
From: Sarah Hammond, Corporate Director of Children, Young People and Education

To: Sue Chandler, Cabinet Member for Integrated Children's Services

Subject: Direct Payment Support Services for Children and Young People

Decision no: 24/00051

Key Decision : Yes

- It affects more than 2 Electoral Divisions
- It involves expenditure or savings of maximum £1m

Classification: Unrestricted

Past Pathway of report: Children, Young People and Education Cabinet Committee – 9 July 2024

Future Pathway of report: Cabinet Member Decision

Electoral Division: All

Is the decision eligible for call-in? Yes

Summary: This report provides the Cabinet Member for Integrated Children's Services with the background and rationale to commission a Direct Payment Support Service contract for an initial period of three years from 1 April 2025 to 31 March 2028 with an optional 24-month extension period, based on the performance of the contract and other influencing factors at the time.

Recommendation(s):

That the Cabinet Member for Integrated Children's Services in consultation with Cabinet Member for Education and Skills agree to:

- A) Approve the commencement of a procurement to commission the Direct Payment Support Service for a period of 1 April 2025 to 31 March 2028, with an optional up to 24-month extension.

- B) Delegate authority to award the contract to the successful provider to the Corporate Director for Children, Young People and Education in consultation with the Cabinet Member for Integrated Children's Services.
- C) Delegate authority to the Corporate Director for Children, Young People and Education to take other relevant actions, including but not limited to finalising the terms of and entering into required legal agreements, as necessary to implement the decision.
-

1. Introduction

- 1.1 Kent County Council has a statutory duty to offer a personal budget, which can be administered via a Direct Payment (DP), to people who are eligible for services assessed by the County Council.
- 1.2 A DP is the amount of money needed to cover the cost of the support (i.e. services, including care) for which a person is eligible. KCC must ensure that people are given relevant and timely information about DPs to decide whether to request a payment and how to use and manage this payment appropriately. The Special Education Needs and Disability (SEND) reforms in 2014 placed a further duty on Education, Health, and Social Care to increase the use of personal budgets, which could be taken as a Direct Payment, to meet the needs of children and young people with SEND.
- 1.3 Direct Payment entitlement spans Children, Young People and Adults and are covered by two distinct legislative frameworks; the Children's 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) and the Care Act 2014. As such, the administration of the current commissioned service for 0-25 sees the current provider managing the set up and monitoring of Direct Payments until the young adult completes their Education. The administration of the Direct Payment is then transferred to Adult Social Care and Health (ASCH) to focus on the social care requirements to meet the needs of the individual.

2. Key Considerations

- 2.1 The Strengthening Independence Service (SIS) in the Children, Young People and Education (CYPE) Directorate promotes the use of Direct Payments well, to the point that DP's account for 64% of provision; however, DP's represents 18%¹ of total spending, demonstrating good value for money.
- 2.2 CYPE currently commissions the Direct Payment Support Service (DPSS) from a not-for-profit provider of Children's and Young People Services. The service is open to:
- Parents and carers of disabled children
 - Parents and carers of children in receipt of an Education Personal Budget
 - Young people aged 18-25 in receipt of an Education Personal Budget

¹ Excludes looked after children

- Young disabled people aged 18-25

- 2.3 As a part of the Making a Difference Everyday programme, ASCH is redesigning their self-directed support offer, and the opportunity to align the two DP services to create an integrated service for both CYPE and ASCH was explored. ASCH confirmed that they are currently not in a position to enter a joint commissioning arrangement at this time, and as such, the option of commissioning an integrated service has been discounted for this contract term.
- 2.4 CYPE have developed the specification around the views and opinions of families and people who use the current service and have sought these views through a variety of surveys over the last three years.
- 2.5 A clear theme from all surveys focuses on families' challenges in sourcing and retaining a Personal Assistant (PA). The main areas where families identified improvements that would lead to better retention and recruitment of PAs were:
1. Higher wage rates
 2. More information/guidance from DPSS about recruitment
 3. Standard templates for job descriptions, job adverts and interview guidance
- 2.6 Points 2 and 3 can be met through no or minimal expense by improving Information, Advice and Guidance (IAG) from the Direct Payment Provider, this is further supported through survey findings undertaken in 2023 where 84% of total respondents² who found finding a PA challenging or extremely challenging cited having Standard templates for job descriptions, job adverts and interview guidance would be helpful.

3. Background

- 3.1 The Direct Payment Support Service for Disabled Children and Young People has been commissioned since 2008. The current provider, We Are Beams, has delivered the service since it commenced and has performed well against Key Performance Indicators. Feedback from service recipients³ and other key stakeholders indicates a good-quality service that meets expectations.
- 3.2 The current service provides Information, Advice and Guidance (IAG), Direct Payment Set-up and Monitoring Services.
- 3.2.1 IAG on employment of Personal Assistants (PA), including support to ensure compliance with employment law.
 - 3.2.2 Direct Payment Set-up, initial contact and developing costs in preparation to submit to KCC Finance for processing. Support the management of transition of the DP where recipients go from childhood to adulthood.
 - 3.2.3 Monitoring Services, including statutory monitoring of DP's and notification of unspent funds that are eligible for KCC to reclaim.

² 206 respondents

³ The term recipients is used to describe either parents/carers of disabled children or the young adult

- 3.3 The current contract ends on 31 March 2025 with no further available extensions and therefore KCC are required to undertake commissioning activity to determine the options for the Direct Payment Support Service.

Work has concluded to understand the current context in which the service will function, including engagement with staff within the Strengthening Independence Service and service user groups. There have also been several market engagement events and the model has been tested with providers during events that have been advertised on the Kent Business Portal.

4. Options considered and dismissed, and associated risk

- 4.1 An options appraisal has been undertaken collectively with Commissioners, staff across CYPE and Finance. The following options were considered.

- 4.1.1 **Option 1 - Do nothing.** The Direct Payment Support Service will cease on 31 March 2025. Therefore, CYPE will have to make alternative plans to administer and support CYPE Direct Payments as part of KCC's statutory duty. This option is discounted.

A detailed Make or Buy Assessment was completed. Overall, the recommendation was to 'Buy' this Service due to the cost of direct provision and also increasing the headcount to the County Council. Following this, further options for buying the service were considered below.

- 4.1.2 **Option 2 - Commission an enhanced service (compared to that of previous years) which includes the recruitment and retention of Personal Assistants, in addition to the set up and monitoring of Direct Payments.** A key reason for poor recruitment and retention of PAs is the low wage, without the Cost Setting Guidance being reviewed, it is unlikely a provider could resolve these issues and therefore the risk of not being able to achieve this performance indicator is too high. The appetite for additional spend with no guarantee of a clear cost benefit is low given the councils current financial situation. This option is discounted.

- 4.1.3 **Option 3 – Commission a Direct Payment Support Service for Set up and Monitoring with PA Recruitment and Retention, Peer Support and PA Workforce Development included and Support Brokerage to be commissioned with ASCH.** This would require a significantly higher budget with insufficient evidence on a return within the required timeframe. This option is discounted.

- 4.1.4 **Option 4 – Commission a Direct Payment Support Service with the Specification to continue in its current form with some signposting to other resources on PA Recruitment and Retention with PA Peer Support included.** This option will ensure that KCC meets its statutory duty to provide DPs, whilst supporting the development of PA Peer Networks. PA Peer Networks will provide an environment for PAs to share knowledge, experiences and be a direct

link to the Council to inform future strategy. A break clause written into the contract will allow potential for future joint commissioning opportunities with ASCH, should they be in a position to do so within the three-year contract term,

- 3.2 The preferred option is Option 4 - The Specification for the Direct Payment Support Service to continue in its current iteration with some signposting to other resources around PA Recruitment and Retention, PA Peer Support included. This was identified as the best option available to KCC within the available timeframe and budget. This allows a competitive procedure with known service gaps addressed in a cost-effective way and provides value for money whilst continuing to fulfil our statutory obligations.

5. Financial Implications

- 5.1 The Direct Payment Support Service is funded from the Children's Disability 0 - 18 Commissioning Revenue Base Budget, with financial contribution from Special Education Needs and Disability Service and Adults Social Care and Health, for Direct Payments where an education need is identified and where the DP recipient is a young disabled adult in an education setting. Further contributions are to be sought from the Integrated Children's Services Social Care teams to cover the cost of managing the DPs within their caseloads.

- 5.2 The cost of delivering the service over the full potential five-year period, 1 April 2025– 31 March 2030, is estimated to be £2,946,471.

- 5.3 The current (and future) contract requires the Provider to notify KCC of any unspent Direct Payments for reclaim. The following shows the values as identified by the current Provider:

2019/2020 – Total of £1,093,509 (Social Care = £1.07m / Education = £31.2k)
2020/2021 – Total of £1,281,465 (Social Care = £1.2m / Education = £61.7k)
2022/2023 – Total of £1,604,481 (Social Care = £1.34m/ Education = £259.2k)
2023/2024 – Total of £2,447,466 (Social Care= £1.87m/Education £570k)

- 5.4 The cost of undertaking this procurement exercise is estimated as £81,795.

6. Legal implications

- 6.1 Direct Payments for parents or carers of disabled children are a statutory duty under the Care Act 2014, Section 117(2c) of the Mental Health Act 1983, 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).

7. Equalities implications

- 7.1 An Equality Impact Assessment (EQIA) has determined no significant impacts for this proposed Decision.

7.2 Minor negative impacts identify a low risk that parents/ carers will have to take time away from their caring responsibilities to find and source a Personal Assistant to care for their child. The current service specification does not support families around Personal Assistant recruitment and retention. The future Service scope will consider additional support for Direct Payment Recipients and Personal Assistants. Reviewing the cost-setting guidance for Personal Assistant wage rates is also recommended.

8. Data Protection Implications

8.1 A Data Protection Impact Assessment (DPIA) was completed and reviewed by the Data Protection Officer on the 22 March 2024 with final approval given on the 25 March 2024 by the Information Asset Owner, Sarah Hammond, Corporate Director for Children, Young People and Education.

8.2 The DPIA will be kept under review and the project progresses.

9. Other corporate implications

9.1 Finance, Safeguarding and Health and Safety teams will be required to support the evaluation of tender submissions.

9.2 The Commercial and Procurement Division will draft the Terms and Conditions (with input from CYPE) based on KCC's Standard Terms and Conditions.

9.3 The Commercial and Procurement Division will manage the procurement process using established commercial best practice. The tender will be advertised, and bids will be received through the Kent Business Portal.

10. Governance

10.1 Overall budget responsibility sits within the Children, Young People and Education Directorate, with service accountability in the Countywide Childrens Services Division.

11. Conclusions

11.1 A Make vs Buy assessment was undertaken to explore the viability of delivering the service within CYPE. The analysis highlighted that external service delivery is a more cost-effective solution that meets outcomes.

11.2 Many other local authorities have integrated Children's and Adults' Direct Payment Services, so there is an existing precedent for this proposal. However, further work is needed before KCC are able to implement an integrated contract, mechanisms have been built into the new contract to allow for this at such time.

11.3 The recommended procurement approach will be a modified Competitive Procedure with Negotiation via a one stage process.

Recommendation(s):

That the Cabinet Member for Integrated Children’s Services in consultation with Cabinet Member for Education and Skills agree to:

A) Approve the commencement of a procurement to commission the Direct Payment Support Service for a period of 1 April 2025 to 31 March 2028, with an optional up to 24-month extension.

B) Delegate authority to award the contract to the successful provider to the Corporate Director for Children, Young People and Education in consultation with the Cabinet Member for Integrated Children’s Services.

C) Delegate authority to the Corporate Director for Children, Young People and Education to take other relevant actions, including but not limited to finalising the terms of and entering into required legal agreements, as necessary to implement the decision.

10. Background Documents

- Equality Impact Assessment
- Data Protection Impact Assessment

11. Appendices

N/A

12. Contact details

Report Author: Christy Holden	Director: Kevin Kasaven
Job title: Head of Childrens Commissioning	Job title: Director of Countywide Childrens Services
Telephone number: 03000 415356	Telephone number: 03000 416334
Email address: Christy.Holden@kent.gov.uk	Email address: Kevin.Kasaven@kent.gov.uk

