

Procurement Strategy for the provision of Day Opportunities for vulnerable people
--

Report of the Director of Public Health and Director of Children and Family
Services

This item is not exempt
Therefore exempt reasons are not applicable

This is a key decision. The matter is in the Forward Plan
00/19

1. Purpose of the Report and Summary

- 1.1 Currently Hull City Council has a budget for £1.9m expenditure each year on day care provision for vulnerable adults and the NHS Hull Clinical Commissioning Group have expenditure in 2018/19 of £1.7. In addition the Council commission some block day care provision through an existing framework contract (the VCIS Contract). The annual expenditure on day care services across both organisations in 2018/9 exceeds £4m. In excess of 600 people in the city regularly benefit from day care provision funded, at least in part, by the Council and/or the CCG.
- 1.2 Day Care has an important part to play in supporting service users with high needs to remain at home, supported by their family or their local community.
- 1.3 This report sets out the proposed future strategy for the commissioning and procurement of Day Opportunity Services for Hull City Council (the Council) and the NHS Hull Clinical Commissioning Group (the "CCG") and seeks authorisation for the approval of the process to establish the necessary contractual arrangements for the implementation of that strategy.
- 1.4 This proposal is to meet the present and future demand through a strategy comprising three component parts: (a) Council delivered core provision for those with the highest needs who need care within a structured setting; (b) block funding of service provision to facilitate

engagement in day activities for those on the edge of requiring higher level service provision as part of a network of support to assist them stay at home; (c) a dynamic purchasing system encompassing providers who meet accepted quality standards in relation to the provision of day opportunities beyond the core provision and can be called upon.

- 1.5 The approach will support the development of a quality provider market in Hull that is sustainable, diverse and will provide individuals with choice and control over access to day care provision.

2. Recommendations

- 2.1 That agreement is given to undertake a Restricted Procedure procurement exercise to establish a Dynamic Purchasing System for the purchasing of Day Care Services in the City, for a period of 8 years with 2 possible one year extensions to a total of 10 years.
- 2.2 That Day Care Services for those with the highest needs who need care within a structured setting continue to be delivered by the Council's own core provision, wherever possible.
- 2.3 That increased investment in the core Day Care Service provided by the Council be the subject of review to determine whether a business case exists to expand Council service delivery. A report summarising the findings of the review and presenting recommendations will be presented to the Committee in Common in June 2019.
- 2.4 That in the meantime a Dynamic Purchasing System be established providing for four procurement approaches for day provision for adults through which care can be called off:
 - (a) Block purchase of capacity to meet continuing need beyond that provided by the Council's Service
 - (b) Community based outreach day care
 - (c) Premises based Day Care, for:
 - (i) Standard Care
 - (ii) Complex Care (eg advanced dementia and epilepsy management)
- 2.5 That authority to set the standard rates to be paid for day care under the Dynamic Purchasing System be delegated to the Adult Social Care Manager in consultation with the Director of Finance and Transformation and Town Clerk.
- 2.6 That the quality criteria for acceptance onto the Dynamic Purchasing System include the requirement to meet core standards of care including:

- The adoption of and adherence to Adult Safeguarding policies
- Compliance with Health and Safety standards
- Evidence of Service User Supervisory and Review Arrangements
- Evidence of the promotion of a culture of re-ablement
- Staff Skillsets with a minimum of Level 2/Level 3 NVQ in care
- The existing of appropriate fire evacuation arrangements including Personal Evacuation Plans

2.7 That providers of complex day care be required to demonstrate a staff training programme with a focus upon re-ablement and specialist skillsets eg Mental health, Epilepsy, Dementia Management.

2.8 That the quality criteria for award include consideration of how proposed suppliers will deliver Social Value through contract, in accordance with the Council's Social Value Workbook.

3. Reasons for Recommendations

3.1 A Dynamic Purchasing System (DPS) is expected to help establish a diverse market of Day Care providers in the city of Hull complementing Council provision ensuring consistent quality and price.

3.2 A DPS gives flexibility to both commissioners and providers to innovate, diversify and increase the range of service models available. The DPS allows the procurement to comply with the 2015 Public Contract Regulations and gives enhanced capability to design securing services designed to meet the needs of individuals.

3.3 The Care Act places additional responsibility on local authorities to ensure local care markets are sustainable. The proposed approach supports sustainability within the market.

3.4 The Council is a key provider of day care for those with complex needs, supporting relatives to have the confidence to continue to support service users to remain at home. Ensuring that standards in the provider market are consistent with the standards required by the Council supports continuing community based provision.

3.5 Developing a specification that reflects the Adult Social Care operating model with a focus away from Residential Care to community based options, maximises independence, support people to do things for themselves with the support of their own networks and communities and in doing so reduce their reliance on paid support.

4. Impact on other Executive Committees (including Area Committees)

4.1 The proposals within the report have an impact across the entire City.

5. Background

5.1 The Care Act places a duty on the Council for market shaping; collaborating closely with other relevant parties to encourage and facilitate market development and consistent quality. The purpose of market shaping is to stimulate a diverse range of appropriate services, both in terms of the types of services and provider organisations, and ensure that the market as a whole remains vibrant and sustainable.

5.2 **Supporting Independence – day care** can contribute toward supporting supported service users to remain living at home. It can form part of the range of services under within the framework of Outreach support, by supporting the person's family and the community to support an individual to remain living at home, by providing care at times where members of the family are in need or respite, or support due to their own commitments. Day care can also offer the opportunity to support service users increase their personal autonomy through re-ablement.

5.3 The providers of day care in the city and their geographic location are shown at Appendix 1. The detail of providers currently commissioned by the Council and the NHS Hull CCG is shown at Appendix 2.

5.4 As will be noted the Council is a significant provider of day care services in the city providing for about 1/3 of the services commissioned by the Council.

5.5 The focus of Council delivered services has been upon premises based support for higher needs service users.

5.6 **Day care** providers are not regulated by the Care Quality Commission. The Council through its internal services operates a series of key policies to ensure that as a minimum Council provided services:

- Adopt and adhere to Adult Safeguarding policies
- Comply with Health and Safety standards
- Operate appropriate fire evacuation arrangements including Personal Evacuation Plans
- Incorporate Service User Supervision and Review
- Ensure staff are trained to a minimum of Level 2/Level 3 NVQ in care provision
- Promote re-ablement

However, beyond this specialist training is undertaken in the areas of provision, for example Mental health, Epilepsy, Dementia

Management. This training has enabled service users to be supported with lower numbers of staff than apply in some locations, and supported a number of service users to achieve greater autonomy in their lives.

The availability of high level skillsets provides confidence and support to families to continue to support and care for family members at home, in partnership with the Day Care service.

There is some capacity in the service to expand, subject to demand.

- 5.7 Within its day services the Council operates the Gardens Day Services at the Freedom Centre. This unit provides support to 25 people with Learning Disabilities supporting them to engage in gainful activity within a thriving Horticultural facility. The unit has potential to expand to provide placements for double this number of people, subject to agreement being reached with Hull College and the Freedom Centre upon this.
- 5.8 In addition to this core provision the Council has thus far commissioned providers through the Voluntary and Community Information Services (VCIS) contract to subsidise the support that such organisations provide. In particular the Endike Community Association, Case Training Services, 4 Seasons and Age Uk. This contract has been extended to October 2019. The proposals in this report are intended to replace this element of the VCIS Contract.
- 5.9 Beyond this, the Council and the CCG both spot purchase provision from day care providers in the city. As these are individual purchasing arrangements they fall outside any formal quality management regime and prices are individually negotiated as part of the delivery of individual care plans.
- 5.10 In the absence of a framework or Dynamic Purchasing System “spot purchasing” results in variable rates paid for services and a lack of consistency regarding service quality and assurance about service quality. The Dynamic Purchasing System will establish a standardised contract for services with consistent rates paid and will enable the quality of care to be standardised and monitored. Establishing a Dynamic Purchasing System for the proposed duration will also enable the Council to shape the provider market and encourage providers to develop local provision to meet the needs of service users in Hull.

6. Issues for Consideration

6.1 Integrated Commissioning

To date although both the Council and the CCG commission day care services, they have done so independently of each other, using some of the same providers (see appendix 1). In keeping with the overall integrated commissioning strategy there is a need to plan for integrated provision going forward. It is proposed that within this work a review is undertaken of whether the internal day care capacity provided by the Council would merit expansion, building on success in delivering partial re-ablement as well as employment at the Gardens.

6.2 Quality Management

Day Care is not subject to Care Quality Commission regulation. Consequently in the absence of a contractual framework assurance upon the quality of delivery is not easily managed. Establishing minimum and enhanced standards for provision will help provide assurance on quality. A Quality Framework for Day Care will underpin the specification and ensure service users received the highest quality of support. The Quality Framework will apply to all day care providers within the DPS and will seek to raise standards in a way that improves outcomes for individuals; incentivise re-ablement; monitors quality of support and outcomes for people; and informs judgements about the quality of support and outcomes delivered by providers.

6.3 Expenditure, Pricing and Legal Compliance

While a significant element of day care service provision has been provided through the Council's own services or the VCIS framework contract, an increasing amount of day care has been commissioned through Spot Purchasing. Spot purchasing services risks the Council breaching the Light Touch Regime limits for the purchase of services, does not provide assurance upon quality and leads to variable pricing of services. Establishing a contractual framework for commissioning day care services across the Health and Social Care sectors enables the Services to use their budgets to plan more effectively together to commission services which support the overall strategic objective to help people to stay at home. It is proposed that standard rates are set through the DPS to ensure consistency in the prices paid for services. The rates will then be subject to an annual inflationary uplift.

6.4 Dynamic Purchasing System

The establishment of a DPS for Day Care can ensure high standards are experienced by all individuals receiving day care services which enables individuals to:

- Live as independently as possible.
- Receive their support in the least restrictive way possible.
- Continue to live in their own home or with the support of family/community
- Have choice and control over their care including how it is delivered and by whom.

- Receive a flexible service which responds to their individual preferences and needs.

6.5 Commissioning Lots within the DPS

The Dynamic Purchasing System can support the commissioning of blocks of day care provision to complement internal provision as initiated through the VCIS contracts with Endike Community Association and Age Uk. In addition a range of services can be facilitated. For example outreach facilitation of community based activity as originally commissioned through the VCIS Contract through Case Training Services and 4 Seasons can be expanded. In addition a differentiation can be provided for between the high needs complex care service users that the Council's day care services have primarily focussed upon and the lower needs groups.

7. Options and Risk Assessment

7.1 **Option 1 Do Nothing**

This would mean that the provision of Day Care Services would at the expiry of the VCIS contract be exclusively via spot purchase, meaning a lack of consistency and control over the rates paid and no standard approach to outcomes, quality monitoring and management. Furthermore, this would not be compliant with the 2015 Public Contract Regulations and therefore **this option is not recommended.**

7.2 **Option 2 Establish a framework for Day Care Services**

A framework of providers could be procured to establish a single contractual arrangement for the purchase of Day Care services. However, a traditional framework is only open for applications to be accepted onto the framework at the start of the process and is closed thereafter, providing a static group of providers. This would limit the ability for providers to innovate and diversify within the framework requirements and limits our responsibilities for market shaping by disbaring new entrants. As noted above, there is a need for additional provision and new types of provision to be developed, which a traditional closed framework would not enable and therefore **this option is not recommended.**

7.3 **Option 3 Establish a Dynamic Purchasing System for all Day Care Services**

This method of procurement allows greater flexibility to commissioners and providers but retains the essential controls and processes to establish a market with providers which are fit for purpose. It essentially acts as an open framework whereby providers tender for a place on the DPS to provide the requirements have been specified. If a provider is unsuccessful on entering the DPS at the first attempt, or further providers wish to join at a later stage, the DPS has the flexibility to accept new entrants throughout its life. Equally should the Council seek to deliver new requirements these can be sought through the DPS without the need for existing providers to re-tender.

At a micro-commissioning level, the requirements for individual placements will go out to all suitable candidate providers which creates mini-competition for the business within the providers and, ultimately, greater options for the individual.

This is the Recommended option

8. Consultation

8.1 Consultation has been undertaken thus far by individual consultation with Day Care providers. Development of a DPS, if supported, will involve the undertaking of supplier events to inform the final arrangements and pricing.

9. Comments of the Monitoring Officer(Town Clerk)

9.1 The Council are subject to a general duty to make arrangements to secure continuous improvements in the way functions are exercised, having regard to a combination of economy, efficiency and effectiveness. Under the Public Services (Social Value) Act 2012 the wider parameters of that duty in terms of Social Value are made explicit requiring the Council to consider:

- How what is procured may improve the economic, social and environmental well-being of the area
- How in conducting the process of procurement the Council might act with a view to securing that improvement

Establishing a Dynamic Purchasing System for the city will facilitate the development of local provision within the city both supporting service users to remain living at home and creating jobs in the local economy. Including criteria within the evaluation process that promotes delivery of Social Value alongside price can help reduce the demand for Public Services overall and consequently help deliver Social and Environmental Value as well as Best Value and meet the statutory requirements.

Maintaining continuing levels of spot purchasing places the Council at risk of breaching the Light Touch Regime limits for procurement. (IA)

10. Comments of the Section 151 Officer (Director of Finance and Transformation)

10.1 As the report sets out, the current approach to day care provision appears to be sub-optimal in both qualitative and value for money terms, and requires revision. The proposed development of a DPS for the provision of day opportunities to service users across the city offers the opportunity to address these issues, and to further the development of the integrated commissioning agenda with the CCG, fulfil the Council's statutory obligations with regard to the sustainability of the wider care market, and to review the nature and extent of in-house provision as part of the wider day opportunities continuum. It would consequently appear reasonable to progress the recommendations". (BF)

11. Comments of the City Human Resources Manager and compliance with the Equality Duty

11.1 The City HR Manager notes the proposed future strategy for the commissioning and procurement of day care services to meet present and future demand. Whilst there are no direct equality duty implications arising from this proposal, the DPS is expected to help establish a diverse market of Day Care providers in the city ensuring consistent quality and price. It is welcomed that the quality criteria for acceptance onto the DPS includes the requirement for staff skillsets with a minimum of Level 2/Level 3 NVQ in care and that providers are required to demonstrate staff training programmes. There are no current staffing implications related to this proposal (KM)

12. Comments of Overview and Scrutiny

12.1 The Forward Plan entry relating to this report will be considered by the Overview and Scrutiny Management Committee at its meeting of Friday, 4 February, 2019. The Committee will decide if the report should be subject to pre-decision scrutiny and if so which Scrutiny Commission will carry out that work.

13. Comments of the Portfolio Holder

13.1 Portfolio Holder for Adult Services & Public Health

I welcome the proposed approach to strategically commission day care services between the Council and the NHS Hull CCG. The longer contract period available in a Dynamic Purchasing

System should also support and encourage greater stability within the provider market and engender greater confidence in those providers to meet and evolve with the changing needs of our residents. The proposal to procure a Dynamic Purchasing System for these services will enable the Council to ensure a consistent level of quality of services which are flexible to meet individual needs.

Julia Weldon, Director of Public Health
Alison Barker, City Adult Social Care Manager

Contact Officer: Neil Daynes, Procurement and Adult Social Care Manager
Telephone No.: 615073

Officer Interests: None

Background Documents: - A list of background documents must be included. These documents are then available (if not exempt) for public inspection.

Implications Matrix

This section must be completed and you must ensure that you have fully considered all potential implications

This matrix provides a simple check list for the things you need to have considered within your report

If there are no implications please state

I have informed and sought advice from HR, Legal, Finance, Overview and Scrutiny and the Climate Change Advisor and any other key stakeholders i.e. Portfolio Holder, relevant Ward Members etc prior to submitting this report for official comments	Yes
I have considered whether this report requests a decision that is outside the Budget and Policy Framework approved by Council	Yes
Value for money considerations have been accounted for within the report	Yes
The report is approved by the relevant City Manager	Yes
I have included any procurement/commercial issues/implications within the report	Yes
I have considered the potential media interest in this report and liaised with the Media Team to ensure that they are briefed to respond to media interest.	Yes
I have included any equalities and diversity implications within the report and where necessary I have completed an Equalities Impact Assessment and the outcomes are included within the report	Yes
Any Health and Safety implications are included within the report	Yes
Any human rights implications are included within the report	Yes
I have included any community safety implications and paid regard to Section 17 of the Crime and Disorder Act within the report	Yes
I have liaised with the Climate Change Advisor and any environmental and climate change issues/sustainability implications are	No

included within the report	
I have included information about how this report contributes to the City Plan/ Area priorities within the report	No
I have considered the impact on air quality, carried out an appropriate assessment and included any resulting actions or opportunities necessary to improve air quality in the report.	No

Appendix 1

Unit Name	Commissioned by:	Address Line 3	Post Code	Company Name
5 Senses Charity	HCC and CCG	Kingston Upon Hull	HU9 1LP	5 Senses
Age UK Day Care	HCC	Kingston Upon Hull	HU1 2RH	Age UK Hull
Neat Marsh Lane & Matthew's Enterprise (Avocet)	HCC and CCG	Kingston Upon Hull	HU8 9DS	Avocet Trust
Case Training Services	HCC	Kingston Upon Hull	HU2 8DQ	Case Training
Creative Day Care Services (Bilton Grange)	HCC	Kingston Upon Hull	HU9 4LQ	Bilton Grange Community Association Charity
Dannys Dream	HCC and CCG	Kingston Upon Hull	HU3 2HD	Goodwin Development Trust
East Hull Community Farm	HCC	Kingston Upon Hull	HU9 4EE	East Hull Community Farm
Endike Community Care Association	HCC	Kingston Upon Hull	HU6 9RJ	Endike Community Care
Find2	HCC and CCG	Beverley	HU17 0LN	Find
Find3	HCC	Hessle	HU13 9LJ	Find
Ings Plus Day Care (Autism Plus)	HCC and CCG	Kingston Upon Hull	HU8 0TX	Autism Plus
Mires Beck Nursery	HCC	North Cave	HU15 2NR	Mires Beck Nursery
Platform Provision	HCC	Brough	HU15 2HR	Platform Provision
Buckingham Centre Day Service (HCC)	HCC	Kingston Upon Hull	HU8 8UG	Hull City Council
Fernleigh Day Services (HCC)	HCC	Kingston Upon Hull	HU2 9LG	Hull City Council
Pennine Day Services (HCC)	HCC	Kingston Upon Hull	HU7 5YU	Hull City Council
The Gardens Day Services (HCC)	HCC	Kingston Upon Hull	HU9 5XT	Hull City Council
The Millers (East Riding)	HCC	Beverley	HU17 9DH	East Riding of Yorkshire Council
Victoria Avenue Day Centre (East Riding)	HCC	Withernsea	HU19 2LH	East Riding of Yorkshire Council
The Hessle Centre	HCC	Hessle	HU13 0RB	East Riding of Yorkshire Council
Petuarua Centre	HCC	Brough	HU15 1AY	East Riding of Yorkshire Council
Active Freetime	HCC	Kingston Upon Hull	HU9 3EU	Active Freetime
The Orchard Day Centre	HCC	Kingston Upon Hull	HU6 9BX	The Orchard Day Centre Ltd
Active Day Care Hull (Hedon)	HCC	Hedon	HU12 8EE	Active Day Care Hull
Active Day Care Hull (Woodmansey)	HCC	Woodmansey	HU17 0TB	Active Day Care Hull

R & R Caring Hands Ltd	HCC	Kingston Upon Hull	HU5 2DH	R&R Caring Hands
Wood En Flowers Day Centre	HCC	Kingston Upon Hull	HU8 7HR	Wood-en-Flowers
Your Life Day Centre (Bransholme)	HCC and CCG	Kingston Upon Hull	HU7 4DW	Your Lives UK Ltd
Your Life Day Service (Willerby)	HCC	Kingston Upon Hull	HU5 5JJ	Your Lives UK Ltd
Yellow Rose Lodge (Holyrood)	HCC	Kingston Upon Hull	HU12 8JN	Proudfoot Care Group
Benjamin Lodge Daycare (Proudfoot)	HCC	Kingston Upon Hull	HU16 4EZ	Proudfoot Care Group
Beverley Court Day Services (Heston Court)	HCC and CCG	Kingston Upon Hull	HU5 1LH	Heston Court Ltd
Haworth Court Residential Care Home	HCC and CCG	Kingston Upon Hull	HU6 7AB	Bluecroft Estates Ltd
4 Seasons (Hull) Ltd	HCC and CCG	Kingston Upon Hull	HU12 8TY	4-Seasons Hull

Appendix 2

Search for a location:
Postcode/house number

Map Categories

- + Education and Learning 0/3
- Health and Social Care 1/12
 - Doctors
 - Dentists
 - Opticians
 - Hospitals
 - Pharmacies
 - Childrens Centres
 - Care Homes - Day Care
 - Care Homes - Residential (All)
 - Care Homes - Residential (Cat 1)
 - Care Homes - Residential (Cat 2)
 - Care Homes - Residential (Cat 3)
 - Care Homes - Residential (Cat 4)
- + Police and Crime 0/3
- + Council and Democracy 0/6
- + Highways and Transportation 0/16
- + Environment and Planning 0/9

Map styles: OS Colour, OS Greyscale, Aerial 2016, Aerial 2018

Map labels: Bentley, Plaxton's Bridge, Thearne, Bransholme, Swine, Coniston, Dunswell, Skidby, COTTINGHAM, Sutton-on-Hull, Ganstead, Bilton, Sproatley, Weighton, Willerby, Kirk Ella, Anlaby, Swanland, HEDON, Preston, Marfleet, HESSLE, KINGSTON UPON HULL, Goxhill Haven, Paull, Thorngumbald, Elstron, Hum...

Map coordinates: 522185, 432740

Powered by iShare

Browser address bar: https://mapstest.hull.gov.uk/myhull.aspx#zoomin

Taskbar: 08:31 14/01/2019