

Appendix 2: Options Appraisal of contracting methodologies

Option	Opportunities	Risks
<p>Option 1 – Single provider contract, either via a prime contractor or Strategic Partner</p>	<ul style="list-style-type: none"> • Improves ability to monitor services • Providers are managed and clients booked by a KSP, saving time for care management • Flexibility around identifying and filling gaps 	<ul style="list-style-type: none"> • Additional funding required for KSP to manage and coordinate • Clients booked by a KSP – losing care management oversight of whole care package • Restricts choice, especially across geographic boundaries • Current market has few organisations large enough to take on this role, opening the door for big companies to win contracts • Takes time to build partnerships and mobilise • Significant change to the services provided and potential need to move people from one provider to another which would be disruptive for individuals and their families
<p>Option 2 – Block Contracts</p>	<ul style="list-style-type: none"> • Financial security for providers • Ability to commission services specifically to fill gaps • Block buying can reduce costs through economies of scale 	<ul style="list-style-type: none"> • Time consuming to monitor, therefore only viable if the market is rationalised • Adverse press/publicity due to the change in local delivery and change of service • Placements are focused on filling the block rather than ensuring it is the right service • Reduces choice • Clients would have to move from existing providers • Lack of innovation and development – providers can grow complacent

<p>Option 3 – ‘Open’ Framework</p>	<ul style="list-style-type: none"> • Stimulates market and enables gaps to be filled • New providers can enter into the market throughout the life of the contract • Increased visibility of available services • Retention of client choice • Price and quality pre-assured • Ease and simplicity for provider market 	<ul style="list-style-type: none"> • Suppliers can only enter into the market at set intervals • This is not a traditional, established route to market, but is a hybrid of two models, so could leave the council open to challenge to challenge. These risks are deemed low.
<p>Option 4 – Dynamic Purchasing System</p>	<ul style="list-style-type: none"> • Stimulates market and identifies gaps • New providers can enter into market continuously throughout the life of the contract • Increased visibility of available services • Price and quality pre assured 	<ul style="list-style-type: none"> • Care manager concern that this option rules out ‘taster days’ and limits client choice • Care manager concerns around time taken to make placements • This option would reduce the ability of care managers to recommend placement options and input their expertise within placement decisions • A number of providers would apply for all cases and monopolise • Small providers would be disadvantaged if they lack sufficient resources to monitor the system and bid