

Specialist Provider Framework – Service Specification Appendix 3 Pricing Schedule

JC 003

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1. Introduction

South Gloucestershire Council has developed a Specialist Provider Framework for the provision of Specialist Support Services as defined in the Service Specification (Schedule 3). The framework and standard costing model has been developed with providers, individuals and carers and taken aspects from the Care Cubed tool for adults aged 18 years and over.

In South Gloucestershire it is important that we have a diverse market of Specialist Providers to commission with. Providers must provide good effective care and support services that deliver outcomes for individuals (as per the Quality Assurance Schedule) at a fair price to the public purse.

The Council works with Providers to ensure services are delivered through an effective and efficient market in line with the Care Act 2014 requirements. It is important that the fees for these placements are sufficient to ensure that care and support is safe, of quality and is commercially sustainable for Providers and the Council.

2. Context

As part of the Terms and Conditions for this framework, Providers will be asked to submit an hourly rate/half day session rates for the various types of support to be delivered (i.e. Community Based Support, Day Services, Mentoring Services and Support Living Services). These rates will then be used when commissioning a service (directly and via a Direct Payment or Individual Service Fund) for the various lots that providers have been awarded.

3. Annual Uplift Process

In line with the Care Act 2014, the Council will inform providers of future commissioning intentions. This will be to influence and support providers to make appropriate business planning decisions and to enable market shaping and development in South Gloucestershire. The Council has a dedicated webpage where future reports on commissioning intentions across all commission services for social care will be published:

[Adult social care market strategies and information | South Gloucestershire Council \(southglos.gov.uk\)](https://www.southglos.gov.uk/adult-social-care-market-strategies-and-information)

The Council recognises that any future price inflations will have to account for a range of factors. These factors include but are not limited to:

- Provider costs inflation/deflation
- Changes in market conditions
- Government policy and changes in legislation
- Performance of the economy
- The financial position of South Gloucestershire Council
- Recruitment issues

Annual Inflationary uplifts on rates will be based on the methodology as set out in the Terms and Conditions. The Council will plan to work with providers on the annual

inflationary uplift process in the preceding financial year and give due notice to providers in relation to proposed annual uplift rates.

Providers can approach South Gloucestershire Council at any time throughout the duration of this framework agreement to discuss current rates agreed. South Gloucestershire Council reserves the right to request further financial breakdown of hourly rates (current/proposed) as part of these discussions. This may include use of the framework pricing tool, Care Cubed or another finance modelling tool. All requests outside of the annual inflationary uplifts will need to be reviewed and agreed by the Council's Sustainability Provider Panel. The Panel consists of senior directors/managers from Operational Teams, Commissioning and Finance.

4. Efficient and Effective Operation of the Provider Market

4.1 Direct Payments/Individual Service Funds

To ensure that the Council can fully understand the market for specialist support services and ensure that good quality support is delivered and continue to offer personalisation to individuals, we will be including individuals accessing services via Direct Payment/Individual Service Funds (once developed fully) within the scope of this framework.

Working in partnership with Providers and operational teams the individual will be given a choice as to how they wish to pay for their services. Providers could be paid for their service directly by the Council, via a direct payment given to the individual or via an individual service fund. The hourly rate for the service should remain the same, irrelevant of payment/funding stream to enable the Council to secure equitable use of public money and achieve best value for services.

For Quality Assurance, where an individual is accessing a service utilising a Direct Payment or Individual Service Fund, the Council would only seek to understand the number of individuals accessing services in this way and also monitor the identified outcomes for which the provider is supporting them to achieve. This would not include any personally identifiable data.

The Council reserves the right to invite the views of individuals accessing services via a direct payments/personal budgets as part of the quality assurance process.

4.2 Supported Living

The Council recognises that within a supported living service, occupancy rates vary and that occupancy levels can have a significant bearing on cost. As occupancy rates increase, the unit price per bed required to generate the same income often reduces.

The Council believes that it is reasonable and consistent with its duties under Best Value and the Care Act 2014 to assume that the market improves the efficiency of its asset use. It is proposing, therefore, that the costings submitted should reflect an occupancy level of 100%. Where there are any voids, the Provider should liaise with the Brokerage Team to facilitate flow of new referrals into the setting.

The Council understands that this may not be possible for some providers to achieve, however, the Council has market shaping duties under the Care Act 2014 that requires

commissioners to seek a better balance of supply and demand in the supported living market. The Council will keep proposals regarding occupancy rates under review as part of the pricing review process.

The Councils' future vision for supported living includes the provision of a pathway to increase and maintain independent living skills. This will be through the provision of care and support to support individuals to achieve outcomes that address specific issues and/or skills development.

5. Efficient and Effective Delivery of Progression and Outcomes

The provision of specialist support services could be short term, with an emphasis on progression/recovery/reablement, moving towards maintaining or increasing levels of independence. Other placements may be longer term for an individual where a specialist provider placement is the most appropriate setting to meet the individual's needs. A Local Authority Support Plan may identify short or longer term reablement or recovery outcomes which Providers will be asked to achieve over a period to enable an individual to maximise their independence.

Providers will be able to flex the service, either increasing or decreasing staffing, to support an individual to meet their outcomes (defined in the local authority support plan and in agreement with operational staff) as and when needed. Providers should get the right resource spread across the year in the hourly rate, which will enable appropriate management of staffing around that. At a review of the specialist support service, it could be agreed (for example) that the overall support costs can be reduced for a particular individual and then staffing can be redeployed to incoming individuals requiring a higher level of support.

There will be occasions, when individuals will need additional support that cannot be built into the day-to-day costing of the service. These will be on a case by case (on exception) basis and the Council will work with the identified provider to review and agree an appropriate hourly rate.

The delivery of outcomes and/or progression will be monitored as part of and as per the Quality Assurance Schedule.

6. Actual Cost of Support

The specialist provider market commissioned by the Council is provided by a number of independent organisations. Each organisation is unique and operates with a whole range of diverse business models and financial structures. There is a variety of size and style of specialist provider services in South Gloucestershire, this means the amount of direct support delivery needed from individual to individual will vary and will therefore be determined by individual need.

It is therefore not possible to define a single cost for specialist provider services. The price needs to reflect the diversity of providers in the market, the level of need of the individuals and provider expectations in relation to profit and return on capital employed. However the Provider and the Council need to work together to define what is a Fair and Sustainable Price for Care for both the provider and the Council.

7. Pricing Model

The Pricing Model (Appendix 1) structures costs in the following categories:

- Core Support
- Shared Support
- One to One Support
- Half-Day Session Support

The Council is requesting a breakdown of these costs as we are acknowledging there are core costs within an organisation that we must cover and we may need to add additional costs to one to one support. Understanding shared costs is around acknowledging that with a progression model, a one to one support cost may become a shared cost over time.

The Council is aware that in some circumstances Providers may be obliged to engage in other activities for an individual where this is not direct support e.g. Professional meetings, Safeguarding etc. These costs should be built into the hourly rate under “Admin (Including non-direct hours)”.

Where an individual’s needs have changed the Provider will contact CSOdesk@southglos.gov.uk or 01454 868007 (Adult Care) immediately to enable a review and agree any extra 1-2-1 hours incurred. For any urgent safety matters the provider will ensure that the individual is safe and free from harm and then immediately contact CSOdesk@southglos.gov.uk or 01454 868007 (Adult Care, Monday – Friday) or outside of working hours the Emergency Duty Team on 01454 615165 for a discussion.

7.1 Core Costs

Core costs are those that have been identified as the cost of staffing and the operation and running of the service. No costs for individual 1:1 support should be included in this section.

The Council is proposing that core costs are divided equally between the number of bedrooms within the property and are based on the criteria set out in the costing template (Appendix 1 “Guidance Notes Worksheet”)

Core support which includes:

- Staff costs needed to support the whole service shared between the number of bedrooms within the accommodation
- Staff costs that do not relate to the direct provision of support and includes but not limited to 24 hour on site support, manager, deputy manager, administration, and reception staff. For a full breakdown please see “Guidance notes” tab on cost toolkit.
- Accommodation costs covering non staffing operating costs that the council would expect a supported living provider to incur in the delivery of an effective and efficient service
- Overheads covering costs such as administration costs, HR, Payroll / legal etc
- Returns covering a reasonable allowance of operating profit of 5%

7.2 Shared Cost

These costs arise from providing shared support and the criteria set for this can be found in the pricing template (Appendix 1)

Shared Support which includes:

- Any shared staffing costs needed to support, 2 or more individuals at the same time, divided by the number of people supported e.g trips out or communal meals
- Support provided to an individual in a Supported Living Service or a Day Service.

7.3 One to One Support

These are one to one hours that have been identified as part of an individual's assessed need as set out in their Local Authority Support Plan. The support plan should be reviewed, at least annually, against their identified outcomes and amended where appropriate. The Local Authority Support Plan should have clear exit goals if appropriate.

One to One Support which includes:

- Support provided on an individual basis as set out in the local authority support plan
- Support provided to an individual under community based support (homecare or community outreach), Mentoring Services (included supported employment and Job Coaching) and Supported Living Schemes where individual one to one support hours are required.
- Should an individual require two or more support staff to support the one individual then the hourly rate would be the same and multiplied by the total number of support hours across the number of staff required to support the individual.

8. Rent/Voids - Supported Living

Any costs relating to Rent for Supported Living Schemes or individuals own properties, are not covered by this framework. Unless the Council has decided to enter into specific void and nomination agreements with providers for specific properties/supported living schemes. The Council reserves the right to enter into specific void and nomination agreements with Providers or Landlords as they wish to with specific schemes or requirements throughout the term of the framework.

Housing Benefit can be used to support rent payments in Supported Living or individuals own properties, if the landlord is a charity, housing association or not for profit organisation. If the landlord is a private landlord or a limited company then the housing element will come out of their Universal Credit payment instead.

The Council would expect all properties being used for Supported Living Schemes or individuals own properties to be in line with the Local Housing Allowance Rates for South Gloucestershire or their host Local Authority area. Only on exception and with agreement with the Council would a property be eligible for Exempt Rent rates. Exempt rent can only be used if the Provider/Landlord is eligible for Housing Benefit also.

When the South Gloucestershire Welfare Benefits Team assesses an individual's entitlement for Housing Benefit, they must decide what is the individual's 'eligible rent'. Their 'eligible rent' for Housing Benefit purposes can be different to their actual rent, as there are certain costs that cannot be covered by Housing Benefit.

Within the rent, there can be an element for rent and an element for service charges. Usually, the Provider/Landlord will provide the Benefits Team with a breakdown of how their rent figure is made up and we will confirm what service charges are eligible or not for Housing Benefit and consider whether the charges seem reasonable or excessive. The Benefits Team may ask for more evidence about how a figure has been decided upon.

When setting the rent for a property you will need to consider whether an item falls under the category of 'rent' or 'service charges'. If the charge relates to a service performed or a facility provided, then it is usually a service charge. Items such as lease payments for the property, provision for voids/vacancies, bad debt provision and Council Tax fall under the category of rent. A service charge is usually something which benefits the tenant – for example, communal gardening costs or external window cleaning.

The Provider/Landlord should ensure that housing benefit set for individuals within properties can cover any expected voids/vacancies. When considering the voids element of Housing Benefit the Welfare Benefits Team will consider:

- How many individuals have tenancies within the setting?
- What the turnover of individuals is?
- Levels of housing benefit of similar providers
-

There are certain service charges that are never eligible for Housing Benefit. These include charges for personal fuel for heat, light and cooking, water charges for personal usage, meals, laundry, cleaning of personal spaces, personal care and support. Service charges for communal areas, for things such as fuel, water and cleaning, are allowable. The broad principle is that service charges that relate to a person's day to day living costs are not allowable. Charges that relate to communal costs are usually allowable if they are not excessive.

Please see Appendix 2 for examples of eligible and ineligible costs relating to Housing Benefit.

The Welfare Benefits Team can be contacted at -
ExemptAccommodation@southglos.gov.uk

9 Travel Time and Mileage Expenses

Providers should support individuals to arrange transport as independently as possible. The Provider should not be liable for costs incurred as the individual should be paying at point of access unless these costs have been covered and agreed in the Local Authority Support Plan.

For services, we do not pay for staff time nor mileage to travel to and from work. When you are supporting individuals within the working hours, we will pay for travel time and travel expenses up to 3 miles within each hour @ £0.45 per mile (in line with HMRC regulations). This expense should be included within the hourly rate submitted (please see terms and conditions for further information).

10 Health/Joint Funding

10.1 Continuing Healthcare

Should an individual be found eligible for Continuing Healthcare Funding, then the local Integrated Care Board ICB (i.e., NHS Bristol, North Somerset and South Gloucestershire ICB) or Health Board (Wales) would be responsible for arranging and paying for their care and support services from the date they are found eligible. Individuals that have been found

eligible for Continuing Healthcare Care are outside of the scope of this framework, although the local ICB (NHS BNSSG ICB) may ask for the Council to recharge them for a service for a period of time whilst they are arranging to commission the service directly with the Provider. Should this happen then the Provider will be kept informed for payment purposes.

10.2 Joint Funding

The Council may at time ask the local Integrated Care Board (ICB) to support with jointly paying for the overall costs of the support on a weekly basis. This could be via Joint funding outside of Continuing Healthcare responsibilities or for individuals eligible for Section 117 Aftercare.

10.2.1 Section 117

People who have been detained in hospital under the Mental Health Act are entitled to jointly funded help and support after they leave hospital. The law that gives this right is section 117 of the Mental Health Act, and it is often referred to as '**Section 117 aftercare**'. This is arranged jointly between Health and Social Care and is not means tested for the services that are provided in relation to the person's mental health needs. Any individual who is eligible under Section 117 aftercare would be able to access funding for care and support related to their mental health needs. South Gloucestershire Council would expect any individuals eligible under section 117 to manage their own rent costs or access support via Housing Benefit.

The Council will make it clear on Purchase Orders received from the Brokerage Team whether or not an individual has a joint funding arrangement in place. Should an individual have a Joint Funding arrangement then the Council and the ICB/Health Board may decide to review the care and support in place jointly.

11 Payments

For commissioned services, the Council propose to pay monthly amounts, 2 weeks in advance and 2 weeks in arrears. Payments can be reviewed as part of quarterly reviews, or on exceptions as they arise.

South Gloucestershire Council will continue with the current payment system (CM2000) for those existing providers that are currently using it and manual (paper) invoices for those existing providers invoicing in this way also. New providers that are onboarded to the Council will be asked to send in paper (manual) invoices to the Council on a four weekly basis until a new payment mechanism is in place to supersede all current payment methods.

However, we will make best endeavours to move towards a more streamlined payment process using the "Provider Portal". This move will enable South Gloucestershire Council to pay specialist provider services on commissioned hours and move away from the 'time and task' model of payment which currently exists whilst still working in line with the Council's Charging Policy. We will communicate with Providers first before implementing any changes.

For Direct Payments or Individual Service Funds, the Council will make a regular monthly payment into the individuals account and the individual will discuss a payment plan with the Provider directly.

12 Overheads

Overheads covering costs such as Central / Regional Management, additional Support Services and communal space maintenance (finance / HR / Payroll / legal etc.)

13 Operating Profit

Strictly speaking profit is not a cost but reflects Provider expectations as a return on operations and investment. These expectations may vary between Providers. The Council considers that a profit of up to 5% of operational costs including overhead costs is reasonable having regard to the care economy and affordability. However, the Council will work with providers to review operating profits to ensure they remain in line with industry standard.

14 Prices Submitted

Providers will tender to go onto the framework as one organisation with one hourly rate and or half day session rate. The price submitted on your costing template is the price that will be paid by the Council for placements made under this framework. The costs submitted at the accreditation stage cannot be altered unless this is actioned through the price review process specified above and agreed with the Council.

15 Best Value

When the Guidance refers to the Council's Best Value obligations under the Local Government Act 1999, it means that it has a duty to make arrangements to secure continuous improvement in the way it functions. In this case placing individuals and establishing its usual prices, are exercised, having regard to a combination of economy, efficiency and effectiveness. Best value statutory guidance notes that the Council should consider overall value, including economic, environment and social value when reviewing service provision.

16 Market Development Duty in the Care Act 2014

The promotion of the effective and efficient operation of the care and support market as a whole became a new legal duty under the Care Act 2014 in April 2014. In practical terms this means that the Council needs to ensure that the actions it takes, including its commissioning and payment for services, support sustainable and quality care and support services.

Appendices

Appendix 1

Pricing Tool – Specialist Provider Framework



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Schedule 5 Pricing To

Appendix 2

Examples of Eligible and Ineligible Costs Relating to Housing Benefit.



Appendix 2 - General
Charges that are eligil