

Agenda item: 7
Paper no: 4

Title of Report:	Dynamic Purchasing System for Care and Support with Community Accommodation (DPS) for Working Age Adults	
Status:	TO APPROVE and TO NOTE	
Committee:	Surrey-wide Commissioning Committees in Common	Date: 21/09/2023
Venue:	Woodhatch Plan/ Virtual meeting	
Presented By:	Jonathan Lillistone	
Author(s)/ Lead Officer(s):	Anna Waterman Head of Disabilities Commissioning, SCC Laura Saunders, Head of Integrated Commissioning, SyH Sarah Ford Senior Commissioning Manager Disabilities, SCC	

Executive Summary:

This report is asking for the Surrey Wide Committees in Common to endorse the introduction and procurement of a new Dynamic Purchasing System for Care and Support with Community Accommodation (DPS). It will replace the existing Supported Independent Living (SIL) Approved Provider List for Learning Disability and Autism, and replace the existing Mental Health Dynamic Purchasing System, both of which are due to expire in March 2024.

The DPS will establish a formal integrated approach to the procurement of high quality and cost efficient health and social care packages of support in Care and Support with Accommodation services. This will be facilitated by the introduction by April 2024 of S.75 agreement, providing assurance regarding the contractual arrangements needed by Surrey Heartlands ICS and NHS Frimley as well as by Surrey County Council.

Governance:

Conflict of Interest:	None identified	✓
Previous Reporting: (relevant committees/ forums this paper has previously been presented to)	<ul style="list-style-type: none"> • Accommodation with Care and Support Programme Board • SCC ASC Senior Leadership Team • Surrey Heartlands Commissioning, Contracting and Commercial Committee • Surrey Heartlands ICS Executive Committee • Surrey Health & Care Commissioning Collaborative 	
Freedom of Information: The Author considers:	Open – no restriction applies. Part 1 Suitable for Publication	✓

Decision Applicable to:

Decision applicable to the following partners:	NHS Frimley ICB	✓
	NHS Surrey Heartlands ICB	✓
	Surrey County Council	✓

Recommendation(s):

The Surrey-wide Commissioning Committees in Common are asked to:

1. **AGREE** the commencement of the procurement process that will put in place a Dynamic Purchasing System arrangement for Care and Support with Community Accommodation (DPS) subject to the Public Contracts Regulations 2015 (PCR), from April 2024 to ensure we embed a consistent, high quality and cost effective procurement approach to supported independent living in the Surrey marketplace.
2. **AGREE** the delegation of the award of contract to Executive Director of Adult Social Care in consultation with the Cabinet Member for Adult Social Care and Health
3. **NOTE** the Interdependencies which are being addressed currently, specifically:
 - a) progress in developing a S75 that facilitates smooth funding flow and the development of formal contracts
 - b) development of shared operational systems for shared assessment when appropriate.
4. **NOTE** the Risks should the introduction of the DPS be delayed.

Reason for recommendation(s):

Surrey as a county needs more independent living accommodation if people are to remain within and be a part of their local community, retaining connections with their family and friends. The introduction of the Care and Support with Community Accommodation DPS will ensure a consistent procurement approach to supported independent living and ensure we deliver our Accommodation with Care and Support Strategy and our Community Vision for Surrey in 2030.

Next Steps

1. Host a market engagement event with providers in September 2023.
2. Open the tender for lots 1-8 of the DPS at the end of September 2023.
3. Commence call off from the Care and Support with Community Accommodation DPS from April 2024.
4. Develop the specifications for the 'ghost' lots - place holders for future provision we may want to purchase under this DPS.

1. Overview:

- 1.1 The Accommodation with Care and Support Strategy 2019 outlines our strategic intent for the accommodation-based services we commission and provide for residents of Surrey who have care and support needs. It outlines the commitment to commission the delivery of care and support within independent living accommodation settings, making a strategic shift from traditional residential and nursing care.
- 1.2 In June 2022 Surrey-wide Commissioning Committees in Common endorsed the procurement of a Supported Independent Living Framework for Learning Disability and/or Autism, with an award of contract from January 2023 for a period of 15 months. This established an Approved Provider List of Supported Independent Living Providers (SIL APL) and embedded a consistent procurement approach to supported independent living in the Surrey marketplace. Mental Health providers were party to a separate Dynamic Purchasing System Framework that ran July 2019 - March 2024.
- 1.3 The terms of the Learning Disability and/or Autism SIL Approved Provider List and the Mental Health DPS are now due to expire, and a further options appraisal has been undertaken to identify the most appropriate future route to market for this provision. In discussion with mental health, Physical Disability and Sensory Impairment, NHS health commissioners and providers the remit of the future procurement approach has been broadened to include a range of community accommodation options and not just learning disability supported independent living provision. It is proposed a Care and Support with Community Accommodation Dynamic Purchasing System will be established which will replace the existing SIL Approved Provider List for Learning Disability and Autism, replace the existing Mental Health Dynamic Purchasing System, expiring in March 2024, and will introduce new 'ghost lots' for future procurement. ('ghost' lots are place holders for future provision we may want to purchase under this DPS).
- 1.4 The reasons for this are as follows:
 - Effective budget management and greater cost efficiency to support sustainability,
 - Robust contract management and quality assurance
 - Market management: stability and growth.
 - Establishes a formal integrated approach to the procurement of health and social care packages of support.
- 1.5 The Care and Support with Community Accommodation (DPS) will set out terms relating to financial assessment, quality and quantity under which individual contracts (call-offs) can be made. The structure that the DPS provides will facilitate more robust contract management and quality assurance. The DPS agreement will run for a period of 5 years with two 1-year extension periods. Contracts procured within the DPS must adhere to the specified terms and conditions, the specification, and additional Lot Requirements where these apply. The DPS will be opened at regular intervals of at least once every 3 months to allow new providers to join.

1.6 There will be a total of 8 lots on this Dynamic Purchasing System at the commencement date:

- Lot 1: Level one LDA Supported Independent Living
- Lot 2: Level two LDA Supported Independent Living
- Lot 3: Level one PDSI Supported Independent Living
- Lot 4: Level two PDSI Supported Independent Living
- Lot 5: Level one Mental Health: A Place to Call Home
- Lot 6: Level two Mental Health: A Place to Call Home
- Lot 7: Level one Mental Health: Support to Recover
- Lot 8: Level two Mental Health: Support to Recover

There will also be 5 'ghost' lots included for possible future requirements which may be presented to the market at a future date. These are:

- Lot 9: Shared Lives Working Age Adults
- Lot 10: Scheme-wide Procurement Working Age Adults
- Lot 11: Independent living from age 16 years Working Age Adults
- Lot 12: Multi-disciplinary bespoke Packages Working Age Adults
- Lot 13: 100% Health Funded / CHC Working Age Adults

1.7 There are three key interdependencies:

- Ensuring smooth funding flows and the development of formal contracts for all packages that are jointly funded depends upon a Section. 75 (S75) agreement being in place that provides the assurance needed by Surrey Heartlands ICS and NHS Frimley as well as by Surrey County Council. Work is underway to develop this agreement, the joint SROs being Jonathan Lillistone, Director of Integrated Care SCC and Niki Baier Director of Acute and Collaborative Contracts Surrey Heartlands. This S75 agreement will provide the legal basis for SCC to commission packages of care for individuals whose care is jointly funded by ICBs and visa versa. It is not intended to be a joint pooled budget agreement as separate statutory regulations and local governance are in place to determine instances where SCC and its ICB partners should jointly fund care packages.
- Operational systems: an integrated approach to assessment needs to be agreed for all packages that are jointly funded or that might be recommended for Continuing Health Care. This is being developed.

Both of the above need to be signed-off in order for new contract to be in place from 1 April 2024.

- Target age group: the DPS primarily covers the 18 plus cohort, from recognition that different legislation and regulation applies to people aged under 18 years. This leads to providers selecting to support either children and young people or adults and therefore a lack of appropriate options for people aged 16+ seeking permanent accommodation who can therefore find themselves needing to move out of Surrey, even into residential educational

settings when otherwise this would not be necessary. To address this, one of the 'ghost' lots specifically seeks to grow this portion of the market. There is a joint project group with SCC's Children with Disabilities Team concerned with addressing the challenges for this cohort, including the availability of appropriate Community Accommodation. This project group will inform the development of the ghost lot.

2. Consultation:

The specifications for services within the DPS are informed by ongoing engagement with the following user engagement structures:

- Valuing People Groups x 4
- Independent Mental Health Network
- People with mental health needs currently in SiL
- Learning Disability Partnership Board
- Autism Partnership Board
- There have also been 12 market engagement events over the past two years with providers of Community Accommodation.
- The engagement meets statutory requirements, including procurement legislation.

For details of the nature and extent of any consultation undertaken please see **Appendix 1**.

3. Risk Management and Implications:

3.1 The risks of delaying introduction of the DPS include:

Financial risk:

Currently the vast majority of LDA packages, regardless of funding source, are secured through spot contracts which do not facilitate cost effective budget management or quality assurance.

The current Mental Health DPS ends at the end of March 2024. All packages currently procured through the DPS would need to be procured as spot contracts. This can be expected to lead to each of the providers seeking to increase their rates, given the MH DPS had a fixed rate for the duration.

Risk Mitigation: The structure that the DPS provides will facilitate more robust contract management and quality assurance.

Strategic risk:

Markets for supporting working age adults are particularly financially vulnerable as there is minimal private business. The work undertaken to right price and right size packages is essential if the market is to be stabilised and managed effectively.

Risk Mitigation: The DPS is a structure that significantly facilitates this.

Quality risk:

An increasing number of providers, post pandemic, are receiving 'inadequate' or 'requires improvement' CQC ratings. There are new significant changes in the CQC inspection framework specifically in regard to the [Quality of Life Tool](#) and Oliver McGowan Mandatory Training. This is adding to market instability.

If local services are not sustained, there will be an increased number of placements out of area. These are harder to quality assure, incur increased costs, and have a detrimental impact on the support available from family members and friends, commonly offering poorer family and resident experience as a result.

Risk Mitigation: The DPS will enable improved oversight of CQC ratings, tracking ratings and ensuring support is offered at a provider level and system level to deliver high quality care.

3.2 Risk of not proceeding with the DPS

Financial Risk:

The DPS allows providers to submit new pricing for the services they provide. There is a risk that these rates will be higher than what is currently paid.

Risk Mitigation:

The bids will be assessed by benchmarking against the CareCubed a system used by the ASC brokerage team to assess the cost of care. If prices submitted are outside of the range quoted by CareCubed the prices will not be accepted. The provider will have the opportunity to resubmit their bid later.

Service Delivery Risk:

There is a risk that providers do not sign up to the new DPS. This would leave ASC needing to purchase care on a spot basis possibly at a higher cost.

Risk Mitigation:

Commissioners have run multiple market engagement events to explain and gain buy in from the provider market to the new DPS.

4. Financial and 'Value For Money' Implications

- 4.1 SCC currently spends approx. £100m on Supported Independent Living services that relate to lots 1-8 that are proposed to go live at the start of the new DPS for 1,700 individuals. In many cases Supported Independent Living offers better value for money than other forms of care e.g. Residential Placements. The DPS does not commit any expenditure but sets out a contractual framework for the provision of Supported Independent Living.
- 4.2 Currently SCC receives c. £9m of funding from Surrey's ICBs for Supported Independent Living packages that are commissioned by SCC.

5. Section 151 Officer Commentary

- 5.1 Significant progress has been made in recent years to improve the Council's financial resilience and the financial management capabilities across the organisation. Whilst this has built a stronger financial base from which to deliver our services, the increased cost of living, global financial uncertainty, high inflation and government policy changes mean we continue to face challenges to our financial position. This requires an increased focus on financial management to

protect service delivery, a continuation of the need to be forward looking in the medium term, as well as the delivery of the efficiencies to achieve a balanced budget position each year.

- 5.2 In addition to these immediate challenges, the medium-term financial outlook beyond 2023/24 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 the stable provision of services in the medium term.
- 5.3 In this context the Section 151 Officer recognises the importance of successfully tendering for the proposed new DPS for Community Accommodation for Working Age Adults to improve market management, quality assurance and cost effectiveness.
- 5.4 As set out in the risks section of this report, there is a risk that total cost of services provided under the DPS could initially increase based on new prices submitted by providers applying to join the DPS. It is essential that the price ranges set for the tender represent value for money and are comparable to prices paid for these services by comparator local authorities.
- 5.5 The financial implications to SCC of the new DPS, both in terms of changes to prices at the start of the DPS and future benefits through more effective contract management and standardised terms and conditions, will be incorporated into SCC's Medium Term Financial Strategy. SCC will also liaise with its ICB partners to outline the financial implications for any care packages that ICBs jointly fund that are to be commissioned by SCC under the DPS so ICBs can take this into account in their own financial planning.

6. Legal Implications – Monitoring Officer

- 6.1 Contracts for services of this value need to be competitively tendered for under The Public Contracts Regulations 2015, as amended.
- 6.2 Rule 2.7 of the Procurement and Contract Standing Orders states that any procurement, including extensions and variations to Contracts set out in the Annual Procurement Forward Plan and approved by Cabinet, is deemed authorised irrespective of the Contract value, and must be advertised, awarded and signed/sealed in line with table 2.7.a columns F-J. Any procurement not authorised as above must be authorised in accordance with table 27 a Summary table column E.
- 6.3 Legal Services will advise and assist, as required, on the new procurement and will draft the contract (which will be based on the current version of the Approved Provider List Contract).

7. Equalities and Diversity

- 7.1 An EQIA has been undertaken of the DPS. It demonstrates that the DPS will make a significant contribution to the ability of the system to ensure provision of community accommodation is allocated equitably, through the increased cost effectiveness and market management it facilitates.

7.2 Gaps in data were recorded, for example relating to sexual orientation, and these are picked up in the focus in the specifications on providers' ability to demonstrate personalisation.

7.3 The EQIA is available on request.

8. Other Implications:

8.1 The potential implications for the following priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

8.2 Corporate Parenting/ Looked After Children Implications

8.2.1 One of the DPS 'ghost' lots specifically seeks to grow this portion of the market. There is a joint project group with SCC's Children with Disabilities Team concerned with addressing the challenges for this cohort, including the availability of appropriate Community Accommodation. This project group will inform the development of the ghost lot.

8.2.2 Improvement to HRS services will have a positive impact for residents who have left care, and previously been a Looked After Child. User engagement has identified that this cohort of people do make use of the HRS services currently, and the aim of these services is to improve the experience for this cohort of people.

8.3 Safeguarding Responsibilities for Vulnerable Children and Adults Implications

8.3.1 The DPS is expected to improve the accommodation offer for vulnerable people. This can be expected to have a positive impact, ensuring that vulnerable adults can live within safe, secure environments with appropriate support services designed around their needs and aspirations. The effective management of Safeguarding and the requirements for reporting incidents is specified in the contract with care providers.

8.4 Environmental Sustainability Implications

8.4.1 Care and Support with Community Accommodation services maximise the value of accommodation being near community facilities including public transport.

8.4.2 Providers approved for the DPS may encourage providers to invest in their own properties due to long term stability of the contract period. This may include changes in the infrastructure of their property, improving insulation or decorative amendments.

8.5 Public Health Implications

8.5.1 Care and Support with Community Accommodation services can positively impact on public health outcomes including:

- Increased wellbeing and reduced isolation and/or loneliness through social inclusion, active participation in community life and engagement in learning opportunities / with support offers to employment.
- Improved health outcomes resulting from improved contact with community health services.

- Improved wellbeing resulting increased independent living skills, e.g., financial management, exercising choice and control.

Consulted:

Appendix 1: Groups that have informed the design of the DPS

LDA Leadership Team:

Karina Ajayi, Programme Director for Learning Disabilities, Autism & Children's Complex Health Needs Surrey Heartlands
 Philippa Asiriloglu, Director of Services for People with Learning Disabilities, Surrey and Borders Partnership NHS Foundation Trust
 Jenny Brickell, Assistant Director Children With Disabilities, Surrey County Council
 Laura Saunders, Head of Integrated Commissioning SyH
 Fadzai Tande, Acting Director of Disabilities, ASC, SCC
 Anna Waterman, Head of Commissioning for Disabilities, ASC SCC
 Liz Williams, System Convenor

Mental Health Management Board

Chaired by Liz Uliasz, Chief Operating Officer, ASC SCC

Care and Support with Community Accommodation DPS Steering Group

Fiona Atkinson, Commissioner, ASC SCC
 Ian Clark, Strategic Procurement Manager, ASC SCC
 Sai sarinka Jirjadhan-Dabydeen, Commissioner, SyH
 Sarah Ford, Senior Commissioner, ASC SCC
 Nicky Goddard, Finance Business Partner ASC SCC
 Marisa Rosato, Senior Commissioning Manager - Specialist Mental Health, SyH
 Laura Saunders, Head of Integrated Commissioning SyH
 Jeremy Taylor, Head of Commissioning and Contracts Support Service, ASC SCC
 Anna Waterman, Head of Commissioning for Disabilities, ASC SCC
 Andy Wickes, Senior Finance Business Partner ASC SCC
 Dave Wimblett, Senior Commissioner, ASC SCC

LDA Joint Legal and Procurement Steering Group:

Danielle Bass, ASC Procurement Partner, SCC
 Niki Baier, Director of Acute and Collaborative Contracts, SyH
 Chris Esson, Senior Commissioner, ASC SCC
 Julia Gannon, Head of Collaborative Contracts, SyH
 Anna Gavrilov, Associate Director of Finance, SyH
 Greta O'Shea, Senior Solicitor Contracts, Procurement and Projects, SCC
 Laura Saunders, as above
 Fadzai Tande, as above
 Tom Moore, Senior Commissioner, ASC SCC
 Anna Waterman, as above
 Andy Wickes, Senior Finance Business Partner ASC SCC

SCC ASC Accommodation with Care and Support Board:

Chaired by Jonathan Lillistone, Director of Integrated Commissioning.

SCC ASC MH Accommodation with Care and Support Project Group

Chaired by Simon Montgomery, Programme Manager, Accommodation with Care and Support

Market Engagement events:

Thirteen July 2021 – Sep 23. Attendees are Commissioning Officers from SCC ASC and SyH; Procurement Officers from SCC ASC; Providers; Health and Social Care Practitioners.

LDA Partnership Board:

Comprises Commissioning Officers from SCC ASC and SH; Providers; Health and Social Care Practitioners; Individuals who access support and care; Individuals' Families.

Autism Partnership Board:

Comprises Commissioning Officers from SCC ASC and SH; Providers; Health and Social Care Practitioners; Individuals who access support and care; Individuals' Families.

Valuing People Groups:

Four groups, one for each of the Surrey 'Quadrants': Comprise Commissioning Officers from SCC ASC and SH; Providers; Health and Social Care Practitioners; Individuals who access support and care; Individuals' Families.

ASC MH Engagement process

During February to May 2023 the ASC MH Commissioning Team completed an engagement process with individuals living in current Supported Independent Living, ASC Operational Teams and providers (including SABP). This included:

- Four site visits to SIL projects involving 21 service users
- Meetings with ASC MH operational teams, including Forensic and Substance Misuse, Hospital Discharge Team and Joint Brokerage Team; meetings with SABP clinical representatives.
- Providers were involved via a ASC MH provider forum held in 14/3/23 involving ASC, Health, Housing, MH supported living and housing related support providers.
- A meeting in April with Surrey and Borders Partnership NHS Foundation Trust.

Sources/background papers:

Adult Social Care Accommodation with Care and Support Strategy for Extra Care Housing for Older People and Independent Living Schemes for adults with a learning disability and/or autism

<https://mycouncil.surreycc.gov.uk/ieListDocuments.aspx?CId=120&MId=6328&Ver=4>

Community Vision for Surrey in 2030 <https://www.surreycc.gov.uk/council-and-democracy/finance-and-performance/our-performance/our-organisation-strategy/community-vision-for-surrey-in-2030>
