

Business Case and Project Plan

Project Name	Transferring the Direct Payment Support Service In house		
SRO (Sponsor)	Keith Skerman		
Project Manager			
Financials verified by			
Project Start date	October 2009		

Decision Summary			
What is the Executive asked to approve?			
<ul style="list-style-type: none"> To bring the Direct Payment Service In House when the current contract with Penderels Trust ("Penderels") terminates. 			
Why is this approval being sought?			
To allow a review of the support required by service users with Self Directed Support including direct payments, advocacy, information and brokerage			
To ensure that a Direct Payment ("DP") support service continues for service users after the current contract terminates.			
To take greater control of the Direct Payments Support Service and related costs at a time when demand for the service is increasing rapidly and unpredictably			
What investment is required?			
No new investment at this stage is required. The proposed review report may identify additional investment required for the range of services involved and sources from efficiencies or other sources.			
The current DP support service contract costs £128,737 per year. This is funded from the Physical Disabilities care management budget. In addition the Managed Account Service costs c£13,685 (the cost fluctuates as the number of managed accounts varies). The total spend for the current year will therefore be in the region of £142,422			
It had been intended to set up a new direct payment contract which was anticipated to cost in the region of £300,000 per year due to increasing demand for the service. The intention was that this would be split between existing care management budgets in ACM, LD and BMHS and Children and Families. This will still be the case. It is not anticipated that there will be additional costs above the existing budget involved in bringing the service in house or in carrying out the review.			
Project Description – Our desired outcomes are:			
Bringing the service in house will allow us to:			
<ul style="list-style-type: none"> Carry out a time-limited and strategic review to look at the size and nature of future demand 			

for all Self Directed Support (“SDS”) support services including brokerage, advocacy and direct payment support without the pressure of a contract re-tendering project timetable

- Ensure a good quality service Direct Payment Support Service is maintained to the users of the Direct Payment Service during the period of review
- Improve our control of the quality, costs, priorities and future direction of the Direct Payment Support Service
- Improve alignment of the service with care management, financial assessments and financial monitoring to improve the quality of the information available to care managers and finance staff and improve the standard of the service provided to service users
- Ensure alignment with any brokerage services which are developed during the pilot of personal budgets
- Consider the benefits of an in-house service compared to an externally procured service

Context

Adult social care services in England are facing two key challenges:

Higher expectations of service users.

Demographic changes that are placing increasing demands on the social care system.

Service users are demanding greater choice and control over the planning and delivery of their support. In addition, greater life expectancy combined with an increase in complex cases is leading to a growing recognition of the inability of the existing model to cope with future need.

The Brent Adult Social Care Transformation Programme is a departmental-wide programme with the following aims

- To transform the lives of people who need our support so that they enjoy maximum control over their own destinies and achieve best outcomes in their everyday lives.
- For those who need personal support, to transform social care in Brent into a system of Self Directed Support.
- To help people achieve wellbeing by reducing barriers which prevent people from accessing mainstream services, including transport, housing, leisure, work and financial services

Some key targets for the ASC transformation programme are:

- To ensure we have 50% less people in Residential Care by 2010
- To ensure we have 50% of our service users on Self Directed Support by the end of 2010/11- our target is a minimum of 3157 people
- Care Management role will be to support people in achieving independence and control over their lives
- A significant increase in Direct Payments across all service user groups. At August 31st 2009 570 people were either receiving a Direct Payment, or had been referred for one, compared to 450 in 2008/9.

The situation with regard to Self Directed Support and Direct Payments has moved on significantly since the contract to be re-tendered was specified. We have set the challenging target of enabling at least 3157 people to be on Personal Budgets by March 2011. Personal budgets have just started to be piloted and it is clear from the work undertaken so far that enabling large numbers of people to have more choice and control of their services will require not only an effective Direct Payment service, but also brokerage, advocacy, information and other services to support people.

The existing contract with Penderels for the Direct Payment Support Service plays an important part in helping us to deliver these targets and improve choice and control for people in Brent. The service specification includes practical training and support to those service users who want to set up their own care arrangements, about establishing personal care arrangements, recruiting carers and advice on payroll and financial management. The contractor also provides a payroll and managed account service and a DP user forum. The contractor is required to work closely with Council's care managers to actively promote and raise the profile for the service within Brent. The current service is now used by c500 people every year. 34 people use the Penderels managed account service. Numbers have increased significantly over the past 2 years as personalisation has become a departmental priority. However, we are now clear that supporting people with their Direct Payments will in future form only part of the work required to support SDS and re-tendering of this contract with approximately the same specification but increased capacity will not achieve the results we need to bring about personalisation.

We now have the opportunity to take a wide view of future requirements to support the introduction of SDS. The current provider is unlikely to agree to a contract extension beyond a few months. By bringing the service in house we will ensure a direct payment support service is maintained and have the opportunity to undertake a wide review of the support people need with Self Directed Support.

Benefits

The tangible benefits of delivering this project are:

The Performance Indicators for the in house service will be agreed within those for the department. The Performance Indicators which were stated in the specification include those listed below. These will be considered, refined and targets set when the service is brought in house:

- Number of Service Users commencing and pending receipt of Direct Payments during the quarter, broken down by client groups.
- Number of people referred for the Service and details of those that have **not** accepted Direct Payments and reasons for refusal according to client group
- Total number of Service Users receiving Direct Payments (listed by client groups, gender, age and ethnicity)
- Number for people cancelling the Service and reason for cancellation for each client group
- Total number of referrals waiting to be allocated (if applicable) listed by the client groups
- Level of support offered to individual Service Users categorised as independent, high, medium or low

- Number of home visits made this quarter
- Activities undertaken to promote/publicise Direct Payments i.e. leaflets, newsletters etc.
- Number of Service Users on Third Party Managed Account
- Number of information/training group sessions provided together with numbers of people attending
- Target audience of training sessions i.e. professionals /Users
- Number of Peer support meetings organised
- Dates of drop-in sessions and number of people attending and nature of enquiry
- All contact made during the month by initials or post-code.

It is anticipated that we will see improvements in the following aspects in particular:

- Number of people who have refused Direct Payment reduced
- Number of people who have not made financial returns in line with their DP agreement reduced
- Number of people on managed accounts reduced
- Number of home visits increased
- Satisfaction levels raised
- Number of peer support and numbers of people attending peer support sessions increased
- Number of people cancelling the service reduced

In addition, the intangible benefits of delivering this project are:

Closer working between DP support staff and other staff in Care Management and Finance

Closer communication with service users to understand the nature of their requirements and inform decision making

Time saved in receiving information from the service- better monitoring of performance

Reduction in complaints from staff and service users about the interface between the council and the service.

Information sharing with staff accessing the same case recording systems

Giving time to carry out a full review of the need for support services under personalisation

Intangible benefits of the review of the service are:

Opportunity to obtain service user, staff and stakeholder organisations views on future requirements and ensure that these influence future service models

Opportunity to ensure that direct payments service, advice and information about SDS and brokerage services are considered together

Enable the specification of a service fit for the future

Cost –

The costs that will be incurred to obtain these benefits are summarised below:

There are no new costs to be incurred to obtain the above benefits. The costs for the 3 months 1st November 2009 to Jan 31st of the extension contract will be £32,184.

The service can be brought in house and managed in house at the same cost as the contract.

A summary budget and staffing details is attached as Appendix A.

The cost of delivering the service in house assumes that all staff chose to join the council's pension scheme immediately, this will increase costs as staff do not currently enjoy an employers pension contribution. It also assumes that vacant posts are filled, although this may not be necessary as it is possible that management can be absorbed in current management responsibilities. The cost for the months February – March 2010 is assumed to be £29,791, including full pension payments and a full staff group.

The full year cost will be in the region of £130,746. This also assumes all vacant posts are filled and that staff chose the councils pension scheme. This can be managed within current budgets

Guidance and Legislation

National policy makers have responded to the challenges of changing expectations and increasing needs by setting a new strategic direction for adult social care in England. *Our Health, Our Care, Our Say* (2006) propose that service users, as citizens, should be given more choice and control over their support.

In December 2007, the Government's new strategic direction was endorsed by the *Putting People First* concordant. Government, local authorities, health authorities, professional bodies and voluntary organisations agreed to the strategy and on the necessity of replacing the existing model of social care delivery with a system focused on prevention, early intervention, re-ablement and tailored on-going support services.

Our Health Our Care Our Say and *Putting People First* propose that the adult social care system should therefore be built around enhancing the independence of service users by giving them more control over how their support needs are met.

National policy has also set new priorities that focus on prevention, early intervention, choice and designing support around the personalised outcomes of individual service users and carers. The focus on new priorities is designed to achieve better outcomes for service users and to make better use of resources.

The new national priorities for social care delivery are:

- increased focus on prevention
- facilitation of greater choice
- reduction in inequality and improved access to service
- increased support for long term needs
- Personal dignity and respect

National and local governments are now in the process of making the transition from a

model of direct service provision to one where the service user is empowered to take control of their own care through the medium of a flexible personal budget.

The Local Authority Circular (LAC (2008) 1 *Transforming Social Care*) introduced guidance on how local authorities should move towards SDS, and provided for grants to assist the process. This was further expanded in the circular LAC (DH)(2009)1: *Transforming Adult Social Care* which set out expectations regarding how the grant was to be spent and guidance on how services are to be re-designed and re-shaped. This included the expectation that “choice and control should extend to individuals in every setting and at every stage; ranging from advocacy and advice services, prevention and self-management to complex situations where solutions are developed in partnership with professionals”

Guidance issued in September 2009 gives very clear direction on how support services should be developed in future. This states that:

“Experience has shown that developing support services is a key determinant of successful implementation of self-directed support. Insufficient investment in support services makes it much more difficult for councils to promote personalisation of services and achieve greater uptake of direct payments”. The guidance suggests that “When discussing direct payments with people, councils should consider, wherever possible, putting them in touch with a support group or ULO such as a local centre for independent living, or a peer support group of people who already receive direct payments” This will also benefit people funding their own care and support. “Councils might decide that they can provide a support service directly, in partnership with a local voluntary organisation, or by some other means. The experience of existing recipients of direct payments is that they find it easier to seek advice from someone who is independent of their local council” We need to look at how best this can be developed locally and carrying out a review with stakeholder organisations and service users will give us the opportunity to do this.

The legislation governing Direct Payments is:

- section 57 of the Health and Social Care Act 2001(the 2001 Act)
- the Community Care, Services for Carers and Children’s Services (Direct Payments) (England) Regulations 2003, and
- section 17A of the Children Act 1989 (the 1989 Act)
- the Health & Social Care Act 2008
- Guidance on direct payments for community care, services for carers and children’s services (Sep 2009 – DOH and Dept of Children and Families)

The legislation collectively means that Councils have a duty to offer Direct Payments to anyone who:

- is disabled (within the meaning of section 29 of the National Assistance Act 1948)
- is assessed as meeting the eligibility criteria for services under the Fair Access to Care criteria (FACS)
- is eligible for services under section 46 of the National Health Service and Community Care Act 1990, or section 2 of the Carers and Disabled Children Act 2000, or section 17 of the Children Act 1989.

Benchmarking

Good practice relevant to the project includes

Information on other local authorities bringing DP service in house is being obtained.

Dorset has recently advertised an "Advice, Guidance and Support on DP and Support Planning service" tender. This is the type of wide ranging service anticipated to be identified during the review, to meet personalisation agenda. Many other boroughs are proposing to tender a wide ranging service such as this in the coming months.

Barnet, Islington and Hounslow are 3 local authorities who have transferred services in house over the past 1-5 years and report improved collaborative working between care management and support service staff and also reduced costs on managed accounts.

Options

The options that have been considered are:

Option One- Ceasing the service

If this route is taken the direct payments contract will terminate on 31st October and 500 people will be left without a direct payments support service. This is clearly unacceptable as the service is used by vulnerable people to manage their direct payments and payroll for personal assistants, an obligation under the NHS and Community Care(Direct Payments amendment);

In particular, arrangements need to be made for the managed accounts and payroll aspects of the service, which enable vulnerable people to pay their personal assistants on a regular basis.

Option Two- Re-tendering the existing contract

Negotiating a longer contract extension with the current provider in order to allow time to re-tender the existing service again will result in a contract in the independent sector, thereby allowing us to offer people independent advice with Direct Payments, but which will not provide a range of support and advice required as the personalisation agenda moves forward in Brent- such as help with support planning, brokerage, advocacy etc. The contract would probably need to be re-tendered again within 2 years. This will be costly in terms of tendering costs and misses the opportunity to consider all the support services needed to support personalisation.

Option Three- Re-assign the contract to another provider for a short term service.

This could not be achieved without a competitive process which would take longer than the time available before the end of the contract. In addition, although re-assigning the contract would have the benefit of retaining an independent support service, it would be disruptive for service users in the short term as their details are transferred between organisations. Staff would be required to transfer to another provider, and given that only a short term contract could be awarded (to cover the review and any future tendering period) this would cause concern and disruption for staff which may impact on service stability and therefore standards. However, it may be an option for the Managed accounts and Payroll elements of

the service, depending on the outcome of negotiations with Penderells.

Option Four- Negotiate a short extension with Penderells and transfer the staff to Brent Council to provide the service in house

The key advantages are that this would allow for the continuity of service without continuing longer than necessary with current arrangements, whilst seeking efficient controls of costs as the expansion occurs. The element of pension costs that may be additional would be considerably less than the VAT element of retaining the contract for longer. This approach would allow us to maintain, control and improve the service at a time that our focus is on meeting challenging Personal Budgets targets, whilst giving time to review longer term needs for advocacy, support planning and brokerage, direct payments support and other support services required under personalisation.

The preferred option is:

Option Four

Risks	Mitigating actions
Staff may not wish to transfer to the council, or may be offered other posts by Penderells, leaving no experienced staff on the project	Early identify manager and early discussions with staff identify in house staff and agency staff 3 month contract extension to allow to speak to staff
Managed accounts service is complex to administer	Early discussions with Penderells and with other providers of managed accounts to agree way forward
Office location is dispersed from new management structures- staff not integrated	Agree management to be located at office base asap
Tight timescales for notifying staff and service users	Project plan to include communications strategy with staff and users
Dip in performance at a time when we are relying on increased Direct Payments to help us meet challenging SDS PI targets.	Manager to identify detailed risks and agree approach to new referrals during transition period
Contract cannot be managed within current budget	Review of new service requirements to include detailed budget estimates based on anticipated demand for services and a full review of all care management and support services required

Appendix A – Project Budget

1. Current Staffing Details

Staff	Hours PW	FTE
Team Leader (VACANT POST)	18.5	0.51

Independent Living advisors X 4	107	2.97
Clerical Officer	15	0.42
TOTAL	140.5	3.90

2. Summary Costs

Costs for period Feb-March 2010

Salaries	14,041
Pensions	3,229
Office costs	4167
total costs	21,437

Full Year Costs in house service

Salaries	84,245
Pensions	19,376
Office costs	25,000
total costs	128,621

Current Contract price	£128,737
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Surplus	£116
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