



## Report to Leader (Adult Social Care portfolio)

**Decision Date:** 24 February 2021

**Reference number:** AS01.21

**Title:** **Supported Living Procurement Vehicle**

**Relevant councillor(s):** Councillor Angela Macpherson

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**Ward(s) affected: All**

### **Recommendations:**

**The Leader is asked to:**

- **Approve the decision to go out to tender for the Supported Living Procurement Vehicle.**
- **Agree that the award of contract should be a delegated officer decision.**

### **1. Executive summary**

1.1 Adult Social Care has a range of commissioned block and spot contracts in place to provide care and support services for adults with social care needs. At present there are around 700 contracts with around 200 different providers covering a range of services. There is heavy reliance on spot contract arrangements that have been established when required and on a one-off basis via direct negotiation with individual providers. This does not always deliver the right service at the best price.

1.2 In September 2020, a paper was presented to Adults and Health Board, recommending that a range of procurement vehicles were put to tender. The Supported Living procurement vehicle was identified as the first to be implemented. This would be a contractual agreement between the Council and providers that sets out terms relating to price, quality and quantity. Individual contracts (call-offs) for

packages of care can be awarded quickly and efficiently throughout the period of the agreement via a mini-competition process. This will enable us to have a threshold of quality and value for money, whilst also streamlining administration and transparency for commissioners and supporting effective management of the market.

- 1.3 This report seeks approval to go out to tender for the supported living service contract, which is designed to meet the current and future needs of people requiring the service within the community.

## **2. Context - The Case for Change**

- 2.1 Integrated Commissioning sources placements from the market on a daily basis. In the first instance, we will consider whether any of our block contract capacity can meet the needs of the individual. However, there is not enough capacity across our block provision to meet all need, and for several reasons including level of complexity, choice or client mix in the setting, a block void may not be a suitable option. If no suitable block provision is available, then Integrated Commissioning will contact other providers operating within the local market so seek a spot solution.
- 2.2 This process is labour intensive and time consuming. It has resulted in inconsistent and varied pricing levels across different packages of care, which can sometimes be linked to historic price negotiations and poor competition within the market rather than levels of need. This is confusing, lacks transparency and means we do not always get best value for money. This approach is also not effective in supporting the forecasting of cost and demand. We have insufficient visibility of the range of provision across the market that could meet each specific placement need and often rely on the market knowledge of individual commissioners. This does not put the service in the strongest position to deliver placements that consistently offer the right balance of choice, quality and cost, and we do not have the right information about demand and capacity to support longer term market management and strategic planning.
- 2.3 Considering the range of options available, the Integrated Commissioning Service initiated a project to develop a suite of procurement vehicles to rebalance our relationship with the market. It was proposed that the procurement vehicles will cover the following services and population groups with the Supported Living Procurement Vehicle being the first to go out to tender.

<b>Services</b>	1. Residential care homes and nursing care homes
	2. Community opportunities (including day opportunities, evening, weekend and supported employment)
	3. Residential short breaks
	4. Home care
	5. Supported living
	6. Personal Assistant hubs
<b>Population groups</b>	1. Young people transitioning into adulthood
	2. Working age adults
	3. Older people
	4. Adults with disabilities
	5. Adults with mental health difficulties
	6. Adults with complex health conditions

- 2.4 The procurement vehicle will be a contractual agreement that sets out the terms relating to price, quality and quantity under which individual contracts (call-offs) and can be awarded throughout the period of the agreement. Establishing the procurement vehicle in the first instance will require a procurement process testing quality and requesting a fixed price within a specified range, to determine which providers will be admitted onto the procurement vehicle. Only providers who have been accepted onto the framework, having met the quality/ cost threshold, will be able to respond to requests for individual packages of care. Once the procurement vehicle is in place, care will be procured through a mini competition which can be undertaken quickly and with minimal administration. At this stage providers would also submit a costed proposal on how they intend meet individual identified needs.
- 2.5 The procurement vehicle will open at intervals during the lifetime of the contract to enable new providers to join or to enable us to re-consider providers who previously failed the evaluation process. It will be possible to exclude providers from the framework if they fall below quality thresholds or where they cease trading.
- 2.6 This approach provides the opportunities to realise a number of benefits, which are summarized below:

**Improved value for money and financial oversight**

- Will support stabilisation of prices through clearer expectations around pricing levels.
- Will enable improved forecasting based on activity trends.

**Improved quality**

- Only providers meeting our quality thresholds will be able to deliver services through the framework.

- All services will have an agreed specification to deliver outcomes based on health and wellbeing; independent living, employment and training and developing positive relationships/ natural networks of support. These will support commissioners to monitor and drive improvements in the quality of care in a way that is consistent with the vision set out in our Better Lives Strategy.

#### **Improved market management and development**

- Allows more comprehensive oversight of supply and demand for services across different population groups and geographical locations to support market shaping, rather than our current reactive response to a lack of provision.
- Will streamline the brokerage process and therefore enable a more efficient and competitive care offer for private clients seeking brokerage support from the local authority.

#### **Time and efficiency gains and improved transparency**

- Once the initial procurement is complete, the request for a service from commissioning would be made electronically and sent to multiple providers in one action. This will support improved transparency around our commissioning approach as well being less resource intensive than the current process. This will free up some commissioning capacity to focus on managing quality, improvement and market shaping.

2.7 This approach does bring some risk, with key risks highlighted below.

- Lack of supplier buy-in for the principles of establishing a Dynamic Purchasing Vehicle (DPV), the proposed service model and associated call off process could lead to poor engagement and reduce intended benefits. To mitigate this, the Integrated Commissioning Service has undertaken a supplier event and ongoing virtual engagement with the market to ensure they are kept informed and to invite feedback which has helped to shape our proposals. Feedback has been positive.
- Reduced capacity for providers to bid due to the impact of the pandemic may lead to some providers choosing not to submit their interest. This could reduce the effectiveness of the DPV, at least in the initial period. To mitigate this, feedback has been sought from the market to gauge the likelihood of this impact being realised and to seek views on the procurement timeline. This feedback has been built into our final proposal and timeline.
- If positive engagement and buy-in from internal stakeholders (e.g. social workers, care coordinators etc.) is not robust, then it is possible that the intended benefits will not be achieved. To mitigate this, feedback from internal stakeholders has been sought and received throughout the development of the DPV, helping to shape the service specification and call-off processes.

- The Council has several existing supported living block contracts that have not yet reached the end of their term and will continue to exist once the DPV is in place. The Council will need to develop a strategic approach to managing these to ensure there is good future alignment with the aims and ambitions of the DPV. The Council will also need to individually review each of these contracts as it comes to the end of the contract term to ensure robust plans are implemented to replace or recommission the provision. This process is already underway with the first cohort planned for review shortly after the DPV goes live.

### **3. Other Options Considered**

3.1 The following alternative options were considered through the development of the procurement vehicle project:

- Do nothing: The case for change outlined in section 2 sets out the reasons why doing nothing is not an appropriate option.
- Set up a procurement vehicle for one area of care and support only: This was not considered a viable option as it would only deliver benefits across a single area of the market.
- Set up a suite of procurement vehicles across the services and population groups set out in paragraph 2.4: This was considered the preferred option as it addresses the challenges with our current approach and will enable the development of a consistent approach across different sectors of the market.

### **4. Procurement and Project Timescales – Supported Living Procurement Vehicle**

4.1 The proposed procurement strategy for the tendering of the Supported Living Service is as follows:

Dynamic Purchasing Vehicle, comprising of four Lots, with each lot based on a five-year contract with the option to extend for up to two years. The Lots are as follows:

- i. Lot 1 - Category level one, (Visiting Support)
- ii. Lot 2 – Category level two, (Daytime Support)
- iii. Lot 3 - Category level three (24 Hour Support)
- iv. Lot 4 – Category level four (Bespoke Support)

4.2 A two-stage process will be used, and a timetable is included in section 4.6 of this report. In order to progress to Stage 2 organisations must pass Stage 1.

4.3 Stage One – Framework Agreement: The Framework agreement is split into four Lots, as listed in paragraph 3.1. Providers submit a tender for one, several or all four

Lots. At this stage bidders are required to complete an Invitation to Tender (ITT) Document, which will be evaluated. Successful providers will be put on the Framework.

- 4.4 Stage Two – Mini Competition: The Council will use the eBrokerage system to select relevant DPV suppliers according to the criteria required for the mini- competition, including service type and location. The placement/s required will be in relation to a service user.
- I. Identified suppliers will be asked to submit a price for the placement, based on the information provided through the eBrokerage system.
  - II. Suppliers will then enter a mini competition for award of a placement.
  - III. Suppliers will be ranked in order of best fit for care needs and price.
  - IV. The Council will give the service user a choice of the two top-ranked placements. Once a placement has been selected, the supplier will be informed of the outcome through the eBrokerage system.
  - V. The supplier will be given an opportunity to carry out an assessment of the service user. Once the assessment has been completed, the supplier will accept the placement and the Council will confirm the contract award through the eBrokerage system.
  - VI. If the supplier asks to submit a revised price as a result of the assessment, and the Council agrees, then this revision will need to be considered alongside any other submissions. If the Council decides that the bid still represents value for money, the Council will confirm the revisions with the supplier. The supplier will then accept the package and the Council will confirm the contract award. If as a result of their assessment, the supplier deems the service user falls into a different category of care to that indicated by the Council, then following consultation with the Care Manager, the Council will re-advertise the opportunity via the DPV via the appropriate category
  - VII. Where the supplier does not accept a placement following assessment, or where the Council does not accept any revisions proposed by the supplier, then the Council will approach the next ranked supplier, or the Council will start the process again.
- 4.5 All new placements will be procured using the DPV. Existing placements will not be affected within this tranche. Separate consideration will need to be given to existing packages once the framework is embedded. This will be subject to a separate decision-making process.
- 4.6 The indicative timetable for the procurement is as follows:

Stage	Date By
<b>Stage 1 - OJEU Advert Published (48 Hours)</b>	<b>01/03/21</b>
<b>DPV Documentation Published</b>	<b>01/03/21</b>
<b>Deadline for receipt of application to join DPV</b>	<b>16/04/21</b>
<b>Start of DPV Evaluation process</b>	<b>26/04/21</b>
<b>Evaluators/Project Board approval</b>	<b>28/05/21</b>
<b>Sign- off</b>	<b>03/06/21</b>
<b>Outcome letters issued to suppliers</b>	<b>04/06/21</b>
<b>Stage 2 - Mini competition available - Framework available to be utilised.</b>	<b>08/06/21</b>

## 5. Legal and financial implications

### 5.1 Legal implications

The Council has a duty to provide Supported Living to ensure that people can access the right home for them at the right time in relation to their needs and aspirations.

The outcome of the tenders, as dictated by the procurement timetable will be communicated to the successful provider(s), which will then be followed by a 10 day standstill period to allow unsuccessful providers the option of challenging if they believe that due process has not been adhered to.

Due to the value, the Public Contract Regulations 2015 will be followed (subject to amendment post Brexit).

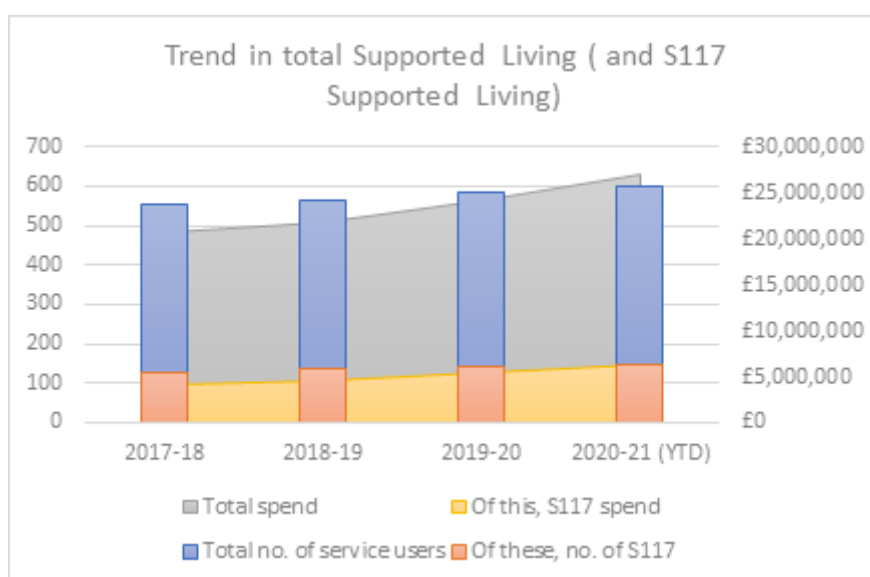
### 5.2 Financial Implications

The spend on new spot supported living placements is projected to be £4.3m in 2020-21. This represents a continued upward trajectory from £3.1m in 2019-20 (see cost analysis below). The available budget for 2020/21 takes account of this upward trajectory. Predicting the future value of this contract is challenging as spend is dependent upon the level of demand and need. We expect to see the number of new service users requiring a supported living service increase over time, in line with the principles of the Better Lives Strategy to support people to live as independently as possible, representing a shift away from more traditional placements for example in residential or nursing care. Our current procurement approach is not effective in supporting the forecasting of cost and demand. If spend continues to increase in line

with current trajectories, then we would anticipate spend of approximately £5m in 2021-22. The DPV will support a stabilisation of prices over time as well as improved forecasting, modelling and reporting of spend.

### Supported Living Cost Analysis

	Total no. of service users	Of these, no. of S117	Total spend	Of this, S117 spend
2017-18	554	127	£20,616,337	£4,119,362
2018-19	564	135	£21,663,815	£4,566,598
2019-20	582	140	£24,094,115	£5,418,946
2020-21 (Forecast)	599	145	£27,301,973	£6,385,046



## 6. Corporate implications

### 6.1 Property

In a small number of instances, the Council has nomination rights to accommodation provided by housing services which will be reviewed as each contract comes to an end.

### 6.2 HR

There are no personnel implications for Buckinghamshire Council employees arising from the procurement options outlined in this report.

### 6.3 Equality

The implementation of a new Support Living Contract does not in itself create any diversity implications. An Equality Impact Assessment (“EIA”) has been completed.

### 6.4 Value for money



The new service contract framework approach is based on experience of other Councils where this has helped to deliver savings.

The financial tender submissions, under the procurement timetable, will be evaluated by the financial team to ensure that all prices are evaluated compliant and within the thresholds specified by the Council for supported living services within Buckinghamshire. All costings submitted will be appraised with regards to value for money and quality of the tender submission.

## **7. Consultation and Communication.**

7.1 Early engagement with providers commenced in 2019. A further engagement with providers took place on the 19<sup>th</sup> November 2020, and the feedback given was very positive.

7.2 A Supported Living engagement survey was sent to service users in October 2020, and a subsequent engagement with service users of supported living who experience mental ill health took place in December 2020. The key themes used for the consultation were

- a) Accommodation
- b) Involvement on decision making
- c) Setting goals and support
- d) What's important

7.3 Positive feedback was received overall. However, the key message was the need for support planning to identify clear outcomes. This has been incorporated into the service specification for providers and is also being reviewed through discussion with operational teams.

7.4 A communication workshop with staff working in Adult Social Care will take place in February 2021 to support the implementation of the framework.

## **8. Next steps and review**

8.1 Proceed to publish the advert for tender based on the provision timescale set out in section 3.4 above.

## **9. Background papers**

9.1 None



## **10. Your questions and views (for key decisions)**

- 10.1 If you have any questions about the matters contained in this report please get in touch with the author of this report. If you have any views that you would like the cabinet member to consider please inform the democratic services team. This can be done by telephone 01296 382343 or email [democracy@buckinghamshire.gov.uk](mailto:democracy@buckinghamshire.gov.uk).