

RE-COMMISSIONING OF DIRECT PAYMENT SUPPORT SERVICE

To: **Adult's Committee**

Meeting Date: **22nd May 2019**

From: **Wendi Ogle-Welbourn, Executive Director: People and Communities**

Electoral division(s): **All**

Forward Plan ref: **2019/040** *Key decision:* **Yes**

Purpose: **Adult's Committee is asked to consider the recommissioning of the Direct Payment Support Service**

Recommendation:

- a) The re-commissioning of the Direct Payment Support Service to be in place by 1st April 2020**
- b) The Committee is asked to agree the delegation of award of contract to the Executive Director, People and Communities**

<i>Officer contact:</i>		<i>Member contacts:</i>	
Name:	Adam Thorp	Names:	Councillor Bailey
Post:	Commissioner	Post:	Chair
Email:	Adam.Thorp@Cambridgeshire.gov.uk	Email:	Anna.bailey@cambridgeshire.gov.uk
Tel:	07791 291411	Tel:	01223 706398

1. BACKGROUND

1.1 Direct Payment Support Service

The aim of the Direct Payment Support Service, currently provided by Purple is to provide service-users and their parents/carers with;

- High quality information, guidance and advice on Direct Payments(DPs) and the legislation involved
- Information on purchasing care and support directly
- Information on the support services and opportunities available locally.

The service also aims to promote the use of Direct Payments with all stakeholders and support the recruitment of Personal Assistants across the county.

The current contract for the provision of Direct Payment Support Service will end on 31st March 2020. There are provisions within this contract to extend for a further two years to 31st March 2022, however, it is recommended that the contract is re-tendered to support a change in focus of the service aiming to increase the take-up of direct payments in recipients of social care and support.

Cambridgeshire County Council (CCC), in line with the directions of the Children and Families Act 2014, the Care Act 2014, and recommendations as set out in the Positive Challenge Programme, wants to increase the number of people choosing to take Direct Payments (DPs) as part of Personal Budget arrangements. It is anticipated that the increased uptake of DPs will support:

1. Improved health, care, education and wellbeing outcomes for individual adults, children, young people and their families
2. Flexibility, choice and control for people who need additional support
3. A diverse, more localised care and support market

DPs give additional choice and control to service-users as they have more flexibility to decide how to spend their funding to help meet their assessed needs and outcomes. A variety of activities/services and support is purchased using a direct payment. One popular use of DPs is for a service user to directly employ a Personal Assistant (PA) to support their care and support needs. Employing a PA to provide care and support can be a better option than using commissioned care as it can offer a more flexible, localised and outcome-focused approach to support and can be a more cost effective approach.

DPs are used by Children's and Adult Social Care across all user groups. The Commissioning and Monitoring of this Contract is held within the Adult's Commissioning Team. The Disabled Children's Social Care Service pays a proportion of the contract to ensure children with Special Educational Needs and Disabilities can have their needs met, to ensure financial efficiencies across CCC by sharing the contract and to enable a smooth transition into adulthood.

1.2 Legislative Background

A duty to provide Direct Payments was introduced in 2003 when regulations, made under Section 57 of the Health and Social Care Act 2001, made it mandatory for local authorities to make Direct Payments to people who consented and were eligible and able to manage them, with or without assistance. Community Care, Services for Carers and Children's Services (Direct Payments) (England) Regulations 2003 (SI 2003/762) have since been revoked and replaced by the Community Care, Services for Carers and Children's Services (Direct Payments) (England) Regulations 2009 (SI 2009/1887).

In 2009, as per the Community Care, Services for Carers and Children's Services (Direct Payments) (England) Regulations 2009 (SI 2009/1887), provision was extended to people appointed to receive Direct Payments on behalf of individuals lacking the mental capacity and to persons subject to mental health legislation.

The Children and Families Act 2014 confirms that Personal Budgets (of which a Direct Payment could be part of) are a statutory right for eligible children and young people. The Care Act (Direct Payments Regulations) 2014 confirms Personal Budgets in law for people with eligible assessed needs, and carers, including the right to Direct Payments. The Care Act states that, from April 2015, local authorities need to assign a personal budget to all people who are eligible for support.

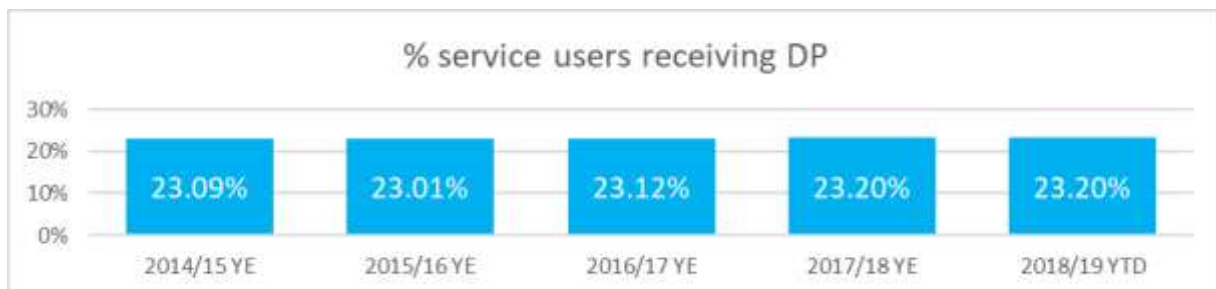
The Personal Budget is the amount of money needed to cover the cost of the support for which a person is eligible. The local authority also has to ensure that people are given relevant and timely information about Direct Payments so that they can make a decision regarding whether to request a payment and how to use and manage this payment appropriately.

2. MAIN ISSUES

2.1 Current Direct Payment Usage

2.1.1 Adult Services

As can be seen by the graph below, the uptake of DPs in Adult Social Care has remained consistent over the last 5 years at around 23% of all service users (those who receive ongoing care and support)



Across the Eastern Region, the average number of adult service users receiving a direct payment is 27%. Therefore Cambridgeshire is behind neighbouring authorities in this regard.

When viewing the usage of DPs across 'client groups' in Adult Social Care services, we can see that this differs greatly. The table below details the breakdown of DP usage across client groups for the 2018/19 financial year. This shows us that Mental Health and Older People service areas have a substantially lower take up than other areas.

Client Group	No. SU's with a DP	No. SU's with Community-based Services	% with a DP
Physical Disability Service	281	584	48.12%
Adult Mental Health	8	284	2.82%
Older People Mental Health	6	54	11.11%
Older People	205	1,770	11.58%
Learning Disability	441	1,365	32.31%
Other	1	4	25.00%
Total	942	4,061	23.20%

2.1.2 Disabled Children's Services

Childrens Direct Payments - no. Direct Payments in operation			
Financial year			
2015-16	2016-17	2017-18	2018-19
737	787	796	801
Percentage of all cases			
67%	71%	72%	73%

In addition to the above data, Education Personal Budgets are also becoming established and growing in number in Cambridgeshire. This is identified as a particular growth area in the coming years. There are currently 28 Education Personal Budgets, whereby last year there were 22. Children's Sensory Services have also agreed their first personal budget and as such one can predict this as a further growth area.

2.2 Rationale to Re-Commission

2.2.1 Increasing take up of Direct Payments

We have stated in our joint [Market Position Statement](#) that increasing choice and control for service-users and carers through the use of DPs is a key direction of travel for the organisation.

Alongside the increase in a more personalised approach to care and support that DPs allow, we believe that they provide a more cost effective approach for the council. When directly employing a PA, cost of care and support is usually more reasonable due to the removal of the substantial overheads required by large organisations.

Key measures set out in the Adults Positive Challenge Programme alongside our already

stated direction of travel and cost benefits of increasing the use of DPs show us that the current rate of take up is not as high as it should be and that we can be doing more.

2.2.2 Increase in Personal Assistants

In order to increase the take-up of DPs in Cambridgeshire, we need to ensure there is a strong and vibrant market of Personal Assistants available for service-users to employ or pay for their support. In Cambridgeshire, we have a substantial lack of PAs available to be employed by service-users and this is impacting on DP take-up.

In retendering the DP Support Service, we have an opportunity to be clear in the service specification and contract about our aims and expectations of the service provider in relation to developing our PA market.

2.2.3 Support and Promotion with Social Work and Education Colleagues

In order to achieve a consistent approach and an increase in the take-up of DPs across children's service users and parents/carers in Cambridgeshire, a joined up approach with the Provider and social work and education colleagues is required. Therefore, we would like to use this opportunity to include more specific requirements for the Service Provider to collaborate with CCC Social Workers and Case Work Officers in order to promote DPs and problem solve any issues that arise.

2.2.4 Alignment with Peterborough

We will work with colleagues across Cambridgeshire and Peterborough to learn from any areas of good practice and review lessons learnt to ensure these are reflected in the new Service Specification and Contract.

It is recommended that this service is just tendered for Cambridgeshire due to the Peterborough service still having a number of years left for the current contract period. We will plan for the Cambridgeshire and Peterborough contracts to end at the same time so that we can explore fully aligning the services in the next tender exercise.

2.2.5 Supporting Outcome Focused, Place-based Commissioning

Re-tendering the DP Support Service gives us an opportunity to improve the outcomes achieved by adults, children, young people and their family members and carers by using an outcomes-based commissioning, contract management and service delivery model.

We aim to move away from commissioning task, time and output activity type activity to a service specification and contract management regime that focuses on the achievement of outcomes with service users. We believe that gives greater flexibility to the service provider in order to use the funding provided in a way that best meets outcomes and allows the focus of service delivery to be in areas that make the most difference.

Furthermore, in order to promote a place-based commissioning approach that embraces and builds upon resources in communities, the re-commissioned support service will be expected to have a thorough understanding of the communities that it works in and the varying initiatives and approaches to care and support that can provide better outcomes

than traditionally commissioned services

2.3 Service Delivery Approach

We have explored whether this service should/could be delivered in-house but this is not a viable option due to the following factors:

- Clause 12.7 of the Care Act 2014 sets out the Local Authority's responsibilities in terms of direct payments information, advice, guidance and states that the LA must not limit or stifle choice or restrict Direct Payment recipients only to Local Authority approved providers - an external DP support service removes any conflict of interest by default.
- Providing a similar size workforce within the Council with the required management functions would cost approximately £100,000 more than the budget set for the commissioned service over the lifetime of the contract

2.4 Pre-paid Cards

In Cambridgeshire, we launched the use of pre-paid cards for DP recipients in September 2018.

Pre-paid cards work like normal debit cards and offer advantages to service-users and the Councils including:

- Reduced barriers of entry to direct payment take-up and reduced bureaucracy & reliance on paper-based systems
- Improved direct payment monitoring, reconciliation and recovery capability
- Increased payment efficiencies and reduced potential for fraud/misuse
- Improved reporting of ASC direct payment purchasing data to better predict market needs
- Increased efficiencies in distributing client funds to vulnerable adults

We believe that the use of Pre-paid cards alongside a re-focused DP Support Service will support the increased take-up of DPs across Adults and Children's Services.

2.5 Contract Length

We propose to award a contract to the successful bidder for the duration of 3 years from 1st April 2020 to 31st March 2023 with two, one year discretionary extension periods. Total possible contract length of five years

2.6 Financial Impact

Current annual funding for the Direct Payment Support Service is £168,036 81% of this funding is provided by Adult Social Care budgets (£136,109) and 19% by Children's Social Care Budgets (£31,926).

In the retendering of the service, we propose to set a maximum annual price of £170,000.

Possible total contract value (if discretionary extension periods are used) would amount to £850,000.

We also propose to retain the current funding split for the service across Adult's and Children's services.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 A good quality of life for everyone

The report above sets out the implications for this priority in **paragraph 1.1**

3.2 Thriving places for people to live

There are no significant implications for this priority

3.3 The best start for Cambridgeshire's children

The report above sets out the implications for this priority in **paragraph 1.1**

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

The report above sets out details of significant implications in **paragraph 2.7**

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

The report above sets out details of significant implications in **paragraph 2.6**

4.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

4.4 Equality and Diversity Implications

There are no significant implications within this category

4.5 Engagement and Communications Implications

There are no significant implications within this category

4.6 Localism and Local Member Involvement

There are no significant implications within this category

4.7 Public Health Implications

There are no significant implications within this category

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Stephen Howarth
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Paul White
Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law?	Yes Name of Legal Officer: Fiona McMillan
Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: Will Patten
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Matthew Hall
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: Will Patten
Have any Public Health implications been cleared by Public Health	Yes/No Name of Officer:

Source Documents	Location
<i>Market Position Statement</i>	https://www.cambridgeshire.gov.uk/residents/working-together-children-families-and-adults/strategies-policies-and-plans/adult-social-care-market-position-statement/