

Report seeking authority to award for the provision of a Direct Payment Personal Assistant (PA) Payroll and Managed Bank Account (MBA) Service.

Date: 30 October 2024

Report of: Deputy Director, Integrated Commissioning

Report to: Director of Adults and Health

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

Leeds City Council has a statutory duty (Care Act 2014) to provide guidance, support and information to plan, manage and monitor spend in relation to individuals in receipt of a Direct Payment.

This report seeks approval to award a contract to deliver Direct Payment Personal Assistant (PA) Payroll and Managed Bank Account (MBA) Services following the successful completion of a competitive tendering exercise to Barrie Bookkeeping and Payroll Services LTD.

The service will provide payroll, administrative and financial support to individuals, children and families in receipt of a direct payment or Personal Health Budget and employing a Personal Assistant (PA) to deliver their care and support.

Recommendations

The Director of Adults and Health is recommended:

- a) To award a contract with effect from 1st April 2025 until 31st March 2028 with an option to extend for up to a further 60 months (to be taken in any combination). The value of this decision is £374,763.85 per annum; £1,124,291.55 for the initial period of three years and an overall total contract value if all extensions are utilised of £2,998,110.80 to be awarded to the successful provider.

What is this report about?

- 1 The Care Act 2014 statutory guidance sets out expectations of Local Authorities around the use of a direct payment and the support that people should have access to plan, manage, monitor, and spend the money. Recipients should be informed and supported to be effective consumers, and to understand and manage their responsibilities as PA employers
- 2 A report seeking to vary the existing contract reference ([D57507](#)) with the current provider under the provision of Regulation 72 (1) (c) of the Public Contracts Regulations 2015 for an additional period of seven months and CPR 3.1.7 seeking Authority to Procure were both

approved on the 24th of June 2024. The period of the modified contract runs from 1st September 2024 to 31st March 2025 with a contract value of £293,076 to ensure continuation of service whilst a competitive procurement exercise is undertaken, and the new contract mobilised.

- 3 The service will provide administrative and financial support to individuals and children and families in receipt of a Direct Payment and or Managed Bank Account. The service will facilitate this on behalf of Leeds Integrated Care Board (Leeds ICB) for Personal Health Budgets (PHB).
- 4 A full procurement exercise was undertaken, and the tender documents were published on YOR Tender on 1st July until 14th August 2024. Tender documents were for submission of a standard selection questionnaire (SSQ) which is a due diligence document, method statements, price schedule and social value commitments.
- 5 The tender evaluation was conducted by a panel of Officers from Adults and Health, Adults and Health Operational Services, Integrated Digital Services and Children and Families Directorate. The overall scoring process was on a consensus basis and overseen by Procurement and Commercial Services (PACS).
- 6 Five completed submissions were received, two of which did not reach the minimum threshold at the Standard Selection Questionnaire (SSQ) stage, to progress to the method statement evaluation.
- 7 At the method statement evaluation one provider's submission did not meet the required minimum quality threshold, in total two submissions met the minimum quality threshold for all method statement questions. As this procurement used the price-quality separated approach, the Provider with the lowest price became the preferred bidder with a compliant financial value.
- 8 The Providers presented various social value commitments which were evaluated to be satisfactory as part of the evaluation process, the panel reviewed the pricing schedule and was able to confirm the annual contract values in the tender did not exceed the maximum value as set out in the specification.
- 9 Due diligence checks concerning safeguarding policies, health and safety, financial standing, satisfactory references, and the required levels of insurance being in place are presently being undertaken. It is expected that there will be no issues regarding these requirements in respect of the preferred provider, however the contract will not be awarded until these checks have been satisfactorily completed.
- 10 A breakdown of the evaluation and scoring of the bids received is provided in Appendix 1.

What impact will this proposal have?

- 11 This service is essential and supports individuals to maximise their independence and their choice and control for health and wellbeing, and how that can be facilitated via direct payments. The service will:
 - deliver on a city-wide basis so will impact all wards.
 - delivers some of LCC's statutory responsibility under the Care Act 2014 to ensure individuals receive financial and administrative support to use and manage their direct payment.

- consolidate skills and confidences for individuals who want to manage their finances independently.
 - embed social value by identifying and measuring social value outcomes to be delivered.
- 12 This provision delivers a service for people with physical and sensory disabilities in the city, who are more likely to be adversely affected by inequality and poverty. Without such provision, the health and wellbeing of individuals in receipt of a direct payment would be adversely affected.
- 13 An Equality Diversity Cohesion Integration screening has been completed and is attached. There are no issues to be addressed.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 14 The service directly contributes to the Council's Health and Wellbeing Plan and its priority to make Leeds the best City for Health and Wellbeing by 2030. This is achieved through supporting clients to make healthy lifestyle choices and to live safely.
- 15 The service will contribute towards the best city ambition by:
- Supporting self-care, with more people managing their own health in the community.
 - Reducing health inequalities and improve the health of the poorest fastest.
- 16 The service will support the Council's stated ambition of working towards a carbon neutral city by 2030, the impact on the climate should be considered across all officer work. Through ongoing contract management, the provider will be encouraged to actively engage with the climate change agenda. Examples could include adhering to and working within the values of Council policy and guidance in relation to climate change, a reduction in carbon emissions through, for instance, decreasing private vehicle usage, using and/or investing in 'eco-friendly' resources.
- 17 Developing and supporting Direct Payments, improving the offer, availability, and training of employers, also supports a local and diverse workforce in Leeds, the use and development of micro and small enterprises is strength based and helps in turn support inclusive growth in the city.
- 18 An improved and diverse workforce also encourages opportunities for local support which could reduce unnecessary journey times and travel. This helps to reduce carbon emissions and environmental pollution which contributes to city actions to better manage air quality.
- 19 The type of interventions provided are aimed at improving health and well-being, whilst being managed in the community, including the prevention of hospital admissions which helps ensure we better manage our use of resource intensive (and high carbon footprint) health and care services.
- 20 Furthermore, the service specification requires that the service undertakes to meet all legislation, guidance and good industry practice in environmental management and the objectives of the Council's sustainability policies. Officers from Adults and Health will work with the provider through the established contract management process to ensure the

service is proactively seeking to minimise its carbon footprint and thereby support the Council in achieving its ambition to be carbon neutral by 2030.

What consultation and engagement has taken place?

- 21 Written briefings on the proposed service have been provided to the Executive Member for Adult and Children's Social Care and Health Partnerships.
- 22 As part of the service review, a Market Sounding Exercise, a Questionnaire, and extensive consultation events were held with service users and partners in related services and professionals from across the health and care systems to provide feedback on the current model and inform the requirements for the new contract.
- 23 The Executive Member for Adults and Health was briefed on the outcome of the tender on 17th September 2024.

What are the resource implications?

- 24 The value of this decision is £374,763.85 per annum for the initial 3 year (£1,124,291.55) and with the 60-month contract period (total value of £2,998,110.80) if the extension is fully utilised. The successful Provider submitted tender price of £1,124,291.55 for the initial 3-year contract realising a saving of £225,708.45 on the initial 3-year contract value which was £1,350,000.
- 25 The award of this contract is on behalf of the Directorate of Adults and Health, the Directorate of Children and Families and NHS Integrated Care Board (ICB).
- 26 The funding by partners will be subject to a proportionate split already established and in place, which can be monitored and amended based on service take up and utilisation by directorate/organisation.
- 27 Officer time will be necessary to undertake the procurement and future contract monitoring. This will be met through existing capacity from within the Working Age Adults Commissioning team.

What are the key risks and how are they being managed?

- 28 A project team comprising of representation from Adult Operation Services, Children and Families Directorate, WAA, Commissioning, Procurement & Commercial Services (PACS) and Leeds NHS ICB has been set up to oversee the re-commissioning process to ensure that the process adheres to the Public Contracts Regulations 2015, as well as the council's Contract Procedure Rules.
- 29 A full suite of project documentation has been developed for this procurement including a risk register which has been established as part of the procurement process and this will continue to be managed and updated. Significant risks will be reported to the Project Board and Directorate Leadership Team as required.
- 30 Should approval not be granted then alternative provision will need to be put in place as this is a statutory function for Local Authorities under the Care Act 2014.

- 31 A mobilisation period of 6 months has been built into the procurement timetable to ensure that the service can be fully mobilised before the contract start date of 1st April 2025.

What are the legal implications?

- 32 The decision to award this contract is a direct result of a previous Key Decision With reference to the new contract, this was the subject of a Key Decision (D56735) given the total value of the new contract proposed (including potential contractual extensions) exceeds £500,000,00 and was therefore subject to Call In. It was published on the List of Forthcoming Key Decisions on 26th September 2023.
- 33 As a direct consequence of the Key Decision, the decision to award the new contract will be taken as a Publishable Admin Decision (PAD), which will not be subject to call-in.
- 34 The procurement has been undertaken in accordance with the Public Contracts Regulations 2015 and, the councils own Contract Procedure Rules. Following evaluation, the panel believes that the contract should be awarded as set out in the recommendations of this report.
- 35 Appendix 1 to this report is confidential and exempt under Access to Information Procedure Rule 10.4(3) as it contains information relating to the business affairs of organisations involved throughout the process. It is felt that if disclosed these would, or would be likely to, prejudice the commercial interest of the bidders.
- 36 Award of the contract will be subject to the satisfactory conclusion of the mandatory standstill period of 10 calendar days, on the basis that no challenge to the decision to award the contract is made.
- 37 The contract will be managed by officers in Adults and Health. This will include regular reviewing of performance information and quarterly contract management meetings with the providers, at which any service delivery issues will be discussed.

Options, timescales and measuring success

What other options were considered?

- 38 The option to allow the service to end when the current contract expired was not available since this is a statutory function that the council is required to provide.
- 39 There is no internal service provider that is capable of delivering the service required and it is recommended to externally commission Direct Payment payroll and managed bank account services.

How will success be measured?

- 40 The service is subject to robust Performance Management Framework which includes several Key Performance Indicators and other service delivery outcomes. All outcomes and indicators will be subject to quarterly and annual review to reflect changes in demand and performance.

- 41 Contract management meetings will be held between Leeds City Council and the Contractor monthly for the first 6 months of the contract and then on a quarterly basis, or more frequently if required. They will cover topics such as service delivery and development, performance, finance, safeguarding, contract issues, and compliments and complaints.

What is the timetable and who will be responsible for implementation?

- 42 The mobilisation period will commence from 14th October 2024.
- 43 The contract will begin 1st April 2025.
- 44 The Head of Service Commissioning is the officer responsible for implementation of this contract and will liaise with Procurement and Commercial Services (PACS) to oversee its implementation before the existing arrangement expires on 31st March 2025.

Appendices

- Equality, Diversity, Cohesion, and Integration (EIA) Screening Assessment as completed for the Publishable Admin Decision (PAD).
- Tender Evaluation Scores – Confidential.

Background papers

- None