

3rd March 2014**Agenda Item: 4****REPORT OF DEPUTY DIRECTOR FOR ADULT SOCIAL, HEALTH AND
PUBLIC PROTECTION****DIRECT PAYMENT SUPPORT SERVICES****Purpose of the Report**

1. This report proposes the establishment of a temporary team within the Council to deliver the re-design of Direct Payment Support Services in line with the model agreed by the Adult Social Care and Health Committee on 28 October 2013.

Information and Advice

2. Following consultation with people using services, carers, staff and providers a new model for supporting people to manage their Direct Payments was developed. Change is required because:
 - New options are now available. People are now able to pay providers using a payment card onto which the Council pre-loads their Direct Payment money. This also automatically provides audit information to the Council's financial team. The card reduces work associated with managing finances and helps more people to be able to do this independently.
 - Under current arrangements service users receive money as part of their personal budget to arrange and purchase their Direct Payment Support Service themselves. The contract is therefore between the service user and Direct Payment support provider, which makes it difficult for the Council to monitor and address quality issues, or shape the direction and costs of services.
 - The Council needs better audit information about individual service user's finances, as well as strategic information about Direct Payment Support Services, in order to inform assessment of future needs, services and costs
 - The Council aims to act on consultation feedback and make it easier for more people to manage their Direct Payments and also to employ their own Personal Assistants. For many people, being supported to employ

and manage their own staff is both the best and most cost effective way to have flexibility and control over their support.

- Increasing numbers of people are choosing a Direct Payment, therefore demand for support to manage the payments and the associated costs are rising. More cost effective alternatives that promote self management where possible and target support at those with highest needs are required.
3. In October 2013 Committee approved the new model and a tender process to deliver this from independent sector providers. The tender was designed so that one lead provider could develop partnerships with both existing and new providers in order to deliver the changes and provide the new service model to people requiring support.
 4. The tender process began in December 2013, but was subsequently stopped on 17 January 2014. During the period that providers are able to ask questions about the tender before submitting their bids, providers raised issues that the Council needed to consider. The Council's original assessment was that TUPE legislation regarding the transfer of staff from current to new similar services was unlikely to apply. Further information from providers has called into question whether the law could actually apply to some areas of the service. This could significantly increase provider's (and hence the authorities) costs. The law has not previously been tested for this exact situation and it is not clear if it would be upheld or not. On balance, the risk of an unknown outcome and the delay in progression of the work was assessed as not worth taking.
 5. Existing providers also questioned whether use of pre-payment cards and greater self management would be appropriate for people using their services. The new contract included some payments being linked to providers achieving increased use of cards for a target number of people. This figure was based on Council data about new people using the pre-payment card option to-date.
 6. Due to the issues noted, it is now recommended that a small temporary team within the Council is established for 18 months, in order to make the required changes. The change will be managed as part of the individual annual review service users have of their needs and support packages.
 7. It is therefore proposed that a small team is established to undertake work on the most complex reviews and also provide operational reviewing staff and service users with specialist information and advice. In order to apply a consistent approach, the team would also take on all new work for 18 months; supporting people to set up their Direct Payments, use pre-payment cards wherever possible and support people to recruit and employ their own Personal Assistants.
 8. At the end of one year individual reviews will have taken place and service users will have had the opportunity to be as independent as possible in managing their Direct Payments. Information will have been gathered to give a true picture of needs and costs for the service and enable a decision to be made on the best way of delivering this support in the future.

9. It is proposed that all existing business will remain with the current providers. As there will be no transfer of service, and no transfer of economic entity; TUPE regulations will not apply. In line with current arrangements existing providers will have an annual review in March 2014, prior to an offer to extend their current accreditation agreement for a further year.

Other Options Considered

10. The options to maintain the existing arrangements or to retender the service have been considered. These would not deliver the new model within the time-scale required.

Reason/s for Recommendation/s

11. The option to tender out the re-design of the service has not been successful and the need remains to make changes to the existing arrangements. The Council's financial regulations allow a decision at any point as to whether to purchase a service externally or not. The existing accreditation agreement with providers does not guarantee any work and reserves the right of the Council to at any time carry out any part of the service itself.
12. The Council is working with Clinical Commissioning Groups (CCGs) who are developing the use of Personal Health Budgets (PHBs). Negotiations are already underway with one CCG for the Council's finance team to manage the payment and auditing of both fully and joint funded Direct Payments on their behalf. The aim is to ensure an integrated approach, so that the service user only has to manage one payment and can access support with this from one place. The proposed team would support this work, with the aim of engaging more CCGs.

Statutory and Policy Implications

13. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

- 12 The previous Committee report agreed a budget of £400,000 to deliver a service for both existing and new work from independent sector providers, who would also manage the change to the new model. Further work has now been completed on the costs for delivering both the changes and new work from within the Council, with existing work remaining with the current providers.
- 13 The total cost to provide the temporary team within the Council (as outlined at paragraph 7) is £269,251 per annum. Of this total, temporary staff posts account

for £169,251 at the top scale and £100,000 for resources including payroll, HR support, individual employer liability insurance, pre-payment cards and Disclosure and Barring Service checks.

14. The proposed service is more cost effective due to the ability to negotiate a better rate through centralising the purchase of some resources, such as insurance and also providing the payroll support through the existing Council service.
15. The £269,251 funding required will come from within existing community care budgets which already fund support for people to manage their Direct Payments.

Human Resources Implications

16. This report proposes to establish the following posts on a temporary basis for a period of 18 months:
 - 0.5 FTE Team Manager post, Hay Band D, scp 42-47 (£45,476-£51,417) (subject to job evaluation) plus approved car user status
 - 4 FTE Community Care Officer posts, NJE Grade 5, scp 24-28 (£26,534-£30,239) plus approved car user status.
 - 0.5 FTE Data Technician posts, NJE Grade 4, scp 19-23 (£22,562-£25,676) (subject to job evaluation)
 - 0.5 FTE Administrative Officer post, NJE grade 2, scp 9-13, (£17,085 - £19,497)

Implications for Service Users

17. The current arrangements were established in order to maximise service user choice. Although there are many providers to choose from, one provider currently provides the service to approximately two thirds of people requiring it. Several providers have indicated that they are also considering leaving the accredited list as there is not sufficient work coming to them to make this aspect of their business viable.
18. In response to the consultation exercise, the new service model offers greater choice of support options for service users than is currently available, for example, access to one-off advice for those not requiring on-going support. These new elements will be provided by the Council team. Work will continue with input from a User Led Organisation on service user led support planning and also the role of peer support networks to assist people with Direct Payments.

Ways of Working Implications

19. Office space and equipment will be required for the additional 5.5 FTE temporary staff for 18 months.

RECOMMENDATION/S

It is recommended that the Adult Social Care and Health Committee:

- 1) Note the decision to stop the retender of Direct Payment Support Services
- 2) Approves the decision to bring the service in house on a temporary basis for 18 months.
- 3) Approves the establishment of an additional 5.5 FTE temporary posts for an 18 month period in order to implement the changes required to deliver the new model of Direct Payment support and fully understand the volume and type of service required in the future.
- 4) Agrees to receive an update report in 12 months.

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Constitutional Comments (KK 11/02/2014)

20. The proposals in this report are within the remit of the Adult Social Care and Health Committee.

Financial Comments (KAS 14/02/2014)

21. The financial implications are contained within paragraphs 12-15 of the report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- Direct Payment Support Service report to Adult Social Care and Health Committee, 28 October 2013.

Electoral Division(s) and Member(s) Affected

All

ASCH200