



Although a formal committee of Brighton & Hove City Council, the Health & Wellbeing Board has a remit which includes matters relating to the Clinical Commissioning Group (CCG), the Local Safeguarding Board for Children and Adults and Healthwatch.

| | | |
|------------------|---|-------------------|
| Title: | Money Management Procurement | |
| Date of Meeting: | 29/01/19 | |
| Report of: | Rob Persey, Executive Director Health & Adult Social Care | |
| Contact: | Jenny Knight | Tel: 01273 293081 |
| Email: | Jenny.Knight@brighton-hove.gov.uk | |
| Wards Affected: | All | |

FOR GENERAL RELEASE

Executive Summary

Health & Adult Social Care commissions a service to provide money management and money handling services. The aim of this service is to support people to remain as independent as possible through the provision of support to manage their money. This is a vital preventative service for the council which maintains people in their own homes, prevents evictions, protects people from financial exploitation and reduces the risk of stress and mental health issues due to debt.

This paper seeks agreement to re-tender a money management and handling service with an increased budget. This increased budget incorporates the existing block contract value and the Community Care funded individual service agreements. This paper also proposes to add an additional £22,000 per annum to the tender value to cover the expected rise in demand in the service over the next 10 months. The revised contract value will be contained within the community care financial envelop and is not an additional budget request.

Glossary of Terms

| | |
|------------------------------|--|
| Block Contract | A contract with a service provider which has a fixed contract value and a set number of hours or units of support provided. |
| Individual Service Agreement | An Individual Service Agreement (or Spot Purchase) happens when the service is purchased on behalf of an individual basis for a single user. Services are purchased at a pre-agreed hourly rate, for a prescribed number of hours per week agreed between the referrer and service provider. |

1. Decisions, recommendations and any options

- 1.1 The purpose of this report is to seek approval from the Health and Wellbeing Board for procurement by tender for a new Money Management Service.
- 1.2 That the Board grants delegated authority to the Executive Director of Health & Adult Social Care (HASC) to undertake the procurement of a money management & handling service to the value of £600,000 per annum, and to award a contract for Money Management for Five (5) years
- 1.3 That the board delegates authority to the Executive Director of HASC to extend the contract at the end of the five year term for a further period of up to two years if it is deemed appropriate and subject to available budget.

2. Relevant information

2.1 Service description

- 2.1.1 Health & Adult Social Care commission a service for vulnerable adults in the community who need support managing their personal finances.
- 2.1.2 The service is preventative with the aim of maintaining people's independence and preventing the issues of debt and money management leading to housing loss, mental ill health or higher cost residential care placements.

- 2.1.3 Staff are trained financial advisors, and provide casework support in all aspects of managing money.
- 2.1.4 Support is delivered through visits to the service user's home, telephone contact, and appointments in the provider's offices. Service users receive on average one to two hours support per week.
- 2.1.5 The service offers the following support:
- Receiving income on behalf of the client and budgeting as agreed
 - Managing debts and liaising with creditors
 - Paying bills and making purchases on behalf of the client
 - Delivering cash to housebound clients.
 - Providing cash to carers or family members from the clients account as agreed.
 - Protecting & safeguarding service users from financial abuse
 - Acting as welfare benefits appointee for the client and in exceptional circumstances as a deputy for the Court of Protection
- 2.1.6 Those eligible for the service include individuals who lack the capacity to make financial decisions, people recovering from mental health or substance misuse issues, and those who may be frail, elderly or have other long term needs. Applications for support are assessed through an Adult Social Care assessment before being referred on to the service.
- 2.1.7 The service does not extend to management of assets and investments.
- 2.1.8 The current service is broken down into three components; Crisis Intervention, Short Term Support & Long Term Support.

2.2 Block contract

Contracts for the provision of this service have been held with Money Advice Plus since the start of the Supporting People programme in 2003. The current block contract comes to an end in September 2019.

2.3 Individual Service Agreements

On top of the block contract a number of individual service level agreements are made with the current provider by H&ASC. These fall into the following categories;

- Care Act eligibility: Spot purchased money management and handling services for individuals assessed as requiring support who are awaiting a vacancy on the block contract.

- People with no recourse to public funds: Spot purchase cash service for a small number of people.
- Residential Care: The majority of these clients are supported by BHCC's Financial Assessments Team, however, a very small number who require a significantly higher level of support are supported under an individual service agreement.

2.4 Waiting List

2.4.1 The block contract permanently runs at capacity and the service provider maintains a waiting list for both the short term and long term services. All referrals are triaged and prioritised for support, immediate and urgent situations receiving a crisis response service of around 6 weeks.

2.4.2 Clients are added to the relevant waiting list in order of priority. Those needing casework immediately will be supported in the interim through an Individual Service Agreement (see 2.3). Others who can manage without support but need assistance accessing or managing their cash, will receive a light-touch cash delivery service.

2.4.3 Waiting list for the long term service:

- Over the past 12 months, an average of 170 clients have been waiting at any one time. The list has grown by an average of 18 clients a year over the last 3 years
- Average waiting time for the service is 22 months, with lowest priority clients waiting over 5 years
- 40% of clients on the waiting list are funded through a spot purchase (Individual Service Agreement) whilst waiting. Spot purchases have increased by an average of 15 clients a year over the last 3 years.
- Financial abuse is raised as a concern in 50% of cases referred. The provider conducts regular reviews of the waiting list and assessment of risk, to ensure clients not receiving casework support remain safe.
- Most clients have enduring needs, resulting in little movement on the waiting list.

Waiting list for the short term service:

- The success of the triage service has seen the waiting list for the short term service reduce from 5-10 people to very small numbers recently.

2.5 Financial Spend 2017/18

| Service | Caseload | Total clients in 2017-18 | Spend 2017-18 | Hourly rate | Average hours of support per week |
|---|------------|--------------------------|-----------------|---------------|-----------------------------------|
| Crisis Intervention | 60 | 219 | £53,760 | £20.00 | n/a |
| Short term service | 37 | 51 | £83,140 | £21.61 | 2.00 |
| Long term service | 124 | 135 | £216,100 | £19.67 | 1.66 |
| Total Block contract | 221 | 405 | £353,000 | | |
| Total Individual Service Agreements | 120 | 137 | £225,000 | £31.26 | 1.14 |
| All Casework (Short + Long term + Individual Service Agreements) | 281 | 323 | £524,240 | | |
| Total | 341 | 542 | £578,000 | | |

Support delivered under Individual Service Agreements is the same as that provided through the long term service, but the two arrangements deliver very different value for money. This difference has accumulated over the years. The long term service has not seen an increase in funding since 2006 making the current hourly rate unrealistic. The hourly rate for individual support agreements has steadily increased to cover the shortfall, effectively subsidising the block contract.

2.6 Related contracts

The Council and CCG hold a variety of other contracts with Money Advice Plus:

- Moneyworks – (Communities & Third Sector Prospectus 2017-2020). Money and debt advice to Brighton and Hove residents, via helpline, drop-in and appointment sessions in a number of locations
- Council housing tenants – support for households in arrears and/or at risk of eviction, or experiencing issues with benefits

- CCG “Money Advice for Wellbeing” - financial advice for inpatients at Mill View hospital and people in receipt of community mental health treatment services

As part of the recommissioning process H&ASC Commissioning has been working with Adult Social Care Financial Assessment, Public Health, Housing, the Communities, Equalities and Third Sector Team and the CCG to try to develop a joint commission.

The commission being proposed will combine the requirements of H&ASC Commissioning, Adult Social Care Financial Assessment and Housing, with input from Public Health around ‘Making Every Contact Count’¹.

The CCG were consulted on integrating the Money Advice for Wellbeing service but elected to re-procure the service with the Mental Health Support Service Tender under a lead provider model.

2.7 Competitive tender

A market-testing exercise conducted in September 2018 received interest from two providers, so a competitive tender process is required.

We propose to retender an expanded Money Management Contract which will include:

- An expanded triage and crisis response service – 70 units
- A cash delivery service
- A casework and account handling service

A separate lot will be tendered for a money advice service for council housing tenants to support individuals with debt and welfare benefits. This service will be commissioned to the value of £80,000 per annum.

2.8 Review of Specification

Referrals for the Adult Social Care Service will continue to come through a Social Care Assessment. Individuals who can be sustained through cash deliveries only will not be added to the waiting list for the casework service. They will be re-referred for casework support if their needs increase in the future.

¹ Making every contact count (MECC) is an approach to behaviour change that utilises the millions of day to day interactions that organisations and people have with other people to encourage changes in behaviour that have a positive effect on the health and wellbeing of individuals, communities and populations. <http://www.makingeverycontactcount.co.uk/>

The consultation and redesign of the service has commenced and includes;

- A review of referral routes and assessment for access to the service
- A review of waiting lists and the inclusion of a requirement to redirect inappropriate referrals to alternative advice services
- Review of triage stage; re-specification of cash delivery service, to include alternative methods of accessing cash, e.g. prepaid debit cards
- Specific requirements on the frequency of review and escalation of safeguarding cases
- A review of client contributions - currently clients on spot purchase agreements receive a Financial Assessment to determine if they can contribute to the funding of their support. We may extend this to other categories of referral but with few clients in this position, we will need to compare the gains with the resources required
- The inclusion of 'Making Every Contact Count' to ensure that service users are signposted to relevant health and wellbeing services
- Branding of the service to distinguish the money management remit from other advice services in the City
- The importance of social value, and the contribution the service provider makes to the City

2.9 Proposed Financial Spend

2.9.1 The block contract is funded from the H&ASC Homeless Commissioning budget, and Individual Agreements from the Community Care Budget.

2.9.2 The hourly rate in the block contract is currently on a level with other support contracts, but the spot purchase rate is at an excessive £31 per hr. We therefore propose a larger, more sustainable block contract, and at the same time set a more reasonable individual support agreement rate.

2.9.3 Our recommendation is that all current spend on Individual Service Agreements is transferred from the Community Care Budget to the block contract to establish a larger core service for the 5 years ahead. We would also propose adding a further £22,000 p.a. (from the Community Care

Budget), to meet the demand anticipated by the time service launches in October 2019:

Projected Tender Value for illustration purposes :

| | Current capacity | Proposed capacity from Oct 2019 | Spend 2017-18 | Proposed annual value | Hourly rate | Average hours per week |
|---------------------|------------------|---------------------------------|-----------------|-----------------------|-------------|------------------------|
| Crisis intervention | 60 | 70 | £53,760 | £60,000 | £20.00 | n/a |
| Cash delivery | | 1 worker | - | £20,000 | | |
| Casework | 281 | 300 | £524,240 | £520,000 | £22.14 | 1.5 |
| Total | | | £578,000 | £600,000 | | |

2.9.4 Actual capacity and hourly rates will be determined by the winning bid, but we expect the contract to be sustainable in the region of £20-£25 / hr. Given that demand will not dip during the term of the contract, we propose to fix the individual support agreement rate at a more reasonable level of £24-25 / hr.

2.9.5 Commissioners will review demand on an annual basis, to assess if further expansion to the block contract should be recommended.

2.10 Timetable for commissioning:

| | |
|-----------------------------------|-------------------------------|
| Stakeholder Consultation & Review | November – January 2018 |
| Health & Wellbeing Board | 29 th January 2019 |
| Specification Development | January – March 2019 |
| Tender Release | April 2019 |
| Tender Award | June 2019 |
| Contract Start Date | 1 st October 2019 |

3. Important considerations and implications

Legal:

3.1 The council’s Contract Standing Orders require that authority to enter into a contract valued at £500,000 or more be obtained from the relevant committee being in this case is the Health & Wellbeing Board.

The proposed contract falls within Schedule 3 of the Public Contracts Regulations 2015 and is therefore classed as Light Touch. The value of the contract exceeds the current threshold of £615,278.00 above which Light Touch Contracts are required to be advertised in the Official Journal of the European Union. Therefore a Prior Information Notice or a Contract Notice



must be published setting out the broad parameters of the services required and the process by which it is intended to award the contract.

The tender process must be conducted so as to ensure compliance with the principles of transparency and equal treatment of those economic operators bidding for the contract.

Lawyer consulted: Judith Fisher

Date: 20/12/2018

Finance:

- 3.2 The total cost of this contract is outlined within the report. The proposed annual tender requires the transfer of £0.022m funding in 2019/20 from the Community Care Budget to the Homeless Commissioning budget. The average unit cost per client should reduce as a result of further utilising the block contract price, however overall costs may increase year on year due to continuing demand pressures and resources will need to be identified to mitigate future financial risks.

Finance Officer consulted: Sophie Warburton

Date: 17/12/2018

Equalities:

- 3.3 This service is open to any individual who is assessed as having an eligible need. It is a vital service for individuals who struggle to manage their money or lack the capacity to make decisions about their finances. This includes those who are elderly, housebound, vulnerable to financial exploitation, have a learning disability or lack capacity due to mental health issues. The specification for the new service will ensure that the Service Provider offers a fair and equitable service to all those who are deemed eligible.

An Equalities Impact Assessment is attached as Appendix 2

Sustainability:

- 3.4 We propose that the money management and handling Service is commissioned for a period of 5 years with an option to extend for a further 2 years providing stability to the service provider and the council.

Health, social care, children's services and public health:

- 3.5 The Money Management Service is a preventative service and therefore has a positive impact on health, wellbeing and prevents costs to social care budgets. The service prevents housing loss and mental ill health due to debt and the inability to manage money. The service has maintained people in their own homes where they may otherwise be unable to manage their

household bills and welfare benefits. The service also protects vulnerable individuals from financial exploitation. Performance monitoring over the life of the service has found consistent excellent outcomes, and a high regard for the service from clients and stakeholders.

Supporting documents and information

Appendix 1: Case Studies

Appendix 2: Equalities Impact Assessment