

Direct Payment Support Service Re Procurement

To: Adult and Health Committee

Meeting Date: 27 June 2024

From: Patrick Warren-Higgs, Executive Director, Adults, Health & commissioning

Electoral division(s): All

Key decision: Yes

Forward Plan ref: 2024/065

Executive Summary: The Cambridgeshire Direct Payment Support Service (DPSS) is an all-age service which supports people who receive direct payments to purchase their own care and support. In doing so, it helps to improve the independence, health, and wellbeing of people with eligible care needs. It also makes having a direct payment easier and a more attractive option to service users. This is important to increase the number of people choosing a direct payment in Cambridgeshire. The current DPSS contract is due to expire in April 2025 and so Committee is asked to approve its recommissioning of the DPSS service.

Recommendation: Adults and Health Committee is being asked to:

- a) agree to the Direct Payment Support Service (DPSS) re-procurement approach. The current DPSS service is due to end 28 April 2025. The new contract will be tendered for 3 years plus a 2-year extension option at an annual value of £154,072 and total contract value for £770,360 over the 5-year term.
- b) delegate responsibility for awarding and executing a contract for the provision of a Direct Payment Support Service starting 29 April 2025 and the agreed contract extension period to the Executive Director, Adults, Health & Commissioning in consultation with the Chair and Vice Chair of Adults and Health Committee.

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1. Creating a Greener, Fairer, and more Caring Cambridgeshire

1.1 This report aligns to the following strategic ambitions 2023-2028:

- i) Ambition 3 Health Inequalities. The new DPSS service will benefit users of direct payments and, in doing so, will support them to achieve better outcomes, including healthy lives.
- ii) Ambition 4 Helping people to enjoy healthy, safe, and independent lives. The new service will support people with care and support needs to exercise choice and control over their care leading to greater independence. The use of Direct Payments can offer much more flexibility in terms of the range of support that can be purchased. Research has shown that supporting people to manage their Direct Payments is critical to the success of the Direct Payments arrangement and to the delivery of individual outcomes.
- iii) Ambition 6 Promoting a mixed economy in Council services. By increasing local provision provided by local people, where appropriate, and offering better access to locally based community groups to be able to work as our partners.
- iv) Ambition 7 Children and young people have opportunities to thrive. By offering support to children and young people with complex needs, they can utilise their direct payments to buy the support that best meets their need and flex support to their changing requirements.

2. Background

- 2.1 The Care Act 2014 gives adults who are assessed as having eligible care and support needs the right to receive their personal budget as a direct payment (DP). In addition, Under the Children and Families Act 2014, a direct payment must be made available to meet the care and support needs of children and young people aged 0-25 who have special educational needs and disabilities. A DP enables people to choose and buy the care services that best meet their needs, rather than have the council do it for them. This gives people more choice and control over the care they receive. Direct Payments also enable more flexibility for people to change the services they access to meet their care and support needs over time as their needs, circumstances and preferences change. Given these benefits, Cambridgeshire County Council (CCC) are seeking to increase the number of people choosing to take DPs as part of their personal budget arrangements.
- 2.2 All individuals in receipt of a DP will be offered support to manage it. The Direct Payment Support Service (DPSS) is designed to provide this support by helping to find and purchase care and support, and by ensuring people receiving support are aware of their responsibilities as employers when employing Personal Assistants (PAs). The service also offers payroll support. In doing so, the DPSS plays a key role in supporting the council to meet its statutory duties in respect of direct payments. The DPSS also supports Care Micro Enterprises (CMEs) by offering signposting to connect DP clients to CMEs rather than arranging homecare support.

3. Main Issues

- 3.1 In 2024/25, we expect to spend £21.5m on Direct Payments (DPs) within adult social care, through 821 packages for adults. This equates to around 8% of the council's forecasted £263.4m spend on adult social care. In addition, DPs account for circa 1% of the Council's £149.3m spend in Children, Education and Families in 2024-25 (total of £1.9m). This equates to 1,092 packages for children.
- 3.2 The Joint Strategic Needs Assessment (JSNA) 2023 has forecasted 14.3% growth in population in Cambridgeshire by 2031. Forecasts suggest that by 2031, the number of people aged 65 or over will grow by a further 26% with much of this growth in the over-80s age bands. There has also been significant growth in the numbers of children and young people. The number of children is forecast to increase substantially in South Cambridgeshire by 2031, increasing by 12.1% on the 2021 baseline, with smaller increases in other rural areas. Therefore, we are proposing managing the increase in future demand by using more DPs.
- 3.3 The council has ambitions to increase the uptake of DPs and self-directed support in Cambridgeshire to ensure people with eligible care needs have choice and control over the care they receive. In doing so, the council has set itself a target to increase DP take up. In 2022/2023 the Adult Social Care Outcomes Framework (ASCOF) performance measure for Cambridgeshire County Council was 19.6 %, whilst the target is to achieve 25% of service users to be in receipt of a DP in 2024/2025, to align with regional and national averages of 24% and 26% respectively. To achieve this, the Self-Directed Support Programme will focus on strengthening three main areas of the council's work in the coming year:
- increase promotion of DPs to people with eligible care needs by social care practitioners.
 - improving the council's business systems and processes to make it quicker and easier to set up a direct payment.
 - ensuring, through market shaping there is a wide range of care and support available in the local community for people with direct payments to buy.
- 3.4 At present, around 34% of people receiving a DP use the DPSS. The target to increase the uptake of DPs to 25% will mean an additional 226 adults using a DP to purchase their care. Assuming the same percentage of people require access to the support service, it is estimated it will need to support 76 more people over the next 12 months. Metrics will be included in the KPIs to increase use of the DPSS service.
- 3.5 Ensuring that a range of services and personal assistants are available to support this ambition is critical. A lack of PAs makes it harder for people who want a DP to find the service they need and therefore limits choice and may lead to people opting for council arranged care instead. Our changing population, coupled with the council's ambitions to increase uptake of DPs, will require more PAs, CMEs and other providers of care and support during the next 5 years.
- 3.6 Shaping the market to support the council in delivering against this ambitious target is key. Market intelligence gathered through consultation and engagement suggests there are currently gaps in the availability of Personal Assistants (PAs). Personal assistance is the

support a person needs from another person for everyday living and this support can offered by a PA who is trained as a carer. It has been established that:

- Access to a PA is often determined by where the person who uses services lives.
- There is no waiting list, but it is particularly challenging to find PAs in rural locations such as East and South Cambridgeshire and parts of due to the lack of public transport connections and travel distances.
- Availability of PAs who will undertake shorter calls has reduced, especially in rural locations. This is because short care calls are viewed as financially unviable by PAs who are paid for 'care delivery time' only which reduces their daily income potential and incurs travel costs which are rising due to the impact of inflation.
- There are many PA/Support Worker vacancies (across health and social care) being advertised on different job site platforms for Cambridgeshire.

3.7 The DPSS contract in Cambridgeshire was awarded to People Plus in April 2020 following a tender process. This contract commenced on 29th April 2020 for 3 years with 2 possible extensions of 12 months. The contract is in its final extension period, which will end on 29th April 2025. There is a need to recommission the service within the contract and procurement timelines to continue to adhere to our statutory responsibilities whilst also ensuring compliance with the Council's Contract Rules and procurement legislation. The Care Act 2014 states that the local authority must also ensure that people are given relevant and timely information about direct payments so that they can make an informed decision regarding whether to request a payment and how to use and manage this payment appropriately. The DPSS service supports this requirement.

3.8 Review of Current Service

To ensure we commission a service able to meet the Council's ambition, a service review was undertaken. Information was gathered from:

- customer service surveys received from the provider during the past 12 months.
- responses to the Council's PA questionnaire during January to March 2024
- case studies (Appendix 1)
- contract Key Performance Indicators (KPI) and activity data.
- attainment of the Social Value in the current contract

The DPSS Service Review highlighted that a greater focus on delivery against outcomes will be needed if the new service is to demonstrate its impact, by increasing the number of PAs in Cambridgeshire and supporting the council's ambitions to increase the number of people choosing a direct payment. The service review has recommended several improvements to the current service model:

An improved payroll system with good internal communication
Additional monitoring measures to ensure accountability and improvements in the monitoring of payroll timescales/processes.
More focus on direct contact and access to the support and advice side of the business rather than on the running of payroll services for clients.
A dedicated contact for the council's practice teams to enable better links with DPSS staff who can respond to practitioners' questions when needed on an informal basis.

Robust support offer for the council's practice teams, particularly in relation to the setting up of DPs and the working out of all additional costs and requirements.
More transparency regarding the financial costs, including specific elements of the service e.g. information and advice, payroll etc. within any block funding. These unit costs should also apply to self-funders purchasing support from the service.
IT and digital data improvements should be reviewed and benchmarked to reflect good practice across other Local Authorities.
A PA directory and matching service should be set up to include qualifications and training
Work with the Council on its care workforce skills gap analysis. Agree training requirements for both clients and PAs together and where the responsibility for training delivery sits.
A marketing and communication plan should be agreed with the provider and reviewed yearly.

- The current DPSS provider service has helped increase the numbers of PAs in the market in the last 3 years from 131 to 387 - a 195% increase. The target for the provider is to increase the numbers of PAs by 25% each year. Year 1 & 3 exceeded this target only year 2 was under plan. Recent activity data from the provider shows that, in Q4 of 2023/2024 there were 515 PAs supported of which 278 used the payroll.
- In the first year of the contract the service received 287 referrals and the total clients supported to recruit a PA with advisor support was 107. In 2023/2024, the number of referrals received was 279 and the active support cases was 484.

3.9 Future Demand and Market Shaping

Our changing population, coupled with the council's ambitions to increase uptake of DPs, will require more PAs, CMEs and other providers of care and support during the next 5 years. To achieve this, the council has invested in DP rates to ensure PAs can be paid the Real Living Wage. Increasing the DP rate to allow recipients of DPs to pay a higher hourly rate to PAs will continue to be a key factor in increasing the supply of PAs locally. Through Care Together, the council is also investing in the creation of Care micro enterprises (CMEs) to offer people a wider choice of care and support in their local community.

As of March 2024, 33 CMEs have been created across the county, offering over 2,500 hours of care and support capacity per week. Consequently, the new DPSS will have a key role in supporting the council to realise its ambitions to increase uptake of self-directed support by helping to grow the DP market, ensuring there is sufficient PA coverage across the county and connecting people with CMEs.

The current provider has sought feedback from people accessing the service through a survey. This showed a decline in the quality of service in the last 6 months, with only 45% of those surveyed in Quarter 3 rating the provider as very good. In Quarter 2 this was 75%. The decline was due to a slower response time to their queries. Service users indicated that the service itself has made a difference in their quality of life which suggests that it adds value, but significant improvements need to be made by the service provider to enhance the overall user satisfaction and improve outcomes. Service users said that improvements

should be made to the contact response times and the quality of advice given could be improved. Professionalism was seen to be good overall.

3.10 Vision for the New Service

To achieve the aims and outcomes, a service specification is being drawn up that will include robust KPIs aligned to delivering the councils ambitions and improved outcomes for people. The learning from the service review and service user feedback has directly informed these requirements. A high-level summary of key activities to be included in the specification requirements and is shared below.

The new DPSS will support the council's ambitions and address the key areas of improvement highlighted above to improve access to self-directed support and see more people choose direct payments. The new service will:

- Operate as part of a comprehensive self-directed support offer which makes it easier for people to have more choice and control over the care and support they receive.
- Contribute to the development of a wide and diverse choice of care and support available locally, capable of meeting demand and providing person-centred support. It will play a key role in the growth and development of the PA market and connecting clients to Care Micro Enterprises.

3.11 Strategic Outcomes of the Service

The strategic outcomes of the service will include the following key changes with measurable outcomes:

- The service will contribute to the wider work that is in progress to increase the uptake of DPs.
- The scale of this work is key to meeting our DP performance targets.

Information & Advice

- Provision and promotion of high-quality information and advice on DPs, how to purchase care and support directly, support services opportunities available locally including CMEs. This will include an annual marketing and communication plan.
- Offer personalised support to people to manage their DPs or who wish to buy their own care (self-funders) in ways that they can understand.
- Support service users to be compliant with their duties and responsibilities as an employer.
- Take a preventative approach with people using the service to promote independence.
- Ensure PA's skills improve due to training offer from provider.
- Enable people to better understand their responsibilities as employers.
- Develop a 'whole family' approach, working in partnership with other services and agencies across the education, health, social care, and the voluntary/community sector.
- Ensure the service is accessible and responsive to the differing needs of adults, children and young people, and their families.

PA Register and supply

To ensure a thriving PA pool is available that is capable of meeting demand and the preferences of Cambridgeshire residents. People in receipt of a DP will have access to a service where they can be matched with a PA.

- Outcome, Increased number, and improved retention of PAs
- Establish a PA register (including qualifications and training), coupled with a matching service for PAs and service users.
- Work with commissioners and stakeholders to develop and expand the PA market (including training requirements)
- Enable access to DBS checks for Personal Assistants

Payroll and managed bank accounts

People are empowered to make positive and personalised choices regarding how they manage their support including with Prepaid Cards as the council's preferred method of delivering direct payments. And service users report a high level of satisfaction with the quality and response times of the payroll service.

- Provide a high quality and efficient digital payroll service.
- Provide a managed bank account service for DP recipients who choose not to receive and manage their DP themselves.
- Protocols between the provider and the council regarding timescales and responsibilities which can be audited will be agreed.

Accessibility

People find it easier to find the care and support they want. People also have access to the support they require to achieve positive outcomes and have formal arrangements in place with support providers.

- The provider has an accessible, local, and sustained presence within the Cambridgeshire County Council boundary, delivering from a range of community settings and in the service user's home.

Practice development offer.

Social care practitioners are more confident in their understanding of DPs and therefore promote them more actively.

- The provider will work with the council's Quality and Practice Team, along with operational teams, to develop a support/training offer for social workers in relation to the setting up of DPs and the working out of costs.
- Provide a visible link person(s) to offer advice/guidance to practice teams on an informal basis when needed.

Cost

- The provider will provide transparent unit costs for specific elements of the service e.g. information and advice, payroll etc. within any block funding. These unit costs should also apply to self-funders purchasing support from the service.

3.12 Social value

- The Council aims to provide social value within the delivery of its services and projects, wherever possible, for the benefit of communities. This should promote improved health, independence, and inclusion in the provision of care.
- There is an expectation in the contract to meet or exceed the social value obligations committed to through the tender exercise in support of the economic, social, and environmental well-being of Cambridgeshire. The criteria to be included in the specification is:

Promote employment & economic sustainability	Outcome 1: more local people in work Outcome 2: responsible businesses that do their bit for the local community
Raise the living standard of residents	Outcome 3: a local workforce which is paid and positively supported by employers
Promote participation and citizen engagement	Outcome 4: individuals and communities are enabled and supported to help themselves
Promote equality and fairness	Outcome 5: acute problems are avoided, and costs are reduced by investing in prevention

3.13 Options Considered

The following 3 options were considered. Option 2 is the recommended option to ensure a DPSS is in place by April 2025.

Option 1. Do nothing and let the contract expire.	This is not recommended as there is a statutory requirement to offer a Direct Payment Advice and Support Service. CCC is legally obliged to offer the service in line with requirements from the Care Act 2014 and the Childrens and Families Act, for the people of Cambridgeshire. Not having a DPSS would make it much harder for people to have a DP or find care and support, thus counter to the council's ambitions and pledge to increase uptake of DPs.
Option 2. Re-commission a new DPSS Service via competitive tender	This is the recommended option. It ensures the council continues to provide support to people choosing direct payments in line with its ambitions and statutory duties. There will be no gap in service. The recommissioning provides an opportunity for the council to evolve the service to better meet its self-directed support goals and wider strategic ambitions.
Option 3. Provide the DPSS service in house.	This is not recommended due to budgetary and time limitations: It would increase the demand on the council's Direct Payment Monitoring (DPMO) service and Adult & Children's Finance teams. We estimate this would require four full time roles plus a manager. The estimated cost of this establishment in-house per annum is £235k, plus an additional £42k if a further DPMO post was needed

	<p>to cope with increased demand, making a potential total of £1.39 million over the 5-year term. This is £663,250 over the current contract value. A Corporate Insourcing Appraisal has been completed and signed off.</p> <p>To bring this service in-house safely and effectively in less than 10 months would require additional staffing resources. This would further increase the cost of insourcing to the council.</p> <p>When reviewing the DPSS services of neighbouring councils (both geographical and statistical) they too have outsourced the services to have an independent provider and therefore no conflict of interest</p>
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3.14 Procurement Approach

It is proposed to re-procure the DPSS service for Cambridgeshire County Council on a 3 plus 2-year contract term. This is the standard contract term required and the preferred contract length indicated by the local market. It will enable the successful provider to embed and develop the service. There is an expectation that the service delivered will be continuously developed over time so that services are modified to meet the changing need this will be via a service review process and ongoing contract monitoring.

The service will be re-procured as a single open procurement led by CCC. People with lived experience will be invited to participate in the procurement. They will be included in setting evaluation questions which they will evaluate.

All bidders will be required to demonstrate how their proposed service solution will deliver social value. Responses will be evaluated, and delivery of commitments monitored. Bidders' social value offer will be weighted at 5% and evaluated by the Social Value Portal.

3.15 Indicative Procurement Timeline

The DPSS contract for the current service is in the last year of the extension period and the new service will need to be in place by 29 April 2025. The full procurement timeline can be found in the procurement plan which has been supported by the Procurement & Commercial Team which will be supplied separately.

Procurement Timetable		
Event	Person Responsible	Date
Adults and Health Committee (approval to tender)	Responsible Officer	27 June 2024
ITT documents signed off	Head of Service	04 July 2024
ITT period	Procurement Officer	08 July – 04 Oct 2024
Tender evaluation & moderation	Evaluation Panel	07 Oct- 01 Nov 2024
Contract award notices	Procurement Officer	W/C 25 Nov 2024
Formal Contract award. Mobilisation commences		09 Jan 2025
Contract start date		29 th April 2025

4. Summary & Recommendation

- 4.1 The Adults and Health Committee is requested to approve the commissioning of a high quality DPSS to run from 29 April 2025 on a 3+2-year basis at a total cost of £ £770,360 plus annual uplifts to be determined through the business planning and uplift strategy processes.
- 4.2 The Adults and Health Committee is requested to delegate the award of this contract and subsequent extension periods to the Executive Director of Adult Social Care in consultation with Chair and Vice Chair of Adults and Health Committee.

5. Significant Implications

5.1 Resource Implications

The report above sets out details of significant implications in the recommendation.

5.2 Procurement/Contractual/Council Contract Procedure Rules Implications

The procurement plan sets out details of no significant implications.

5.3 Statutory, Legal and Risk Implications

The following bullet point sets out details of significant implications identified by officers:

- The priorities within the service are in alignment with duties placed on local authorities by the Care Act (2014) and Children and Families Act (2014) in respect of assessment and support planning for carers and wider duties around information and advice and market shaping within the Care Act (2014).

5.4 Equality and Diversity Implications

The public sector equality duty has been considered as part of the service development and an EQIA (Equality Impact Assessment) has been completed.

5.5 Engagement and Communications Implications

There are no significant implications within this category.

5.6 Localism and Local Member Involvement

There are no significant implications within this category.

5.7 Public Health Implications

The following bullet point sets out details of significant implications for Direct Payments identified by the 2023 Strategic Needs Assessment (JSNA).

Will the proposal have an impact on the health of Cambridgeshire residents?

Yes, it supports that, since 2011 there has been a 9.3% growth in health needs. The population of Cambridgeshire is forecast to increase by 14.3% in 2031. The health need growth rates in Cambridge were among the highest in England.

Across Cambridgeshire there were 57,645 more people in the 2021 Census than in 2011 (11.1% growth overall). The growth was driven by migration into our area, and the difference between births and deaths.

The recommissioning of the DPSS will support people with care and support needs to purchase the care that best meets their requirements and maintains their independence for as long as possible. This in turn leads to better health outcomes.

Will the proposal support improving the health of the worst off fastest?

The DPSS service will support people to put in place the care and support they need to achieve their goals and remain independent. By supporting people with eligible care and support needs, the service will contribute to the reduction of health inequalities amongst this population group by increasing the requirements to retain PAs, matching PAs to service users and connecting people to CME services. This will also make it easier for people to find the right care, support for them, and contribute overall to improvements in independence, health, and wellbeing.

5.8 Climate Change and Environment Implications on Priority Areas

5.9 Implication 1: Energy efficient, low carbon buildings.

Positive/neutral/negative Status: Neutral

Explanation: No change

5.10 Implication 2: Low carbon transport.

Positive/neutral/negative Status: Neutral

Explanation: The DPSS Project team have reviewed the impact of carbon emissions for this contract. The emissions will be minimal and will be impacted on the part of the service provider. The service provider may choose to host staff in a specific location (building) and provide hot water, electricity, and heating. Staff may need to travel via public transport or their own vehicle to the said location. The service provider would be encouraged to continue to contact service users, social workers, and other organisations via telephone or online to reduce carbon emissions.

5.11 Implication 3: Green spaces, peatland, afforestation, habitats, and land management.

Positive/neutral/negative Status: Neutral

Explanation: No change

5.12 Implication 4: Waste Management and Tackling Plastic Pollution.

Positive/neutral/negative Status: Neutral

Explanation: No change

5.13 Implication 5: Water use, availability, and management:

Positive/neutral/negative Status: Neutral

Explanation: No change

5.14 Implication 6: Air Pollution.

Positive/neutral/negative Status: Neutral

Explanation: No change

5.16 Implication 7: Resilience of our services and infrastructure and supporting vulnerable people to cope with climate change.

Positive/neutral/negative Status: Neutral

Explanation: No change

5.17 Finance Implications

Currently there are no additional resource of financial implications arising from the proposal. An insourcing Appraisal has been completed and signed off.

Appendix 1 Case Study Summary

The Provider completed a case study for each quarter from Q1 to Q3 2023 on their performance relating to case management.

In Q1, a referral for recruitment of a PA was converted into a PA placement within 4 days. The quick turnaround was only made possible by the relationships they have within the sector and with the agencies that provide PA to the wider healthcare sector.

The Q2 case study showed that the provider assigned a team manager to work closely to help establish the workstreams in the SDS programme which is developing a model to improve the SDS provider market. The team manager provided feedback to the SDS Programme Board regarding recruitment and retention challenges for filling PA vacancies. The provider committed 1 day a month of the team manager as a resource towards supporting the development of this workstream.

In Q3, the provider organised a remote peer support group for DP service users. The event was attended by 3 individuals with varying service use experience ranging from 0 to 15 years. This provided valuable insight to new DP users on the type of support available and processes. It also provided knowledge sharing between service users. Feedback from the session was extremely positive and highlighted the importance of these events.