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To: Adult Social Care Cabinet Committee – 12 March 2019

Subject: **COMMUNITY DAY OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES (SS15087)**

Classification: Unrestricted

Past Pathway of Paper: Adult Social Care and Health Cabinet Committee – 11 October 2016

Future Pathway of Paper: None

Electoral Division: All

Summary: This report provides an update on the Community Day Opportunities for Individuals with Disabilities Contract. It details the background to the recommissioning of day opportunities and the performance of the current contract.

Recommendation(s): The Adult Social Care Cabinet Committee is asked to **CONSIDER** and **COMMENT ON** the content of this report.

1. Introduction

- 1.1 Community Day Opportunities for Individuals with Disabilities is a framework contract, which commenced on 10 April 2017 for a period of 48 months (ending on 9 April 2021). The framework was designed to address a range of issues with the existing arrangements for the commissioning of day services and to help shape the day services market, supporting it to grow and develop, and offer real choice to people who use the services.
- 1.2 The proposal to recommission Day Opportunities for Individuals with a Disability was endorsed by the Adult Social Care and Health Cabinet Committee on 11 October 2016 and an Executive Decision (16/00089) was subsequently taken by the Cabinet Member for Adult Social Care and Public Health.
- 1.3 This paper provides an update on the performance and development of the contract since that time.

2. Strategic Statement and Policy Framework

- 2.1 Increasing Opportunities, Improving Outcomes: Kent County Council's Strategic Statement 2015-2020, Strategic Outcome of "Older and vulnerable residents being safe and supported with choices to live independently."

2.2 Care Act (2014) in relation to the duty to meet unmet eligible social care needs for both carers and the cared for person, and duties regarding market shaping and oversight.

3. Background

3.1. In response to Valuing People Now (2009), the model for day opportunities evolved to enable people to receive support within their local communities, rather than in large buildings which segregated them. This resulted in a diversification of the provider market with the number of smaller providers increasing and more choice for people.

3.2 Day opportunities provide valuable support for people with a wide range of needs, including those who benefit from support to move towards independence, those who live with challenging behaviour and require support to live safely in the community and people who have profound learning disabilities in addition to a physical disability (e.g. wheelchair users) who need significant levels of support. For this group, day services also provide valuable respite for carers.

3.3 Prior to the framework contract, day services were purchased on an individual (spot purchasing) basis. This included supporting 925 people to attend learning disability day services at a cost of £5m per year and 306 people to attend physical disability day services, approximately £868k per year.

3.4 Additional costs included: £0.5m one to one support that enabled people to attend day services, approximately £254,650 on direct payments and approximately £1m per year for transport, the majority of which was delivered through Transport Integration.

3.5 At that time, there were approximately 95 Providers in Kent (16 of which also supported people with a physical disability), and an additional 33 Providers of day services for people with a physical disability,

3.6 A comprehensive analyse phase and stakeholder engagement identified a range of issues resulting from the use of spot purchasing at this scale, including:

- significant variation in cost (from £17 per day to in excess of £250 per day) where there was lack of clarity about what added benefit was achieved from higher cost services and where individual placements were negotiated on a case by case basis
- lack of quality standards, in the absence of a detailed, current service specification and lack of Care Quality Commissioning standards
- geographical variation when looking at the type of activities available where there are differences in what is available for people across the county
- gaps in service where there was lack of specific activities for people

3.7 A new contract was designed to address these issues.

4. Impact of the Contract and Contract Management

4.1 Variation in cost

4.1.1 The first step taken to address the above issues was to differentiate between the type of support that people received. The framework now in place is made up of three Lots which reflect different outcomes for individuals, namely services that:

- promote wellbeing through ongoing activities,
- promote independence through skills development and that,
- provides training and development as a route to employment.

4.1.2 A fourth Lot is also available for those providers who provide additional support that enables people to access their day services and transport was also included as a mechanism to encourage more providers to provide transport services.

4.1.3 A maximum unit cost was put in place for each contract Lot and this reflected the type of support being provided, namely higher maximum costs for services that developed skills or provided training. Once a provider joins the framework, these rates are fixed and cannot be negotiated on an individual basis as they were in the past.

4.1.4 This approach has largely been successful. Whilst the unit costs for spot purchased day services varied significantly the rates for contracted services on the framework currently range between £39.52 and £59.27 per day. These differences are in relation to the type of support provided and the quality of the service.

4.2 Quality Standards

4.2.1 Day services are not Care Quality Commission (CQC) registered. Therefore, a detailed specification was written that clearly identified quality standards for the service. All providers were required to pass the quality element of the tender in order to receive contracts through the framework.

4.2.2 In addition, contracts were awarded based on a quality and cost ratio where higher cost recognised higher quality.

4.2.3 A range of contract management approaches were developed to monitor quality of service delivery against the specification. These include key performance indicators, quarterly provider forums, annual self-assessment reviews and spot checks often conducted jointly by commissioners and local care management team.

4.2.4 In addition, a clear set of sanctions were introduced that could be implemented should providers fail to deliver against the specification.

4.2.5 Whilst an improvement on the monitoring that was previously carried out, as the contract has embedded it became clear that the Key Performance Indicators (KPI) were not proving as effective/informative as intended. Commissioners have therefore been working with providers to coproduce a revised set of KPIs (with more frequent reporting) that will apply from April 2019.

4.3 Geographic variation and gaps in service

4.3.1 The framework was set up to standardise cost and quality, however it was recognised that many providers had not been through commissioning processes before, and that there was a need to stimulate the market to develop and grow.

4.3.2 It was agreed that the contract would re-open at regular intervals of 6, 12 and 24 months to allow additional providers to join the contract. This also enabled providers, who were not used to completing tendering processes, additional chances to enter onto the framework should their first attempt fail.

4.3.3 During contract design, it was agreed that preference for new referrals should be given to framework providers where quality and cost was assured. It was agreed that people would receive a direct payment to access services from non-framework providers and that individual contracts could only be used in exceptional circumstances where it could be demonstrated that a Direct Payment was not appropriate, and that no suitable services were available to the individual through the framework contract. To date, two individual contracts have been agreed by Assistant Directors which meet these criteria.

4.3.4 When the contract commenced on 10 April 2017, 27 providers were awarded contracts to deliver services against one or more Lot on the framework. As at 9 April 2018 this had increased to 43. The framework reopened in January 2019 for providers to join from April 2019.

Lot	Number of Providers Delivering Lot as of April 2017	Number of Providers Delivering Lot as of April 2018
Lot 1a: Promoting Wellbeing (LD)	21	34
Lot 1b: Promoting Wellbeing (PD)	19	29
Lot 2a: Supporting Independence (LD)	18	32
Lot 2b: Supporting Independence (PD)	15	25
Lot 3: Employment	1	4
Lot 4: Additional Support	12	18
Additional Element* (Transport)	8	14

4.3.5 Whilst it was hoped that most providers would join the framework, several elected not to, preferring to retain their existing clients via individual contracts and/or to move towards a Direct Payment model.

4.3.6 As a result, not all current providers are in the framework and care managers have raised some concern that this has resulted in the choice of day services being limited for some individuals because if an individual is unable to take on a

Direct Payment then their choice of services is limited to those on the framework.

4.3.7 In other cases where there are gaps in provision, it is because level of demand is not high enough to offer providers a guarantee of income that would warrant them opening or developing new services.

4.3.8 Commissioners are working with providers and local care management teams to understand this in more detail and work towards a resolution.

4.4 Other Issues

4.4.1 Providers have raised concerns at the low volume of referrals they receive through the framework contract. The primary reason for this is that new referrals are either the result of individuals coming through transition (35% of new referrals) or because existing people have chosen to change the services that they attend (65%). However, in both cases these numbers are generally low and, in most cases, attendance at services has remained static since April 2017.

4.4.2 Anecdotally, there is some suggestion that more people are using a Direct Payment to attend the services. This would account, in part, for why the anticipated increase in contractual spend on day opportunities has not been seen (see point 5.2).

4.4.3 Commissioners continue to have discussions with both providers and care management teams to look at how this can be addressed, so that both new and historic providers are receiving referrals through the framework.

4.4.4 The transport element of the contract has not been as successful as hoped due to lack of interest on the part of providers and because of differences between how the contract is set up to pay transport and how the council's systems record it. This will be addressed in the next iteration of the contract.

5. **Financial Implications**

5.1 At the time of recommissioning, it was expected that provider unit costs would increase as a result of increasing delivery costs over the previous four years in conjunction with no price increases over the same period, and the introduction of National Living Wage. As a result, it was agreed that only new people joining a provider after the framework start date would be funded at the framework rate. This means that providers on the framework have a combination of people on the framework rate and on 'old' individual contracts as illustrated below (for December 2018):

Contract Type		Learning Disability Clients		Physical Disability Clients
		Aged 16-25	Aged 26+	
Spot	Individual Contract for Day Service (full day)	171	779	170

u	Individual Contract for Day Service (half day)	8	119	14
	Individual Contract for Additional Support	29	46	0
Framework	Promoting Wellbeing Day Service (full day)	49	86	39
	Promoting Wellbeing Day Service (half day)	8	22	3
	Promoting Independence Day Service (full day)	35	18	10
	Promoting Independence Day Service (half day)	4	1	2
	Employment Support Day Service	0	1	0
	Additional Support	19	12	2
Total Number of Individuals		278	804	235

- 5.2 However, one of the benefits of entering onto the contract meant that providers would be considered for an index related price increase along with all other contracted services. This increase would be applied to all historic clients and meant that the lower individual contract prices were increased to match the framework rates over time, rather than in one go.
- 5.3 From April 2019, as parity between providers' rates for individual contracts and the framework is achieved, commissioners will look to migrate all historic placements over to the framework contracts. This will not only provide administrative benefits for both providers and the council around invoicing and system changes it will also bring historic placements under the terms and conditions, and service specification, linked to the new contracts.
- 5.4 Considering the activity levels within day services prior to the framework, the total value of the contract over the four years was estimated to be £28,000,000. However, because of the approach detailed in 4.2 and many people choosing to remain with their existing services, the spend on the contract has not been as high as anticipated. The impact on direct payments used specifically for day services is not known.
- 5.5 For 2017/18, the total spend against externally commissioned Learning Disability (LD) and Physical Disability (PD) Day Services (excluding transport and additional support) was around £4.9 million. This translates into an average spend per person, per week of £87.12 (December 10-16, 2018).

6. Conclusions

- 6.1. As detailed in this report, the establishment of the framework contract has achieved the identified goals of giving greater oversight/control around the

quality, cost and outcomes of the day services being commissioned for some of Kent's most vulnerable residents.

- 6.2. Applying a discretionary uplift to historic individual contracts held by providers on the framework is reducing the gap between the historic and framework contracted rates gradually and supporting the sustainability of the market.
- 6.3. The need to spot purchase day services from non-contracted providers using individual contracts will continue to be considered on a case-by-case basis in exceptional circumstances when no contracted provider is able to meet a individual's assessed needs.
- 6.4. Day services for Older People, and People with Dementia are out of scope of the framework contract, primarily due to the lower volume of people accessing these services through individual contracts. Commissioners are aware that services for people in this client group are spot purchased and will be exploring the possibility of expanding the framework to include additional Lots for Older People with Frailty and Older People with Dementia, where they meet the council's eligibility criteria for services. By doing this there would be one overarching contract for all external (non-residential) day services commissioned by adult social care.

7. Recommendation(s)

7.1 Recommendation(s): The Adult Social Care Cabinet Committee is asked to **CONDISER** and **COMMENT ON** the content of this report.

8. Background Documents

16/00089 - Community Day Services for people with a Learning Disability and/or a Physical Disability
<https://democracy.kent.gov.uk/ieDecisionDetails.aspx?ID=1979>

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