

REPORT

Item No. 7

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To: Commissioning Body 8th February 2005

Subject: Rationale of Benchmarking SRQ Outcomes

Classification: Exempt – Not for publication: Paragraph 4 of Part I of Schedule 12A of the Local Government Act 1972 refers.

For Information

Summary: This report provides further definition and rationale of the benchmarking process that is applicable to the 'Strategic Relevance Questionnaires' Report that was presented to the Commissioning Body on 7th December 2004 with additions for the Value for Money analysis

Introduction

The SRQ outcome table provides comprehensive information surrounding two of the service review stages (category 1) and value for money (category 2). This is a working document that enables the Supporting People Team to prioritise and target any service that has inadequate information. This information will then lead to a decision being made (pending any negotiations or discussions with the service provider), on whether the suitability of the service is such that it may be considered for accreditation and eventually being granted a steady state contract.

It will also form a priority listing for contract price negotiations. Despite information being submitted as correct, it would appear that the information is not always accurate (for instance, providers input their hourly cost but when the questionnaire calculates their hourly cost based on their staffing and budgets, it does not always tie up.) Therefore, it would be difficult to use the SRQs in all cases as a means to price the contracts from April 2005.

This report provides a breakdown of the information contained within the two categories along with the definition of how the scoring has been agreed.

Category One Definition of Strategic Relevance

There are two areas of the SRQ that are assessed in order to determine the strategic relevance of the service. The first area is within section 3, titled strategic relevance. This section allows the provider to detail, which national and local policies the service contributes to, whether there are any particular aims or objectives they focus on (up to 3) and be able to demonstrate any achievements they may have that are in line with the aims and objectives previously noted.

The second area that is assessed by the SP Team is within section 6. There are questions surrounding the planning of the service and whether there was involvement from statutory agencies when the service was in its infancy.

Below is a table highlighting the status of the service with the definition of how that status is established.

Status of Strategic Relevance	Definition
No Evidence	There has been nothing provided either within section 3 or 6 for the SP Team to assess.
Minimum Provided (very little evidence has been incorporated into this element)	Nothing has been provided within section 3 however information has been supplied in section 6 on who was involved in planning the service
Adequate	Information on at least one policy that is relevant to this service along with occasional information on the aims and objectives. There is also information on who was involved in planning the service
Thorough (Evidence)	In addition to the required information to meet the adequate category, the provider has supplied comprehensive information on the relevant aims and objectives as well as being able to demonstrate achievements of these aims.
Very Thorough (Evidence)	The provider has supplied comprehensive information on a number of relevant policies, they have detailed 3 aims and objectives that are relevant to the service and are able to demonstrate achievements. They have also included the required information for section 6.

Definition of Demand

Section 4 of the SRQ concentrates on the demand for the service. There are two elements to this section, the first is the occupancy levels for the service that is a snapshot in time. The second is the number of appropriate referrals that has been made to the service during the course of a year.

Below is a table highlighting the status of the service with the definition of how that status is established.

Status of Demand	Definition
Nothing Identified	There is no evidence of occupancy levels or whether any referrals have been made.
Little Evidence	The occupancy levels are adequate (above 80%) although there is little evidence on an acceptable standard of appropriate referrals being made
Little Demand	The occupancy for the service is running at an unacceptable level. There could also be a concern over the number of referrals being made.

Adequate	The occupancy levels are 80% or above. There will also be a reasonable number of referrals made that were accepted by the service (up to a dozen)
Good	The service meets the adequate requirements however the number of referrals that were accepted by the service is higher (between 12 and 20)
Very Good	As Good, although the number of referrals that were accepted by the service is above 20.
Other	It is necessary to include this element as there are specific influences that are relevant to the demand of the service and have to be taken into consideration.

Definition of Quality

The quality of the service is centred on the Quality Assessment Framework that all services are contractually required to complete as part of the service review. Initially providers are able to carry out a self-assessment of the QAF before a validation visit takes place by the SP Team.

The minimum acceptable standard of the QAF for providers to progress towards a steady state contract is level C although it is a continuous improvement tool that providers can achieve a level B or A in.

Below is a table highlighting the status of the service with the definition of how that status is established.

Status of Quality	Definition
Self Assessment	A validation visit has not taken place by the SP Team however the provider has carried out a self-assessment
Currently below minimum standard	A validation visit has taken place by the SP Team and the service currently only meets level D of the QAF. An action plan would be in place to bring the service up to the minimum standard.
Meets minimum standard	A validation visit has taken place by the SP Team and the service has been verified as meeting level C of the QAF.
Higher than minimum standards met	A validation visit has taken place by the SP Team and the service has been verified as meeting level B of the QAF.
Meets highest standards	A validation visit has taken place by the SP Team and the service has been verified as meeting level A of the QAF.
Other	No self-assessment or validation visit has taken place to assessment QAF level for this service

Definition of Staffing Performance

The information on the staffing performance is obtained from section 2 of the SRQ and should correspond with the information contained within the quarterly performance returns.

Below is a table highlighting the status of the service with the definition of how that status is established.

Status of Staffing Performance	Definition
No evidence of Staffing	The information is absent from the submission
Very low staffing levels	The information shows that the actual staffing performance was under 60% of the contracted support hours
Low staffing levels (below adequate staffing levels has been incorporated into this element)	The information shows that the actual staffing performance was between 60% - 79% of the contracted support hours
Adequate	The information shows that the actual staffing performance was between 80% - 100% of the contracted support hours
Above adequate staffing levels	The information shows that the actual staffing performance was above 100% of the contracted support hours

Category Two Definition of Hourly Rate

The information on the Hourly Rate is obtained either from section 1 of the SRQ (where the provider was required to manually input their Hourly Rate) or from section 8 of the SRQ (where there was an automatic calculation of their hourly rate based on their contract values etc). Both should correspond.

Below is a table highlighting the status of the service with the definition of how that status is established.

Status of Hourly Rate	Definition
Adequate	Hourly Rate is less than £28.50 (Scored "1" in order to grade an outcome)
High	Hourly Rate is more than £28.50
Unable to Assess	Provider did not input sufficient information to be able to assess an outcome

* = Assumption that the hourly rate should be capped at **£28.50**

Definition of Hours Per Week

The information on the Hours per week is obtained from section 8 of the SRQ and is an automatic calculation based on the staffing data input by the provider and number of units on the contract.

Below is a table highlighting the status of the service with the definition of how that status is established.

Status of Hours PW	Definition
Adequate	Number of hours delivered is less than 17.5* hours per service user per week (Scored "1" in order to grade an outcome)
Inappropriate	Number of hours delivered is more than 17.5* hours per service user per week
Unable to Assess	Provider did not input sufficient information to be able to assess an outcome

* = Assumption that Housing Related Support should be delivered to a maximum of 17.5 hours per week.

Definition of the Proportion of Support Costs represented by Staff Costs

The information on the Proportion of Support Costs represented by Staff Costs is obtained from section 8 of the SRQ and is an automatic calculation based on the staffing cost data input by the provider and the value of the contract.

Below is a table highlighting the status of the service with the definition of how that status is established.

Status of Proportion of Support Costs represented by Staff Costs	Definition
Sufficient	Percentage of contract value represented by staffing costs is more than 80%* (Scored "1" in order to grade an outcome)
Inappropriate	Percentage of contract value represented by staffing costs is less than 80%*
Unable to Assess	Provider did not input sufficient information to be able to assess an outcome

* = Assumption that the majority of the costs of delivering support should be staff costs – 80% seems appropriate?

Definition of Overheads

The information on Overheads is obtained from section 8 of the SRQ and is an automatic calculation based on the values input by the provider on the Budget for the Support Service and the amount of Indirect costs attributed to the service (for instance insurance etc)

Below is a table highlighting the status of the service with the definition of how that status is established.

Status of Overheads	Definition
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Sufficient	Percentage of Overheads for the service is less than 15%* (Scored "1" in order to grade an outcome)
Excessive	Percentage of Overheads for the service is more than 15%*
Unable to Assess	Provider did not input sufficient information to be able to assess an outcome

* = Assumption that Kent follows the guidance from ODPM that overheads should be between 10-15%

Overall Outcome Scoring

Within the first category three of the four elements are verified through additional monitoring mechanisms that are continuously reviewed. The strategic relevance element can only be assessed through the Strategic Relevance Questionnaire.

Each of the two categories has an interim outcome scoring that is then totalled up for an overall outcome for each service.

Both categories have a the opportunity of gaining points to a maximum number that is established by the elements that are titled as follows:-

Category 1

Strategic Relevance
(adequate 1 point,
thorough 1 point,
very thorough 2 points)

Category 2

Hourly Rate
Hours Per Week
Overheads
Proportion of support costs
represented by staff costs

If the service meets the minimum (appropriate or adequate) levels or greater for the elements in question then the service receives 1 point.

The results from the two categories are then added together to provide a total overall outcome score that has the potential to receive the maximum number of 6 points.

Context

Attached to this report is an updated summary of the SRQ outcomes for your perusal. Where the benchmarking has identified an unacceptable level further investigative work is underway. The result of the investigative work will lead to proposals put to the Commissioning Body on whether a steady state contract should be granted. It should also be able to identify services that require amendments to their contract values in line with criteria set for Management Action on the budget.

Recommendation

The members of the Commissioning Body are asked to **note** the contents of this

report.

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Background Papers

None.