

CABINET

11 MARCH 2014

GATEWAY 1 PROCUREMENT COMMENCEMENT: SUPPORTED LIVING SERVICES

Portfolio Holders: Councillor David Brake, Adult Services
Councillor Mike O'Brien, Children's Services (Lead Member)

Report from: Barbara Peacock, Director of Children and Adults Services

Author: Helon Bent, Partnership Commissioning Manager
Paula Chakkar, Category Lead (People)

SUMMARY

This report seeks permission to commence the procurement of Supported Living Services for Adult Social Care and accommodation based services for young people. This Gateway 1 report has been approved for submission to the Cabinet after review by the Children and Adults Directorate Management Team and the Procurement Board.

The Children and Adults Directorate Management Team has recommended that this project be approved as a Category B, high-risk procurement.

The political and/or service sensitivities are that these services support vulnerable children and adults in accommodation who without these services may require residential, nursing or more intensive accommodation placements.

1. Budget and Policy Framework

1.1 Service Background Information

1.1.1 Supported living services for Adult Social Care have been developed as an alternative to residential care in providing support to people living independently in their own accommodation who are assessed as being eligible for services under Fair Access to Care Services (FACS).

1.1.2 Supported Living has no legal definition but has a common set of principles that are defined in the REACH Standards (this is a set of 9 standards for Supported Living which can be broken down into a range of outcome measures which can be used by any service supporting people in their own

homes). The main principles of supported living are that people own or rent their home, have control over the support they get, where and who they live with (if anyone) and how they live their lives.

- 1.1.3 The Medway definition for Supported Living services is *“to promote service users self-determination and personal responsibility and re-establish lost skills or develop new skills. Packages of support may vary from a couple of hours per week to support provided 24 hours a day, 7 days a week and shall be provided in the home environment or in the community to support individuals with all aspects of their chosen lifestyle that are eligible for social care support.”*
- 1.1.4 Accommodation based services for young people are support within appropriate accommodation for vulnerable young people who have identified eligible social care needs, including care leavers. The support is tailored to aid young people in their transition into the community and adulthood. Children’s Social Care are responsible for the accommodation and support for these young people and determine the level of support to be provided.
- 1.1.5 Both of these service areas are currently commissioned on a spot purchase basis and as such there is disparity of prices across different providers and client groups. This procurement is looking at a consistent approach for the purchase of services for both adults and young people, ensuring capacity, choice and a fair market across Medway. It will also allow for the rationalisation of joint commissioning across children and adults where it makes sense to do so.
- 1.1.6 A project group was formed with representation across children and adult services working together to analyse these services and to agree to one outline model for Supported Living for adults and an aligned model for children’s services. This includes the referral pathway across services as well as a smooth transition from children’s into adults. A joint detailed specification and pricing options are being developed to allow these services to be procured together.
- 1.1.7 Currently these services and providers are not subjected to any formal competition, although commissioners seek to negotiate robustly. There is no formal contract, service specification or quality system in place. The implementation of a sustainable and robust contract for delivery of these services will not only offer high quality service to users but to also potentially represent on-going financial value.

1.2 Funding/Engagement From External Sources

- 1.2.1 This service shall be funded from within the Children and Adults existing budget.

1.3 Parent Company Guarantee/Performance Bond Required

- 1.3.1 No.

2. Procurement Dependencies and Obligations

2.1 Project Dependency

2.1.1 This procurement is dependent on the purchase of a suitable software package to support a Dynamic Purchasing System (DPS) for the Supported Living and accommodation based services for children. This system will allow flexibility for providers to enter the market in Medway and will create a more diverse market that will offer greater choice for service users as well being cost effective for the Council.

2.2 Statutory/Legal Obligations

2.1 These services contribute to national and local plans:

- Council Plan 2013-2015
- Joint Strategic Needs Assessment
- 'Our Health Our Care Our Say' 2006
- Sustainable Community Strategy 2010-16
- Equality Legislation
- Improving the Life Chances of Disabled People 2005
- Medway Council Looked After Children and Leaving Care Needs Analysis (IPC January 2013)

3. Business Case

3.1 Procurement Project Outputs / Outcomes

As part of the successful delivery of this procurement requirement, the following procurement project outputs / outcomes within the table below have been identified as key and will be monitored as part of the procurement project delivery process.

Outputs / Outcomes	How will success be measured?	Who will measure success of outputs/ outcomes	When will success be measured?
1. A service delivered against a specification designed to meet the needs of Service Users.	Person Centred Support Plan monitoring and reviews Contract and specification compliance	Adult Social Care and Children's Social Care Practitioners Partnership Commissioning	At least 6 monthly
2. Fair and transparent process for contract award	Through monitoring of centralised Placement Team data and analysis	Partnership Commissioning	Quarterly
3. Develop a competitive platform for Providers including local SME's	Monitoring the Provider applications for the DPS. Regular updates at Provider forums to encourage participation.	Partnership Commissioning	Quarterly
4. Consistent and good quality of service	Quality assessment as part of each placement. Service User surveys and feedback. Provider quality and compliance checks. Care Management review feedback	Partnership Commissioning	Annual

3.2 Procurement Project Management

3.2.1 A project group has been working together to develop the service specification and to agree a model regarding pricing options and referral path. This includes research undertaken to determine how this service is operating in other areas and benchmarking costs with other local authorities.

3.2.2 The Category Management Team closely supported by the Partnership Commissioning Team will carry out the procurement.

3.2.3 The proposed timetable for Supported Living Services is as follows:

Stage	Task	End Date	Role
Gateway 1 & 2	Approval to proceed from CADMT	04/02/2014	CADMT
	Approval to proceed from Procurement Board	18/02/2014	Board
	Approval to proceed from Cabinet	11/03/2014	Cabinet
	Finalise Specification	01/04/2014	Client & Cat Mgt
	Select DPS provider with implementation by 01/06/14	01/03/2014	CM/PC
	Select Tender Evaluation Panel	01/05/2014	Client & CM
	GW2	24/04/2014	CM
ITT (40 days minimum)	ITT Published	01/05/2014	CM
	Request TUPE information	04/04/2014	
	ITT Return Date (from date of issue)	13/06/2014	Bidders
	Compliance checks	20/06/2014	CM
	Evaluation completion & consensus	27/06/2014	Client
Gateway 3	Circulate for legal/ICT/finance comments	02/07/2014	CM
	GW3 to DMT	08/07/2014	Client
	Send to Procurement Board	08/07/2014	CM
	Approval to proceed from Procurement Board	16/07/2014	Board
	Approval to proceed from Cabinet	05/08/2014	Board
Award	Successful / Unsuccessful Letters	08/08/2014	CM
	Standstill period /Final testing DPS System	08/08/2014	CM/PC
	Award Notice	08/08/2014	CM
	Service Start DPS Go-Live	01/09/2014	Client

3.2.4 This timetable is dependent on having a Dynamic Purchasing System in place as well as trained internal staff and providers. Once the service is out to tender, providers will need to register for DPS, before they are able to tender for these services.

3.3 Post Procurement Contract Management

3.3.1 The service will be contract managed by the Partnership Commissioning Team working closely with Adult Social Care and Children's Social Care Managers.

4. Market Conditions and Procurement Approach

4.1 Market Conditions

4.1.1 There is a well-established market locally already providing these services across all Service User groups. There is a need for children's services to work closely with housing colleagues to ensure the accommodation for children's services is developed and of good quality. The proposed option will further encourage growth and development of the local market for support and accommodation services. It will also ensure a fair and transparent provision of services across the market.

4.2 Procurement Process Proposed

4.2.1 This is a Category B, High Risk procurement above the EU threshold of £173,934.00. The proposed procurement route for this service is an OJEU dynamic purchasing system, which is an electronic "open" procedure.

4.2.2 A dynamic purchasing system is a completely electronic process for making commonly used purchases for a period of up to four years.

4.3 Evaluation Criteria

4.3.1 A quality/cost evaluation ratio of 70/30 will be applied for this procurement. The service have requested for a 70/30 quality/cost evaluation of this procurement. The reason for this request is the procurement for this service is a two stage process. For every contract awarded through the dynamic purchasing system, there is an initial evaluation of quality and only following the minimum standard being achieved, will then price be evaluated. The tender also includes a pricing envelop for each of the client categories which again builds in savings and a greater control of price.

4.3.2 It is important that a larger percentage is given to the quality evaluation of this tender as there are a number of quality questions to be assessed for each award, and therefore sufficient weighting for each response is required.

4.3.3 As service users are vulnerable children and adults and the quality element is *quality of care*, assurance must be provided that the needs of the vulnerable children and adults are appropriately met and that the Council is fully meeting statutory duties accordingly.

4.3.4 Category Management supports this suggested way forward.

5. RISK MANAGEMENT

5.1 Risk Categorisation

1. Risk Category: Procurement Process	Likelihood: B	Impact: I
Outline Description: The proposed procurement option relies upon an electronic purchasing system that requires resourcing and developing. This system must be able to support the intricacies of the service.		
Plans to Mitigate: Project plan for the development and implementation of a DPS. This will be procured separately.		
2. Risk Category: Reputational/Political	Likelihood: D	Impact: II
Outline Description: Provider market resistance to new approach in procuring services. Inadequate service and negative impact on the Council's reputation.		
Plans to Mitigate: Market engagement with training and support to Providers emphasising the benefits of the new approach. Sufficient lead in time for providers to register on the system. Robust contract management.		
3. Risk Category: Contractual	Likelihood: D	Impact: II
Outline Description: Provider may fail to fulfil contractual obligations.		
Plans to Mitigate: Clear specification supported with contract regulation and contract management procedures.		
4. Risk Category: Service Delivery	Likelihood: D	Impact: II
Outline Description: Provider/s may fail to deliver the required quality of service.		
Plans to Mitigate: Part of the placement of a service with a Provider includes a quality evaluation for service delivery. This will be monitored and managed through contract management processes supported by reporting and auditing regime.		
5. Risk Category: Service Delivery	Likelihood: D	Impact: II
Outline Description: Existing providers may not achieve the required quality of service to be part of the DPS		
Plans to Mitigate: Engagement with providers to provide clarification with regard to the Council's expectation on the level of quality required for the delivery of services to children and adults. Quality monitoring within partnership commissioning and training providers to achieve the sufficient requirements.		

6. Consultation

6.1 Internal (Medway) Stakeholder Consultation

6.1.1 A project group is in place, which includes representation from Service Managers and Care Managers who are involved in determining the specification and pricing model for this service. This approach to consultation and engagement will continue for the duration of this procurement process.

6.2 External Stakeholder Consultation

6.2.1 Initial provider consultation took place at the Medway Provider Forum on 8 November 2013.

6.2.2 Further provider engagement will take place during the procurement phase of the project which will inform the Providers of the intention to use a DPS.

7. Procurement Board

7.1 The Procurement Board has considered this report on 18 February 2014 and supported the recommendations below.

8. Service Implications

8.1 Financial Implications

8.1.1 The procurement requirement and its associated delivery will be funded from existing revenue budgets.

8.1.2 Further detail is contained within Section 2.1 Finance Analysis of the Exempt Appendix.

8.2 Legal Implications

8.2.1 The proposal to utilise the dynamic purchasing system for this proposed services procurement is permitted under the Public Contracts Procurement Regulations 2006. Any other legal implications are contained within this report.

8.3 TUPE Implications

8.3.1 It has been identified that TUPE will apply to this procurement process where existing Service packages will be re-tendered. The potential number of employees that could be affected by TUPE resultant in the event that the incumbent provider is not successful as part of the procurement tender, shall be explored with individual providers and included in the procurement process.

8.4 Procurement Implications

8.4.1 The value of this procurement requirement is above the EU Procurement Threshold for Service of £173,934.00 and therefore must be undertaken in compliance with EU Procurement Regulations. The proposed option in section 4.2 shall be a new approach for the Council and will require the development and implementation of an electronic purchasing system. The proposed option will also require training of both internal staff and training and engagement of the supply chain.

8.5 ICT Implications

8.5.1 This proposal includes a Dynamic Purchasing System (DPS) to manage the tender process for placements with service providers. Category Management have identified that there are limited options for this system, but it is proposed that engagement with ICT takes place to ensure that the Council's corporate standards and architectural principles are adhered to with any new proposal. As there are requirements to reduce rather than increase the application estate, it is also recommended that existing systems are considered first to investigate whether there is a system already in use within the Council that could perform the functionality required of a DPS.

8.5.2 The full costs of any proposed solution need to be clarified, assurance on Information Governance and ongoing revenue and hosting costs, before a final decision on a preferred solution can be made.

8.5.3 For all recommendations, there will need to be involvement from ICT, but due to the current ICT programmes of work, there is limited capacity within the ICT resource pool to deliver additional requirements in the short term, and so costs for external contractors would need to be considered should ICT resources be unable to meet any critical milestones.

9. Other Considerations

9.1 Diversity & Equality

9.1.1 A Diversity Impact Assessment has been undertaken and is attached at Appendix 1. The Equality Act 2010 will be a clause in the general terms and conditions of the contract that the successful contractor/s will be contractually bound to adhere to.

9.2 Social, Economic & Environmental Considerations

9.2.1 The Public Services (Social Value) Act 2012 requires local authorities to consider at the pre-procurement stage of any services contract::

- 1) How what is proposed to be procured might improve the economic, social and environmental well-being of their areas and
- 2) How the local authority might act with a view to securing that improvement in conducting the procurement process.

9.2.2. This procurement will create a level playing field for all Providers opening up opportunities for local SMEs. Furthermore, the proposed option encourages growth opportunities for the local market to develop new and innovative service offerings.

10. Recommendation

10.1 The Cabinet is requested to approve the commencement of this procurement on the basis set out in paragraph 4.2 of the report.

11. Suggested reasons for decision

11.1 The Council is required to tender these services in line with the Council's procurement rules and to ensure the tendering of services is compliant with the EU procurement regulations.

Lead Officer Contact:

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BACKGROUND PAPERS

The following documents have been relied upon in the preparation of this report:

Description of Document	Location	Date
Sitra Guidance on Common Data Framework	http://www.sitra.org/documents/common-data-framework-guidance/	March 2012
Supported Living Schemes	http://www.cqc.org.uk/supported-living-schemes	
All Together Now	http://www.paradigm-uk.org/Resources/t/a/j/All%20Together%20NOW.pdf	
REACH standards guide to supported housing	http://www.paradigm-uk.org/articles/Reach_support_for_living/4435/92.aspx	
The Real Tenancy Test - tenancy rights in supported living	http://www.ndti.org.uk/	September 2010

Diversity Impact Assessment: Screening Form

Directorate	Name of Function or Policy or Major Service Change		
Children and Adults	Supported Living		
Officer responsible for assessment	Date of assessment	New or existing?	
Helon Bent – Partnership Commissioning Manager	24/01/2014	Existing	
Defining what is being assessed			
1. Briefly describe the purpose and objectives	To promote Service Users self-determination and personal responsibility and re-establish lost skills or develop new skills to remain in their own homes and community to support all aspects of their chosen lifestyle.		
2. Who is intended to benefit, and in what way?	For Service Users with Learning Disabilities, Mental Health needs (including Alcohol misuse), Physical and Sensory Disabilities, Autistic conditions and people with multiple and complex needs and Young People in transition to adult services.		
3. What outcomes are wanted?	<ul style="list-style-type: none"> • Service Users will be supported to exercise maximum choice and control over their life and develop self-help skills required to maintain their independence. • Service Users are supported to participate as active and equal citizens within their home and community. • Service Users are assisted to access a range of specialist, general health and social care services. • Service Users are protected from abuse. 		
4. What factors/forces could contribute/detract from the outcomes?	Contribute Specialist Providers with skilled and experienced staff to work with the Service User Groups. Specification for service with agreed outcomes Regular Service User reviews.	Detract Poor service provision with unqualified and inexperienced staff working with Service User Groups. Lack of Provider capacity to deliver the service as set out in the Service Users person centred plan.	
5. Who are the main stakeholders?	Existing and potential Service Users Service User Carers and Families Providers of services Care Managers/Health care professionals Commissioners Service Managers Housing Providers		
6. Who implements this and who is responsible?	Children and Adults Social Care Services		

Assessing impact		
7. Are there concerns that there <u>could</u> be a differential impact due to <i>racial/ethnic groups</i>?	YES	Brief statement of main issue
	NO	There are no concerns.
What evidence exists for this?	The specification takes into consideration the needs of vulnerable Service Users different racial/ethnic groups and requires Providers to meet their needs.	
8. Are there concerns that there <u>could</u> be a differential impact due to <i>disability</i>?	YES	Brief statement of main issue
	NO	There are no concerns
What evidence exists for this?	The service is to support Service Users with disabilities across all client groups.	
9. Are there concerns that there <u>could</u> be a differential impact due to <i>gender</i>?	YES	Brief statement of main issue
	NO	There are no concerns
What evidence exists for this?	The specification takes into consideration the needs of vulnerable Service Users different gender groups and requires Providers to meet their needs.	
10. Are there concerns there <u>could</u> be a differential impact due to <i>sexual orientation</i>?	YES	Brief statement of main issue
	NO	There are no concerns
What evidence exists for this?	The specification takes into consideration the needs of vulnerable Service Users different sexual orientation groups and requires Providers to meet their needs.	
11. Are there concerns there <u>could</u> be a have a differential impact due to <i>religion or belief</i>?	YES	Brief statement of main issue
	NO	There are no concerns
What evidence exists for this?	The specification takes into consideration the needs of vulnerable Service Users from different religious or cultural beliefs and requires Providers to meet their needs.	
12. Are there concerns there <u>could</u> be a differential impact due to people's <i>age</i>?	YES	Brief statement of main issue
	NO	There are no concerns
What evidence exists for this?	The Service is to be provided to Young People and Adults as detailed in the service specification.	
13. Are there concerns that there <u>could</u> be a differential impact due to <i>being trans-gendered or transsexual</i>?	YES	Brief statement of main issue
	NO	There are no concerns
What evidence exists for this?	The specification takes into consideration all Service User sexual orientation and requires the Providers to meet their needs.	

14. Are there any <i>other</i> groups that would find it difficult to access/make use of the function (e.g. speakers of other languages; people with caring responsibilities or dependants; those with an offending past; or people living in rural areas)?	YES	If yes, which group(s)? There are no concerns
	NO	
What evidence exists for this?	The specification takes into consideration all Service User needs.	
15. Are there concerns there <u>could</u> be a have a differential impact due to <i>multiple discriminations</i> (e.g. disability <u>and</u> age)?	YES	Brief statement of main issue
	NO	There are no concerns
What evidence exists for this?	The Service is to be provided to Young People and Adults as detailed in the service specification across all client groups.	

Conclusions & recommendation		
16. Could the differential impacts identified in questions 7-15 amount to there being the potential for adverse impact?	YES	Brief statement of main issue
	NO	There are no concerns. All equality and diversity issues have been considered in the service specification.
17. Can the adverse impact be justified on the grounds of promoting equality of opportunity for one group? Or another reason?	YES	Please explain
	NO	N/A
Recommendation to proceed to a full impact assessment?		
NO	This function/ policy/ service change complies with the requirements of the legislation and there is evidence to show this is the case.	