

CABINET MEETING – 8 SEPTEMBER 2022

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Procurement of Direct Payment Employment Support Service

Author(s):

Report of the Director of Adult Services

Purpose of Report:

To seek Cabinet approval to procure a Direct Payment Employment Support Service to support adults who are eligible for Social Care or continuing health care and who choose to take their personal budget as a Direct Payment.

Description of Decision:

Cabinet is requested to:

- (i) approve the procurement of a Direct Payment Employment Support Service; and
- (ii) authorise the Director of Adult Services in consultation with the Portfolio Holder for Health and Social Care to procure and subsequently award a contract for a Direct Payment Employment Support Service.

Is the decision consistent with the Budget/Policy Framework? ***Yes**

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

Suggested reason(s) for Decision:

The Council has a continuing need to commission a service to support adults who receive a social care services personal budget which they have the option to take as a Direct Payment. The proposal shall ensure that service remains in place to meet the care and support needs of individuals in the future; support the Council to meet its obligations under the Care Act 2014, specifically with regard to the responsibilities involved in managing a direct payment and being an employer, personalised care planning to provide greater choice and control; market shaping and commissioning and allowing fair and equal access to all interested providers to tender for a Direct Payment Employment Support Service thereby ensuring value for money is achieved. The current contractual arrangements are ending on 31st March 2023.

The value of the contract will exceed £500,000, therefore in accordance with the Council's Procurement Procedure Rules, Cabinet approval is required prior to commencing the procurement process.

Alternative options to be considered and recommended to be rejected:

Do not procure Direct Payment Employment Support Service – this option is recommended to be rejected as a support service is an important element of the Direct Payment 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 and would have reduced levels of choice, control, and independence due to the lack of access to personalised alternatives to social care services that they are assessed as needing.

Provide an In-house Direct Payment Employment Support Service – this option is recommended to be rejected as it would result in the loss of employment support expert advice and knowledge that is currently available in the independent market.

Impacts analysed;

Equality Privacy Sustainability Crime and Disorder

Is the Decision consistent with the Council's Co-Operative Values? Yes

Is this a "Key Decision" as defined in the Constitution? Yes

Is it included in the 28 day Notice of Decisions? Yes

CABINET – 8 SEPTEMBER 2022

PROCUREMENT OF A DIRECT PAYMENT EMPLOYMENT SUPPORT SERVICE

Report of the Director of Adult Services

1. Purpose of the Report

- 1.1 To seek Cabinet's approval to procure a Direct Payment Employment Support Service for adults eligible for Social Care or continuing health care who choose to take their personal budget as a Direct Payment.

2. Description of Decision (Recommendations)

- 2.1 Cabinet is requested to:

- 2.1.1 Approve the procurement of a Direct Payment Employment Support Service; and
- 2.1.2 Authorise the Director of Adult Services in consultation with the Portfolio Holder for Health and Social Care to procure and subsequently award a contract for a Direct Payment Employment Support Service.

3. Introduction/Background

- 3.1 The Council has a continuing need to commission the service to support adults who receive social care services a personal budget which they have the option to take as a Direct Payment and there is a need to procure a contract in accordance with the Public Contracts Regulations 2015 and the Council's Procurement Procedure Rules.
- 3.2 A Direct Payment is a cash element of a Social Care Personal budget and is paid directly to the individual or their nominated representative to buy services to meet their identified needs and outcomes.
- 3.3 Direct Payments offer individuals increased levels of independence, choice and control.
- 3.4 Individuals who choose to use a Direct Payment to employ a Personal Assistant, rather than traditional social care services, can be supported with all aspects of becoming an employer by the Direct Payment Employment Support Service.

4. Current Position

- 4.1 A contract is currently in place with Penderels Trust to provide employment support to adults eligible for Social Care or continuing health care who choose to take their personal budget as a Direct Payment. As the current contractual arrangements are due to end on the 31st of March 2023, the Council is seeking approval to procure future arrangements.

4.2 The service requirements include:

4.2.1 The provision of information, advice and support about the roles and responsibilities of being an employer, including the need to register with Her Majesty's Revenue and Customs (HMRC) and to ensure that the Direct Payment recipient is fully empowered to understand the legal responsibilities of being an employer.

4.2.2 Development of good employer practice for the sourcing and recruitment of Personal Assistants (PAs), including support with advertisement, selection and safer recruitment and retention of potential candidates and information, advice and guidance with performance management of PAs to support the identification of skills gaps and access to a range of training.

4.2.3 A Payroll Support function to support Direct Payment recipients with their payment responsibilities to their employee(s) and (HMRC) regarding statutory payments and record keeping, processing of payslips and payroll summaries.

4.2.4 The service supports:

- 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; and
- People receiving a Personal Health Budget Direct Payment for their Continuing Health Care services.

4.3 The Councils annual budget for this contract will be up to a maximum of £105,300 which is estimated to be £526,500 for a period of 5 years.

5. Reasons for the Decision

5.1 The Council has a continuing need to commission the service to support adults who receive social care services a personal budget which they have the option to take as a Direct Payment. The proposal shall ensure that service remains in place to meet the care and support needs of individuals in the future; support the Council to meet its obligations under the Care Act 2014, specifically with regard to the responsibilities involved in managing a direct payment and being an employer, personalised care planning to provide greater choice and control; market shaping and commissioning and allowing fair and equal access to all interested providers to tender for a Direct Payment Employment Support Service thereby ensuring value for money is achieved. The current contractual arrangements are ending on 31st March 2023.

The value of the contract will exceed £500,000, therefore in accordance with the Council's Procurement Procedure Rules, Cabinet approval is required prior to commencing the procurement process.

6. Alternative Options

- 6.1 **Do not procure Direct Payment Employment Support Service** – this option is rejected as a support service is an important element of the Direct Payment 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 and would have reduced levels of choice, control, and independence due to the lack of access to personalised alternatives to social care services that they are assessed as needing.
- 6.2 **Provide an In-house Direct Payment Employment Support Service** – this option is recommended to be rejected as it would result in the loss of employment support expert advice and knowledge that is currently available in the independent market.

7. Impact Analysis

- 7.1 **Financial Implications:** There are no financial implications associated with this decision. If the recommended decision is approved, the financial implications would be taken into account by the Director of Adult Social Care in consultation with the Portfolio Holder for Health and Social Care when considering future contract awards. Provision exists within the Council's revenue budget for the costs associated with the Direct Payment Employment Support Service. The future costs will be met from this provision.
- 7.2 **Procurement:** Procurement have been consulted with regards to the application of the Public Contract Regulations 2015 and the Councils own Procurement Procedure rules.
- 7.3 **Legal Implications:** The competitive tendering exercise shall be carried out in accordance with the requirements of the Public Contracts Regulations 2015 and the Council's own Procurement Procedure Rules.

8. Other Relevant Considerations / Consultations

- 8.1 **Co-operative Values:** Sunderland City Council is a co-operative council and in being so will act ethically in all its actions whilst adhering to and actively promoting its co-operative values of self-help, self-responsibility, democracy, equality, equity and solidarity. The Council will, as part of the process, consider the option of the Provider committing to a Foundation Living Way. These values will underpin our decision making and actions.

