

EIT Review of Commissioning of Carers and ILS – November 2011

This report provides an update on progress in relation to the work streams analysing current commissioned services across independent living services and services for carers.

Introduction

1. A report will be presented to the Committee in December that summarises the conclusions drawn about the future investment of funding that originally was allocated as grants for commissioning services for carers and independent living (previously Supporting People). It will be based on a close analysis of existing contracts and whether they will meet the requirements of the Council for the future. It will also identify the processes by which services might be commissioned without the constraints and idiosyncrasies generated by the grant regime.
2. Any conclusions drawn and recommendations made will need to be reviewed in the light of firmer outcomes from the Value for Money and Quality strands of work. These outcomes may challenge further the benefits of individual existing contracts.

Observations

3. The change of funding mechanism allows a review of how services are commissioned in the future. This review was considered as essential because:-
 - Some of the existing contracts do not fit well into the strategic intentions and priorities of the Council
 - Some concentrate on specific care groups, potentially to the exclusion of others or the majority of people with more generic needs; this is partly caused by the grant regime and bidding mechanisms and partly by the availability or otherwise of discrete providers that distorts the setting of priorities.
 - The uncertainty of grant funding has resulted in a short term view of commissioning in some areas; if contracts could be longer in duration it would remove some of that uncertainty for providers and could potentially reduce costs.
4. A further impact of grant funding and its associated mechanisms is to reduce the opportunity to establish a locally based comprehensive commissioning plan that covers all aspects of promoting independence and supporting carers. Bidding processes have possibly distorted a process that should rely on the Council's longer term strategic intentions.
5. Some contracts are effectively block contracts, where a specified number of hours or days, depending on the service, are purchased irrespective of how much is needed.
6. Some contracts effectively purchase a service through a different provider, as a sub contractor, when it might be possible to purchase services directly.

7. Some providers hold a number of contracts and a single renegotiated one may generate both clarity of purpose and savings.
8. Similarly it may be that a service currently purchased from numerous providers could be purchased more effectively through fewer contracts.

Suggested Way Forward

9. Prepare a single commissioning plan for the delivery of independent living and carers services that is clear about the range of services to be delivered.
10. Using that plan, purchase all services through new arrangements with contract durations of 3 years, over a period leading up to April 2013.
11. Streamline procurement processes and the related contracts to identify priorities, accepting that delivery may still be through a number of providers but fewer than at present.
12. Ensure that service specifications have tight outcome measures and payment is more reliant on purposeful activity levels or other related measures.
13. In services where there are a limited number of providers, seek to encourage the market.
14. Use benchmarking evidence to ensure that the unit cost for service delivery is competitive, recognising the degree of difference that arises from the needs of specific clients and groups of clients.

Progress to date

15. Work has been completed to determine a rating for each service in relation to the Council's strategic intent.
16. Work is continuing to determine a rating for each contract in relation to the quality of service provision.
17. Work is ongoing to analyse the value for money (VFM) of each service. There has been delay in the timescale for this work stream as a number of providers did not submit the required information within the agreed timescales and/or in the required format. There are outstanding issues with fifteen of the VFM returns, which are being pursued by the finance team. Five VFM returns are still outstanding and the relevant providers have been given a deadline of 28th October 2011, after which no score for VFM will be awarded. Benchmarking comparison information is currently being collated by the Commissioning team and it is anticipated that this will be used to assess the individual VFM returns.