



Agenda item: 9
Paper no: 6

Title of Report:	Dynamic Purchasing System (DPS) For Care And Support With Community Accommodation (Working Age Adults) – Notification Of Contract Award	
Status:	TO NOTE	
Committee:	Surrey-wide Commissioning Committees in Common	Date: 20/03/2024
Venue:	Virtual meeting/ Woodhatch Place for SCC Committee	
Presented By:	Jonathan Lillistone	
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Executive Summary:

In September 2023 the Surrey-wide Committees in Common endorsed the introduction and procurement of a new Dynamic Purchasing System procurement route for Care and Support with Community Accommodation (DPS). The structure that the DPS provides will facilitate more robust contract management, quality assurance and cost effectiveness. The DPS agreement will run for a period of 5 years with two 1-year extension periods.

A Dynamic Purchasing System (DPS) is a contractual arrangement compliant with the Public Contract Regulations 2015. It is a fully electronic system used to award compliant contracts; it is not a commitment to spend money. Providers confirm at the time of application that they will comply with the terms and conditions of the DPS. This arrangement allows any provider who meets the minimum criteria to apply to join the DPS at any point during the lifetime of the contract.

Applications to join the DPS will be evaluated at least once each quarter, aiding choice and growing the market. This part 1 report sets out the outcome of the first round of the procurement process.

Governance:

Conflict of Interest:	None identified	✓
Previous Reporting: (relevant committees/ forums this paper has previously been presented to)	Accommodation with Care and Support Programme Board SCC ASC Senior Leadership Team Surrey Heartlands Commissioning, Contracting and Commercial Committee, 14 March 2024 Commissioning Collaborative, 1 March 2024	

Freedom of Information: The Author considers:	Open – no restriction applies. Part 1 Suitable for Publication. (There is an accompanying Part 2 paper.)	✓
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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. Note the outcome of the procurement and award of contract.
2. Note the contract award to all successful providers will go-live from April 2024.

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 joint Care and Support with Community Accommodation Dynamic Purchasing System (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.

To this end, in late September 2023, on behalf of integrated commissioning, SCC commenced the tender for the Community Accommodation DPS. After a tender period of 40 days, the tender closed on 7th November 2023. All providers that submitted applications were informed of the outcome on 2nd February 2024.

Next Steps

- i. All applications that were unsuccessful on price alone will be able to submit just their revised pricing workbook in April when the DPS reopens for evaluation in May and, if successful, will see their inflationary uplift from April 2024. This group is being referred to as ‘tranche 1b’ and there will be an equivalent tranche for each round during the DPS. The purpose is to maximise the number of Providers who are part of the DPS, improving choice for individuals who draw on support and care and the size of the market, which in turn aids competition and thereby cost effectiveness.
- ii. All applications that were unsuccessful due to their responses to quality questions can submit revised applications when it reopens in April 2024.
- iii. Applications to join to DPS will be evaluated at least once each quarter (as per the Invitation to Tender), aiding choice and growing the market. Applications submitted in round two (April-June 2024) will be evaluated and moderated in June/July. Successful applications will receive the inflation linked increase backdated to the end of June 2024.

1. Tender process

- 1.1 The DPS was opened for provider submissions on 28th September 2023 and closed on 7th November 2023, allowing a total of 40 days.
- 1.2 For some bids, clarification was sought from the provider, for example an embedded link to provider policies/processes would not open, or the submission was incomplete, to ensure that all bids were given due consideration.
- 1.3 Evaluation of bids was undertaken during November and December, Moderation during December and January.
- 1.4 In order to maximise the number of Providers who are part of the DPS, improving choice for individuals who draw on support and care and the size of the market, which in turn aids competition and thereby cost effectiveness, all bids that were unsuccessful on price alone will be able to resubmit the pricing workbook in April for evaluation in May. There will be an equivalent facility for each round during the DPS.

2. Outcome of the procurement and award of contract:

- 2.1 349 compliant applications were received, the breakdown for each of the 8 lots is as follows:

- Lot 1, Level one LDA Supported Independent Living: 77
- Lot 2, Level two LDA Supported Independent Living: 70
- Lot 3, Level one PDSI Supported Independent Living: 41
- Lot 4, Level two PDSI Supported Independent Living: 39
- Lot 5, Level one Mental Health: A Place to Call Home: 50
- Lot 6, Level two Mental Health: A Place to Call Home: 41
- Lot 7, Level one Mental Health: Support to Recover: 35
- Lot 8, Level two Mental Health: Support to Recover: 27

This equated to 1,000 financial templates (the majority of providers have more than one setting; there might be a mix of lots at settings).

- 2.2 Successful Bids: Evaluation and moderation of bids (including general questions, quality questions and price) has resulted in the following successful number of bids for each Lot through tranche 1a:

Lot	No. of providers	No. of settings	Capacity
LD & A Lot 1:	17	133	399
LD & A Lot 2:	10	54	217
PDSI Lot 3:	4	5	22
PDSI Lot 4:	2	4	8
MH Lot 5:	5	22	93
MH Lot 6:	8	21	86
MH Lot 7:	5	17	79
MH Lot 8:	8	21	81

All successful providers, including those who are successful through tranche 1b, will receive inflationary uplift from April 2024.

2.3 Unsuccessful Bids: The number of unsuccessful bids in relation to each Lot is as follows:

- LD & A Lot 1: 60
- LD & A Lot 2: 60
- PDSI Lot 3: 37
- PDSI Lot 4: 37
- MH Lot 5: 45
- MH Lot 6: 33
- MH Lot 7: 30
- MH Lot 8: 19

2.4 All providers were informed of the outcome of their bids on 2 February 2024.

2.5 Membership of the DPS is a pre-requisite for receiving referrals for new business (unless no appropriate DPS provider can be procured) and a pre-requisite for the application of any inflationary increase in April. Providers that join the DPS in future rounds will be eligible following their application for any inflationary uplift. The DPS therefore offers financial controls and acts as a budget management tool.

3. Consultation

3.1 This report builds on that brought to Committees in Common at their meeting in September, which detailed the user engagement structures which informed the development of the specifications used for the DPS (please see Appendix 1).

3.2 There is a project group comprising Commissioners from SCC and Surrey Heartlands, Procurement Officers, Finance Officers and Brokerage Officers which meets on a weekly basis and there are discussions on a monthly basis with operational staff.

3.3 The ongoing oversight of the DPS rests with the with Accommodation Care and Support Programme Board.

4. Risk Management and Implications:

4.1 Financial risks

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.

Without a Commissioning framework in place to establish a structured approach to rates, Commissioners receive many ad hoc requests for rates increases, each of which can have unbudgeted cost implications and divert potentially significant resource from more strategic work.

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

4.2 Strategic risk:

Some Providers submitted applications that proved unsuccessful, including a small number that are on the current Mental Health DPS (which ends at the end of March 2024).

Risk Mitigation:

- The relationship managers of providers with unsuccessful applications in the first round of the DPS are encouraging resubmission in the second round.
- Any concerns regarding quality are being discussed with individual providers.
- Existing business will remain with providers despite unsuccessful applications to ensure continuity of care.
- Applications to join to DPS will be evaluated at least once each quarter, to maximise the number of Providers that are part of it. This will serve to improve choice for individuals who draw on support and to grow the market, which in turn aids competition and thereby cost effectiveness.

5. Financial and 'Value for Money' Implications

- 5.1 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.
- 5.2 Currently SCC receives c. £9m of funding from Surrey's ICBs for Supported Independent Living packages that are commissioned by SCC.
- 5.3 The new Community Accommodation DPS will help to facilitate increased commissioning of services to support people in the community at lower cost than alternative services and enable improved financial management and consistency across the market in the context of SCC's ever more finite resources.
- 5.4 Settings that have been successful in the first tranche and will move onto the DPS from April 2024 equate to c. £17m of the current Supported Independent Living services that SCC purchases, so roughly 17% of the total £100m SCC currently spends on Supported Independent Living services. To achieve the full financial benefits it will be important that the market share on the DPS continues to grow through work planned to enable more providers and settings to join the DPS in the future. The conclusion of tranche 1b outlined above for providers who only failed their initial application due to price and are being given the opportunity to resubmit prices to be evaluated in April, is expected to increase the market share on the DPS.
- 5.5 As set out earlier in the report, settings that have successfully joined the DPS in the first tranche will receive the agreed inflationary uplifts for 2024/25 on their existing care packages from April 2024. Settings that are accepted onto the DPS in further tranches during the financial year will receive the agreed inflationary uplifts for 2024/25 on their existing care packages from the applicable date for each tranche.

- 5.6 The prices agreed for settings accepted onto the DPS will initially apply to all new care packages sourced at those settings from the date settings join the DPS, and existing care packages as they are reviewed.
- 5.7 During 2024/25, and as the DPS develops beyond, there will be a need to closely monitor the financial implications as more providers join the DPS and existing care packages are converted onto the new DPS prices, and also for achievement of the wider financial benefits expected to be secured through the DPS. The Finance service will work closely with colleagues in Adult Social Care to ensure this is undertaken effectively so that the financial implications are appropriately reflected in budget monitoring forecasts and Medium Term Financial Strategy budget planning.

6 Section 151 Officer Commentary

- 6.1 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.
- 6.2 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.
- 6.3 In this context the Section 151 Officer recognises the importance of successfully implementing new DPS for Community Accommodation for Working Age Adults to improve market management, quality assurance and cost effectiveness, with the first tranche of providers joining from April 2024.
- 6.4 SCC's 2024-29 Medium Term Financial Strategy's includes assumptions about 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. It is essential that there is effective monitoring of the DPS to assess the actual financial implications against budget assumptions, with action taken wherever possible to manage within the budget envelope. Outcomes will be built into the next iteration of SCC's MTFs. The Finance Service will work closely with colleagues in Adult Social Care to ensure this happens effectively.
- 6.5 SCC will also continue to 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.

7 Legal Implications – Monitoring Officer

- 7.1 The Council have procured the services in accordance with The Public Contracts Regulations 2015, as amended, and the Council's Procurement and Contract Standing Orders.
- 7.2 Contracts will be entered into with the various providers and Legal Services will make arrangements to have them sealed by the Council.

8 Equalities and Diversity

- 8.1 An EQIA was undertaken prior to the tender, which suggested it could make a significant contribution to the ability of the system to ensure that provision of community accommodation is allocated equitably, through the increased cost effectiveness and market management it facilitates.
- 8.2 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.
- 8.3 The current EQIA is available on request. It will be updated after the first year of the DPS's establishment to identify the progress made and potential action that should be taken to optimise the benefits the DPS brings.

9 Other Implications:

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.

9.1 Corporate Parenting/ Looked After Children Implications

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.

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.

9.2 Safeguarding Responsibilities for Vulnerable Children and Adults Implications

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.

9.3 Environmental Sustainability Implications

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

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.

9.4 Public Health Implications

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.

Consultation:

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?CIId=120&MIId=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>
