

BRIEFING NOTE

Agenda Item no. 8

TO: Social Care and Inclusion Scrutiny and Performance Panel
DATE: 17 September 2013

Support for Living at Home – New Framework Contract

Purpose

To explain the reasons for the need to conduct a new procurement exercise for Support for Living at Home Services (SLHS).

Current Framework Contract

The contractual arrangements for the current Framework Agreement for the Support for Living at Home Services (SLHS) went live from 7 January 2013. These contract arrangements incorporated older persons, mental health, learning disabilities and physical and sensory client groups and amalgamated all domiciliary care and community support services into a single contractual agreement.

The current framework contract was designed to support a pure model of personalisation, and the main features of the specification were therefore as follows:

- Everyone would receive a direct payment and so there was no mechanism in the contract whereby the Council could continue to make payments directly to providers. Service users that preferred a managed account were to be directed to independent sector direct payment support service (DPSS) providers and then would pay them to support a managed account if that was preferred. Once it became apparent that the Council should continue to offer the choice of an internal managed account, or to continue to make payments to providers directly, then the contract specification in effect was no longer fit for purpose;
- Service users would choose the provider in all cases and not the Council. The internal brokerage function was therefore ceased, and there was no mechanism in the contract whereby the Council could select a provider. However, the Council has had to continue to select providers for those people who do not wish to have a direct payment;
- The accreditation process was premised on quality as measured by outcomes and not around time and task. This has made it difficult to hold providers to account according to a simplistic but still relevant measure of whether they are delivering according to specified times;
- Providers were allowed to set their own prices and there was an expectation that market forces would maintain a control over prices increasing beyond the level that service users were prepared to pay. The average of fee levels of providers on the framework is no higher than the previous arrangements, however, there is a greater variety of fee levels and the Council's financial administration infrastructure (FISCOM) is unable to cope with a large amount of fee variations;

- There was a mismatch between the current providers at the point of award of the contract and those who were accredited to go on to the new framework. Two thirds of service users were receiving their service from providers who were not accredited on the new framework. This resulted in the need to review a large number of cases prior to 'go live' so as to either change them over to a direct payment to continue with a provider who was not on the framework, or be supported to choose an alternative provider from the new framework. It became apparent that there was a need for a transitional contract arrangement with the pre-existing providers whilst this situation was resolved. There remains a significant cohort of service users with no direct payment who are receiving a service from a provider who is not on the framework, and a transitional contract arrangement is being re-established for 2013/14.

The continuation of previous arrangements as part of the transitional contract arrangements represents a material change from the specification in the current framework contract necessitating a new procurement process being undertaken.

New framework contract

The framework contract should allow for both a situation whereby service users are receiving their funding directly from the Council and choosing their own provider (as set out in the current framework and described above), and a situation where the Council will continue to select providers on behalf of service users and pay the providers directly.

There is also a need for more restriction in the number of providers in the market so as to ensure that providers can provide a high quality of service; that they remain financially sustainable; and they are able to respond speedily to changes in demand.

The contract should also address some key differences in the way support for living at home services are provided for older people compared to adults with complex conditions. The design of the specification for a new framework contract should therefore be based upon the following principles:

- That the Council will have a direct contractual relationship with SLHS providers and with DPSS providers;
- That the Council will continue to choose providers via an internal brokerage function;
- That the Council will continue to make payments directly to SLHS providers and DPSS providers;
- That the specification will be divided in to two service lots, one for SLHS for older people and another for SLHS for adults with complex needs;
- That the Council will restrict the number of providers within each lot;
- That the quality assurance mechanism will be based upon both outcomes experienced by service users and delivery according to time and task;

- That providers will set standard prices on an annual basis, and that the Council will set ceilings for prices of services varying between lots;
- That the Framework will be adopted by the CCG for commissioning of SLHS for people who are eligible for Continuing Health Care;
- That a review process will be conducted between the contract award and 'go live' of the new framework to support service users who wish to retain their service from a provider which is not on the new framework to receive a direct payment, or to support the service user to choose a provider from the new framework.

Timescale

The most appropriate to 'go live' on a new framework contract will be at the start of the next financial year. This would mean taking a paper to October Cabinet seeking authorisation to go ahead with a new procurement exercise, and then to January Cabinet for contract award. This is a tight timetable, and it will be prudent to plan for some slippage that may make it necessary to extend the current framework and the current transitional arrangements for a period after March 2014.

Conclusion

The development of a new framework contract for support for living at home services along the lines described in this paper will consolidate current and historical contract arrangements and place the Council in a stronger position to manage supply from the market in a more robust manner.

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