



Haringey Council

7

Agenda item:

[No.]

Cabinet Procurement Committee

On 25<sup>th</sup> November 2008

Report Title: **Social Care Spot Contracts (1<sup>st</sup> April 2007 – 31<sup>st</sup> March 2008)**

Forward Plan reference number (if applicable): Not applicable

Report of: **The Director of Adult, Culture & Community Services**

Wards(s) affected: **All**

Report for: **Non Key Decision**

**1. Purpose**

- 1.1 To inform Members of the level of spot contracting over the period 1<sup>st</sup> April 2007 to 31<sup>st</sup> March 2008.
- 1.2 To provide Members with benchmarking information.

**2. Introduction by Cabinet Member (if necessary)**

- 2.1 The Cabinet Member for Adult Services notes the slight increase in the value of spot contracts and the explanation as to why this has occurred.
- 2.2 The Cabinet Member also notes that this is likely to be an ongoing trend due to the implementation of the Government's Personalisation Agenda.

**3. Recommendations**

- 3.1 That Members note the contents of the report.

Report Authorised by: **Mun Thong Phung, Director of Adult, Culture & Community Services**

Contact Officer: **Barbara Nicholls, Head of Commissioning, Adult, Culture & Community Services – X3328**

**4. Chief Financial Officer Comments**

- 4.1 The report indicates a decrease of 9.4% in the number of spot contracts between

2006/07 and 2007/08. The number of placements under block contracts did not change significantly between the two years.

#### **5. Head of Legal Services Comments**

- 5.1 The services which are covered in this report are not subject to the full application of the Public Contracts Regulations 2006, so there is no requirement to follow a European tendering exercise.
- 5.2 In addition 'spot' contracts are not subject to the Council's tendering requirements contained in Contract Standing Order 8 to 11.
- 5.3 There is a requirement in Contract Standing Order 6.13 (d) for the Director of Adults, Culture & Community Services to submit reports to the Cabinet detailing the nature, extent and value of 'spot' contracts entered into.
- 5.4 The Head of Legal Services notes the contents of the report and advises that the Corporate Legal Service should be consulted in relation the preparation of contract documentation.

#### **6. Head of Procurement Comments (to be added only if the report is progressing to Procurement Committee or if the report requires this information)**

- 6.1 This report shows that Haringey is achieving VFM on its spot purchasing of Residential and nursing care for older people. The benchmarking information shows Haringey as averaging the 3<sup>rd</sup> best prices across the market.
- 6.2 The increase in the purchase of spot placements is due to the termination of block contracts, as explained in 13.7 and 13.8

#### **7. Local Government (Access to Information) Act 1985**

- 7.1 Not applicable

#### **8. Strategic Implications**

- 8.1 The Government's Personalisation Agenda will radically change the way in which services are provided to clients. These changes will almost certainly negate the need for Haringey to maintain the current level of block contracts.
- 8.2 The Council is required to have fully implemented the Personalisation Agenda by March 2011.

#### **9. Financial Implications**

- 9.1 Financial forecasting will form a major part of the Council's preparation for implementation of the Government's Personalisation Agenda.

#### **10. Legal Implications**

- 10.1 Not applicable.

## **11. Equalities Implications**

11.1 Not applicable

## **12. Consultation**

12.1 Not applicable

## **13. Background**

- 13.1 Contracts for individuals are either 'block' contracts (where a set number of beds or places for services is provided by the contractor at a predetermined price to which the Council may refer users over the contract period), 'framework' contracts (with a predetermined price, which are similar to block contracts but with no guaranteed number of places) or 'spot' contracts (one off contracts meeting an individual's needs). Efforts are made to maximise the use of block and framework contracts where this represents best value for the Council.
- 13.2 The Council is currently preparing to implement the Government's Personalisation Agenda by the required date of March 2011. This will have a direct impact on the Directorate's Commissioning Strategy and the use of block and spot contracts. The Department of Health has issued guidance to support the *Transformation of social care*. It covers:
- The history and policy context and future direction of a 'personalised approach to the delivery of adult social care'
  - The proposed development of a programme to support social services authorities in delivering this approach covering the new way of working and the roles and responsibilities of national agencies as well as individual social services agencies
  - The Social Care Reform Grant introduced in April 2008 to facilitate the transformation
  - References to further information and toolkits to help achieve personalisation
- 13.3 The Guidance makes clear that the outcomes emerging from this transformation process will be expected to support the DH's three strategic objectives of:
- Promote better health and well-being for all (PSA 18)
  - Ensure better care for all (PSA 19)
  - Better value for all (DH DSO)
- 13.4 Working in partnership towards prevention
- 13.4.1 The guidance emphasises the need to achieve the transformation of social care by working across boundaries to include services such as: housing, benefits, leisure, transport and health; and with partners from private, voluntary and community organisations 'to harness the capacity of the whole system'.
- 13.4.2 The aim is to ensure a strategic balance of investment in prevention services, which promote independence as well as providing intensive care and support for those with high-level complex needs.
- 13.4.3 The new Joint Strategic Needs Assessment, the Local Performance Framework and Local Area Agreement are seen as fundamental to achieving the vision.

### 13.5 Timescale

The guidance states that by March 2011, people who use services and their carers, frontline staff and providers should experience significant progress in all local authority areas. The DH expects improvements to be evident between now and then.

13.6 Implementation will require a complete change to the way the Council currently provides Social Care Services to residents which will require wide consultation with stakeholders, new processes to be developed and staff trained in usage of same. In the meantime the Council will need to continue to provide services.

13.7 The table below shows that there has been a slight increase in the cost of spot contracts for the period covered by this report the main reason for this being, as Members are aware, it was considered to be in the best interest of the Council to allow block contracts for the provision of culturally specific day care to expire on 31<sup>st</sup> March 2007 and to spot purchase such services as and when necessary.

<b>Summary : Adults &amp; Older People Spot Contracts</b>		<b>2007/2008</b>	<b>2006/2007</b>	<b>Change</b>	<b>%</b>
	<b>Spot Nos</b>	1123	1224	-101	-8.25
	<b>Value £</b>	£24,074,500	£23,782,555	£291,945	+1.23

13.8 It should be noted that if the Day Care Contracts referred to in paragraph 13.7 are excluded from the above calculations there would have been a decrease of 9.4% in the numbers and 0.5% in the cost of spot contracts. It should also be noted that these reports do not show a true cost comparison due to the annual inflationary uplift awarded to providers which was 1.5% for 2007/08.

13.9 Contract Standing Order 6.13 authorises the Director of Adults, Culture & Community Services to award spot contracts whilst requiring that reports on the level of usage are provided to the Executive Procurement Committee.

13.10 In September 2007 Members agreed to accept annual benchmarking figures to allow analysis with regard to value for money with particular emphasis on comparison with London authorities that have achieved three star status for performance of adult social care. These figures are set out at Appendix A.

## 14 Conclusion

14.1 The purpose of this report is to inform Members of the level and value of spot contracting for the period of 1<sup>st</sup> April 2007 to 31<sup>st</sup> March 2008.

14.2 Previously there have been year on year decreases in the level and value of spot contracting. This report shows a slight increase however paragraphs 13.7 and 13.8 give an explanation for this.

14.3 It should be noted that due to the Government's Personalisation Agenda it is almost certain that it will be necessary for the Council to increase the use of spot contracts in the future.

**15 Use of Appendices / Tables / Photographs**

15.1 Appendix A – Benchmark Table

15.2 Appendix B – Comparison between volume/cost of spot contracts in 2006/07 and 2007/08



Haringey Council

**APPENDIX A – Benchmark table**

3 Star Authority	Gross Weekly Fee (Older People) Residential	Gross Weekly Fee (Older People) Nursing	Gross Weekly Fee (Older People) EMI Residential	Gross Weekly Fee (Older People) EMI Nursing	Eligibility Criteria Threshold
Barking & Dag	£450 (max)	£570 (max)	£470 (min) £532 (max)		S
Bexley					S
Camden	£480 (min)	£800 (min)	£500 (min)	£620 (min)	M
City of London	£335 (min) £824 (max)	£533 (min) £1111 (max)	£624 (min) £778 (max)	£678 (min) £822 (max)	S
Croydon					
Ealing					
Ham & Fulham					
Hounslow	£323 (min) £530 (max)	£442 (min) £626 (max)	£635 (min) £597 (max)	£480 (min) £652 (max)	
Islington					
Ken & Chelsea					
Redbridge	£466 (min) £554(max)	£583 (min) £625(max)		£583 (min) £583 (max)	S
Rich upon Thames					
Southwark	£300 (min) £459 (max)	£500 (min) £671 (max)	£487 (min) £503 (max)	£500 (min) £709 (max)	S
Tower Hamlets	£440 (min) £504 (max)	£613 (min) £646 (max)	£472 (min) £504 (max)	£647 (min) £656 (max)	S
Westminster	£513 (min) £513 (max)	£624 (min) £624 (max)	£513 (min) £513 (max)	£624 (min) £624 (max)	M
<b>2 Star Authority</b>					
Barnet					S
Bromley	£385 (min) (shared) £420 (max)	£570 (min) (shared) £590 (max)	£450 (max)	£590 (max)	S

Hackney							
Hillingdon	£461 (max)	£614 (max)			£635 (max)		
Kingston upon Thames	£390 (min) £402 (max)	£507 (min) £537 (max)	£437 (min) £437 (max)		£580 (min) £650 (max)		S
Lambeth							
Lewisham							
Merton							
Sutton	£406 (max)	£550 (max)	£419 (max)		£574 (max)		
Waltham Forest	£464 (max)	£680 (max)	£590 (max)		£680 (max)		S
Wandsworth	£405 (min) £540 (max)	£562 (min) £649 (max)	£481 (min) £540 (max)		£581 (min) £675 (max)		S
Haringey	£430 (max)	£564 (max)	£482 (max)		£615 (max)		S

Eligibility Criteria Key:

L	Low
M	Moderate
S	Substantial
C	Critical:

There is an informal agreement between local authorities within the North London Procurement Group that all authorities will respect the benchmark figure of the host borough when placing clients to avoid bidding wars and ensure availability of local beds where possible.

## APPENDIX B – Comparison between volume/cost of spot contracts in 2006/07 and 2007/08

It should be noted that a like for like comparison is not possible for 2006/07 and 2007/08 due to a change in the way services were recorded on the electronic social care record (framework-i) in November 2007. However similar services have been grouped together for the purposes of comparison.

Service 2006/07	Data	Total	Unit cost per client	Service 2007/08	Data	Total	Unit cost per client
<b>(a) Miscellaneous service type</b>							
Adult placement scheme LD	No. of clients Expenditure 2006-07	11 £125,699	£11,427.19	Adult placement scheme	No. of clients Expenditure 2007-08	12 £158,157	£13,179.75
Bed & Breakfast (Asylum Seekers)	No. of clients Expenditure 2006-07	2 £15,992	£7,996.00	Hostels and other temporary accommodation-adult	No. of clients Expenditure 2007-08	3 £14,903	£4,967.67
Clothing (Adults)	No. of clients Expenditure 2006-07	2 £100	£50.00	Not captured in this way for 2007/08			
Not captured in this way for 2006/07				Counselling	No. of clients Expenditure 2007-08	6 £9,965	£1,660.77
Not captured in this way for 2006/07				Equipment and Adaptations - migrated	No. of clients Expenditure 2007-08	2 £2,794	£1,397.18
Other professional support	No. of clients Expenditure 2006-07	13 £27,972	£2,151.66	Other professional support	No. of clients Expenditure 2007-08	6 £31,790	£5,298.26



Service 2006/07	Data	Total	Unit cost per client	Service 2007/08	Data	Total	Unit cost per client
Single grant payments(adults)	No. of clients Expenditure 2006-07	1 £20	£19.60	Not captured in this way for 2007/08			
Support Worker	No. of clients Expenditure 2006-07	15 £25,919	£1,727.96	Support Worker	No. of clients Expenditure 2007-08	4 £28,589	£7,147.16
Supported Housing	No. of clients	7	£14,925.92	Supported housing	No. of clients Expenditure 2007-08	3 £43,008	£14,336.07
				Learning Disability Supported Housing	No. of clients Expenditure 2007-08	5 £191,135	£38,226.93
Training College	No. of clients Expenditure 2006-07	4 £104,481	£27,255.85	Mental Health Supported Housing	No. of clients Expenditure 2007-08	5 £32,526	£6,505.24
				Training College	No. of clients Expenditure 2007-08	7 £347,173	£49,596.08
Transport	No. of clients Expenditure 2006-07	14 £27,922	£1,994.43	Not captured in this way for 2007/08 - included as part of care package			
Transport to Residential Care	No. of clients Expenditure 2006-07	1 £220	£220.00	Not captured in this way for 2007/08 - included as part of placement package			
<b>TOTAL NUMBER OF MISCELLANEOUS (SPOT PURCHASE) SUM OF</b>		<b>70</b>	<b>£6,247.84</b>	<b>TOTAL NUMBER OF MISCELLANEOUS (SPOT PURCHASE) SUM OF</b>		<b>53</b>	<b>£16,227.15</b>
<b>MISCELLANEOUS (SPOT PURCHASE)</b>		<b>437,349</b>		<b>MISCELLANEOUS (SPOT PURCHASE)</b>		<b>£860,039</b>	

Service 2006/07	Data	Total	Unit cost per client	Service 2007/08	Data	Total	Unit cost per client
<b>(b) Day Care</b>							
Day Care	No. of clients	78	£11,695.79	LD Day Care	No. of clients	66	£14,322.51
	Expenditure 2006-07	£912,271			Expenditure 2007-08	£945,286	
Day Sitting	No. of clients	6	£6,962.99	MH Day Care	No. of clients	8	£3,223.01
	Expenditure 2006-07	£41,778			Expenditure 2007-08	£25,784	
				OP Day Care	No. of clients	102	£2,850.54
					Expenditure 2007-08	£290,755	
				PD Day Care	No. of clients	16	£4,535.09
					Expenditure 2007-08	£72,562	
				Substance Misuse Day Care	No. of clients	21	£2,093.86
					Expenditure 2007-08	£43,971	
	<b>TOTAL NUMBER OF DAY CARE USERS (SPOT PURCHASE) SUM OF DAY CARE USERS (SPOT PURCHASE)</b>	<b>84</b>	<b>£11,357.73</b>		<b>TOTAL NUMBER OF DAY CARE USERS (SPOT PURCHASE) SUM OF DAY CARE USERS (SPOT PURCHASE)</b>	<b>213</b>	<b>£6,471.16</b>
		<b>954,049</b>				<b>£1,378,357</b>	

<b>(c) Home Care</b>							
Domestic Home Care	No. of clients	106	£9,103.68	LD Home Care	No. of clients	4	£18,584.92
	Expenditure 2006-07	£964,990			Expenditure 2007-08	£74,340	
Intensive Cleaning	No. of clients	8	£709.38	MH Home Care	No. of clients	1	£13,014.96
	Expenditure 2006-07	£5,675			Expenditure 2007-08	£13,015	
Personal Home Care	No. of clients	74	£6,281.55	OP Home Care	No. of clients	6	£12,095.98
	Expenditure 2006-07	£464,835			Expenditure 2007-08	£72,576	
Live In Carers	No. of clients	5	£11,959.62	PD Home Care	No. of clients	5	£38,441.02
	Expenditure 2006-07	£59,798			Expenditure 2007-08	£192,205	

Service 2006/07	Data	Total	Unit cost per client	Service 2007/08	Data	Total	Unit cost per client
	TOTAL NUMBER OF HOME CARE USERS (SPOT PURCHASE) SUM OF HOME CARE USERS (SPOT PURCHASE)	193	£7,747.65	TOTAL NUMBER OF HOME CARE USERS (SPOT PURCHASE) SUM OF HOME CARE USERS (SPOT PURCHASE)	16	£22,008.48	
		1,495,297				£352,136	

**(d) Care home placements**

EMI Nursing Placement	No. of clients Expenditure 2006-07	9 £94,813	£10,534.81	LD Nursing Home	No. of clients Expenditure 2007-08	12 £984,242	£82,020.21
EMI Nursing Respite	No. of clients Expenditure 2006-07	2 £1,908	£954.10	LD Residential Care	No. of clients Expenditure 2007-08	150 £8,179,274	£54,528.49
Interim care home placement (Residential)	No. of clients Expenditure 2006-07	1 £1,131	£1,131.43	LD Residential respite	No. of clients Expenditure 2007-08	6 £126,508	£21,084.64
Interim care home placement, Nursing	No. of clients Expenditure 2006-07	1 £2,559	£2,559.46	MH Nursing Home	No. of clients Expenditure 2007-08	12 £300,921	£25,076.76
Intermediate care (rehab) Residential	No. of clients Expenditure 2006-07	21 £125,845	£5,992.64	MH Nursing respite	No. of clients Expenditure 2007-08	1 £1,080	£1,080.00
Nursing care	No. of clients Expenditure 2006-07	131 £3,097,464	£23,644.76	MH Residential Care	No. of clients Expenditure 2007-08	134 £3,656,724	£27,288.98
Nursing care (S28A)	No. of clients Expenditure 2006-07	4 £83,040	£20,760.05	OP Nursing Home	No. of clients Expenditure 2007-08	82 £1,699,842	£20,729.78
Nursing Respite for carer	No. of clients Expenditure 2006-07	8 £20,204	£2,525.44	OP Nursing respite	No. of clients Expenditure 2007-08	4 £9,793	£2,448.21

<b>Service 2006/07</b>	<b>Data</b>	<b>Total</b>	<b>Unit cost per client</b>	<b>Service 2007/08</b>	<b>Data</b>	<b>Total</b>	<b>Unit cost per client</b>
Nursing Respite for carer (S28A)	No. of clients Expenditure 2006-07	1 £1,339	£1,339.29	OP Residential Care	No. of clients Expenditure 2007-08	285 £4,794,492	£16,822.78
Residential Care	No. of clients Expenditure 2006-07	568 £16,545,884	£29,130.08	OP Residential respite	No. of clients Expenditure 2007-08	26 £40,142	£1,543.92
Residential Care (S28A)	No. of clients Expenditure 2006-07	11 £241,095	£21,917.74	PD Nursing Home	No. of clients Expenditure 2007-08	23 £553,627	£24,070.74
Residential Care EMI	No. of clients Expenditure 2006-07	31 £296,750	£9,572.56	PD Nursing respite	No. of clients Expenditure 2007-08	5 £36,631	£7,326.23
Residential Respite Care	No. of clients Expenditure 2006-07	70 £242,832	£3,469.03	PD Residential Care	No. of clients Expenditure 2007-08	24 £672,467	£28,019.47
Residential Respite care (S28A)	No. of clients Expenditure 2006-07	6 £121,714	£20,285.71	PD Residential respite	No. of clients Expenditure 2007-08	19 £109,152	£5,744.87
Residential Respite EMI	No. of clients Expenditure 2006-07	12 £17,781	£1,481.73	Substance Misuse Residential	No. of clients Expenditure 2007-08	2 £21,792	£10,895.86
Step down Residential EMI	No. of clients Expenditure 2006-07	1 £1,500	£1,500.00	Substance Misuse Respite	No. of clients Expenditure 2007-08	56 £297,281	£5,308.59
	<b>TOTAL NUMBER OF CARE HOME USERS (SPOT PURCHASE) SUM OF CARE HOME USERS (SPOT PURCHASE)</b>	<b>877</b> <b>£20,895,860</b>	<b>£23,826.52</b>		<b>TOTAL NUMBER OF CARE HOME USERS (SPOT PURCHASE) SUM OF CARE HOME USERS (SPOT PURCHASE)</b>	<b>841</b> <b>£21,483,968</b>	<b>£25,545.74</b>

(e) summary

Service 2006/07	Data	Total	Unit cost per client	Service 2007/08	Data	Total	Unit cost per client
	Total No. of clients	1,224	£19,430.19		Total No. of clients	1,123	£21,437.67
	Total Expenditure 2006-07	£23,782,555			Total Expenditure 2007-08	£24,074,500	