

Options Appraisal– Re-Commissioning Residential Short Breaks

Decision area	Recommendations arising from the Options Appraisal
1. Service Design to meet need	Continue to provide residential short breaks in the four areas of the County to meet the needs of children with physical health needs and learning disabilities and challenging behaviour.
2. Contract Ownership	Devon County Council (DCC) Contract – Clinical Commissioning Groups (CCG's) named as users.
3. Are buildings included and which ones	All Buildings to be included to ensure consistency and coverage of service.
4. Contract Type / tender process	Combination of Block contract with additional cost and volume above the block element to provide flexibility. Open procurement to allow for greatest engagement and participation from the wider market.
5. Contract Term	Block/C&V/Bespoke contract 3 plus 2 years.

1. Service Design to meet need

Service Design	Key Strengths	Key Weaknesses	Mitigations / Notes
<p>Continue to provide residential short breaks in the four areas of the County to meet the needs of children with physical health needs and learning disabilities and challenging behaviour</p>	<p>Families have told us that residential short breaks are an important option in a range of services to meet their child's needs.</p> <p>The assessed need of the disabled children in Devon shows that there is continued need for a number of children to receive an offer of residential short breaks. There is a commitment to provide this close to family's homes.</p> <p>The services currently on offer meet a range of childrens needs both physical and learning disabilities.</p>	<p>The services may not be viable based on the numbers of children due to continue to receive these services over the next three years and projected demand for new children.</p> <p>Resources may not be available to meet the increasing demand for alternative community based provision.</p>	<p>Ensuring the service is sustainable will be critical to achieve. This will ensure the service is able to meets the current and future needs of children.</p> <p>A contracting model will be designed to secure continuity of care and build in sustainability by flexibility and development opportunities.</p> <p>Ensure service can be flexible with changes in demand and able to develop to offer alternative and complimentary services.</p>
<p>Reduce the offer of residential short breaks and offer alternative services</p>	<p>Families are choosing alternatives to residential short breaks more frequently. It will be important for resources to be available to meet this increasing demand for alternative community based provision.</p>	<p>Existing children receiving a service would be impacted by a reduction or change in the offer of residential short breaks.</p> <p>However future demand for the service is reducing and so it is important that resources are only allocated to meet this need. Children who are assessed as receiving residential short breaks will need to have their needs met through continuity of care for high quality services where possible close to home.</p>	
<p>Cease to offer residential short breaks and offer alternative services</p>	<p>Families are choosing alternatives to residential short breaks more frequently. It will be important for resources to be available to meet this increasing demand for alternative community based provision.</p>	<p>The Local Authority have a responsibility to provide a range of short breaks options as part of The Breaks for Carers of Disabled Children Regulations 2011 and Local Offer as set out in the SEN Code of Practice 2015.</p> <p>This offer must include services which meet a range of needs and fall in line with assessed need through eligibility framework. Residential short breaks are a critical component of this offer for a small number of children.</p> <p>Families who access residential short breaks view this as a crucial service for their family and their child.</p>	
<p>Recommendation</p>	<p>Continue to provide residential short breaks in the four areas of the County to meet the needs of children with physical health needs and learning disabilities and challenging behaviour</p>		

2. Contract Ownership – Lead Commissioner Decision

Contract Ownership	Key Strengths	Key Weaknesses	Mitigations / Notes
Devon County Council Contract – CCGs named as users	<ul style="list-style-type: none"> - Use of DCC terms and conditions - Clear central governance of contract - Majority of spend/service is with DCC 	<ul style="list-style-type: none"> - Risk partners don't fulfil their obligations and put the Council at legal, financial and reputational risk 	Clear section 75 or MoU in place to set out the respective expectations, roles, financial contribution and responsibilities of the respective commissioning parties
Joint Devon and CCG Contract	<ul style="list-style-type: none"> - Joint liability - Equal control within the contract 	<ul style="list-style-type: none"> - Agreement required over use of DCC T&Cs 	Must clearly set out the role of the co-ordinating commissioner and have clarity on the governance in both procuring and onward management of the contract
DCC only contract –	<ul style="list-style-type: none"> - Use of DCC terms and conditions - Clear central governance of contract - Majority of spend/service is with DCC 	<ul style="list-style-type: none"> - Risk partners don't fulfil their obligations and put the Council at legal and reputational risk - Would require pooled arrangements for governance and funding. - From a partners point of view there would be a lack of influence / control 	Clear section 75 or MoU in place to set out the respective expectations, roles, financial contribution and responsibilities of the respective commissioning parties
Recommendation	DCC Contract – CCG's named as users.		

3. Are buildings included and which ones – Are the current buildings going to be included in the tender / new contract and if so how many / which ones.

Contract Ownership	Key Strengths	Key Weaknesses	Mitigations / Notes
No Buildings included	<ul style="list-style-type: none"> - More flexibility for potential providers to model the service delivery model to suit needs / demand in the way they feel is most efficient - Could potentially be attractive to providers who don't have to take on public sector facilities 	<ul style="list-style-type: none"> - Service disruption and impact on current children accessing the service if there is a change in buildings - DCC and Health would then have four buildings not in use to dispose of - There has been quite some investment in the existing buildings - Risk that providers will not have facilities or have facilities that meet the standards we require - If the provider market is not capable of providing their own facilities the procurement may fail due to no bids. 	Assess continuity of care requirements Use market engagement event to gauge the provider market appetite or ability to provide their own facilities

<p>One building included</p>	<ul style="list-style-type: none"> - Still retains some flexibility for the provider to develop the most efficient delivery model - Could be used to ensure provision in an area where coverage is difficult 	<ul style="list-style-type: none"> - Service disruption and impact on current children accessing the service if there is a change in buildings - DCC and Health would then have three buildings not in use to dispose of - There has been quite some investment in the existing buildings - Risk that providers will not have facilities or have facilities that meet the standards we require - If the provider market is not capable of providing their own facilities the procurement may fail due to no bids. - Would include a 'visible' change to the service for service users 	<p>Use market engagement event to gauge the provider market appetite or ability to provide their own facilities</p> <p>Use current usage and demand forecast to identify the most appropriate building to include in the new contract</p>
<p>Two or three Buildings Included</p>	<ul style="list-style-type: none"> - Still retains some flexibility for the provider to develop the most efficient delivery model - Could be used to ensure provision in an area where coverage is difficult - Greater control over quality and services delivered and the environment in which they're delivered. 	<ul style="list-style-type: none"> - Service disruption and impact on current children accessing the service if there is a change in buildings - DCC and Health would then have one or two buildings not in use to dispose of - There has been quite some investment in the existing buildings - Risk that providers will not have facilities or have facilities that meet the standards we require - If the provider market is not capable of providing their own facilities the procurement may fail due to no bids. - There is a risk that the included facilities are greater than the need / demand - Would include a 'visible' change to the service for some service users 	<p>Use market engagement event to gauge the provider market appetite or ability to provide their own facilities</p> <p>Use current usage and demand forecast to identify the most appropriate building to include in the new contract</p> <p>Through market engagement and specification in the tender process encourage flexible use of staff and facilities (for instance split site working or other services being provided through the facilities)</p>
<p>All Buildings included</p>	<ul style="list-style-type: none"> - Would ensure continued available access to residential short breaks across the County - Greater control over quality and services delivered and the environment in which they are delivered. - DCC and Health could ensure buildings which are bespoke for the service and have received investment and improvement are utilised - Reduced change / upheaval for service users 	<ul style="list-style-type: none"> - Current need / demand does not require the number of beds that would be included in all four buildings - This may limit the innovation in delivery models that providers can use. 	<p>Use market engagement event to see how provider market would make best use of the existing buildings</p> <p>Through market engagement and specification in the tender process encourage flexible use of staff and facilities (for instance split site working or other services being provided through the facilities)</p>
<p>Recommendation</p>	<p>All Buildings to be included to ensure continuity of care, consistency and ensure continued availability of residential short breaks across the County.</p>		

4. Contract Type / tender procedure

Contract Type / Tender procedure	Key Strengths	Key Weaknesses	Mitigations / Notes
<p>Block contract (one provider)</p> <p>Open procurement to allow for greatest engagement and participation from the wider market</p>	<ul style="list-style-type: none"> - Provides guarantee of investment - Guarantees service for current children in receipt of services - Allows clarity of budget for commissioners - Clear specification requirement and quality requirement - Single provider to manage the service and TUPE 	<ul style="list-style-type: none"> - Declining demand for service with cohort of children moving on to adult provision - Claw back could impact on service viability - Limited opportunities for development or diversification to meet need - May be over provided for and financially robust - Clear commitment required - Difficult to manage if poor provider with limited market alternatives 	<ul style="list-style-type: none"> - Require clear forecast of number of block beds required - Clear mechanism required to test each bed night is value for money (VFM) - Allow for claw back for voids if that's financially sustainable for the provider
<p>Cost and Volume (one provider)</p> <p>Open procurement to allow for greatest engagement and participation from the wider market</p>	<ul style="list-style-type: none"> - Provides favourable costing for both the provider and commissioner (efficiencies for higher volume) - Some element of 'block' can be built in as a baseline - May secure continuity of care - Clear specification requirement and quality requirement - Single provider to manage the service and TUPE 	<ul style="list-style-type: none"> - Clear commitment and forecasting required - Resource for monitoring volumes may have an impact on finance and staff monitoring the contract (administration heavy) - Difficult to manage if poor provider with limited market alternatives 	<ul style="list-style-type: none"> - Require clear forecast of number of block beds required - Clear mechanism required to test each bed night is VFM
<p>Bespoke contract – no guarantee of volumes</p> <p>Open procurement to allow for greatest engagement and participation from the wider market</p>	<ul style="list-style-type: none"> - Gives a provider security of supply and clear terms - Can forecast volume of business to support the provider plan for the service - Clear specification requirement and quality requirement - Single provider to manage the service and TUPE - No financial commitment for the Commissioners (i.e. not a fixed block) 	<ul style="list-style-type: none"> - May not be attractive to the market – no financial security - Difficult to manage if poor provider with limited market alternatives - Contract may be unviable if not enough volume 	<p>Providers may not commit to investment in staff group</p>
<p>Framework Agreement</p>	<ul style="list-style-type: none"> - Multiple providers (maximum of 4 based on properties) spreading risk of failure 	<ul style="list-style-type: none"> - No guarantee of provision for existing children therefore impact on continuity of care - Not conducive to managing and spreading investment over property and staff group 	<p>Would need forecast and clarity of hours to make this commercially attractive</p>

Contract Type / Tender procedure	Key Strengths	Key Weaknesses	Mitigations / Notes
Open procurement to allow for greatest engagement and participation from the wider market	<ul style="list-style-type: none"> - Potential have different units set up to meet different needs - Clear specification requirement and quality requirement 	<ul style="list-style-type: none"> - No guarantee of business – may not be viable - May have varied response and quality for multiple providers - Limit opportunities for staff to move between services for development 	
Staff Mutual Procurement limited employee led organisations/staff mutual	<ul style="list-style-type: none"> - Allows existing staff to consider refiguring and running the business – utilising their skillset and knowledge of the services - Guarantees continuity of care 	<ul style="list-style-type: none"> - Limited to a 3-year contract (incubation period) - This option would allow access to charities which could openly bid so cannot guarantee this would have the outcome of a new special purpose company - Still need to consider funding mechanisms i.e. block versus no volume guarantee - May not be attractive as a 3-year contract so investment risks cannot be spread over a longer period contract 	Potential to test if there is any interest as part of pre-procurement engagement
In House / Joint Venture Procurement would be required to select Joint venture partner	<ul style="list-style-type: none"> - Direct management of development of the service - Development of service offer in line with strategy 	<ul style="list-style-type: none"> - Declining demand for service with cohort of children moving on to adult provision - Cost of voids could impact on service viability 	
Recommendation	Combination of Block contract with additional cost and volume above the block element to provide flexibility. Open procurement to allow for greatest engagement and participation from the wider market. Opportunity built in for service development to achieve sustainability of service and choice for children and families.		

5. **Contract term** –preferred length of the contract

Contract Term	Key Strengths	Key Weaknesses	Notes
Framework – limited to 4 years	<ul style="list-style-type: none"> - Four years is sufficient to allow any changes and for a service model to be embedded yet is not too long to make the contract inflexible. 	<ul style="list-style-type: none"> - 4 years may not be attractive to spread financial risk linked to investment in staff group and properties 	

Staff Mutual – limited to 3 years	<ul style="list-style-type: none"> - Incubation period to allow business to grow and develop with an extra level of support from commissioners 	<ul style="list-style-type: none"> - 3 years may not be attractive to spread financial risk linked to investment in staff group and properties - Would need to start re-tender in year 2, resource required 	
Block/C&V/Bespoke contract 3 plus 2 years	<ul style="list-style-type: none"> - Standard contract period - Allows investment to be spread - Long enough for service development to be embedded. Can end at year 3 if the serviced is no longer fit for purpose or cost effective given changing landscape of health and social care demand. 	<ul style="list-style-type: none"> - 3 years may not be attractive to spread financial risk linked to investment in staff group and properties 	Mitigation is the option to extend for two further years. Therefore spread any financial risk.
Recommendation	Block/Cost and volume /Bespoke contract 3 plus 2 years		