

Decision Maker: **LEADER**
WITH PRE-DECISION SCRUTINY FROM ADULT CARE AND HEALTH
SERVICES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE
24 NOVEMBER 2020

Date: **November 2020**

Decision Type: Non-Urgent Executive Key

Title: **AWARD REPORT - DIRECT PAYMENTS SUPPORT AND
PAYROLL SERVICE CONTRACT**

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Chief Officer: Kim Carey – Director of Adults Social Care

Ward: All

1. REASON FOR REPORT

- 1.1 This report seeks Approval from The Leader, with pre decision scrutiny from the Adult Care & Health Policy & Development Scrutiny Committee, to award a contract for the Direct Payments Support and Payroll Service, following the expiry of the existing contracting arrangements on 7 April 2021. The service has been exposed to competition via an OJEU compliant tender. Permission to tender was sought via a Gateway Report (ACH19003) approved by Executive on 18 September 2019.
- 1.2 In commissioning a Direct Payments Advice, Support and Payroll Service, the Council seeks to achieve the provision of:
- an independent advice, support and payroll service to people from all care groups that are eligible to use Bromley's direct payments scheme;
 - support to people who are directly employing their own Personal Assistant or those who are paying another organisation or agency to provide their support;
 - support that is variable and appropriate to the personal needs of each client in consultation with the Council's Care Management team and in accordance with the clients care assessment;
 - support in the home environment and where possible and appropriate, using the client's own network of support to maximise value and achieve the best outcomes for clients;

- support to enable clients to exercise freedom and choice to enable them to live as independently as possible.

- 1.3 A Direct Payment (DP) allows people eligible for social services support to receive cash payments from their local authority instead of care services and gives people much more flexibility and greater choice and control on how their support service is arranged. The DP Support and Payroll Service Contract enables the Council to fulfil its statutory duty to provide DP as well as meeting its target to increase DP take up in Bromley.
- 1.4 This report includes all of the information regarding the service and tender that are not considered to be 'commercially sensitive'. The bidders details, score and tender prices are included in the accompanying Part 2 report.
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2. RECOMMENDATION(S)

- 2.1 The Adult Care and Health Services Policy Development Committee is asked to consider the report prior to decision by the Leader.
- 2.2 The Leader is recommended to:
- i) approve award of a contract for the Direct Payments Support and Payroll Service as per the recommendation in the accompanying Part 2 report. Subject to approval, the contract will commence from 8 April 2021 for a period of 5 years with an option to extend for up to two years on a one plus one basis.
 - ii) grant delegated authority to the Director of Adult Services to approve the extension options, subject to Agreement with the Portfolio Holder and relevant Officers as determined by the Contract Procedure Rules.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Support under this contract will be available for all adults, children and young people who have or an interested in meeting their care and support needs via a direct payment.
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Corporate Policy

1. Policy Status: Existing Policy
2. BBB Priority: Supporting Independence

Financial

Cost of proposal:

2. Ongoing costs: included in the Part 2
 3. Budget head/performance centre: included in the Part 2
 4. Total current budget for this head: included in Part 2
 5. Source of funding: Council's General Fund
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Staff

1. Number of staff (current and additional): NA There are no London Borough Bromley employed staff affected by this contract extension.

The contract is monitored by the Council and Liberata staff

2. If from existing staff resources, number of staff hours: NA
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Legal

1. Legal Requirement: Supports Statutory Requirement (3.2 below)
 2. Call-in: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): March 2019 there were 351 Registered employers (Service Users)
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

- 3.1 The Gateway Report (ACH19003) was presented to Executive committee in September 2019. The report requested approval to commence a formal tender process and outlined the proposed commissioning strategy for the tendering of a new Direct Payments Support and Payroll Service that would ensure continuity of these important support functions when the contracts expire on 7 April 2021.
- 3.2 The Direct Payments Support and Payroll Service enables the Council to fulfil its statutory duty to provide Direct Payments under sections 31 to 33 of the Care Act 2014, and the Care and Support (Direct Payments) Regulations 2014.
- 3.3 Following Executive approval, a formal tender process for a Direct Payments Support and Payroll Service Contract commenced, with the objective to ensure a new a new service is commissioned at the end of the current contract. The new service will commence on 8 April 2021 for a period of 5 year with an option to extend for up to two years on a one plus one basis .
- 3.4 **The Tender Process**
- 3.5 The tender was carried out with support from Corporate Procurement in line with the Council's Contract Procedure Rules and compliance with all OJEU requirements . A two stage tender process commenced, with nine bidders submitting a selection questionnaire. Three of those bids failed to meet the quality threshold and were not taken through to stage 2 and six bidders were invited to participate in stage 2. There were subsequently six shortlisted bids, however, three did not respond to the invitation to tender. Those bidders were contacted via ProContract to ascertain the reason why they did not submit a bid, but no response has been received. The final three bidders submitted a bid that were evaluated to the stated criteria.
- 3.6 The bids were evaluated on a 60% finance and 40% quality split and the results of the evaluation process is detailed in the Part 2 report.
- 3.7 The evaluation of quality was based on the following criteria following approval by the Head of Procurement:

Question & % of Total Score	
1. Mandatory Finance Question (5%)	6. Safeguarding and Whistleblowing (10%)
2. Mandatory GDPR Question (10%)	7. Risk Management (10%)
3. Service Delivery and Organisational Structure (15%)	8. Quality Assurance (10%)
4. Innovation and Social Value (10%)	9. Service Demand (10%)
5. Service Development (10%)	10. Conflict of Interest (10%)

- 3.8 The overall weightings for this contract evaluation were set to identify the Most Economically Advantageous Tender (MEAT) and deliver the best possible combination of whole-life cost and quality to meet the Council's requirements.
- 3.9 The evaluation of the bids were undertaken by a panel of Officers from both a commissioning and operational perspective.
- 3.10 As part of the evaluation the three providers were invited to attend an online clarification interview to discuss their tender submission.

- 3.11 One provider failed to attend the clarification interview, although they had previously accepted the invitation to attend, so were subsequently ruled out of the tendering process as non-compliant. The final evaluation score for the two remaining bids are included in the Part 2 report.
- 3.12 The result of the evaluation process is shown in the Part 2 report which contains the detailed scoring.

4. DESCRIPTION OF SERVICE AND SUMMARY OF THE BUSINESS CASE

- 4.1 Direct Payments (DP) are sums of money (personal budgets) paid to people who have been assessed by the local authority as meeting the eligibility criteria for care services. A DP allows people to receive cash payments from their local authority instead of care services and gives people much more flexibility and greater choice and control on how their support service is arranged.
- 4.2 The DP Support and Payroll Service Contract enables the Council to fulfil its statutory duty to provide DP as well as meeting its target to increase DP take up in Bromley.
- 4.3 A Direct Payment can be used to purchase the following:
- Personal Care;
 - Domiciliary Care;
 - Short Term Breaks (Respite);
 - Day Care;
 - Assistance to attend an activity; or
 - Services including equipment to help meet people's assessed needs.
- 4.4 **The Direct Payments Support Service**
- 4.5 This service, directly commissioned by the London Borough of Bromley includes the following elements:
- **Information and advice** regarding DP to new and existing service users
 - **Innovative Support Planning** (Self Directed Support) putting the person at the centre of the support planning, ensuring choice and control over how their individual budget will meet their assessed needs and outcome. This will include the DP user linking with other self-directed, community based services
 - **Finding Personal Assistants 'PA's'** - people who provide flexible care and support, based on individual needs.
 - Helping people identify personal assistants in their own network;
 - Complete references and Disclosure and Barring checks so they are ready to start work
 - In addition, advertising locally for a personal assistant for a particular person if the other two routes are not fruitful.
 - **Payroll Service** for DP users to pay their personal assistant includes:
 - A general offer including managing timesheets, payroll, tax and pension payments, or
 - Fund holding - A fully-managed, account-holding service where all the funds are managed by the payroll service, where there is no one else available to do this and

includes holding funds in individual accounts on behalf of Service Users, payment to employees and HM Revenues & Customs.

- 4.6 The current contract was awarded to Vibrance following a competitive tender and commenced in April 2017 for a period of two years with the option to extend up to a further two years on a 1 year +1 year basis. The contract is now in its final +1 year extension period that commenced on 8 April 2019 – 7 April 2021.
- 4.7 The new Direct Payments Support and Payroll Service Contract will support the Council in meeting its statutory duty in providing Direct Payments under the Care Act, Care and Support (Direct Payments) Regulations 2014. The service will support people to have choice, control and independence in choosing the service that meets their individual needs.

5. CONTRACT AWARD RECOMMENDATION

- 5.1 Detail is provided in the accompanying Part 2 report.
- 5.2 The proposed contract period is from 8 April 2021 to 7 April 2026 with an option to extend up to a further two years on a 1 year + 1 year period.
- 5.3 The provider recommended for contract award demonstrated the highest overall scoring using the agreed price / quality matrix. In addition, each of the bidders were invited to a clarification interview, where they were required to clarify areas of their bids that needed clarification to the Panel.

6. MARKET CONSIDERATIONS

- 6.1 Following benchmarking with other local authorities, it was evident that there were a range of other Direct Payments Support and Payroll Service providers who could potentially tender for a future service. Consequently providers were invited to attend a market engagement event which took place in January 2020.

7. STAKEHOLDER ENGAGEMENT

- 7.1 Feedback on the current service was sought from the Council's Direct Payments Champions on all areas of support provided during the Direct Payments Review and at Self-Directed Support group Meetings. Feedback was as follows:
- Recruitment of Personal Assistant - Linkup register, it was felt that the Link Me Up register is needed as it provides a list of PAs in the locality and it would be harder to source PAs without Linkup.
 - Advice and Support to new and existing clients – in areas such as Tax, National Insurance, HMRC and Payroll
 - Payroll Services (general and fund holding managed service) – without this function, the employer (Service User) would have to do their own monitoring which is burdensome. There would be a higher risk of mismanaging surplus and the Service User would have no one to consult with on complex matters
 - Promotion of Direct Payments – It is a major selling point that Bromley commission these services, without this we cannot promote DP as effectively and we cannot offer as much reassurance to potential Service Users/employers.

- 7.2 In order to stimulate the market prior to tender, provider events were held and feedback from the providers informed the revised service specification

8. SUSTAINABILITY AND IMPACT ASSESSMENTS

- 8.1 The Council recognises that people with a social care need may require help to plan what outcomes they want to achieve with their DP as well as support to manage their budget and ensure they are fulfilling their legal and financial responsibilities as an employer. The provision of appropriate accessible Direct Payments Support and Payroll service is a key element in successfully implementing the DP scheme in Bromley.
- 8.2 The Direct Payments service supports the Council in meeting their statutory duty and vision by helping people to maximise their independence, giving them choice and control about who and how their care services are delivered to help them to remain healthy and safe in their own home for as long as possible.
- 8.3 No groups are considered to be disadvantaged by the proposals in this report.

9. POLICY CONSIDERATIONS

- 9.1 The Direct Payment Support and Payroll service is designed to meet the Council's objectives within 'Building a Better Bromley' to support independence within the community, particularly for vulnerable people. The service enables the Council to fulfil its statutory duty to provide Direct Payments under sections 31 to 33 of the Care Act 2014, and the Care and Support (Direct Payments) Regulations 2014

10. IT AND GDPR CONSIDERATIONS

- 10.1 The contract has been updated to ensure it is GDPR compliant.
- 10.2 The internal business process is under review and we are working with the current provider to optimise how we deliver Direct Payments in Bromley.

11. PROCUREMENT RULES

- 11.1 Detailed within the accompanying Part 2 report.

12. FINANCIAL CONSIDERATIONS

- 12.1 Detailed within the accompanying Part 2 report.

13. PERSONNEL CONSIDERATIONS

- 13.1 Not applicable

14. LEGAL CONSIDERATIONS

- 14.1 Detailed in the accompanying Part 2 report.

Non-Applicable Sections:	[List non-applicable sections here]
Background Documents: (Access via Contact Officer)	[Title of document and date]