

**From:** Penny Southern, Corporate Director of Adult Social Care and Health

**To:** Graham Gibbens, Cabinet Member for Adult Social Care and Public Health

**Decision Number:** 18/00055

**Subject:** **DIRECT PAYMENT SUPPORT SERVICE**

**Classification:** Unrestricted

**Past Pathway of Paper:** Adult Social Care and Health Directorate Management Team – 19 September 2018  
Adult Social Care Cabinet Committee – 27 September 2018

**Future Pathway of Paper:** Cabinet Member Decision

**Electoral Division:** All

**Summary:** The option for families with a disabled child to choose to receive a direct payment in lieu of a provided service was given by The Carers and Disabled Children Act 2000. To support families, children and young people in the management of direct payments, the County Council commissions a Direct Payment Support Service. The service was competitively tendered in 2016. The contract is due to expire on 31 March 2019 and there is no scope to further extend the contract. There is a need to procure a new service to ensure support continues.

The annual budget for the service is £342,038, although the exact value of the contract will be determined through a competitive procurement process. The new contract will start on 1 April 2019 with an initial term of three years.

**Recommendations:** The Cabinet Member for Adult Social Care and Public Health is asked to:

- a) **PROCURE** a new contract for the Direct Payment Support Service; and
- b) **DELEGATE** authority to the Corporate Director of Adult Social Care and Health, or other nominated officer, to undertake the necessary actions to implement the decision.

## 1. Introduction

- 1.1 Kent County Council (KCC) commissions a Direct Payment Support Service to help service users manage their direct payments, ensuring that their support needs are being met as described within their care plan. The service also helps to ensure that public money is being used appropriately and to recover money which is not being used.

- 1.2 The contract for the current service is due to expire on 31 March 2019 and there is no option to further extend the contract.
- 1.3 This paper aims to provide information about the performance and outcomes of the current service and sets out the commissioning plans for the service from 1 April 2019.

## **2. Background**

- 2.1 Support to manage direct payments is provided by the Direct Payment Support Service. The service is open to:
  - Parents and carers of disabled children
  - Parents and carers of children with special educational needs
  - Young people aged 16-25 with special educational needs
  - Young disabled people aged 16-25
- 2.2 Most of the support received through the service is for the employment of a suitable personal assistant, who has the skills, knowledge and experience required to support their child/young person. Support workers assist with the writing of job descriptions, contracts of employment and support around advertising. They also ensure that they comply with employment legislation and adopt 'good employer' practices to support staff satisfaction and retention.
- 2.3 The service also ensures that young people in transition to adulthood and their families have a good experience of support for the transition of their direct payment. Young people over the age of 16 years, with the mental capacity to do so, are supported to manage a direct payment in their own right should they choose to.
- 2.4 Although the service does not include support for the management of personal health budgets, it does require the service provider to work in partnership with the Clinical Commissioning Groups (CCG) to support a joined-up approach to social care and health direct payments. This helps to ensure, as far as possible, that families who receive joint funding also receive unified support.
- 2.5 The demand for direct payments are increasing year on year as parents of children with Education Health and Care Plan (EHCP) choose the greater flexibility that direct payments bring.
- 2.6 The current service was competitively tendered in 2016 and is currently delivered by We Are Beams Ltd.
- 2.7 The contract expires on 31 March 2019 and there is no option to extend past this date. A competitive procurement process is needed to award a new contract and ensure the service continues to be available.

## **3. Performance**

- 3.1 The current contract is performing well, and service user evaluation undertaken in January 2018 showed that 92% of service users said that the information and

support provided was either good or excellent. 96% of service users said that the service had made a positive impact on their family.

- 3.2 The target for undertaking financial reviews with service users has been consistently met by the service provider.
- 3.3 A strong partnership working has developed with the Adult Direct Payment Support Service which is delivered in-house by KCC. This has ensured that young people avoid a 'cliff edge of care' during the transition into adulthood.

#### **4. Procurement Approach**

- 4.1 Analysis of service provision in other authorities has been completed and market research and engagement indicate that there is a competitive market in Kent. When the service was procured in 2016, KCC received 29 expressions of interest and five organisations submitted a successful tender application.
- 4.2 Support for Direct Payments is generally provided by Local Authorities in-house, but increasingly councils are seeking external expertise from their provider-base. In most cases where this happens, most of these providers are charities or not-for-profit organisations.
- 4.3 The options for the procurement of a new service have been considered. There are advantages and disadvantages to each approach but the option to retain an externally commissioned service is recommended. The model encourages a positive relationship to be built between the provider and the Adult Direct Payment Support Team putting Children and Young People at the centre of activities to create a seamless transition into Adulthood. There is robust contract management in place and good levels of performance and customer satisfaction.
- 4.4 The contracts will be for an initial term of three years, with the option to extend for a further two years.
- 4.5 It is the intention to undertake a competitive procedure with negotiation and invitations to tender for the service will be published in October this year. The table below sets out the timetable for the procurement process:

<b>Procurement Timetable</b>	
Tender opportunity published	11 October 2018
Tender submission deadline	8 November 2018
Tender evaluation (including service users)	9 – 14 November 2018
Negotiation window	15– 21 November 2018
Tender clarification meetings	22– 23 November 2018
Contract award preparation and standstill	w/c 26 November 2018
Contract awarded	w/c 3 December 2018
Contract mobilisation	January – 31 March 2019
New contract commencement	1 April 2019

## **5. Financial Implications**

- 5.1 The Direct Payment Support Service is funded from the Adult Social Care and Health budget for young people aged between 18 to 25.
- 5.2 The maximum available budget is £1.7m over the five-year term of the contract although the exact contract value will be determined through the competitive tendering process. The on-going commissioning and contract management process will ensure that KCC maximises the return on this investment.
- 5.3 A three-year contract with an option to extend for a further two years will give the provider certainty, whilst allowing streamlining the service, standardisation of delivery activities and continuity of Support Worker from childhood through transition to Adulthood.
- 5.4 The overall contract price will be evaluated through the tender process and will take account of the value and quality of each proposal as well as the cost. This will enable the Council to secure best value through the commissioning process. As the contract value is expected to exceed £1m, delegated authority has been requested to allow the Corporate Director for Adult Social Care and Health to approve the award report.

## **6. Risks**

- 6.1 The key risk for this service is ensuring that a provider is in place for 1 April 2019 to avoid a break in availability for service users, this has been mitigated in part by the proposed time table for completing this procurement.
- 6.2 Any change in supplier would present a risk in disruption to delivery. This risk has been mitigated by including mobilisation as a key criterion in tender

evaluation, bidders will be required to provide a detailed mobilisation plan as part of their tender response.

## **7. Legal Implications**

- 7.1 Direct payments for parents of disabled children is a statutory duty under the Children Act 1989 as amended by Sections 17A (inserted by the Health and Social Care Act 2001) and 17B (inserted by the Carers and Disabled Children Act 2000).

## **8. Equality Implications**

- 8.1 None

## **9. Conclusion**

- 9.1 Re-procuring the Direct Payment Support Service will support corporate objectives by ensuring that services are commissioned in line with identified need to deliver corporate priorities on Children and young people in Kent get the best start in life and supporting people to be independent and to take control.
- 9.2 The increased demand for assessments and for a child to have an Education Health & Care Plan (EHCP) means Direct Payments are increasing year on year as parents of children with plans choose the greater flexibility that direct payments bring. There are high levels of customer satisfaction from service users and parents communicated through surveys conducted annually that demonstrate the success of the current model. Also, there are high levels of satisfaction in the internal Adults service and CCGs about how the provider interfaces with them demonstrated the options will deliver better outcomes. The current provider has continuously met the performance targets set them and agreed to raise the targets under the last contract review.
- 9.3 The recommendation of the successful bidder will be presented to the Corporate Director of Adult Social Care and Health. A proposed Record of Decision has been included as an accompanying paper to this report.

## **10. Recommendations**

- 10.1 Recommendation: The Cabinet Member for Adult Social Care and Public Health is asked to:
- a) **PROCURE** a new contract for the Direct Payment Support Service; and
  - b) **DELEGATE** authority to the Corporate Director of Adult Social Care and Health, or other nominated officer, to undertake the necessary actions to implement the decision.

**11. Background Documents**

None

**12. Report Author**

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