

CABINET	AGENDA ITEM No. 8
13 NOVEMBER 2023	PUBLIC REPORT

Report of:	Stephen Taylor, Executive Director Adult Social Care & Commissioning	
Cabinet Member(s) responsible:	Cllr Bisby - Cabinet Member for Children's Services	
Contact Officer(s):	Zoe Redfern-Nichols (zoe.redfern-nichols@peterborough.gov.uk) Issy Thomson (isobel.thomson@peterborough.gov.uk)	Tel. 07747 512996

AWARD OF CHILDREN & YOUNG PEOPLE HOME & COMMUNITY SUPPORT BLOCK CONTRACTS AND AWARD OF HOME & COMMUNITY SUPPORT PSEUDO DYNAMIC PURCHASING SYSTEM CONTRACTS

RECOMMENDATIONS	
FROM: Executive Director Adult Social Care & Commissioning	Deadline date: 13 November 2023
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> 1. Approve the award of 3x Children/Young People Home & Community Support block contracts, each with a contract term of 3 years with an option to extend up to 2 years in increments of 12 months from the 01.02.2024, as follows: <ol style="list-style-type: none"> 1.1. to Circles Network (Company number: 02972700), with a value of £50,000 per annum (£250,000 for the contract term including extension period). 1.2. to Sabanu Care Ltd (Company number: 12922944), with a value of £50,000 per annum (£250,000 for the contract term including extension period). 1.3. to Greenhill Healthcare Ltd (Company number: 13796928), with a value of £50,000 per annum (£250,000 for the contract term including extension period). 2. Approve the award of the Children/Young People's Home & Community Support Pseudo Dynamic Purchasing System (PDPS); the contract term is 5 + 3 + 2 years and has an overall contract value of up to £10,000,000 over the whole contract term (including 2 extension periods). The list of approved providers are outlined in Appendix 1. 3. Delegate approval to the Executive Director Adult Social Care & Commissioning to extend the Contract Term up to 10 years (for the PDPS) in accordance with the contract provisions. 4. Delegate approval to the Executive Director Adult Social Care & Commissioning to extend the Contract Term for each or any of the 3x block contracts up to 5 years (per block contract) in accordance with the contract provisions. 5. Delegate approval to the Executive Director Adult Social Care & Commissioning to agree to an uplift (per annum) on the hourly rate; subject to internal governance arrangements and the value given in the published Contract Notice 	

1. ORIGIN OF REPORT

1.1 This report is submitted to Cabinet following a competitive tender process for a contract value over £500k.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to approve the award of 3x block contracts and approve the award of a pseudo dynamic purchasing system (PDPS) for the commissioning of home & community support for children/young people with disabilities and/or complex needs.

2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.5:

To make decisions on actions relating to the awarding, assigning and termination of contracts over £500k, and waiving or granting exemptions to Contract Regulations where contracts are over £500k, with the exception any time-critical, operational, or routine decision, which may be determined by the relevant portfolio holder.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	
---	----	----------------------------------	--

4. BACKGROUND AND KEY ISSUES

4.1 Context

Home Care & Community Support refers to the support provided to children/young people with disabilities and complex needs. Home Care usually relates to the provision of personal care; help with washing, dressing and toileting. Community Support refers to supporting a child/young person to access the community. These types of support are accessed by children/young people who are open to 0-25 Disability Social Care; these children/young people are considered 'Children in Need' (CIN) under the Children Act 1989. Home & Community Support is, therefore, a statutory service and a key part of the provision offered to children & young people with disabilities and complex needs, and their families.

High Level Family Support refers to short term, intensive and outcomes focused support provided to families with children/young people with disabilities and/or complex needs to reduce the risk of carer and/or placement breakdown and prevent episodes of care.

4.2 Introduction

Children's Home & Community Support, commissioned from the external market, forms an integral part of the provision available for children/young people with disabilities and their families. The Children's Commissioning Team are responsible for the contract monitoring and quality assurance of the contract, and the activity and spend for the entirety of this provision is recorded within the Children with Disabilities (CWD) Dashboard. Home & Community Support is, therefore, one of several services available to meet the needs of children/young people with disabilities.

This workstream and proposal has been informed by the [Sufficiency Statement for Children & Young People with Disabilities & Complex Needs](#) and therefore, sits within the Children with Disabilities (CWD) Development Programme. Separate Project Group meetings have been held on a regular basis, specific to this commissioning exercise, which have included Social Care, Procurement and Legal representatives.

4.3 Purpose

Peterborough City Council (PCC) have led on a joint commissioning/tender exercise with Cambridgeshire County Council (CCC) to implement a Pseudo Dynamic Purchasing System (PDPS) to commission Home & Community Support for children & young people with disabilities

and complex needs. This PDPS has also included a specific Lot for High Level Family Support. Alongside the PDPS, this exercise has included tendering for Home & Community Support block contracts.

In submitting a tender for the PDPS, providers have indicated their interest to deliver Home Care or Community Support or both; providers were also able to indicate their interest in providing High Level Family Support.

The purpose of this report is therefore to seek approval from Cabinet to implement a PDPS and award 3 £50,000 block contracts for the commissioning of Home & Community Support for children & young people with disabilities and/or complex needs in Peterborough.

Approval to award is being sought from PCC Cabinet as this represents a key decision for Peterborough as the expenditure, in a related series of transactions, will be in excess of £500,000. This is not new expenditure as budgets are already committed for these services; approval is being sought for the successful providers to deliver the services through these new commissioning arrangements.

The contract start date for both the PDPS and block contracts is 01.02.2024.

4.4 **Current Arrangements**

Home & Community Support is currently procured through Cambridgeshire County Council's All-Age Home & Community Support DPS; this is used to procure support for both children/young people and adults with CCC as the lead commissioner. This DPS started in 2017, with a contract term of 10 years (October 2017-October 2027), and approval for Peterborough City Council to procure services from Cambridgeshire County Council's DPS was approved in 2021. [Decision - Approval for Awarding Home Care Contracts for Children and Young People's care by calling off from Cambridgeshire County Council's existing Dynamic Purchasing System \(DPS\) Framework for Home and Community Support Services SEPT21/CMDN/30 | Peterborough City Council](#)

The initial intention behind the All-Age Home & Community Support DPS was to enable cross functional packages of care, particularly for remote areas where providers could support a range of service users; including adults, children/young people and those with learning disabilities/mental health needs. This has not been realised due to several factors; including the limited shared market and the need to differentiate the skill set between Home Care and Community Support.

Table 1 outlines the delivery of Home & Community Support in Peterborough for 2022-23 and 2023-24 (as at Oct 2023).

	No. Of Home & Community Support Packages	Hours	Spend
2022-23 actuals	35	24,103	£552,279.81
2023-24 Q1 actuals	28	6,846.5	£158,308.24
2023-24 committed (as at 05.10.2023)	39	36,523	£834,014.05
These figures do not take into account any recharges made to Health and/or Education.			

Following a review of the arrangements in 2021, a series of exercises were undertaken with oversight from the Commissioning Management Team (CMT) and the People & Communities Joint Commissioning Board (P&C JCB). A full chronology of the workstream can be found in Appendix 2.

4.5 **Children/Young People Specific Commissioning Arrangements**

On 30.11.2022 the P&C JCB gave approval to go out to tender for children/young people specific commissioning arrangements for Home & Community Support. This includes a Children/Young People's Home & Community Support Pseudo Dynamic Purchasing System (PDPS), with parallel

block contracts. The block contracts have a per annum contract value of £50,000; including 3 £50,000 block contracts for PCC and 2 £50,000 for CCC. These block contract figures have been informed by previously delivery and forecasting figures.

Moving away from the previous All Age Home & Community Support DPS to a Home & Community Support PDPS for children/young people specifically is focused on:

- + Developing strategic relationships and partnerships that drive market improvement and responsiveness.
 - + Ensuring sufficiency by increasing the number and breadth of providers.
 - + Increasing buying power within the market with a shared Cambridgeshire & Peterborough PDPS; a market demonstrably separate from the Adult Home Care market.
 - + Introducing specific children and/or young people commissioning arrangements that more accurately reflect need and demand.
 - + Creating more opportunities for competition by introducing a children/young person's specific PDPS and a parallel competitive tender for block contracts.
 - + Differentiating between Home Care/Support and Community Support; reflecting the differences within the markets.
 - + Enabling closer liaison between providers and Children's Commissioning/Brokerage; thereby fostering strategic relationships and increasing flexibility/proactivity.
 - + Extending the age range of the PDPS up to 25 to ensure young people can remain with the same providers into adulthood.
 - + The utilisation of corporately owned properties, to use as a base for Home & Community Support providers. This is beneficial for children/young people in terms of broadening the range of activity and socialisation opportunities; it also reduces the activity costs of support and can reduce the need for 2:1 staffing ratios. Formalising the use of PCC's property, Derby House, is being supported and governed by the CWD Development & Delivery Board.
 - + Formalising commissioning arrangements for High Levels Family Support, previously brokered on an ad-hoc basis.

The PDPS has been separated into Lots for Home Care and Community Support (Lot 1a Generic Homecare, Lot 1b Complex Homecare, Lot 2a Generic Community Support, Lot 2b Complex Community Support and Lot 3 High Level Family Support) to reflect the differing skill set, each with 'generic' and 'complex' hourly rates included within the pricing schedule, recognising the additional requirements and subsequent costs for more complex packages. This same distinction has been applied to the block contracts.

The third Lot was included for High Level Family Support (under the Inter Authority Agreement CCC has stated they do not require to call off for this service, therefore, it is agreed between PCC and CCC that this Lot will be utilised by PCC only).

These arrangements have been informed by ongoing market engagement since the initial review of Home & Community support arrangements in 2021, alongside consultation and engagement with parent/carers and professionals. Further detail on the consultation that has been carried out can be found in Section 6: Consultation.

The PDPS element will be shared across Peterborough and Cambridgeshire; PCC will hold overall responsibility for the PDPS as PCC have led on this commissioning exercise and tender. CCC has the ability to carry out their own call offs for Cambridgeshire children/young people, having a separate contract in place directly with providers. The details of these arrangements are outlined in an Inter Authority Agreement, agreed upon by both PCC Legal and CCC Pathfinder Legal; a copy of this can be found in Appendix 3.

The PDPS will be opened periodically for new providers to apply to join, as managed by Children's Commissioning and in response to the capacity of the market. Whilst a light touch approach has been and will be taken, questions will continue to be posed to the prospective providers to ascertain their suitability and experience in supporting children/young people, and due diligence will be undertaken following award. These due diligence processes, alongside ongoing contract

monitoring, will be managed by Children's Commissioning and Children's Brokerage functions across both PCC and CCC.

As part of mobilisation/induction, providers will also be asked to complete the PCC Children's Safeguarding Toolkit and the PCC Autism Toolkit. Asking Providers whether they will commit to completing these were included as a pass/fail Selection Question within the tender.

4.6 **Tender & Procurement Exercise**

The competitive tender and procurement exercise for both the PDPS and block contracts were carried out between June and October 2023. For the block contracts, a 60% quality threshold was applied, with the successful providers being the most economically advantageous tender (MEAT) and providing the most competitive prices. For the PDPS, a 60% threshold was applied, with successful providers being those who submitted pricing within the ceiling rates of £23.30 for Generic and £26.80 for Complex.

- 10 providers passed the quality threshold for the block contracts, with 3 Providers each being awarded one block contract after submitting the most competitive prices. Each contract has an annual value of £50,000.
- 11 providers were successful in the tender process for the PDPS.

Following approval to award from Cabinet, formal award will be given to the successful providers; subject to successful due diligence checks. Contract start date is anticipated to be 01.02.2024.

5. **CORPORATE PRIORITIES**

5.1 The recommendation links to the Council's Corporate Priorities as follows:

The impact on the **Environment** has been outlined within the Carbon Impact Assessment:

- Introducing a Home & Community DPS specifically for children and young people, alongside introducing block contracts, will not have significant environment or climate change implications as the way in which the service will be delivered will remain the same. However, expectations in terms of limiting environment and carbon impact were considered within the tender. Considerations to environmental and climate change will also be included within contractual documentation and within monitoring arrangements for the life of the contracts.

The impact is limited given this exercise represents a change to commissioning arrangements rather than the procurement of a new service.

With regard to **the Economy & Inclusive Growth**, the block contracts within this tendering exercise provides a level of financial security and therefore sustainability to the 3 awarded providers; providing them the opportunity to develop their services within Peterborough, supporting economic growth and job opportunities for those within Peterborough. The block contract providers are also committed to delivering the full value of the block contract and therefore, in terms of **Places & Safety**, delivering Home & Community Support to the more rural areas of Peterborough.

The introduction of a Home & Community Support DPS also increases the numbers of providers operating in Peterborough; also supporting economic growth and job opportunities. This should also increase capacity within the market and, subsequently, increase the skill set and experience within the market.

Both of these commissioning exercises, in terms of the block contracts and the DPS, therefore increase the options for those living and working in Peterborough; reflecting on the **Our Place & Communities** corporate priority. Thereby increasing the Health & Wellbeing of local communities and, crucially, the Health & Wellbeing of the children & young people these services are being commissioned for.

These services are particularly pertinent to the **Prevention, Independence & Resilience** corporate priority, and the Council's value of Inclusivity, in terms of them supporting children & young people with disabilities and complex needs. As Home & Community Support makes up part of PCC's Short Break offer, these services are preventative in nature; increasing the resilience of families and therefore helping children & young people to remain at home and within their local communities. Providing quality Social Care support, as part of PCC's Short Break offer, also support children & young people to remain at school and engaged in Education; supporting **Education and Skills for All**.



With regard to a **Sustainable Future City Council**, Children's Commissioning are working to increase capacity within the Home & Community Support market; supporting PCC in how we work and how we serve children & young people with disabilities. The introduction of a DPS specific to Home & Community Support for children & young people should also lead to greater competition within the market; leading to a more favourable financial options for the commissioning of Home & Community Support for children & young people in Peterborough.

6. CONSULTATION

6.1 Ongoing market engagement was carried out to inform this commissioning exercise. A soft market testing exercise was undertaken September 2022; a full overview of these responses can be found in Appendix 4.

Consultation with parent/carers was also carried out, as reflecting the Council's value of Collaboration; Appendix 5 provides a comprehensive overview of the responses received and feedback was incorporated into the service specifications for the PDPS and block contracts. The key results are summarised below:



- Parent carers believe that support/care workers require a different skill set for community support rather than home care (due to different training needs and tailoring support to each child/young person).
- Parent carers feel that that the complexity of care and support provided should be reflected within hourly rates (complex needs were described as multiple disabilities/range of needs where specialised training is required).
- Consultation with professionals was also carried out; key points are summarised below:
- Community Support does require a different skill set than providing Personal Care.
- The Local Authority does not need to differentiate hourly rates for Home Care and Community Support.
- The Local Authority should have different hourly rates that reflect the complexity of the care & support e.g. a generic and complex rate.
- There are particular presenting needs which providers can find more difficult to manage; these include challenging behaviour, absconding and managing sensory needs.

Consultation was also undertaken with professionals from 0-25 Disability Social Care, including a questionnaire and drop-in session. Appendix 6 provides an overview of the findings.

Further consultation was carried out at the point of tender document collation. A parent carer rep from Family Voice reviewed and gave feedback on the service specifications and put forward a method statement question to be evaluated. A parent carer from Family Voice also took part in the evaluation and moderation of the bids.

Children's Commissioning also worked with operational teams to include a method statement question from children/young people with disabilities; some of whom had direct experience of Home & Community Support and therefore were able to outline their priorities for service delivery.

- 6.2 Once contracts have commenced, there will be ongoing consultation with both providers, parent/carers and professionals to inform service development.

It is a requirement within the service specification for Providers to have a mechanism for parent/carers to provide feedback about the service available at all times, as well as gather feedback from children/young people (where possible) and their families on a regular basis. This feedback will then be fed back to the Children's Commissioning Team to inform development.

- 6.3 *Has this recommendation been considered by the below? If not, please provide reasoning.*
- *Corporate Leadership Team (CLT) - 24.10.2023*
 - *Cabinet Policy Forum (CPF) - 02.11.2023*

7. ANTICIPATED OUTCOMES OR IMPACT

- 7.1 Following approval to award by PCC Cabinet, there will be a new commissioning process in place focusing on the procurement of Home & Community support for children/young people with disabilities and/or complex needs. This will focus on increasing capacity and sufficiency within the market; providing services that more accurately reflects the needs and demand of children/young people specifically. It will give Children's Commissioning the opportunity to develop strategic relationships/partnerships that drive market improvement and responsiveness, alongside formalising commissioning arrangements for High Level Family Support.

Further key opportunities of these arrangements have been outlined in Section 4.5.

8. REASON FOR THE RECOMMENDATION

- 8.1 Home & Community Support is a statutory service and a key part of the provision offered to children & young people with disabilities and complex needs, and their families within PCC. The current commissioning arrangements for this type of support are not meeting the needs of children/young people in Peterborough and there is increasing demands for this type of support.

9. ALTERNATIVE OPTIONS CONSIDERED

- 9.1 A number of options were considered throughout the Home & Community Support review. In not proceeding with the award of these contracts, the alternative option would be to continue commissioning these statutory services through the CCC led All-Age Home & Community Support DPS. This option was rejected due to the current arrangements not meeting need and in light of increasing demand; proceeding with the proposed option also ensures there are commissioning and quality assurance arrangements in place for High Level Family Support.

10. IMPLICATIONS

Financial Implications

- 10.1 The Children/Young People's Home & Community Support Pseudo Dynamic Purchasing System (PDPS) has an overall contract value of £10,000,000 over the 5+5 years contract term; It is envisaged £8,000,000 will be spent by Peterborough City Council. The higher proportion of spend for Peterborough compared to Cambridgeshire is due to Cambridgeshire delivering a large proportion of their home & community support through their in-house service.

The 3x block contracts for Peterborough have an overall contract value of £750,000 over the 3+2 years contract term. The aim of the block contracts is to offer providers guaranteed spend and therefore, an opportunity to establish themselves within the local area; whilst promoting a more competitive hourly rate.

The introduction of the Children/Young People's Home & Community Support PDPS and associated block contracts does not have any financial implications in terms of being a change in commissioning arrangements, rather than being a new service. Financial modelling will be

undertaken throughout the contract terms to ensure budgets reflect both inflationary and demographic uplifts; this has been factored in to previous and existing year budget build.

The only aspect of this exercise that has a specific financial implication is the increase in ceiling rates; this increase can be found below:

	2023-24 - current DPS	2023-2025 - new PDPS
Generic	£20.16	£23.30
Complex	£26.57	£26.80

These recommendations relate to the UK Home Care Association's recommendations around implementing an hourly rate of £23.30 (from April 2022) to reflect the increased cost of delivering care (increased by 8.7%, or £1.87, since April 2021). Therefore, introducing a ceiling rate of £23.30 would ensure providers are able to pay staff the increased National Living Wage and reflect these increased costs of delivering care. It would thereby also support the overall sustainability of the market whilst incentivising providers.

In order to reduce the impact of this increase to ceiling rates, the ceiling rates will be fixed until the 2025-26 financial year, with Providers not able to request an uplift until this time.

Legal Implications

- 10.2 The award of the block contracts and a place on the Pseudo Dynamic Purchasing System (PDPS), as set out in this report, is compliant with the Public Contract Regulations 2015 (PCR).

The procurement for the PDPS was conducted following a procedure similar to the open procedure described in Regulation 27 of the Public Contracts Regulations 2015, however, this type of service is contained within Schedule 3 of the PCR and therefore, a light touch regime is followed. This means the Council reserves the right to deviate from the formalities of the open procedure given the flexibilities permitted by Regulation 76 of the Public Contracts Regulations 2015.

The PDPS looks and feels similar to a Dynamic Purchasing System under Regulation 34 of the PCR. Cambridgeshire County Council is a named Local Authority within the tender documents and Contract Notice and accordingly, they have the authority to utilise the PDPS and such usage will be governed by the Inter Authority Agreement, signed by both parties and dated the 27th September 2023.

The award of the block contracts is compliant with Regulation 27 of the PCR.

The contracts provide for the extension periods, as set out in the report. Also, the contracts allow for the providers to request an uplift to their hourly rate, submitted as part of their tender. However, where the Council grants approval of an uplift, it must be in accordance with the contract provisions, the Council's uplift strategy and any spend, via the Call Off Contracts, cannot exceed the maximum value of £10,000,000 over the maximum term of 10 years for the PDPS and £50,000 per annum per block contract.

Equalities Implications

- 10.3 An Equality Impact Assessment was completed at the start of the commissioning process which outlined a positive impact on particular individuals and groups. This assessment can be found in Appendix 7.

11. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 11.1 People & Communities Joint Commissioning Board (P&C JCB) Paper November 2022

12. PROCUREMENT DN NUMBER

12.1 DN668543

13. APPENDICES

- 13.1 Appendix 1 - List of PDPS Providers
Appendix 2 - Workstream Chronology
Appendix 3 - Inter Authority Agreement
Appendix 4 - Overview of Soft Market Testing
Appendix 5 - Overview of parent/carer consultation/engagement
Appendix 6 - Overview of professional's consultation/engagement
Appendix 7 - Equality Impact Assessment

This page is intentionally left blank