend current Supported Living contracts for one year to allow sufficient time to discuss the options with stakeholders, develop recommendations and return to Cabinet for approval of a preferred option.

Recommendations:

I recommend that Cabinet:

- a. Endorse the outcome of the options appraisal for future commissioning arrangements for Supported Living services in Staffordshire.
- b. Approve engagement with stakeholders to discuss the options and proposals.
- c. Request that feedback from stakeholders be used to refine the options appraisal and develop recommendations for future commissioning

arrangements for Supported Living services in Staffordshire, with these recommendations to be brought to a future Cabinet meeting for approval.

- d. Use the additional one-year contract extension available in the current Supported Living contracts to extend these contracts until 30th September 2023.



Local Members Interest
N/A

Cabinet – Wednesday 19 January 2022

Future Commissioning Arrangements for Supported Living Services in Staffordshire

Recommendations of the Cabinet Member for Health and Care

I recommend that Cabinet:

- a. Endorse the outcome of the options appraisal for future commissioning arrangements for Supported Living services in Staffordshire.
- b. Approve engagement with stakeholders to discuss the options and proposals.
- c. Request that feedback from stakeholders be used to refine the options appraisal and develop recommendations for future commissioning arrangements for Supported Living services in Staffordshire, with these recommendations to be brought to a future Cabinet meeting for approval.
- d. Use the additional one-year contract extension available in the current Supported Living contracts to extend these contracts until 30th September 2023.

Report of the Director for Health and Care

Reasons for Recommendations:

Background

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 provider. Setting out the Council's commissioning arrangements for Supported Living will offer clarity to the market about future demand and our preferred model of care.
2. The Council currently funds Supported Living for 416 people with 53 care and support providers, 373 in county and 43 out of county, at a total

gross annual cost of £23.3 million. There are three main commissioning arrangements for Supported Living, as shown in Table 1. These are:

- a. Up until the 30th September 2019, a Community Support Framework was used to procure Supported Living for people with learning disabilities and autism. There are currently 195 placements contracted via this route.
 - b. Prior to implementation of the Dynamic Purchasing System (DPS), there were no formal procurement undertaken for Supported Living placements for people with mental health problems and physical disabilities. There are currently 150 of these placements still ongoing.
 - c. From 1st October 2019, a Dynamic Purchasing System (DPS) was implemented to procure all new Supported Living placements. There are now 52 placements contracted via this route. There are currently 192 care and support providers on the DPS and new providers can join at any point during the contract period. The DPS has recently been extended until 30th September 2022.
3. In addition to the three main commissioning arrangements:
- a. A block contract is in place with Voyage for 3 physical disability Supported Living placements at Chestnut House. This is anticipated to be re-procured via the DPS during January 2022.
 - b. The Council has an in-house learning disability Supported Living service at Horninglow Bungalows, with 16 placements currently.

Table 1: Supported Living placements by contractual arrangement

Contractual arrangement	# placements	Total gross weekly cost	Total gross annual cost	Average weekly placement cost
Community Support Framework	195	£253,893	£13,237,981	£1,302
No written contract	150	£118,403	£6,173,532	£789
Contracted via DPS	52	£46,089	£2,403,080	£886
Chestnut House	3	£7,534	£392,823	£2,511
Horninglow Bungalows	16	£22,520	£1,174,192	£1,407
Total	416	£448,439	£23,382,816	£1,078

4. The Supported Living DPS has Reference Prices which the Council uses as a guide to determine whether bids submitted by providers can reasonably be expected to offer good quality and good value care and support. Reference Prices are £14.72 and £15.87 per hour during the daytime and £81.60 and £91.02 for a sleep-in.

5. There is a large variance in weekly placement costs due to the complexity of individuals, the set-up of schemes (for example the number of residents), and other factors that influence care and support provider costs. The 43 out of county placements are particularly expensive with a total gross weekly cost of £39,500, a total gross annual cost of £2 million, around 10% of total expenditure on Supported Living.
6. Supported Living placements include: 46 individuals who are highly complex due to behavioural or physical issues and who receive very intensive support from staff, some with forensic history; 299 complex individuals who also receive 24-hour care; and 71 less complex individuals who do not require 24-hour care, as shown in Table 2.

Table 2: Supported Living placements by complexity

	# placements	Total gross weekly cost	Average Weekly Placement Cost	Weekly Cost Range
Highly complex	46	£130,921	£2846	£1101 - £3272
Complex	299	£293,981	£983	£310 - £3553
Less complex	71	£23,537	£331	£25 - £599

7. There are 479 Supported Living beds across 125 schemes within Staffordshire. 63 (17%) are currently vacant. The Council has nomination rights to 84 beds of which 9 (11%) are currently vacant.
8. This suggests that further new accommodation is not needed immediately. Partnerships have been established with District and Borough Housing Departments which provide intelligence about new Supported Living schemes under development as well as any existing schemes likely to close.
9. The Council will continue to work with District and Boroughs to bring forward schemes that are affordable for Council funded clients, offer an environment conducive to good quality care and support, promote independence, and facilitate economies - for example with use of a 'core and cluster' model using staff flexibly across more than one scheme, and/or use of technology.
10. In most Supported Living schemes, the housing providers and care and support providers are independent of one another. This has the advantage that the care and support provider can be changed, if necessary, without moving residents, but does carry the risk that the two providers make decisions independently that adversely affect the other. There are a small number of Supported Living schemes, where the providers are the same organisation. This facilitates integrated decision making about housing and care and support. However, it carries a risk

that if there are issues with the care and support then it is difficult to change the provider.

11. The advantages of current commissioning arrangements are:

- a. The Council is transparent and compliant with procurement regulations for new placements under the Supported Living DPS, and new providers who wish to work in Staffordshire can join the DPS at any point up until the end of the contract.
- b. There is an opportunity for competition in the market.
- c. Average daytime hourly and sleep-in rates are within our Reference Prices.
- d. Clients have choice.
- e. Of the 50 care and support providers that are registered with the Care Quality Commission, 80% are rated as outstanding or good, and 3% rated requires improvement or inadequate, with 17% yet to be rated.

12. The disadvantages of current commissioning arrangements are:

- a. With the 192 Supported Living providers who have joined the DPS:
 - i. there is a lack of highly complex/forensic placements available;
 - ii. many offer out of county placements only as they have no schemes in Staffordshire;
 - iii. some have no current placements and are therefore submitting bids for high levels of 1:1 care for new placements as the individual will be the only resident in the scheme; and
 - iv. only a small number of providers can offer care and support for less complex individuals at a competitive price, and even fewer offer a model of reablement to maximise independence.
- b. The DPS does not capture data about quality of care prior to procurement of individual placements.
- c. The DPS does not allow the Council to prioritise filling vacancies and therefore does not facilitate economies of scale and provider sustainability.
- d. The DPS process is lengthy and bureaucratic.
- e. There remain large numbers of legacy placements for which there are no written contracts in place.

- f. Whilst average daytime hourly and sleep-in rates are within our Reference Prices it is less clear that the placements overall offer value for money. Social work teams review care and support regularly to encourage strengths-based approaches that are least restrictive, and especially to minimise use 1:1 or more intensive support, however this expectation is not clearly defined in contracts.

Future Commissioning Arrangements for Supporting Living

13. The aim is to ensure access to good quality, affordable and sustainable Supported Living services that maximise people's independence.

14. The objectives are:

- a. To consolidate and simplify our arrangements for commissioning Supported Living.
- b. To develop the market for Supported Living and give providers the flexibility to build on individuals' strengths and assets to achieve their outcomes.
- c. To support co-operation between Supported Living schemes and Providers and promote the use of technology.
- d. To build partnerships with housing providers to optimise access to Supported Living.
- e. To ensure that Supported Living services are available for people with a range of needs.
- f. To streamline the process for making Supported Living placements to make best use of resources and ensure processes are effective and efficient.
- g. To maximise the quality and productivity of services.
- h. To ensure robust and consistent quality assurance and contract management.
- i. To ensure that Supported Living services are maintained during the transition to new commissioning arrangements.

Options appraisal

15. A range of options for future commissioning arrangements for Supported Living were developed through conversations between commissioners and providers and research on the arrangements used by other Local Authorities. Nine other Local Authorities were contacted to understand their commissioning arrangements for Supported Living. This identified:

- a. A number of different models were being used;
- b. Most Local Authorities were setting daytime hourly and sleep-in rates;
- c. Most Local Authorities were using an electronic Dynamic Purchasing System (DPS) or flexible framework contract;
- d. Most Local Authorities were allowing entry into contracts on the basis of Care Quality Commission (CQC) registration as a minimum, and in some areas CQC rating and additional quality criteria.

16. The following procurement and contracting options were appraised:

- a. One prime provider for all Supported Living services – either an independent provider, a local authority trading company, or in-house.
- b. A Dynamic Purchasing System (DPS). Either similar to the current DPS, with quality assurance at the point of procurement, or with quality assurance before providers are appointed.
- c. A framework agreement with providers appointed to offer care and support and paid for placements individually. Providers would likely be contracted for different lots based on geography and complexity – for example appointment of a groups of providers to offer care and support in a single District or Borough for highly complex individuals. This could either be closed, with providers appointed at the start of the contract, or flexible and reopened to allow new providers to join periodically during the contract.
- d. Block contracts with providers appointed and paid to offer a fixed capacity. Again, one or more providers would likely be contracted for different lots based on geography and complexity.
- e. A combination of the above.

17. The following pricing options were reviewed:

- a. Remain as is with Reference Prices for daytime hours and sleep-ins.

- b. A range of weekly rates to be set based on complexity.
 - c. Fixed daytime hourly and sleep-in rates across all Supported Living regardless of complexity.
 - d. A range of daytime hourly and sleep-in rates based on complexity.
18. A summary of the process and outcomes of the options appraisal is set out in Appendix 1.

Proposal

19. The proposal for future **procurement and contracting arrangements** for Supported Living services, based on the outcome of the options appraisal is to use a combination of the three highest scoring options, subject to stakeholder engagement:

- a. **All highly complex individuals** (approximately 15% of all placements) to be procured by block contract from around 1-3 providers. These could be either an independent provider, a local authority trading company, or in-house.

This will enable care and support providers within Staffordshire to specialise to ensure adequate capacity for highly complex individuals, so that out of county placements can be repatriated within the county.

- b. **Most complex and less complex individuals** (approximately 70% of all placements) to be procured by block contract from around 8-12 independent providers based on lots defined by geography and complexity.

This will enable the Council to fill vacancies, benefit from economies of scale and establish a productive partnership with care and support providers and between these and housing providers. It will facilitate development of a 'core and cluster' model using staff flexibly across more than one scheme.

- c. **Remaining complex and less complex individuals** (approximately 15% of all placements) to be procured by flexible framework agreement from independent providers appointed at the start of the contract and then periodically to lots defined by geography and complexity.

This will enable capacity to be flexed to meet demand and ensure that there are sufficient placements are available whilst minimising vacancies within schemes contracted on block contracts.

- d. Approximately 21 placements are ad hoc arrangements provided by Personal Assistants or other community services rather than residents in a Supported Living scheme. It is expected that these would be contracted using a separate arrangement such the Day Opportunities Dynamic Purchasing System.
20. All providers would be required to demonstrate that they met minimum quality standards prior to appointment, including Care Quality Commission registration where appropriate. Quality assurance arrangements would be put in place for the duration of the contract. Providers would also be expected to offer strengths-based approaches for all these individuals that are least restrictive, and especially to minimise use 1:1 or more intensive support, and for less complex individuals not requiring 24-hour care a model of reablement to maximise independence.
 21. Based on the outcome of the options appraisal the proposal for future **pricing arrangements** for Supported Living services is for range of weekly rates, subject to stakeholder engagement. These would be applied to the block contracts for highly complex individuals, and the block contracts and framework agreements for complex and less complex individuals. This would allow providers to flex the care and support they offer between individuals and across schemes without the need to continually request an assessment or review.
 22. Weekly rates for each provider would be set initially based on several factors as listed below:
 - a. Complexity.
 - b. Size of the Supported Living scheme.
 - c. Total placements commissioned across all schemes.

Next Steps

23. The recommendation is for engagement with all stakeholders to discuss the options and proposals set out above. This would include:
 - a. Service users
 - b. Families and carers
 - c. Care and support providers
 - d. Housing providers
 - e. Local district and borough councils

- f. Internal Teams:
- i. Social Worker Teams
 - ii. Commercial
 - iii. Brokerage
 - iv. Finance
 - v. Legal
 - vi. ASC Pathway
 - vii. Information Governance

24. Feedback would be used to refine the options appraisal and develop recommendations for future commissioning arrangements for Supported Living services in Staffordshire, with these recommendations brought to a future Cabinet meeting for approval.

Legal Implications

25. The proposals are consistent with procurement regulations. Any additional legal implications will be considered as part of the engagement process and details will be shared as part of the outcome.

Resource and Value for Money Implications

26. In 2021/2022 MTFS savings of £0.5 million have been achieved in Supported Living through a review of voids. There are currently no further MTFS savings targets for Supported Living. Any additional resource and value for money implications will be considered as part of the engagement process and details will be shared as part of the outcome.

List of Background Documents/Appendices:

Appendix 1 - Summary of Process and Outcomes of the Options Appraisal

Executive Summary CIA

Contact Details

Assistant Director: Andrew Jepps, Assistant Director, Care Commissioning

Report Author: Sarah Taylor
Job Title: Commissioning Manager
Telephone No.: 01785 277089
E-Mail Address: sarah.taylor@staffordshire.gov.uk