

COMMISSIONING AND PROCUREMENT SUB-COMMITTEE – 14/09/2016

Subject:	Day and Evening Services		
Corporate Director(s)/ Director(s):	Candida Brudenell – Assistant Chief Executive Katy Ball - Director of Commissioning and Procurement (Nottingham City Council)		
Portfolio Holder(s):	Councillor Alex Norris		
Report author and contact details:	Claire Labdon-West, Commissioning Manager Tel: 0115 8761128		
Key Decision	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Subject to call-in <input type="checkbox"/> Yes <input type="checkbox"/> No
Reasons: <input 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 type="checkbox"/> Revenue <input type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input type="checkbox"/> Yes <input type="checkbox"/> No
Total value of the decision: £5,888,593 p.a. based on current spend			
Wards affected: All	Date of consultation with Portfolio Holder(s):		
Relevant Council Plan Key Theme:			
Strategic Regeneration and Development			<input type="checkbox"/>
Schools			<input type="checkbox"/>
Planning and Housing			<input type="checkbox"/>
Community Services			<input type="checkbox"/>
Energy, Sustainability and Customer			<input type="checkbox"/>
Jobs, Growth and Transport			<input type="checkbox"/>
Adults, Health and Community Sector			<input checked="" type="checkbox"/>
Children, Early Intervention and Early Years			<input type="checkbox"/>
Leisure and Culture			<input type="checkbox"/>
Resources and Neighbourhood Regeneration			<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
<p>This report seeks approval to establish an Accreditation Process for the procurement of day and evening opportunities for vulnerable adults with a personal budget. This will replace the existing Framework when this comes to an end in February 2017. The new contracts will commence in March 2017 and be for three years plus a potential three year extension. The services will provide a range of outcome focussed, person centred activities for eligible citizens including those with a learning disability, mental health issues, physical disabilities and older people.</p>			
Exempt information: None			
Recommendation(s):			
1 To approve the establishment of an Accredited List of providers for Day and Evening Services for vulnerable adults with a personal budget			
2 Delegate authority to the Director of Procurement and Commissioning to approve the outcome of the procurement processes and award contracts to providers that are deemed suitable to be part of the Accredited List			
3 Delegate authority to the Head of Contracting and Procurement to sign the final contracts			

1 REASONS FOR RECOMMENDATIONS

- 1.1 An Accreditation Process will enable Nottingham City Council to vet and qualify potential providers of day and evening opportunities to ensure they have the ability to provide such services. The process is similar to the Pre-Qualifying Questionnaire phase of a tender process and will look at the organisations suitability to provide a service. This will include examining the company's finances as well as ensuring that relevant policies and processes are in place. Checks will also be carried out to ensure that there is no legal reason why the provider should not deliver the service.

The detail of the service, including quality standards, will be included in the service specification and contract. The providers will then be subject to Nottingham City Council's Quality Monitoring processes.

- 1.2 The current Framework for Day and Evening Services was established in 2013 and was fixed for 4 years.

Several of the existing providers within Nottingham City were unsuccessful in the tendering process and were therefore not included in the Framework. As there was still a need for their provision and Citizens have continued to choose those providers, spot contracting arrangements have been used.

There have also been a number of new providers enter the market that have been unable to join the Framework. In order to make use of their provision, spot contracts have been required. This puts additional pressure on the Council in terms of managing the process.

Although Citizens are able to access Direct Payments for provision, it is reported by operational colleagues that often citizens do not want this option despite this being offered during the assessment process. This is particularly true of citizens with a learning disability where there is reported to be a clear preference for a managed account.

- 1.3 Day and Evening Services are unregulated and providers are not required to be registered with the Care Quality Commission. Providers who are part of the current Framework are subject to contract monitoring from the Contract Performance Care and Support Team which includes the internal Quality Monitoring Framework. Where standards are not maintained, there are a range of measures available to the Authority to improve the provider performance and safeguard citizens.

Spot contracts are not subject to the same internal Quality Monitoring processes as Framework Providers which creates a risk to Citizens.

- 1.4 By having an Accreditation process for Providers there would be no further need for Spot Contracting Arrangements. All providers would be required to meet the accreditation standard and subject to the same Quality Monitoring process.
- 1.5 Once the Accredited list is established newly accredited providers currently with spot contracts will move to the new contract. It will be made clear through the accreditation process that Nottingham City Council will no longer be making placements via spot contracts. If a Citizen wishes to use an

unaccredited provider they will only be able to do this by utilising a Direct Payment.

- 1.6 An Accredited List will allow new providers to join the list at any time which would enable Citizens to benefit from these providers at the earliest opportunity.
- 1.7 Operational Colleagues have advised that they are often challenged to find services which are suitable for Citizens with complex needs or behaviour which challenges. A procurement method which is flexible and allows Nottingham City Council to capture all capacity within the market is therefore necessary.
- 1.8 The Specification for the services will maintain the current commitment to creating a broad spectrum of provision in order to meet the diverse needs of our Citizens.
- 1.9 The Accreditation process will include measures to ensure that citizens are being safeguarded, for example all providers will need to provide copies of their Safeguarding Policies and confirmation of the use of DBS checks. Citizens accessing a service from the Accredited List will be assured that the provider has met the minimum standard to be accepted onto the list and that the service they will receive will be subject to Nottingham City Council's quality monitoring process with regards to the agreed service standards.
- 1.10 The Accredited List will enable the Council to manage the overall costs of day services as providers will be required to clearly present prices for the services offered (whether session or hourly rates) and this information will be available to citizens when they select services from the list. Indicative prices could be publicised as part of the tenders and tenderers will be encouraged to offer value for money in their tender submissions, while still allowing for the market to self-regulate around this issue.
- 1.11 The Accredited List does not represent any guarantee of business to the provider. Any decisions to spend will be via the Adult Social Care assessment and approval process.
- 1.12 There is a risk that the costs will increase however the Framework is coming to an end and will need to be reopened regardless of what procurement mechanism is used going forward.

Pricing will be fixed for the life of the Accredited List.

A session on pricing will be held with providers before the Accreditation Process commences to ensure that there is an awareness that pricing needs to be both realistic for provider and at a reasonable cost which provides value for money. The cost of a day and evening opportunity should to be within a Citizens Personal Budget and the better value for money the provider offers, the more likely they are to be used. It will also be made clear to Providers that they do not need to incorporate National Living Wage into their proposals as this will be completed annually by Nottingham City Council.

Although there are risks that prices will increase this risk would be present if a new Framework would be put in place. The risk associated with having to spot purchase

provision however is felt to be greater, both in terms of risk to the citizen and to finances.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 There are currently 39 Providers on the Day and Evening Opportunities Framework and approximately 869 placements are made from this. There are a further 127 Citizens with a direct payment in place and in addition to this there are currently 39 Citizens with a spot Contract.
- 2.2 A Project Group was established to look at future commissioning options and the conclusion of the group was that an Accredited List would be the most appropriate method to procure day and evening opportunities. The group consisted of representatives from Legal, Contract Performance, Operations, Procurement, Finance and Commissioning. It was agreed that the Framework had not been successful in encouraging new providers into the market and there was a need to ensure that all providers were subject to the same quality monitoring processes.
- 2.3 Citizens should not experience disruption to their current provision unless the provider refuses to engage with the process.
- 2.4 Consultation with Providers has been positive and the main two providers with whom we spot contract are keen to become part of an Accredited List. Once formal agreement has been given further work will be done to send messages out to the market detailing the next steps for providers.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Do nothing. This is not an option as the Framework is due to end in February 2017 and a new contractual arrangement is required.
- 3.2 Establish another Framework. Citizens who wish to purchase a service from a provider who is not part of the framework would need to utilise a Direct Payment. An Accredited List would create more choice for Citizens and flexibility for us to add new providers as they enter the market.

4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 4.1 This report does not, in itself, request approval to spend. Rather it is seeking approval to create an accredited list of providers. The approvals to spend will be given through the established mechanisms that exist within Adult Services for each individual package of care.
- 4.2 The current framework agreement was implemented in April 2013 for a period of 4 years and so new arrangements are required from April 2017.
- 4.3 There is no lower or upper financial limit on the level of service supplied by each provider via the framework; citizens will choose from the services that are on the framework at the unit prices tendered. Therefore neither the total value of the tender nor the value of service to be supplied by each provider can be stated at this stage.

- 4.4 The framework contract is a means of obtaining value for money rather than a budget management tool. Total spending will be demand driven and so other appropriate controls will need to be in place to manage this against the available budget.

5 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

5.1 Procurement observations:-

There are no significant procurement implications arising from this decision. The proposal to create an Accreditation Process for Day and Evening services for vulnerable adults will be an open and fair and will be compliant with the Council's Financial Regulations and in line with Procurement Regulations (Light Touch Regime). The process will ensure that providers listed meet adequate quality standards, and will enable new providers to join the list during the lifetime of the contracts.

5.2 Legal comments to follow

6 SOCIAL VALUE CONSIDERATIONS

6.1 None

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:
(Please explain why an EIA is not necessary)

Yes

Attached as an Appendix, and due regard will be given to any implications identified in it.

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

12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

12.1 None