

## WILTSHIRE COUNCIL

**CABINET**  
**23 MARCH 2010**

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**Subject: APPROVED PROVIDER ACCREDITATION SCHEME -  
RESIDENTIAL SERVICES FOR PEOPLE WITH A  
LEARNING DISABILITY**

**Cabinet member: Councillor John Thomson – Community Services**

### **Executive Summary**

1. In April 2009 the Implementation Executive approved the development of a care and support framework to select providers with a proven track record of supporting people with complex needs and learning disabilities in the community. The intention was to promote independence for individuals and continue the Council's plan to reduce the traditional reliance on registered residential care home placements.
2. The Support Framework, referred to above has been established and will have an increasing impact upon the existing residential care home market as people who have the potential to leave residential care will continue to move on and the number of new residential placements being made is reducing.
3. As the above trend continues, the council will, over time, purchase fewer residential care home placements, however, there will be a requirement for a 'core' supply of residential care provision within Wiltshire for those individuals for whom alternative community based options will not meet their needs. Commissioners estimate that the council will need to continue to purchase approximately 250-300 residential care placements in the long term.
4. Currently, the existing residential care home placements are contracted under individual and distinct Residential Care framework Agreements. There is one for each of the 43 residential care providers that supplies placements within Wiltshire. These agreements are due to expire during 2010.
5. The value of the Residential Framework arrangements for 2009 - 2010 is £11,600,000. Placement costs are calculated and agreed on an individual basis, according to the needs of the service user.
6. In proposing to Members the preferred option to contract for this ongoing residential care provision, this paper seeks approval to undertake a process that will help to ensure that Wiltshire has a vibrant, cost effective and high quality residential care home sector for people with learning disabilities.

### **Proposal**

1. That Cabinet establish a Residential Care 'Accredited Provider Scheme' to which existing Wiltshire-based 'residential care' providers will be encouraged to apply. This Scheme to replace the existing 'Residential Framework'.
2. That in order to allow for the required timeframe to undertake and establish the Accreditation Scheme, an Exemption<sup>1</sup> be granted with regard to the existing Residential Framework Agreements. This exemption is to allow the extension of current agreements until 31<sup>st</sup> March 2011.
3. That delegated authority be given to the Head of Commissioning (Learning Disabilities) in ensuring the delivery of this proposal.

### **Reason for Proposal**

1. Although the Council's focus is on developing the 'supported living' model of service provision, it is necessary to ensure that a range of high quality, good value residential care provision is available for those people who need that level of care. Through the Accredited Provider Scheme the Council will look to stabilise the local market and to draw into the county some specialist providers that we currently lack. For example for people with autism and complex needs, many of whom currently are placed in out of county placements.
2. The 'Accreditation Scheme' will help to maintain a diverse range of residential care Providers who offer sustainable, responsive, quality services for the identified 'core' group of individuals identified above. The Scheme will, therefore, ensure the current and future availability of residential care services in an unstable and reducing market.
3. The Scheme will allow the Council to manage more effectively the fluctuations within the residential care market.

**Sue Redmond**  
**Director of Community Services**

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<sup>1</sup> 'Exemptions' are the formal process by which existing contracts may be extended (within the terms of the Council's Contract Regulations, 2009)

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RELATING TO RESIDENTIAL SERVICES FOR PEOPLE  
WITH A LEARNING DISABILITY

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## **Purpose of Report**

1. The purpose of this paper is to seek Members approval to:
  - Develop, undertake and implement an ‘Accredited Provider Scheme’ with Providers of residential care (for implementation in April 2011). This Scheme will replace the existing ‘Residential Framework’ Agreements.
  - To allow for the completion of the above, to formally extend (via ‘Exemption’) all existing Residential Care Framework Agreements with Wiltshire providers (until 31<sup>st</sup> March 2011)
  - Continue to use the ‘South West Fair Pricing Tool’ (FPT) as a method for ensuring appropriate individual placement costs and value for money.

## **Background**

2. Since 2006 Learning Disability Residential Care home services in Wiltshire have been purchased under Residential Framework Agreements. The benefit of having the Residential Framework Agreements in place is twofold: It clearly provides a contractual commitment from the Provider, whilst also requiring them to accept the use of the FPT as a method for negotiating placement fees.
3. Each Residential Framework Agreement has its own particular commencement date and was set at a standard term of 4 years. This means that the majority of the Frameworks will expire in 2010 (but a number signed up after this date and will not expire until 2011. This needs to be rectified by extending / reducing the contract terms so that all end-dates coincide.
4. With Cabinet approval, no competitive tendering exercise was adopted when creating these existing Residential Frameworks in 2006. The priority was to create a ‘formalised’ process that secured existing Providers of Wiltshire-based services to a set of terms and conditions (including a cost negotiation process), as historically all residential services had been ‘Spot’ purchased.

5. There is a clear strategic move from traditional residential care-based services to 'supported living' arrangements. Therefore, year-on-year the Council will be reducing the number of people being placed within residential care services.
6. The Council has recently tendered for 'supported living' services ('Support Framework') and now have Support Framework Agreements in place with 9 Service Providers. Although residential care provision will continue to be required for identified service users, it is recognised that the national and local policy agenda is to support - where appropriate - individuals take up 'supported living' (or alternative independent living options). This will result in improved outcomes for the individuals' as well achieving medium/ long term financial savings for the Council.
7. The use of the FPT has helped reduce the costs of individual, expensive placements, providing a clear benchmark of what the Council should expect to pay for an agreed residential care service.

### **Main Considerations for the Council**

8. In accordance with national policy and the local 'Learning Disability Commissioning Intentions' document, the Council is committed to ensuring individuals with a learning disability have the opportunity to maximise personal outcomes. The availability of 'supported living' services is a key component in promoting increased independence for the individual.
9. However, it is recognised that the process of supporting individual service users to move out of residential care requires significant planning, preparation and implementation time. Furthermore, for a number of individual service users, residential care will remain the only appropriate option for the provision of care. Residential care remains, therefore, a key component within the service 'types' available to service users within Wiltshire.
10. The movement of individual service users from residential care to supported living options will potentially place some residential service providers at financial risk. Where an individual service user vacates a placement at a residential care home, there can be no assumption that this 'void' will be purchased by the council. Such a circumstance will present some providers with concerns over economic viability and sustainability: A concern to the Council, if there are other existing Wiltshire-funded placements within the identified home.
11. Therefore, Wiltshire Council would not be able to 'guarantee' a level of business to Providers under a contract, as new placements into residential care will be reducing. As the council will not be in a position to guarantee some level of business, there would be no benefit in competitively tendering these services. Providers themselves would not want to be committed to providing a guaranteed service on a 'just in case' basis,

unless the Council agreed to purchase residential care home beds on a 'block' basis. This would not make good economic sense to Wiltshire Council, as the Council would be potentially paying for a service that may never be utilised.

### **Environmental Impact of the Proposal**

12. None identified

### **Equalities Impact of the Proposal**

13. An Equality Impact Assessment will be undertaken as part of the project development

### **Risk Assessment**

14. The key risk with regards to this project relates to the possibility that the existing residential care Provider base is destabilised. Members will understand that these risks will be reduced by the introduction of the proposed Accreditation Scheme.
15. A robust risk assessment will be completed and agreed by commissioners prior to the undertaking of the proposed exercise to create and establish an 'Accredited Provider Scheme'.

### **Financial Implications**

16. Existing residential services are to be maintained, and therefore, costs will be managed on an individual basis (in line with departments commissioning and procurement savings intentions).
17. During subsequent years, the number of Service Users within residential care will decrease, as individuals' take-up 'supported living' service options. Over time it is understood this will provide better outcomes for the individual service user and provide the Council with reduced individual costs.
18. Any new individual services would be purchased via the DCS Resource Specialists who will be instructed to limit their search for residential beds to those providers who have been formally accredited via this scheme. This will ensure a consistent service approach using the FPT as a method of establishing value for money.
19. Currently Providers fees are benchmarked against the 'South West Fair Pricing Tool' (FPT). The terms of the current 'Residential Framework' Agreement for all Learning Disability residential care home placements clearly states that Providers fees will be challenged where they charge costs that are in excess of this tool. The proposed Accreditation Scheme

would ensure that residential care home Providers continued to accept this tool as a basis for fee negotiation.

20. The process itself will not incur costs other than the internal staffing resources necessary to set up the process.

### **Legal Implications**

21. The establishment of a new 'Accreditation Scheme' will be undertaken in an open and transparent manner, ensuring compliance with the Council Contract Regulations.

### **Options Considered**

22. The options considered are:

#### ***Option 1: Extend the existing Residential Framework beyond April 2011:***

Any intention to establish a Residential Framework on a long-term basis would require the undertaking of competitive tender exercise. Such an Agreement would usually be limited to a specific range of providers. This would not be appropriate in this instance, where the intention is to support the management of the overall Wiltshire marketplace.

#### ***Option 2: Spot Quotation / Individual Placement Tender process (without using an 'Accredited Provider Scheme'):***

If the council did not establish an over-arching agreement, the Council would have limited ability to influence the quality and service outcomes of local services. In addition there would be less influence with regard to negotiating individual placement costs.

#### ***Option 3: Spot Quotation / Individual Placement process using an Accredited Provider Scheme:***

This option describes the 'Accreditation Scheme' proposed within this paper. The Council would develop a formal Accreditation process that all Providers undertaking business with the Council would be expected to achieve. It would involve a 'tender style' process where the Providers would have to provide key business, service and cost information in relation to their services. This information would then be assessed and marked against key pre-determined criteria. Providers would be expected to pass the minimum requirements to be 'accredited'. It would allow the Council to add / remove providers as appropriate, under the agreed protocols in place whilst still maintaining some of the flexibility of option 2. It would also be a way of ensuring all of the Council's existing residential care home services undergo some form of regular monitoring in order to remain accredited.

In addition, this option would permit the Council to carry out individual tender processes (relating to individual service user placements) where appropriate (i.e. for 'specialised services').

This approach is employed by Gloucestershire County Council.

#### ***Option 4: Block Contracts***

This would involve a competitive tendering process that would commit the Council to paying for a certain number of bed spaces with a select number of providers. The number of providers would depend on how many contracts the Council felt were necessary to procure future bed spaces requirements. However, unless the Council is able to accurately confirm future service levels, there would be no economic advantage in adopting this approach. Also, existing placements would then continue as 'Spot' placements outside of these contracts, unless it was deemed appropriate to move service users from their current accommodation into one covered by the new block contracts.

#### ***Option 5: Framework Agreement for future services.***

This would require a competitive tendering process, with a selection process that limits the number of providers (e.g. 3 per 'category'). The Council would not be able to include existing placements under this agreement. Services would need to be 'called off' under a pre-determined competitive process. The advantage would be that all successful candidates would be committed into a formal arrangement where close-working 'partnering' approaches can be adopted. It is the lowest risk option in terms of contracting, managing and monitoring services. However, it will mean all future placements will be agreed with a 'select few' Providers, limiting choice and exposing a number of Wiltshire-based Providers to increased risk (financial viability). Accordingly, the Council would lose an element of 'influence' within this increasingly vulnerable market. In addition to this, Providers may be reluctant to enter into to a complex tendering process unless the Council was in a position to guarantee some level of work.

### **Conclusions**

23. Developing a clear Accreditation Scheme process would provide the Council with the opportunity to influence the current learning disability residential care market, but would also permit the greatest flexibility and widest choice. Existing services could be secured, maintained and effectively measured against a set of pre-determined criteria, whilst new services could also be accommodated within this process. The use of the FPT would ensure that value for money is secured with all placements.
24. The 'Accreditation' process will set service outcomes and quality standards. Clear minimum performance benchmarks will be set and checked annually. 'Best Value' will be achieved through effective

negotiation using the FPT which allows for the appropriate benchmarking of the providers' weekly fee.

25. Therefore it is proposed that an 'Accredited Provider Scheme' (option 3) is adopted for Learning Disability Residential Care Services from April 2011. (Note: This method of contracting has been agreed in principle by the Corporate Procurement Unit).

**Sue Redmond, Director of Community Services**

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Report Author:

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Date of report  
23<sup>rd</sup> March 2010

**Background Papers**

None

**Appendices**

None

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