

Commissioning and Procurement Sub-Committee – 10 March 2020

Subject:	Direct Payment Support Service	
Corporate Director(s)/ Director(s):	Catherine Underwood – Corporate Director for People Christine Oliver - Head of Commissioning	
Portfolio Holder(s):	Councillor Adele Williams, Portfolio Holder for Adult Care and Local Transport	
Report author and contact details:	Anna Coltman, Commissioning Manager Anna.Coltman@nottinghamcity.gov.uk , Tele: 0115 8764060	
Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Subject to call-in <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons: <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital	
Significant impact on communities living or working in two or more wards in the City	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Total value of the decision: Up to £2,284,000		
Wards affected: All	Date of consultation with Portfolio Holder(s): 7 February 2020	
Relevant Council Plan Key Theme:		
Nottingham People		<input checked="" type="checkbox"/>
Living in Nottingham		<input type="checkbox"/>
Growing Nottingham		<input type="checkbox"/>
Respect for Nottingham		<input type="checkbox"/>
Serving Nottingham Better		<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):		
<p>The Council has a duty to provide Direct Payment Services under the Care Act (2014). Adults who are assessed as requiring social care and children who receive social care support in relation to their Special Educational Need and/or Disability (SEND) are entitled to receive support in the form of a direct payment. This direct payment is used to buy goods or services, which meet the identified needs of the citizen.</p> <p>This report seeks approval for Nottingham City Council to enter into a joint tender process with Nottinghamshire County Council and Nottingham City Clinical Commissioning Group and the County CCG, and to procure from a framework arrangement, with Nottinghamshire County Council acting as the lead of the procurement.</p>		
Exempt information:		
None		
Recommendation(s):		
<p>1 Approve the commissioning of a direct payment support service through a joint tender process with Nottinghamshire County Council, Nottingham City Clinical Commissioning Group and County CCGs. Nottinghamshire County Council will act as the lead of the procurement process. A framework contract will be awarded for use by all commissioning partners.</p>		
<p>2 Delegate authority to Director of Adult Social Care to approve call-offs contracts under the established framework in order to commission packages of services as needed for individual citizens in receipt of Direct Payments.</p>		
<p>3 Approve the indicative spend associated with this decision, up to a maximum of £2,284,000 over a four-year contract (£0.571m per annum based on 2018/19 actual usage and 2019/20</p>		

projected usage levels) for Nottingham City Council, under the framework. Approval to spend on individual packages commissioned will be through the Council's scheme of delegation for Adults Care Packages.

1 Reasons for recommendations

- 1.1 Direct Payment (DP) Support Services for Nottingham citizens are being provided through a third party support provider who deliver direct payment support to citizens in receipt of direct payments. Citizens can also choose to use alternative providers if they wish to. This arrangement is in place until September 2020.
- 1.2 Commissioning authorities currently operate separate arrangements to make DP SS available. There are wide variations in the costs and the service offer between providers.
- 1.3 Without a formal contract in place, the Council is limited in its ability to offer any contractual oversight and quality assurance over the services that the citizen chooses to use.
- 1.4 It is recommended to align longer term commissioning arrangements with Nottinghamshire County Council and Nottingham City Clinical Commissioning Group and County CCGs, and enter into a joint contract for the commissioning of a new model of DP Support Services under a four-year framework agreement. Nottinghamshire County Council will act as the lead of the procurement. This will replace the current interim arrangement with a single provider, which is ending in September 2020.
- 1.5 It is recommended to delegate authority to the Director of Adult Social Care to award the call-off contracts. The commissioning of individual packages of support will be authorised through the scheme of delegation for Adult Social Care.
- 1.6 The indicative spend associated with this decision is £0.571m per annum (based on actual usage in 2018/19 and projected usage levels during 2019/20) for both Adults and Children's Direct Payments. Spend will be up to a maximum of £2,284,000 over the lifetime of the framework agreement and potential call-off contracts made under it. It is anticipated that expenditure under the new model of DPSS will not exceed 2019/20 levels.
- 1.7 The recommendations above will enable the Council to offer a new model of DP Support Services for citizens who require Direct Payments. The new model aims to promote choice for citizens, create a simple, standard service offer and pricing structure, and enable costs to be managed more effectively. Under the new contract, commissioners will be able to review services in the context of budgetary pressures as well as manage any changes required due to a shift in policy and legislative changes.

2 Background (including outcomes of consultation)

- 2.1 Nottingham City Council (NCC) has a duty to provide Direct Payment (DP) Support Services under the Care Act (2014).
- 2.2 DP Support Services are necessary to support citizens in receipt of Direct Payments who without which would not be able to manage their Direct Payment. Most people receiving direct payments require some additional help in managing their Direct Payments in the form of Employment Support Services, Managed Accounts and Payroll services.

- 2.3 A previous framework for the procurement of these services was in place until January 2017. Under this framework, the purchasing was undertaken directly by citizens and not by NCC. Citizens were able to choose to buy services from a provider of their choice (whether part of the framework or not). However, it was found that this arrangement did not provide adequate employment and HR support for citizens which would occur under arrangements whereby NCC commissions services under the contract. Where inconsistencies in quality arose, NCC were intervening to support citizens.
- 2.4 When the framework ended in 2017 it was not replaced as there was an intention to reduce the need for such services through the move to a direct payment card that could be used by the citizen to purchase services and to bring other provision in-house.
- 2.5 There is still significant use of external services and whilst this is likely to reduce, there will continue to be a requirement to provide the citizen with alternative arrangements in line with their rights under the Care Act 2014 for choice and control. There is concern that the current arrangements do not provide the level of protection and support that is required for citizens in managing these arrangements.
- 2.6 In order to allow sufficient time to undertake this joint piece of work and tender for a joint contract, an interim arrangement for commissioning by the Council was put in place and this is due to end in September 2020.
- 2.7 The NCC Personalisation Hub is developing in-house support for citizens seeking DPSS. Service elements that have moved in-house or are proposed to move in-house include:
- Payroll – The first offer to citizens will be to use payroll services provided by East Midlands Shared Services. Citizens have the option to choose a different service provider for payroll services if they wish to.
 - Managed accounts – This offer is due to start in 2020/21. The Managed Accounts service will initially be offered to citizens who are purchasing a service. Those citizens who are employing a PA and require a managed account would be required to use a provider from the framework.
 - Recruitment – NCC currently provides low-level support for citizens. This could include advertising for PA roles and drafting employment contracts. If more specialist support were required then the citizen would be referred to a provider on the framework.
- 2.8 It is anticipated that due to the development of an in-house offer for DPSS, the number of citizens using external DPSS providers will decline over time as NCC is able to offer elements of DPSS to some citizens. In addition, NCC have greater control over quality controls for these in-house services and can ensure citizens' funds are managed appropriately.
- 2.9 It is anticipated that the new model will benefit citizens by providing a clear list of providers that are subject to contractual oversight, to set required standards, enable quality assurance and manage pricing arrangements. There is no guarantee of volume of services required under a framework agreement and so there will be no obligation upon the Council to use the framework in the event the requirement for services decreases as is anticipated.

2.10 The value of the Children's DP Support Services was £0.030m for 2018/19 and for Adult's provision, it was £0.541m. Approximately 80% of the DPSS provision is purchased from one provider. Spend for 2019/20 is expected to be in line with 2018/19.

3 Other options considered in making recommendations

3.1 The option to do nothing was considered however, this was discounted because there would be no ability to manage the market including quality assurance of the service that citizens receive and pricing.

3.2 The option to procure an Nottingham City Council only contract was rejected because joint commissioning with Nottinghamshire County Council provides more robust management of the market overall and the ability to manage pricing. This approach also simplifies the tender process for providers.

3.3 The option not to procure through an open process was rejected, as this approach would not meet obligations under EU and UK procurement rules.

4 Finance colleague comments (including implications and value for money/VAT)

4.1 This report seeks approval for the commissioning of a DP Support Service through a joint tender process with Nottinghamshire County Council, Nottingham City Clinical Commissioning Group and County CCG's for which we have a duty to provide under the Care Act (2014). Nottingham County Council will act as the lead of the procurement process and a framework contract will be awarded for use by all commissioning partners.

4.2 The 4-year framework agreement outlined in this report will replace the current interim arrangement with a single provider in September 2020.

4.3 Although the indicative spend associated with this decision is up to **£2.284m** over the 4-year framework agreement (**£0.571m** per annum), **approval to spend on packages of care is covered within the Council's Scheme of Delegation** (no 273). Indicative spend values are based on actual usage levels in 2018/19 and estimated usage levels in 2019/20 and it is expected that these levels will not be exceeded in 2020/21.

4.4 Nottingham City Councils spend on DP Support Services in **2018/19** was **£0.571m** across Children's & Adults and it is expected that 2019/20 spend will be in line with this. This spend will vary depending on the need and numbers of citizens eligible to receive support in the form of a direct payment, however, it is anticipated that the number of citizens using external DP Support Service providers will decline over time as Nottingham City Council develops an in-house offer for some areas of DP Support Services.

4.5 As detailed in 1.4, once established, the 4-year framework will be the procurement mechanism for DP Support Services across Nottingham City (Council & CCG) and Nottingham County (Council & CCG's). On this basis, no further approval or dispensation from Contract Procedure Rules within the Council's Financial Regulations will be required.

- 4.6 The development of joint commissioning arrangements and the recommendations outlined in this report will allow for more robust contract monitoring and increased quality assurance of the services that our citizens are accessing, ensuring citizens funds are managed appropriately whilst still promoting choice and control. The introduction of a standard service offer and pricing structure will also enable costs to be managed more effectively to meet the changing needs of the organisation and our citizens.

Hayley Mason, Strategic Finance Business Partner, 14 February 2020

5 Legal and Procurement colleague comments (including risk management issues, and including legal, Crime and Disorder Act and procurement implications)

- 5.1 Procurement Observations - The proposed joint commissioning of direct payment support services will be through a procurement process led by Nottinghamshire County Council in compliance with the requirements of EU and UK procurement regulations. A framework of suitably qualified providers will be established, from which the Council will be able to commission these services on behalf of citizens receiving direct payments. The framework will provide contractual oversight over the market, enabling service standards to be set and for quality and pricing to be managed. Therefore, the proposals are supported from a procurement perspective.

Jo Pettifor – Category Manager Procurement – Strategy and People, 7 February 2020

- 5.2 Legal Observations – The Council has a statutory obligation under the Care Act 2014 and associated regulations to meet a person's needs by way of making a direct payment if certain conditions are met.

The Council has previously offered DP Support Services under an earlier framework. This has come to an end and the City, County and CCG's have agreed to collectively procure a new framework for these services. A combined approach is deemed to provide an efficient and cost efficient method of service delivery.

Nottinghamshire County Council will act as the lead on the EU compliant procurement process but the City Council will work closely with County colleagues to ensure that the City's requirements are adequately captured and to enable to City to call-off from the framework as and when required, in accordance with the framework during its term.

Dionne Screaton, Solicitor, Contracts and Commercial team, 12th February 2020.

6 Strategic Assets & Property colleague comments (for decisions relating to all property assets and associated infrastructure (strategic regeneration committee reports only))

- 6.1 N/A

7 Social value considerations

- 7.1 The DPSS services that will be commissioned jointly with the partners will provide assistance to improve the health and wellbeing of adults who are assessed as

requiring social care and children who receive social care support in relation to their Special Educational Need and/or Disability (SEND). The procurement of these services will offer the opportunity for providers to deliver additional social value where appropriate. For example:

- Enabling adults and children to maximise their capabilities and have control over their lives.
- Supply chain opportunities that are advertised locally
- Paying the living wage
- Offering apprenticeships, volunteering or employment opportunities to local residents;
- Increasing citizen's involvement in local communities.
- Addressing social isolation
- Encouraging sustainable travel options and alternatives to car use.
- Using environmentally sustainable materials and goods.

8 Regard to the NHS Constitution

8.1 Local Authorities have a statutory duty to have regard to the NHS Constitution when exercising their public health functions under the NHS Act 2006. In making decisions relating to public health, functions we consider the NHS Constitution where appropriate and take into account how it can be applied in order to commission services to improve health and wellbeing.

9 Equality Impact Assessment (EIA)

9.1 Has the equality impact of the proposals in this report been assessed?

No



An EIA is not required because an EIA has already been completed for this service as part of a public consultation in 2011.

Yes



10 List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

10.1 None

11 Published documents referred to in this report

11.1 None