



Report sponsor: Cllr Alison Martin, Cabinet Member for Integrated Health and Adult Care, Andy Smith, Strategic Director for People Services.

Report author: Andrew Muirhead, Head of Adults Commissioning, Integration & Market Development

ITEM 10

Adults Social Care - Community Services Commissioning Programme for younger and older adults

Purpose

- 1.1 This report seeks approval to commence the commissioning programme that is required to establish a range of Adult Social Care Community Services.
- 1.2 This report provides details about the proposed commissioning and procurement activity that is required in accordance with the Care Act 2014 to ensure quality care services for people with eligible social care needs in Derby across the Community Services market areas detailed in 1.3.
- 1.3 **Supported Living** – the provision of support that is delivered within a person's tenanted housing or their own home where appropriate, to help them to live as independently as possible. As of March 2024, the Council was supporting 361 customers in this market.

Day Opportunities – would include a range of services to facilitate access to meaningful activities during the week, weekends and evenings, for people eligible for support under the Care Act (2014). As of March 2024, the Council was supporting 370 customers in this market. Derby City Council always seeks to ensure there is a vibrant and innovative day opportunities market for our customers that:

- improves and maintains their overall well-being.
- enables and increases independence.
- can meet their diverse range of needs and differing levels of complexity.
- evidences value for money.
- has consistency of quality.
- offers choice and ensures individual awareness of opportunities.
- Enables customers to an extent where they can receive less or completely exit commissioned support.

Homecare – services that provide personal care for people living in their own homes. The needs of people using the services may vary greatly, but packages of care are designed to meet individually assessed needs and circumstances. The person is visited at various times of the day or, in some cases, care is provided over a full 24-hour period. Where care is provided intermittently throughout the day the person may live independently of any continuous support or care between visits. As of March 2024, the Council was supporting 1,354 customers in this market.

Recommendation(s)

- 2.1 To approve, in line with Contract Procedure Rule 41.1, a contract award for a period of 8 years.
- 2.2 To approve commissioning and procurement activities to the combined value of £359,974,560 for adult Community Services as set out in this report.
- 2.3 To delegate authority to the Strategic Director for Peoples Service, in consultation with the Strategic Director for Corporate Resources and the Cabinet Member for Integrated Health and Adult Care, to agree terms for and approve the Council entering into contractual arrangements via appropriate 'Light Touch' contracting mechanisms under either the Contract Regulations 2015 or the Procurement Regulations 2024, whichever is the relevant legislation at the time.

Reason(s)

- 3.1 It is essential that the Council is able to manage and shape the local market for adult social care in Derby, entering formalised contractual relationships with suitably qualified care and support providers. This approach is a required activity under the Care Act 2014 as part of the Council's 'Market Shaping' activities.
- 3.2 The Care Act 2014 outlines that Local Authorities must ensure that they do not undertake actions which threaten the sustainability of care markets and should ensure that they take steps to have local services which:
 - Are appropriate to provide the amount of care required at a sustainable price and that are of sufficient quality;
 - Support and promote the wellbeing of people who receive care and support.
- 3.3 The community services market contracts have been in place for a number of years, with the exception of day opportunities as detailed in 4.5 below. The contracts are either coming to their natural end or are not fit for purpose, so this provides an opportunity to undertake a programme of work to improve the services offered to customers that meet the Care Act 2014 duties in 3.2 and reflect the current and future needs based on evidence in the Derby City Adult Social Care Market Position Statement and Sufficiency Strategy 2024 (MPS).
- 3.4 This commissioning programme will enable services to be based on a collaborative and joined up approach, where appropriate to address current issues where customers are jointly funded or transition to other partners, to give the Council improved contract management of providers, payment transparency and negotiation strength. Current contracting arrangements are not based on this collaborative approach with partnering authorities and organisation.

Supporting information

- 4.1 The Derby City Adult Social Care Market Position Statement and Sufficiency Strategy 2024 (MPS) and Adult Commissioning Strategy 2024-2027 make commitments for the Council to review cost models and commissioning practice. The improved data within the MPS provides Commissioners and Providers with a better understanding of needs and projected demand within each market, to inform the requirements for future procurements.
- 4.2 Within the Homecare market we committed to making better use of equipment and Technology Enabled Care (TEC) to reduce double-handed care as well as reviewing the geographical spread of care packages.
- 4.3 The data available prior to the MPS specifically relating to Supported Living was limited, however for 2024 we have a better understanding and access to better quality intelligence. This has highlighted that the structure of the current contracting arrangement for Supported Living is not suitable to support the changing needs of customers and the demand for higher levels of support. This therefore needs to be remodelled to mirror our forecasted areas of increased need, commitments to develop a more sustainable Supported Living market and exploring and developing a level of support to include deaf services, challenging behaviours, and care and support for more complex customer needs.
- 4.4 **Supported Living** – The Council currently commissions the provision of Supported Living and Accommodation within Derby through a Dynamic Purchasing System (DPS) which is essentially an approved list of providers. The services were previously re-tendered, and contracts commenced in September 2019. However, within the first year of operation the excessive number of unsuccessful applications meant that the maintaining of a contracting process that was constantly open for new applications became resource intensive, and therefore a pause on applications was put in place. This period ensured that commissioning activities were focussed on the successful providers, and to embed quality provision and a manageable market. The current Lot structure of the DPS is not fit for purpose and does not mirror the market for Supported Living services, so needs to be reviewed and remodelled.
- 4.5 **Day Opportunities** – There is no current managed contracting model in place for Day Opportunities services. The result is that customers do not have an alternative option to purchasing their own support via Direct Payments (DPs). Problems have been identified with this including payment issues, lack of customer/ carer ability to manage the DPs, and ineffective and extensive social worker and provider support required as a result. Feedback via a survey distributed to stakeholders earlier in 2024 including customers/ carers, social work colleagues and care providers, showed that the majority of each group would prefer a managed service.

- 4.6 **Homecare** – The current Homecare framework ends in September 2025. A recent re-opening of the framework in the South and East of the City, now re-tendered, ensured growth in capacity to meet a growing demand, but the whole framework requires re-tendering following an extensive analysis and period of review. The new contract modelling will need to consider commitments made in the Council's Market Sustainability Plan (February 2022) and commitment in the Government's Fair Cost of Care programme as part of national ASC Reforms. This will be developed in coproduction with stakeholders towards an outcomes focussed commissioning model incorporating use of Technology Enabled Care (TEC) and digital solutions, alongside a costing model that supports and provides stability to the Derby social care workforce.
- 4.7 The plan to contract for up to 8 years (including break clauses) will strengthen and support the development of Council partnerships with providers across all markets and give market stability. Longer-term contracts will also strengthen work with providers to develop diverse workforces. The design of the new contracting mechanisms will consider barriers to SME's and new entrants to the markets to ensure sustainability and growth. It is envisaged that they will have the ability to be opened-up to the market during the length of the contracts in order to shape the market to sufficiently meet the care needs of Derby customers.
- 4.8 The procurement activities will allow the exploration of collaboration and joint commissioning with relevant partners such as the NHS, ICBs and Local Authorities within D2N2, which would be provided with access to procure through these new arrangements.
- 4.9 The timeframe for these procurement activities to be carried out are:

Market Area	Market Engagement Phase	Procurement Phase	Implementation Phase
Supported Living	June 24 – August 24	September 24 – January 25	January 25 – March 25
Day Opportunities	June 23 – July 24	July 24 – December 24	December 24 – March 25
Home Care	June 24 – April 25	April 25 – August 25	August 25 – December 25

Public/stakeholder engagement

- 5.1 Customers, providers and stakeholders will be fully engaged and consulted with throughout the various stages of the procurement process. Pre-market engagement will be undertaken to co-produce and design the services, as well as obtain feedback. This will proactively involve Derby Care Association (DeCA), recently established to represent all areas of the adult care market.
- 5.2 Engagement and market research with other Local Authorities across the Country has commenced to gather examples of good practice, obtain learning and innovations in the market areas.
- 5.3 Communication will be maintained throughout the procurement lifecycle to provide a continued focus on engagement.

Other options

- 6.1 Do nothing. This is not a viable option as this would not be compliant under the Contract Procedure Rules or adhere to our obligation under the Contract Regulations 2015 or new Procurement Act 2023.
- 6.2 Continue with current arrangements. This option would maintain the status quo but is deemed to be unsustainable in terms of market sufficiency and sustainability, and poses risks in terms of no managed services for customers or insufficient and outdated terms and conditions of contract.

Financial and value for money issues

- 7.1 Current spend across these contract areas of Community Services totals approximately £863,000 per week / £44,996,820 per annum within the Council's current budget allocation supporting approximately 2,100 customers, and is a total contractual value of £359,974,560 over 8 years.
 - Homecare - £386,000 per week / £20,126,040 per annum
 - Supported Living - £380,000 per week / £19,813,200 per annum
 - Day Opportunities - £97,000 per week / £5,057,580 per annum

These services are statutory under the Care Act 2014. The procurement activities proposed will look to manage the costs of these to ensure best value for money whilst maintaining spend within current budgets.

- 7.2 Contract values advertised will have a minimum figure as stated in 2.1 and 7.1 but will have a potential maximum spend at a higher threshold to account for any partnership spend through the contracts. This will be determined through pre-market engagement stages of the procurement process. Contract spend will be based on an indication to the market and not a guaranteed amount of income for providers.

Legal implications

- 8.1 Procurement regulations are due to change in October 2024 and the Council's Legal Services will ensure compliance with procurement regulations.
- 8.2 Minimum and maximum spend amounts will be indicated in the relevant Tender Notices to allow flexibility and reduce any risk of required modifications or triggering of further procurement processes.
- 8.3 Joint procurements or commissioning arrangements with relevant partner organisations or Local Authorities would be included in the tender notices to ensure compliance and relevant agreements put in place to govern any joint working arrangements, following legal advice.
- 8.4 Contract Procedure Rules clause 41.1 requires Cabinet approval for contracts longer than 5 years duration.

Climate implications

- 9.1 The Climate Change Impact Assessment Tool has been used to generate the above table. The table shows that there are no climate implications for the Council to consider.



Socio-Economic implications

- 10.1 Considerations for Social Value will be embedded into market engagement, any consultations and procurement processes to comply with Social Value Act 2012. Through market engagement activities we will consult with providers on how we can maximise socio-economic benefits throughout these contracts. For example, benefits may include training, apprenticeships, and local employment to strengthen and diversify the care workforce.

Other significant implications

- 11.1 None

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Olu Idowu, Head of Legal Services	19/06/2024
Finance	Janice Hadfield, Head of Finance	18/06/2024
Service Director(s)	Gurmail Nizzer, Director for Commissioning & Delivery	14/06/2024
Report sponsor	Perveez Sadiq, Director for Adult Social Care Services	
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Background papers: None
List of appendices: