



# **Order Schedule 20 (Order Specification)**

## **Adult social care charging reform – understanding the operational readiness of local authorities**

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# 1. Background and scope

## Policy context

1.1 The government's publication of Build Back Better: Our plan for health and social care (September 2021)<sup>1</sup> committed to reforming the way people pay for their social care. The government has confirmed funding of £3.6 billion between 2022/23 and 2024/25 to implement charging reform in all local authorities in England. Making adult social care fairer and more accessible is a core pillar of our 10-year vision for adult social care set out in the People at the Heart of Care white paper<sup>2</sup>. Charging reform is a key step in achieving this vision.

1.2 Charging reforms include:

- A new £86,000 cap on the amount anyone in England will need to spend on their personal care over their lifetime, from October 2023.
- An increase to the upper capital limit (UCL), the point above which people are no longer eligible to receive some financial support towards the cost of their care from their local authority, from the current £23,250 to £100,000.
- An increase to the lower capital limit (LCL), the threshold below which people will not have to pay anything for their care from their assets, from £14,250 to £20,000.
- People receiving means-tested support will be able to keep more of their own income as the government has unfrozen the Minimum Income Guarantee (MIG) for those receiving care in their own homes and Personal Expenses Allowance (PEA) for care home residents, so that from April 2022 they both rose in line with inflation.
- Ensuring that local authorities are able to move towards paying a fair cost of care, for which £1.4 billion of the £3.6 billion funding over the next 3 years has been earmarked.
- The implementation of s18(3) of the Care Act 2014, which allows people to ask their local authority to commission care on their behalf.

1.3 Reforming adult social care charging arrangements to ensure fairness among users and with the taxpayer is a government manifesto commitment, a core pillar of our 10-year vision for social care reform, a priority for the Secretary of State for Health and Social Care, and crucial to the overall objective of the Department of Health and Social Care (the Authority) to enable an affordable, high quality and sustainable adult social care system that meets people's needs.

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<sup>1</sup> [Build Back Better: Our Plan for Health and Social Care - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/build-back-better-our-plan-for-health-and-social-care)

<sup>2</sup> [People at the Heart of Care: adult social care reform - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/people-at-the-heart-of-care-adult-social-care-reform)

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- 1.4 Charging reform will mean significant business change for the social care sector – particularly for local authorities and care providers. It will require planning, design, testing, monitoring, and ongoing evaluation from both the Authority and local authorities to ensure successful delivery. The Authority’s charging reform programme team has a significant role to play in monitoring local authority delivery and providing support where issues are identified that could impact progress.
- 1.5 In advance of national go-live in October 2023, there will be a period of testing and learning from several trailblazer authorities that will implement charging reform earlier than all other local authorities. The trailblazer initiative will generate valuable evidence and insight that will help the Authority to monitor progress and improve its understanding of the barriers to implementation. This learning will shape the national introduction of the reforms.

**The need for support**

- 1.6 It is essential that the Authority has access to local authority-level quantitative and qualitative data and intelligence over the next 18 months to understand local and national readiness for implementation. This understanding will inform reports on progress to Ministers and across government, the production of any additional guidance, and the identification of requirements for support.
- 1.7 Local authority-level data on operational readiness is essential for evidence-based decision making ahead of, and throughout, the implementation period. Improving the evidence base will inform delivery to help ensure it meets end-users’ needs. It will also help to ensure that local authorities receive adequate support and funding to deliver the services, in line with government’s objectives.
- 1.8 In this context, operational readiness is defined as the extent to which local authorities are prepared for full implementation of the charging reforms by October 2023, based on factors such as capacity, operating models, technology, and funding. The Authority anticipates that operational readiness will evolve and mature over the course of the programme implementation period.
- 1.9 The Authority plans to understand the operational readiness of local authorities through operational readiness assessments. These assessments will provide real-world evidence on progress with charging reform implementation to support decision-making by the Authority and by local authorities. With permission from local authorities, the information collected may also be used to facilitate the sharing of best practice, networking, and peer-to-peer support.
- 1.10 A core element of these assessments will be a dedicated operational readiness survey that will pose questions on various topics to local authorities,

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including those listed above – capacity, technology, operating model transformation and funding. The operational readiness survey will:

- Provide data on specific readiness related indicators as a basis for fuller assessments of overall readiness.
- Fill key data and evidence gaps in the short term, while long-term mechanisms for the collection of monitoring data and identifying support needs are established.

## 2. Requirements

- 2.1 The Authority is seeking a Supplier to undertake quantitative and qualitative data collection and analysis to understand the readiness of local authorities to implement the charging reforms outlined above.
- 2.2 The Authority requires the support of a Supplier to provide the following:
- 1) An initial engagement exercise with all 152 local authorities with commissioning responsibility for adult social care, communicating the purpose of the operational readiness assessments and surveys, and building relationships to ensure a strong response rate.
  - 2) Independent assessments of the readiness of all 152 local authorities. The Authority anticipates there will be at least six cycles of assessment undertaken between summer 2022 and winter 2023 to monitor progress towards readiness. This work will include:
    - Input to assessment methodology, including inputting into the definition of operational readiness in collaboration with the Authority's programme team.
    - Collection and analysis of operational readiness data (primary data collection) from all 152 local authorities (more detail below).
    - Management of an online portal to facilitate the collection of operational readiness data and wider data required for charging reform implementation (more detail below).
    - Analysis of additional secondary data provided by the Authority to also inform the overall assessment of readiness.
    - Engagement with sector experts, the Authority's regional leads and any additional relevant bodies to test the outcome of surveys and to layer soft and local level intelligence into overall assessments of readiness (more detail below).
    - An assessment of data (survey data and soft intelligence) quality, accuracy, confidence levels and details on any assumptions used in making overall conclusions on operational readiness.
    - Recommendations on local authorities in need of additional support to help target the Authority's support offer in the most effective way.
    - Recommendations on regional issues or issues affecting certain types of local authority (e.g., rural) to help shape any required policy response from the Authority.
    - For each assessment cycle, a presentation of results to the Authority, including a dashboard and a report on results.

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2.3 More detail on the requirements listed above is provided below:

- 1) Collection of operational readiness data from all 152 local authorities in England via a dedicated operational readiness survey:
  - Input into the design of the operational readiness surveys in collaboration with the Authority's project team. It is expected that the survey will be flexible and can be adapted to collect wider monitoring data if required while the Authority works to establish dedicated long term monitoring data streams.
  - Working with trailblazer local authorities and regional engagement leads to design and implement an effective approach to administering operational readiness surveys for all 152 local authorities.
  - Collection of operational readiness data in cycles over a 16-18-month period. As above, the planning assumption is that at least 6 cycles of data collection will be needed, but the Authority will work with the Supplier to ensure the need for regular data is balanced with useful data, as well as considering the burden on local authorities.
  - Reviewing and adapting the approach to data collection where necessary to maximise the useability of the data while minimising burden.
  - Reviewing and updating the survey questions at each cycle to ensure the collection of relevant data continues. It is anticipated that the survey will start to collect some key programme monitoring information in the lead up to October 2023. The survey will provide a short-term mechanism for the collection of data to inform charging reform implementation and identify support needs. In parallel, the Authority is working with the sector to establish regular embedded data streams to meet future monitoring data needs.
  - Supporting local authorities to submit the necessary data and information in the format required and answering questions on the data return.
  - Notifying the Authority of local authorities that have not been able to complete the survey by the deadline.
  - Following up with local authorities that have not been able to complete the survey to understand potential issues (at least two attempts at contact per local authority).
  - Where a local authority is not able to respond, working with regional engagement leads and the Authority's additional support providers to complete in surveys and undertake assessments based on intelligence as far as possible.
  - Preparing aggregate data for publication on gov.uk in line with the charging reform programme's transparency policy.

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2) Analysis of the operational readiness data:

- Quality assurance of the survey returns and comparison with data collected from other sources (e.g., client level data and capacity tracker information) using expert knowledge of the sector.
- An assessment of data accuracy, confidence levels and details on any assumptions used in making overall operational readiness assessments.
- Analysis of additional data provided by the Authority that shall be considered as part of the overall operational readiness assessment. It is anticipated that the evidence base for assessments will grow over time, particularly as monitoring data flows are established and the outputs from trailblazer local authorities are reported.
- Drawing conclusions from the data to provide assessments of readiness by, amongst other things, region, individual local authority, care user characteristics, and type of local authority (e.g., rural), and develop an overall picture of the current delivery landscape.
- Providing the Authority's external evaluation partner with operational readiness data and analysis to support the evaluation of the trailblazer local authorities.
- Responding to requests for information and analysis on specific topics from the Authority as required.

3) Consideration of soft intelligence:

- Gathering and accounting for soft intelligence at regional and local level, including collaborating with the Authority's regional engagement leads and any additional relevant bodies, to inform operational readiness assessments and contextualise the data.
- Working with experts in local authorities and/or adult social care delivery to invite expert scrutiny and quality assurance.
- Presenting survey analysis and soft intelligence at meetings with the Authority as well as providing an overview of initial operational readiness assessment results and sense checking these. The Authority anticipates a light-touch moderation exercise per assessment cycle. The design of this moderation approach is to be finalised and the Authority will work with the Supplier to determine the best approach. The Supplier will be required to facilitate any moderation meetings.
- Providing the Authority with key findings and themes to inform decisions and working with the Authority to support, where appropriate, the dissemination of key findings, learning and best practice to all local authorities.
- Collaboration with the Authority to create a continuous feedback loop to share learning and best practice with local authorities and support their preparations for implementing charging reforms.

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- An assessment of the extent to which soft intelligence is representative, confidence levels in this intelligence, and details on any assumptions used in incorporating soft intelligence into overall operational readiness assessments.
- 4) Producing assessment reports for the Authority:
- For each assessment cycle, a presentation of results to the Authority and provision of a report on results.
  - Creating and automating a series of dynamic reporting dashboards so that performance reports can be created and shared with the charging reform programme's Senior Responsible Owner (SRO) with ease. It must be possible for these to be easily tailored to different audiences, such as ministers. It must also be possible for the dashboards to be anonymised, so that local authorities' data can be shared with other local authorities and published on gov.uk in line with the charging reform programme's transparency policy. Dashboards shall evolve over time, for example to include more activity-related data when early assessments commence. Where data is collected by the Authority separately, the Authority will provide the Supplier with this to incorporate into dashboards as necessary.
  - Each assessment shall include recommendations on local authorities potentially in need of additional support and what support would be most useful, to help target the Authority's support offer in the most effective way.
  - The assessment shall also identify live implementation issues at a local, regional and national level, and by local authority 'type'/characteristics (e.g., rural/urban, small/large etc.).
- 5) Establishing and manage an online portal for the collection and sharing of data and information:
- Hosting a portal that enables local authorities to submit quantitative and qualitative data with ease.
  - The portal will need to be ready by the start of August to allow time for notifying local authorities of its use.
  - Support local authorities to submit necessary data and documents to the portal in the format required and answering questions on the portal.
  - Establishing a secure, shared area through which documents in various formats can be uploaded and shared with ease. Two-way sharing shall be possible so that the portal can also be used by the Authority to upload information and guidance for local authorities to access.
  - Providing tools that allow data submitted to the portal to be extracted and analysed, in bulk, as well as a function for automatically feeding data into reporting dashboards (as mentioned above).

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- 6) Through the portal, supporting the collection of Fair Cost of Care returns (Cost of Care exercises, Grant Returns and Market Sustainability Plans):
- Collecting and monitoring submissions of local authorities' Fair Cost of Care returns (Cost of Care exercises, Grant Returns and Market Sustainability Plans) via the portal. The deadline for local authorities to return their submissions is the 14 of October 2022.
  - The supplier will be expected to lead communications to local authorities about both the deadline and use of the portal for collection, at least twice between 1st September and 14th October.
  - Notifying the Authority of local authorities that have not submitted their returns by the deadline. Weekly updates would be expected by the supplier of new returns between 14th October and end of November.
  - Utilising relationships built with local authorities via operational readiness surveys to follow up with local authorities that have not provided Fair Cost of Care returns (at least three attempts at contact per local authority between 14th October and November).
  - Note that there will not be a requirement for the Supplier to review these returns, but outcomes/intelligence from the returns shall feed into overall operational readiness assessments.
- 2.4 The Supplier shall have expertise in survey design, field work, data collection and analysis, and engagement with local authorities.
- 2.5 The Supplier shall have a cyber security certificate and operate in compliance with GDPR.
- 2.6 An additional, desirable criterion is experience and knowledge of the adult social care policy landscape, providers, reforms, processes, and existing data sources.

### 3. Deliverables and outputs

3.1 The Authority is seeking four main deliverables from this work:

- 1) Local authority operational readiness assessments (at least six assessments per authority).
- 2) Successful collection, analysis and reporting of operational readiness data.
- 3) An effective mechanism for supporting local authorities with the data collection.
- 4) An online portal to facilitate the sharing of data, information, and learning. This portal will also facilitate the collection of Cost of Care exercises.

3.2 The suggested outputs associated with these deliverables are described in the table below. Note that these outputs are subject to change.

| <b>Deliverable</b>  | <b>Associated outputs</b>   |
|---|---|
| 1) Local authority operational readiness assessments                            | <ul style="list-style-type: none"><li>• A definition of operational readiness to inform key implementation milestones and programme decision points.</li><li>• At least six cycles of operational readiness assessment per local authority over an 18-month period across the 152 local authorities.</li><li>• An assessment of readiness for charging reform on a national, regional and local authority basis with advice on actions required.</li><li>• A moderation exercise to ensure assessments are informed by local and soft intelligence.</li><li>• A clear overview of the delivery landscape with live monitoring of emerging risks, issues and trends, informed by the data collected.</li></ul>   |
| 2) Successful collection, analysis and reporting of operational readiness data. | <ul style="list-style-type: none"><li>• Analysis of the operational readiness data, including quality assurance and comparison with data collected from other sources (e.g., client level data and capacity tracker information).</li><li>• Dynamic dashboards that marry analysis with other sources of intelligence to inform regular performance reports to the programme's SRO. These dashboards shall be tailored to different audiences and anonymised so that local authorities' data can be shared with other local authorities.</li><li>• Data prepared for publication on gov.uk as is decided in line with the programme's transparency policy.</li><li>• Feeding data and analysis into medium- and longer-term charging reform monitoring and evaluation work.</li></ul> |

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| <b>Deliverable</b>  | <b>Associated outputs</b>   |
|---|---|
| 3) An effective mechanism for supporting local authorities with the data collection | <ul style="list-style-type: none"><li>• Continuous support for local authorities to complete the operational readiness surveys and provide data in the format required.</li><li>• Assistance with any queries or issues from local authorities relating to the data return.</li><li>• Collaboration with the Authority to create a continuous feedback loop to share learning and best practice with local authorities and support their preparations for implementing charging reforms.</li></ul>  |
| 4) An online portal to facilitate the sharing of data, information, and learning.   | <ul style="list-style-type: none"><li>• An interface that enables local authorities to submit data and other documents, including Cost of Care exercises.</li><li>• Functionality to easily understand which local authorities have responded to data requests and submitted documents and which have not.</li><li>• Tools to enable the Authority to review and extract the data submitted to support implementation and decision-making. As a minimum, all data shall be extractable in one CVS file.</li><li>• A secure, shared area through which the Authority can share documents and guidance with local authorities.</li><li>• A shared area that facilitates the sharing of best practice examples and learning.</li></ul> |

## 4. Project management

### Timeline

- 4.1 The anticipated start date for delivering this requirement is July 2022 with an estimated duration of up to 18 months, with an option to extend this should ongoing data collection be required (see 'Options for contract extension' below).
- 4.2 Some of the requirements outlined in the sections above will not be needed immediately and delivery can be phased appropriately. The Authority will work with the Supplier to agree a clear project plan. The collection and assessment of operational readiness data will likely need to take place for trailblazers in the first instance, before being rolled out at a national level, shortly after, for all local authorities.
- 4.3 An indicative timetable for the project milestones is outlined below, based on six assessment cycles, although this is a minimum requirement. Please note that these milestones are subject to change.

| <b>Milestone</b>  | <b>Date</b>                |
|---|----------------------------|
| Contract awarded  | July 2022                  |
| Initial engagement with local authorities   | July 2022                  |
| First cycle of operational readiness surveys, analysis and reporting with trailblazer local authorities   | July 2022                  |
| Pilot cycle of operational readiness surveys, analysis and reporting with all remaining local authorities | August 2022                |
| Second cycle of operational readiness surveys, analysis and reporting                                     | September/October 2022     |
| Third cycle of operational readiness surveys, analysis and reporting                                      | December 2022/January 2023 |
| Fourth cycle of operational readiness surveys, analysis and reporting                                     | February/March 2023        |
| Fifth cycle of operational readiness surveys, analysis and reporting                                      | May/June 2023              |
| Sixth cycle of operational readiness surveys, analysis and reporting                                      | July/August 2023           |

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**Project costs**

- 4.4 The estimated budget for this project is £1.5m over 2 years.
- 4.5 Bidders are invited to suggest appropriate methodologies guided by this specification to develop an efficient approach that offers the best possible value for money.
- 4.6 Throughout the duration of the contract, the Authority will work with the Supplier to identify efficiencies and ensure these are implemented to provide optimum value for money.

**Data governance**

- 4.7 Data collected through the operational readiness survey and/or provided to the Supplier by the Authority is owned by the Authority and individual local authorities, as per the core terms of the agreement.
- 4.8 The Supplier shall not use the data collected or shared for operational readiness assessments for any other purpose without the express permission of the Authority. The Authority will explore the transparency requirements surrounding the data collected in operational readiness surveys.
- 4.9 As outlined, the Authority expects the Supplier to provide publishable reports on the outcome of each cycle of operational readiness assessments, but publication of any underlying data is to be determined.

**Performance management**

- 4.10 The Authority will provide the Supplier with regular feedback throughout the duration of the contract. The Supplier shall action any feedback promptly and effectively.
- 4.11 In addition to a weekly review of deliverables against targets (likely to be done via a weekly meeting), the Supplier will be required to attend monthly review meetings with the Authority to discuss the Supplier's performance.
- 4.12 The Supplier's performance shall be measured against a set of key performance indicators, as outlined in the section below.
- 4.13 The outcome of these performance reviews will be reported to the Authority's internal Programme Board and SRO.

**Key performance indicators**

- 4.14 The Key Performance Indicators ('KPIs'), set out below, shall be performed by the Supplier and monitored by the Authority.
- 4.15 The KPI status (Red, Amber, Green, as described in the table below) shall be reviewed by the Authority at regular performance meetings.

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- 4.16 Where the Supplier is deemed to have hit a Red KPI or has an Amber KPI more than three times, the Supplier shall produce a rectification plan (as per Joint Schedule 10), at no cost to the Authority, that will outline actions that the Supplier shall take in order to meet Green KPI standard. The Supplier shall deliver this rectification plan within five business days of being notified by the Authority that the Supplier has been marked as receiving a Red KPI or received more than 3 Amber KPIs.
- 4.17 Where the Supplier does not produce a rectification plan within five business days of being notified by the Authority and/or where the rectification plan is not enacted upon by the Supplier, the Authority has the right to review contract terms and consider taking any necessary action.

| <b>KPI name</b>             | <b>KPI description</b>  | <b>Green</b>   | <b>Amber</b>   | <b>Red</b>  |
|-----------------------------|---|--|--|---|
| <i>Survey response rate</i> | In each operational readiness survey cycle, excepting the pilot survey, the Supplier shall receive survey responses from a minimum of 75% of local authorities, with a clear aim of achieving a higher response rate.   | The Supplier achieves a response rate of at least 75% or more local authorities in every survey cycle. | The Supplier achieves a response rate of below 75% local authorities in two consecutive survey cycles.   | The Supplier achieves a response rate of below 60% local authorities in more than two consecutive survey cycles.  |
| <i>Assessment reports</i>   | For each operational readiness assessment cycle, the Supplier shall provide an appropriate and balanced report of findings, incorporating any additional data and intelligence provided by the Authority and other relevant parties. The assessment will identify risks and | The Supplier provides an acceptable report of findings for every assessment cycle.                     | The Supplier provides a report of findings that is not adequately informed by the additional data and intelligence provided by the Authority in two consecutive assessment cycles. | The Supplier provides a report of findings that is not adequately informed by the additional data and intelligence provided by the Authority in more than two consecutive |

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| KPI name                        | KPI description  | Green   | Amber   | Red  |
|---------------------------------|--|---|---|--|
|                                 | include recommendations on support for local authorities.  |   |   | assessment cycles.   |
| <i>Commission response time</i> | The Supplier shall reply, providing all the information requested by the Authority, to all emails from the Authority within two business days of the request being made in writing by the Authority, unless otherwise agreed in writing between the parties. | The Supplier consistently replies to all emails from the Authority, providing all the information requested by the Authority, within two business days, of the request being made in writing by the Authority, unless otherwise agreed in writing between the parties | The Supplier fails to reply, providing all the information requested by the Authority, to three consecutive emails within two business days of the request being made in writing by the Authority AND/OR fails to respond in two consecutive requests within the specified timeframe. | The Supplier fails to reply, giving all the requested information, to five consecutive emails within two business days of the request being made in writing by the Authority AND/OR to four consecutive requests within the specified timeframe. |
| <i>Meeting attendance</i>       | The Supplier shall attend all meetings to which the Supplier is invited by the Authority, including meetings with relevant parties.  | The Supplier attends all meetings with the Authority and/or other relevant partners to which the Supplier is invited, unless  | The Supplier fails to attend a meeting with the Authority and/or other relevant partners to which the Supplier is invited   | The Supplier fails to attend two consecutive meetings with the Authority and/or other relevant partners without prior written  |

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| KPI name | KPI description | Green  | Amber  | Red                            |
|----------|-----------------|--|--|--------------------------------|
|          |                 | otherwise agreed in writing between the parties. | without prior written agreement between the parties. | agreement between the parties. |

**Options for contract extension**

4.18 The contract for the Supplier may include an option for potential extension:  
**Option 1**

- To extend the duration of the contract by up to six months as required by the Authority, at a price to be agreed between the Authority and the Supplier.

4.19 The Authority shall notify the Supplier 30 (thirty) days before Option is to be enacted.

4.20 Potential bidder should clarify the option value in their .bid

**Exit strategy**

4.21 A detailed exit strategy will be agreed between the Authority and the Supplier at the beginning of the contract.

4.22 The exit strategy will require the Supplier to complete the following activities upon exiting the contract:

- Submitting a final report on performance against KPIs to the Authority.
- Undertaking transfer of all relevant data, information, and other deliverables (as outlined in section 3.2) to the Authority.
- Delivery of a handover presentation to the Authority, outlining lessons learnt and any additional benefits or knowledge identified through delivery of the contract.