

04 March 2025

Agenda Item:

**REPORT OF SERVICE DIRECTOR, STRATEGIC COMMISSIONING AND
INTEGRATION**

**EXTENSION OF CURRENT DIRECT PAYMENT SUPPORT SERVICE
CONTRACT**

Purpose of the Report

1. To seek approval to implement the first two-year extension of the current contract for the Direct Payment Support Service.

Information

2. Direct Payment Support Services are provided by the Adult Social Care Department as part of its duties under the Care Act 2014 to support recipients of a Direct Payment to meet their care and support needs.
3. The service is available to ensure that those who receive a Direct Payment (DP) are given the option to have support from a third-party company to manage the employment responsibilities associated with having a DP and operationally manage the payments going in and out of the DP account. They also provide bank statements to Adult Care Financial Services to enable account auditing to take place.
4. The current contract was awarded to 5 Direct Payment Support Service providers and commenced on 15th March 2021. The initial contract term was for 4-years which is due to end on 15th March 2025. The contract has the option to apply a four year extension in 2-year increments.
5. The current contract is jointly commissioned between four partners with Nottinghamshire County Council taking the commissioning lead.
 - Nottinghamshire County Council, Adult Social Care
 - Nottinghamshire County Council, Children and Family services
 - Nottingham City Council
 - Nottingham and Nottinghamshire Integrated Care Board (Health)
6. Nottinghamshire Integrated Care Board (ICB) and the Council's Children and Family services are both in agreement to extend the current contract for two years.

7. Nottingham City Council has formally served notice that they are choosing to withdraw from the contract in March 2025.
8. Nottingham City withdrawing from the shared contractual framework would not impact on the remaining commissioning partners, the functioning of the contract more generally, or on the listed Direct Payment Support Services listed on the framework and as such does not negate the option to extend that is available.

Other Options Considered

9. To not extend the current contract and carry out a re-procurement exercise - however this option would require significant commissioning resource and partner agreements as well as the resource required to enact any change of provision. The current service model meets the requirements of both the commissioning authorities and direct payment recipients and as such no change to the current contract or service specification or deemed to be required at this time.

Reason/s for Recommendation/s

10. The five Direct Payment Support Services have been providing this service for 4 years (including prior to the existing contract).
11. It is a priority of Adult Social Care to continue to grow the proportion of care delivered using a Direct Payment, having a mature Direct Payment Support Service offer is essential to this.
12. Direct Payment Support Services are responsive to carrying out all aspects of the specification as and when required.
13. There is no option to cease provision totally due to statutory duties.
14. The Council have, over the contract term, built good working relationships with each Direct Payment Support Service provider.

Potential Risk to consider

15. There are 5 contracted Direct Payment Support Services, whilst the contract is the same they are individually signed which represents individual contracts. Not all Direct Payment Support Service providers may wish to agree to the extension. The risk to this would be, operationally we would need to transfer Direct Payment Recipients to another Direct Payment Support Service on the framework. This was discussed as part of contract monitoring meetings with all providers and all confirmed they have capacity to accept new referrals.
16. There isn't an additional financial cost for these transfers, it would just require operational team resource to support a transition period from one provider to another. All Direct Payment Support Services have been notified of the intention to extend the contract with sufficient notice period. All Direct Payment Support Service's replied with acceptance of the intention of extension.

Statutory and Policy Implications

17. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment 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

18. The total contract spend (between Adult Social Care, ICB and the Council's Children and Family services) on Direct Payment Support Services during 2024 was £541,000. Of this £415,018 was for Adult Social Care.

19. The recommended extension would mean an additional two years of the contract at a cost of, just over £830,000 to Adult Social Care (if referrals were to remain consistent as in the year of 2024).

20. If the contract is to be extended there are no changes or implications to Direct Payment recipients as the cost remains to be included as part of their Direct Payment.

21. If a Direct Payment Support Service provider didn't agree to the extension of contract, there wouldn't be any additional financial implication to this as once a service has ceased with one provider the new provider would then be paid, this is just a transfer of service.

RECOMMENDATION/S

That the Executive Director

1) approves the contract extension for the two-year period permissible within the contract commencing 15th March 2025.

Katy Ball, Service Director, Strategic Commissioning and Integration

For any enquiries about this report please contact: Laura Chambers, Commissioning Manager, Support Independence, 0115 993 256, laura.chambers@nottsc.gov.uk or Lea Butterworth, Senior Commissioning Officer, 0115 977 3514.

Constitutional Comments (LPW 18.03.2025)

22. The recommendation falls within the remit of the Executive Director, Adult Social Care and Health by virtue of ASCH.1 of the Scheme of Delegation to Officers.

Financial Comments (MM 13/03/25)

23. The cost of extending the contract to the Adults Department is £830,000 over two years, as long as referral levels remain consistent. This is in line with previous years' costs and can be contained within existing budgets.

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.

Electoral Division(s) and Member(s) Affected

- All