

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

Reference Number:

4095

Author:

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Department:

Children and Adults

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Subject:

Children's Homecare service for disabled children

Total Value:

£415,650 (Type: Revenue)

Decision Being Taken:

- 1) Approve the procurement of the Children's Homecare service through an appropriate procurement process, and to award the contract for the services based on the outcomes of the procurement process. The approved contract would commence in July 2021, for an 8 year period (3 years +3 +2).
- 2) Delegate authority to the Director of Procurement and Children's Commissioning to approve the outcome of the procurement processes and award the contract(s) to the provider that is deemed most suitable to provide these services.
- 3) Delegate authority to the Head of Contracting and Procurement to sign the final contract(s).
- 4) Approve the expenditure of £391,200 over the entirety of the contract terms for the provision of the Children's Homecare for a period of up to 8 years (3 years +3 +2). See Appendix 1.
- 5) Approve extension of the existing children's homecare contract for a period of up to 6 months, with a cost of £24,450, to allow a for procurement process to take place.

**Reasons for the Decision(s)**

Children's homecare is a highly specialised market which places stringent requirements on staff and businesses, since they are supporting some of the City's most vulnerable children. Demand for support is at very specific times, focussing on before and sometimes after school. The cohort of families using the service is very small, with current (pre-Covid) demand being for only 6-7 children/young people city-wide. This makes it very difficult for providers to build a business model around the requirements of the service, and the cohort has been too small to offer an appealing business proposition for providers.

These factors have historically made procurement of this service extremely challenging. Numerous service models have been tried previously with little success. The current model is for a block contract for up to a specified number of hours per year. This is an inflexible contract which needs to be varied regularly to meet the needs of the families whilst providing acceptable value for money.

Extensive development and consultation work has taken place to identify a suitable model for this service, which would provide acceptable value for money for Nottingham City Council, whilst being appealing to providers. In consultation, providers identified that a key factor in them being able to deliver such a service in Nottingham City would be some assurance of funding in order to employ and train suitable staff. A longer contract is more likely to create stability in the market, as well as being more efficient in terms of procurement and commissioning.

A procurement will be necessary to secure a new Children's Homecare service. Due to the impact of Covid-19 on the provider market, work to develop the service was delayed. Therefore it is recommended to extend the current contract for 6 months to enable the procurement process to take place without compromising support to the small number of families who access the service.

In order to support development of the provider market, to secure stability for providers and for families, it is recommended that Nottingham City Council commission children's homecare in the form of a block payment covering part of the costs of the service, for a fixed number of hours, with any additional hours provided to be paid at an hourly rate. This model has been tested with the provider market and there has been positive feedback from a small number of providers.

The funding for this service is to come from the existing short breaks budget, as the current service is provided as a short break. However, the new service is to follow an enablement model, in line with Nottingham City Council's whole life disability model and Adult Social Care strategy 'Better lives, Better Outcomes'. The new homecare service will not be provided as a short break, but will be allocated based on assessed need. It is acknowledged that improving our Children's Homecare offer may incentivise a small number of new families to apply for the service, however the majority of the families accessing the service will be those currently accessing, or wishing to access Children's Homecare. Any new demand for the service will be partially mitigated by families being enabled to move on from the service wherever possible. For example, the new service would support families to establish routines, de-escalate the child's behaviour etc. Therefore the services is expected to be cost-neutral. If demand for the new service proves to be low, savings will be created. Some savings are likely to be created as part of the competitive tender process.

**Briefing notes documents:**

Appendix 1 - Children's Homecare service costs.docx

**Other Options Considered:**

1)  
 Commission the service as a framework contract. The provider market is very small, and mostly made up of small charitable organisations which have very limited resources. In order to support this cohort of children/young people, highly skilled staff are required, and these staff must be recruited, vetted, trained and quality assured. This means most organisations would not be able to create or leave places available in services for families who may wish to access them, without any guaranteed numbers or income. Therefore a purely activity-based payment model for this service is not viable for providers in the same way as it is in the adults' homecare marketplace, and providers have identified this.

2)  
 Commission the service as block contract with a fixed value for the whole cost of the service. A block contract can provide poor value for money where there is little assurance of activity. It is popular with providers as it offers a guaranteed income, but must be varied each time a new family are allocated support, or a family stops using the service. This makes contract management inefficient for such a relatively low contract value.

3)  
 Provide the service internally. This has been considered. Both Nottingham City Council's own internal homecare service, and the Disabled Children's Short Breaks team, have declined to provide the service due to low numbers and high costs. Nottinghamshire County Council's internal Children's Homecare service have also been approached to provide the service, and they too have declined.4) Do nothing. This would mean the contract would end, and there would be no homecare available for disabled children, except where families access it by Direct Payments. This could be seen as not fulfilling statutory duties, which would risk judicial review as well as reputational risk to Nottingham City Council. It is likely that spot-purchasing of homecare would take place outside of the contract, which usually results in poor value for money and no cohesive service model.

**Background Papers:**

N/A

**Published Works:**

N/A

**Affected Wards:**

Citywide

**Colleague / Councillor Interests:**

**N/A**

**Consultations:**

**Date: 10/10/2019**

**Other: Short Breaks for Disabled Children, Strategic Commissioning Review - project board, consultations and Stakeholder Engagement Event, survey sent out by Futures and Rainbow PCF**

**Many providers identified that, as very small organisations, they are not in a position to take contracts on a payment on activity model so would not sign up to framework contracts. Providers would not be able to cover the costs of employing staff, appropriate training and registrations etc., without any guarantee of income. Providers would be supported by having some guaranteed income, as well as good links to the team/s referring families to them**

**Those not consulted are not directly affected by the decision.**

**Crime and Disorder Implications:**

**N/A**

**Equality:**

**EIA not required. Reasons: An EIA is not required as this is continuation of an existing service.**

**Decision Type:**

**Portfolio Holder**

**Subject to Call In:**

**Yes**

**Call In Expiry date:**

**28/01/2021**

**Advice Sought:**

**Legal, Finance, Procurement**

**Legal Advice:**

The proposals in this report raise no significant legal issues and are supported. A provider for the specialists services will be chosen following a compliant tender process.

The extension of the current contract for a short term will enable the tender documents to be prepared and enable an efficient procurement process to be undertaken, taking account of the additional pressures and constraints in play as a result of the covid-19 pandemic.

Legal services will work with the report author and procurement as appropriate. Advice provided by Dionne Claire Screamon (Solicitor) on 27/11/2020.

**Finance Advice:**

This decision seeks approval to:

- 1) Procure the Children's Homecare service for disabled children at a total cost of £391,200 over the proposed maximum contract duration of 8 years (on a 3+3+2 year contract basis) to commence from July 2021 and;
- 2) Extend the current contract for a period of 6 months (to cover January to June 2021) at a cost of £24,450 to enable the robust procurement process to be undertaken.

The total cost of this decision is £415,650. The Children's Homecare service will be funded through existing Disabled Children's Service budget provision included in the Council's Medium Term Financial Plan (MTFP).

Arrangements should be put in place to monitor and maximise service provision within the proposed block contract. Value for money will be delivered by procuring services via a robust tender process through the most economic, efficient and effective means that meets the needs of local people.

The service will need to be reviewed regularly to ensure it remains fit for purpose, continues to deliver value for money for the organisation and is affordable within the financial climate at the time.

Advice provided by Hayley Mason (Strategic Finance Business Partner) on 18/12/2020.

**Procurement Advice:**

The Decision to approve the procurement of the Children's Homecare service for a contract to commence in June 2021 and to extend the current contract for up to six months at a cost of £24,450, to allow a for procurement process to take place, is supported by Procurement. The tender process will be managed by the Procurement Team.

Advice provided by Nicola Harrison (Procurement Lead Officer) on 25/11/2020.

**Signatures**

Adele Williams (Portfolio Holder for Adult Care & Local Transport)

SIGNED and Dated: 20/01/2021

Catherine Underwood (Corporate Director for People)

SIGNED and Dated: 07/01/2021