



Agenda item: 8
Paper no: 4

	Surrey County Council use	ICBs use
Section 151 Finance cleared on:		
Legal cleared on:		
Executive Director cleared on:		
Cabinet Member cleared on:		

Title of Report:	Outcome of the first procurement of providers to the Supported Independent Living Approved Provider List	
Status:	For information	
Committee:	Surrey-wide Commissioning Committees in Common	Date: 14/12/22
Venue:	Virtual meeting/ Woodhatch Place, Reigate (Surrey County Council)	
Presented by:	Sarah Ford, Senior Commissioning Manager, SCC	
Author(s)/ Lead Officer(s):	Sarah Ford, Senior Commissioning Manager, SCC Anna Waterman, Head of Commissioning Disabilities and Carers	

Executive Summary:

The accommodation with care and support strategy sets out the overarching approach for all accommodation based services SCC commissions and provides for adult residents of Surrey. The ambition of the ASC Accommodation with Care and Support programme is to make sure there are suitable and affordable accommodation options available that promote independence, enable people to get the health, care and information they require and ensure that no one is left behind.

Historically, Supported Independent Living has been purchased on a spot basis with the fees negotiated largely on a case by case basis. This has led to significant variation between providers' rates and this does not reflect differential quality or value for money. Following an options appraisal it was agreed an Approved Provider List (APL) under the Light Touch Regime be established.

The Approved Provider List allows commissioning authorities to actively shape the market and to develop a greater focus on choice, quality, and innovation in the arrangements made for the majority of people. Spot purchasing remains an option where necessary to procure bespoke, specialist support.

This paper sets out the outcome of the first round of procurement of providers to the Supported Independent Living Approved Provider List (APL).

Governance:

Conflict of Interest:	None identified	✓
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Previous Reporting:	Health and Social Care Commissioning Committee Meeting date: XX November 2022 Outcome: No concerns highlighted Accommodation with Care and Support Programme Board Meeting date: 16 November 2022 Outcome: No concerns highlighted	
Freedom of Information:	Open – no exemption applies. Paper is suitable for publication.	✓

Decision Applicable to:

Decision applicable to the following Committee/s:	NHS Frimley ICB	✓
	NHS Surrey Heartlands ICB	✓
	Surrey County Council	✓

Recommendation(s):

The above Surrey-wide Commissioning Committee/s are asked to note the outcome of the procurement process.

Reason for recommendation(s):

The Approved Provider List is a formal strategic commissioning approach that will enable SCC ASC Commissioners to ensure that, together with our system partners, we improve outcomes, services, and support for people in Surrey with a learning disability and/or Autism.

Next Steps

1. The Approved Provider List will be opened at regular intervals of at least once every 3 months to allow new providers to join. This will be managed by the Procurement Team.
2. Market engagement events will be held during the period of the APL to discuss challenges, best practice and promote dialogue.
3. During November 2022 to March 2023, a review of the following will be undertaken to inform future commissioning:
 - Sleep-in rates for Supported Independent Living: benchmarking the rate SCC has against other comparable local authorities and setting a fair rate to aid market stability
 - The policy relating to voids and absences: Taking into account providers' needs for clarity on funding and the Council's need to ensure value for money
 - Clarify how the move towards having more shared hours and fewer 1-1 hours will affect pricing in the future.
4. The aim is to update the Sleep-in rate before the end of the APL period, although the other elements may need the procurement in place before they can take effect.

1. Context

- 1.1 The Accommodation with Care and Support Strategy published a commitment that the proportion of people with learning disabilities and/or autism who are in residential care homes should decrease by 50% between October 2019 and September 2024. This was from recognition that compared to our statistical neighbours Surrey provides a greater level of support than is needed and that people can thrive and have a more rewarding life with Supported Independent Living arrangements.
- 1.2 This commitment requires that at least an additional 500 Supported Independent Living accommodation options are sourced. Once the needs of the transitions cohort is taken into account, i.e. young people becoming adults, this figures rises to 850.¹
- 1.3 The market for Supported Independent Living for working age adults in Surrey contains a large number of independent providers, that have been exposed to a harsh financial environment in recent years. This has increased the fragmentation of the market with a large number of providers reporting financial vulnerability. This poses a risk for the Council in delivering its statutory responsibilities as well as the published commitment.

2. Procurement Activity Autumn 2021

- 2.1 The Supported Independent Living APL has been established to support commissioners to work more closely with the market in order to:
 - ensure the right provision is available for the changing needs of Surrey's population through the independent market
 - identifying capacity to meet increasing demands to support complex, high needs packages
 - achieving better relationships and developing better partnerships
 - identifying partners who can help us innovate and shape the social care market
 - providing clarity and consistency in our practice reducing inconsistent pricing and placement making which impact provider confidence
 - understanding where gaps in the market persist and action is required to address this deficit.
- 2.2 Supported Independent Living providers were invited to submit a bid via the Procurement Portal and be subject to evaluation for quality as part of the tender process. The tender opportunity went live in June 2022 and was advertised for a period of 45 days.
- 2.3 Providers were able to bid for two lots:
 - Lot 1: Level one (standard support) Supported Living with Accommodation for people with a learning disability and/or autism.

¹ A separate paper outlining the measures being taken to deliver this commitment is included as a background paper (please see below).

- Lot 2: Level two (enhanced support) Supported Living with Accommodation for people with a learning disability and/or autism.
- 2.4 Pricing was not evaluated as part of the tender². The quality questions were scored according to SCC's standard 0-5 scoring scale. Bidders were required to score above a threshold for each lot to qualify.
 - 2.5 Of the 59 bids received, 3 were excluded by the Procurement Team prior to evaluation, as the bidders failed to submit compliant bids. Bids were evaluated by teams comprising Commissioning and Operational staff at the beginning of October 2022. Moderation of bids took place during October 2022.
 - 2.6 36 providers met the requirements for Lot 1 level one (standard support); 23 providers met the requirements for Lot 2 level two (enhanced support). Feedback will be given to the bidders to show the reasoning for their score. The feedback for those providers who did not meet the requirements will highlight what can be improved if they are to resubmit.
 - 2.7 The Approved Provider List will 'go live' in January 2023 and operate for 15 months with the option of extension for a period of up to 9 months. This will allow adequate time to identify the correct rate bands for level 1 (standard support) and level 2 (enhanced support) and establish a compliant price evaluation methodology to be used in the procurement of a longer-term contractual arrangement. An options appraisal will be undertaken prior to the next procurement to identify the most appropriate route to market as a change in procurement regulations is due to take place 2023.
 - 2.8 The new procurement will not see an interruption in service to existing ASC-funded clients. Those providers who join the APL will simply move to the revised terms and condition; for providers that have not joined the APL, we will continue to use the established spot contracting process.

3. Consultation/ Public Engagement

- 3.1 The specifications used in the procurement were developed with the input of people with disabilities and their families through the Valuing People Groups and the Partnership Board.
- 3.2 Eight market engagement events specifically focused on establishing the APL and tender approach were held with providers between July 2020 and June 2022. The aim of the market engagement events was to maximize the opportunity for provider feedback and input into the APL development work. SCC commissioning, finance and procurement officers attended each event to answer questions for clarification, and to listen to any issues of provider concern. Provider attendance at the market engagement events was consistent, with on average, 40 – 50 providers attending each event.

² A APL is the forerunner to a Dynamic Purchasing System or its equivalent that will evaluate bidders on price as well as quality (please see para 2.7).

- 3.3 Consultation with internal staff impacted by the establishment of the APL also took place during this period, including brokerage, operational practitioner teams, the adult leadership team, Working Age Adult Commissioning Sub-group, and legal.
- 3.4 Regular progress updates were taken to the Accommodation with Care and Support Programme Board once approved by its Working Age Adults Commissioning Solutions Sub-Committee, formerly chaired by Steve Hook, the Assistant Director for Learning Disabilities.

4. Risk Management and Implications

- 4.1 The Council are committed to improving outcomes, services, and support for people with learning disabilities and/or Autism. The current spot contracts do not facilitate systematic quality assurance or continuous improvement. The APL establishes a clear specifications with key performance indicators and thereby reduces risk to service delivery and continuity of care and support.
- 4.2 Spot arrangements do not facilitate robust budget management for either commissioner or provider. The establishment of the APL attaches financial incentives to the provision of quality services. The intelligence gained through the operation of the APL will enable the introduction of a robust Dynamic Purchasing System or its equivalent (see para. 2.7) that establishes an equitable and transparent pricing structure that secures value for money and facilitates markets stability and sustainability. The commissioning approach thereby reduces financial risk.
- 4.3 The development of strategic commissioning approaches in a marketplace characterised by spot arrangements and fragmentation facilitates relationship building and constructive dialogue. The commissioning approach thereby reduces reputational risk.

5. Section 151 Officer Commentary Financial and ‘Value for Money’ Implications

- 5.1 Although significant progress has been made to improve the Council’s financial position, the financial environment remains challenging. The UK is experiencing the highest levels of inflation for decades, putting significant pressure on the cost of delivering our services. Coupled with continued increasing demand and fixed Government funding this requires an increased focus on financial management to ensure we can continue to deliver services within available funding. In addition to these immediate challenges, the medium-term financial outlook beyond 2022/23 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.
- 5.2 In this context the Section 151 Officer recognises that the introduction of an Approved Provider List (APL) for supported independent living services for people with learning disabilities and / or autism will facilitate planning for the introduction of a new evidenced based and rationalised pricing structure and establish consistent

service specifications to ensure quality standards are met. This will ensure value for money and the right outcomes for people are both achieved.

- 5.3 The Finance service will continue to work closely with Adult Social Care commissioners in monitoring the progress of the APL and using the intelligence gathered to develop a new rationalised pricing structure that will replace the APL as part of tendering for a Dynamic Purchasing System or its equivalent at the end of the APL's term.

6. Legal Implications – Monitoring Officer

- 6.1 The Council has conducted a compliant tender process under The Public Contracts Regulations 2015.
- 6.2 Legal Services will arrange to have the various Contracts with the successful bidders sealed by the Council.

7. Equalities and Diversity

- 7.1 An Equalities Impact Assessment (EIA) informed the development of the APL and is included as Annex 1.

8. Other Implications

- 8.1 **Safeguarding Responsibilities for Vulnerable Children and Adults:** Establishing the APL can positively impact in terms of safeguarding, ensuring that vulnerable adults have access to appropriate care and support services designed around them.

Consulted:

Details of who has been consulted:

1. Cllr Mark Nuti, Cabinet Member for Adults
2. Liz Bruce, Joint Executive Director for Adult Social Care and Integrated Commissioning
3. Anna Waterman, Head of Commissioning – Disabilities, Adult Social Care
4. Accommodation with Care and Support Programme Board
Working Age Adults Commissioning Solutions (Sub Committee of the Programme Board)
5. Provider Market at a series of engagement events between July 2021 and April 2022.

Annexes:

Annex 1 Equalities Impact Assessment

Sources/background papers:

- Accommodation with Care and Support CiC Paper November 2021
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