

CABINET MEETING – 12 FEBRUARY 2014

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Procurement of a Direct Payments Support Service.

Author(s):

Executive Director, People Services

Purpose of Report:

To seek authority to procure a Direct Payments Support Service.

Description of Decision:

Cabinet is recommended to authorise the procurement of a Direct Payments Support Service to support people who are eligible for social care or continuing health care and who choose to take their personal budget as a Direct Payment.

The service will support:

- Adults receiving a Social Care Direct Payment
- People with responsibility for a disabled child who receive a Direct Payment for the child's care
- People aged 16-17 who receive a Direct Payment for their social care
- People receiving a Personal Health Budget Direct Payment for their Continuing Health Care services

Is the decision consistent with the Budget/Policy Framework? *Yes/No

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

The Direct Payments Support Service, Go Direct, is currently provided by Age UK and is funded by an annual grant. Usage of the service has increased in line with the Government and Council priorities to offer all adults who receive social care services a personal budget which they have the option to take as a Direct Payment.

Procurement of the service will encourage competition from the market and ensure a quality service and value for money.

Commissioning the service on a contractual basis will provide greater financial stability to the provider and allow more in-depth monitoring to be carried out. It will also enable the Council to specify in more detail the requirements of the service.

Alternative options to be considered and recommended to be rejected:

The following alternative options have been considered and rejected:

- To continue to grant fund Age UK to provide the service. The option does not allow competition from the market or robust monitoring to be carried out.
- Cease to provide the Direct Payments Support Service. This option is not recommended as a support service is an important element of the direct payments scheme. The service supports people to understand their legal obligations as an employer and offers a payroll service. Without the support service, many people would have difficulty administering their Direct Payment.
- Establish an in-house Direct Payments Support Service. This option was rejected as it would result in the loss of a source of advice and support that is independent of the Council. There would also be TUPE implications with staff from the current provider potentially transferring to the local authority.

Impacts analysed:

Equality x **Privacy** n/a **Sustainability** n/a **Crime and Disorder** n/a

Is this a “Key Decision” as defined in the Constitution?

Yes

Is it included in the 28 Day Notice of Decisions?

Yes

Scrutiny Committee

REPORT BY THE EXECUTIVE DIRECTOR, PEOPLE SERVICES**PROCUREMENT OF A DIRECT PAYMENTS SUPPORT SERVICE****1. PURPOSE OF THE REPORT**

- 1.1 To seek Cabinet approval to procure a Direct Payments Support Service.

2. DESCRIPTION OF DECISION

- 2.1 Cabinet is recommended to authorise the procurement of a Direct Payments Support Service via a closed tender process.

3. BACKGROUND

- 3.1 In accordance with the Health and Social Care Act 2001 and the Health and Social Care Act 2008, councils are required to offer direct payments to certain persons in order to enable them to obtain for themselves the services that they are assessed as needing.
- 3.2 Direct Payments are fundamental to increasing people's independence, choice and control by providing personalised alternatives to the social care services offered by a Council with Social Services responsibilities.
- 3.3 The transformation of adult social care services initiated by Putting People First built on and reinforced these principles of choice and control. Central to the transformation programme is the concept of personal budgets, giving individuals a clear understanding of how much is to be allocated for their social care support and allowing them to make their own decisions about how to spend this amount in order to meet their assessed needs.
- 3.4 Minister of State for Care Services Norman Lamb announced the national roll out of Personal Health Budgets on 30 November 2012. Personal Health Budgets will initially be aimed at people who are already receiving NHS Continuing Healthcare, who will have a right to ask for a Personal Health Budget from April 2014. By October 2014 this right will be strengthened and will become a right to have a Personal Health Budget.

4. CURRENT POSITION

- 4.1 Age UK has been commissioned to provide a Direct Payments Support Service (Go Direct) since 2009.
- 4.2 Usage of the service has increased in recent years due to the Government and Council priorities to offer all adults who receive social care services a personal budget which they have the option to take as

a Direct Payment. 439 people accessed the service between July and September 2013.

- 4.3 The quality of the existing service has remained good throughout the lifetime of the grant, despite the increased usage. Customer feedback from Grant Monitoring in the main has been positive. Capacity issues have been reported by the service provider on a number of occasions, linking directly to increased usage.
- 4.4 Usage is expected to rise further as more people are offered a Direct Payment for their Social Care Personal Budget and/or their Personal Health Budget.
- 4.5 The grant funding is due to end on 31st March 2014.
- 4.6 Sunderland Clinical Commissioning Group is requesting that the Council commissions a support service for people accessing Personal Health Budgets on their behalf.

5. PROPOSED ARRANGEMENTS

- 5.1 In order to ensure a smooth transition to the new service, Age UK will be funded for 3 months, via a grant, to continue to provide the service until 30th June 2014.
- 5.2 A tender process will be conducted and one provider will be sought to provide the service which will support the following groups of people and will commence on 1st July 2014:
 - Adults receiving a Social Care Direct Payment
 - People with responsibility for a disabled child who receive a Direct Payment for the child's care
 - People aged 16-17 who receive a Direct Payment for their social care
 - People receiving a Personal Health Budget Direct Payment for their Continuing Health Care services
- 5.3 The service will consist of three elements as follows:
 - Direct Payments Support Services around employment of Personal Assistants
 - Managed Accounts where the provider will manage the Direct Payment on behalf of the Client or a group of Clients to enable them to purchase services
 - Payroll services
- 5.4 It is anticipated that the start date of the contract will be 1st July 2014 and the length of the contract will be 2 years with the option of two additional one year extensions. The annual value of the contract will be up to a maximum of £150,000 (the total contract value including the extension is £600,000). The contract will be for a fixed annual price and the final price will be subject to a competitive bidding process that will be defined within the tender conditions.

6. REASONS FOR THE DECISION

- 6.1 The service to be commissioned will support the Council's priorities for increasing Choice and Control for people in receipt of social care services.
- 6.2 Procurement of the service will encourage competition from the market and ensure a quality service and value for money.
- 6.3 Commissioning the service on a contractual basis will provide greater financial stability to the provider and allow more in-depth monitoring to be carried out. It will also enable the Council to specify in more detail the requirements of the service allowing the inclusion of Personal Health Budgets within the specification.

7. CONSULTATION

- 7.1 Corporate Procurement, Legal Services and the Principle Accountant for People Services Directorate have been consulted on the decision to procure the service.

8. ALTERNATIVE OPTIONS

The following alternative options have been considered and rejected:

- To continue to grant fund Age UK to provide the service. This option does not allow competition from the market or robust monitoring to be carried out.
- Cease to provide the Direct Payments Support Service. This option is not recommended as a support service is an important element of the direct payments scheme. The service supports people to understand their legal obligations as an employer and offers a payroll service. Without the support service, many people would have difficulty administering their Direct Payment.
- Establish an in-house Direct Payments Support Service. This option was rejected as it would result in the loss of a source of advice and support that is independent of the Council. There would also be TUPE implications with staff from the current provider potentially transferring to the local authority.

9. IMPACT ANALYSIS

- 9.1 **Equalities** - An Equality Impact Assessment for customers has been undertaken which identified no negative impacts.

