



CABINET

21 SEPTEMBER 2016

Subject Heading:

Establishment of an Active Homecare Framework in Havering

Cabinet Member:

Councillor Wendy Brice-Thompson,
Cabinet member for Adult Services and Health

CMT Lead:

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Policy context:

The Havering Adult Social Care Market Position Statement 2015, states the Council's commitment to work with providers to develop homecare that provides:

'...Positive outcomes for adults with care needs in preventing the worsening of their condition, looking to re-able and rehabilitate individuals where it is possible.'

Financial summary:

The Council currently spends approximately £9,460,560 per year on homecare. The potential value of this new homecare framework over five years would be £47,302,800

Is this a Key Decision?

Yes

When should this matter be reviewed?

August 2017

Reviewing OSC:

Individuals

The subject matter of this report deals with the following Council Objectives

Havering will be clean and its environment will be cared for
People will be safe, in their homes and in the community
Residents will be proud to live in Havering

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SUMMARY

The current homecare framework contract will expire on 27 January 2017. This framework has failed to deliver the required capacity. There are a number of reasons for this which includes providers being unable to deliver the care required or leaving the market. To ensure no one goes without care the Council has had to increasingly spot purchase care from homecare providers outside the framework.

To resolve these issues the Council propose establishing a new Active Homecare Framework (AHF). This type of framework will give the Council and homecare providers greater flexibility and ensure that all homecare is procured and evaluated in the same way to provide excellent quality homecare to Havering residents.

RECOMMENDATIONS

That the Leader, after consultation with Cabinet:

1. **Authorise** in principle the establishment of the Active Homecare Framework detailed in the body of the report for the placement of packages of homecare in Havering to take effect on the expiry of the current arrangements
2. **Delegate** authority to the Director of Adult Services to take all necessary steps to set up the Dynamic Purchasing System to be known as the Active Care Framework in accordance with the Public Contract Regulations 2015 (the Regulations) and the Council's Contract Standing Orders (CSO), including but not limited to agreeing a specification for the service, approval of and dismissal of providers, approval of contract terms, setting quality requirements and considering any necessary Equality Impact Assessment and implementing any changes required by it.
3. **Delegate** authority to the Director of Adult Services to agree any amendments in accordance with the Regulations and CSO to the Dynamic Purchasing System for the duration of the term including any termination of the arrangements.

REPORT DETAIL

1. The current homecare framework commenced in 2013 and ceases on the 27 January 2017. This framework has failed to deliver the required homecare capacity (i.e. availability of staff) intended within the model. This

led to adult social care experiencing difficulties in setting up packages of homecare. The Council contracted with 12 homecare providers when the framework was established in 2013. This has reduced to 8 due to providers leaving the market or unable to deliver the required care. To place packages of care the Council has had to increasingly spot purchase care from homecare providers outside the framework.

2. To date, no one has been left without a package of care and support but it has become increasingly difficult to find placements, often requiring a lot of negotiating and persuading with a number of different care providers.
3. There are a number of reasons for the capacity issues. When the framework commenced in 2013 some of the new homecare providers were not able to recruit the required staff, therefore were unable to pick up packages from the beginning. When the framework commenced many residents wanted to stay with their existing homecare provider and not transfer therefore the new homecare providers did not receive the number of cases they were expecting.
4. Quality assuring new providers to spot contract with can be resource intensive. Quality checks on new providers are comprehensive and include areas such as training records, staff recruitment policies, CQC rating and registration details. However, spot contracted homecare providers have not been through the same evaluation process as those that tendered to be part of the framework.
5. There are recognised sector wide problems with recruiting and retaining homecare staff but there are some Havering specific demands which have been identified. These demands include the geographical size of the borough, less urban concentrations and certain areas being less accessible than others. The pool of people likely to go into care work are found more readily in neighbouring boroughs exacerbating the difficulties of recruiting in Havering.
6. To overcome some of these challenges and to recognise the additional pressures introduced such as the National Living Wage, Havering has agreed a significant increase to the homecare hourly rate of 10%. This increase demonstrates that the Council values the care provided by homecare staff and wants to create a more sustainable market in Havering.
7. To resolve the issues with the framework, from February 2017 the Council propose establishing a new Active Homecare Framework (AHF). This will give the Council and homecare providers greater flexibility and ensure that all homecare is procured and evaluated in the same way to provide excellent quality homecare to Havering residents.
8. AHF is our description for a new type framework which is similar to a standard framework agreement. It allows a number of providers to be appointed to deliver services of a similar nature by successfully completing an evaluation process. It is active in that providers can easily join the framework at any time by successfully completing the evaluation process. It is also active in that the Council can modify how the AHF is applied in the

future, providing this has been made clear to all. (This process is known under EU Procurement law as a Dynamic Purchasing system (DPS)).

9. The AHF will be advertised in accordance with EU procurement regulations, following which interested homecare providers can apply to join. Applications will be evaluated against a set criteria expected to cover areas such as quality, safeguarding, staffing and service delivery. This will assess provider's knowledge, experience, expertise and ability to deliver homecare. Providers that pass the evaluation will be added to the AHF and issued with a contract. Following this any provider that is on the AHF will be able to apply to deliver any package of homecare advertised by the Council.
10. Once established, additional providers can apply to join the AHF at any point in the future. All applications will be evaluated in the same way, using the same selection criteria. All packages of care on the AHF will be paid at Havering Council's usual hourly rate.
11. Providers that are not performing to the required standards or who no longer meet the quality requirements could be excluded from the AHF.
12. The benefits to introducing this new type of framework include:
 - flexibility for both providers and the Council;
 - fair to all;
 - a range of homecare providers that have been quality assured and are available to deliver care;
 - providers are free to leave and join; and
 - simpler application and evaluation process.
13. The Council may modify how the AHF is applied, provided the new rules and procedures are clear, transparent and available to all. In the future the Council might consider changes such as increasing the quality threshold, varying the price paid for homecare or provider selection based on quality and feedback from residents receiving homecare. In introducing AHF we are considering piloting the monitoring and payment for homecare based on outcomes rather than outputs (e.g. minutes of care delivered). This would be introduced incrementally and based on evidence from the pilot. The AHF will be the means by which the Council will evaluate and appoint providers to deliver care in Havering. We will then work with these providers to deliver care in a way that provides the best outcomes for residents.
14. An on-going issue for homecare are the levels of unpredictable demand coming from the hospital. If we are unable to respond flexibly then this can mean delayed transfers of care from the hospital setting to home. To address this, the AHF will also consider, at points of increased demand (e.g. severe winter weather) or reduced supply (e.g. lack of care workers during school holidays) having emergency capacity that is commissioned on the basis of having carers on standby to take packages at short notice. As much as possible this will be minimised but experience has shown that this market needs such capacity at times and this will be designed in to the model. We will work with providers to ensure the premium paid for care in Havering is

passed on to care staff and this commitment will be part of the model going forwards.

15. In establishing the AHF we would learn from the problems with the introduction of the existing framework agreement and take a phased approach applying the AHF for new packages of care rather than shifting existing packages.

REASONS AND OPTIONS

Reasons for the decision:

This decision is required as the current framework agreement for homecare is due to expire therefore the Council needs to establish a new way of purchasing homecare from February 2017 onwards. Establishing a AHF will ensure that all homecare providers have been quality assured and evaluated in the same way and offer greater flexibility to make changes and add new providers in the future.

Other options considered:

Option a) Introduce a framework agreement.

Procuring homecare through a standard framework agreement would not offer the same levels of flexibility. If providers were unable to deliver the required levels of homecare in the future we would not be able to introduce new providers to the framework. We would also not be able to make changes such as varying the quality threshold or focusing on the outcomes of the care delivered.

Option b) Continue spot purchasing.

Spot purchasing homecare would put the Council at risk. This would mean spending significant level of funding without following a standardised procurement process which is not fair and transparent to all.

Option c) Do nothing

The other option would be to do nothing. This is not a viable option due to the issues raised in this report.

IMPLICATIONS AND RISKS

Financial implications and risks:

The establishment of an Active Homecare Framework (AHF) will allow a flexible approach in providing homecare

Providers will be assessed and can join and leave accordingly, and at the same time under performing providers can be easily removed.

It is anticipated that the AHF approach will allow times of unpredictable demand coming from Hospitals, or increased demand due to severe winter weather to have assessed providers on hand and avoid spot purchasing as the current position stands at times of increased demand.

The homecare rate has been increased by 10% which has allowed for a fair price of homecare provision to be provided, therefore, it is anticipated that this will attract providers to join the AHF that can cover the demand of care required throughout the year and over the entire geographic location of Havering.

There is a risk to the service if the necessary checks and controls are not embedded when checking quality standards of the providers, or to remove any underperformers from the Active Homecare Framework in a timely manner.

Provision will also need to be made for any future increases in prices in order to ensure a varied provider framework that can meet the needs of the users.

Legal implications and risks:

There is a requirement to comply with the Council's Contract Procedure Rules (CPRs), Financial Regulations and EU legislation. In particular the Public Procurement Regulations provide that any call for competition must make it clear that a DPS is involved and must offer unrestricted and full access to the procurement documentation for the duration of the DPS.

The DPS has the advantage of permitting the Council to consult a large number of potential suppliers who are capable of delivering the Council's requirements.

Human Resources implications and risks:

The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

Equalities implications and risks:

A full equality impact assessment has been completed.

If the establishment of the Active Homecare Framework is approved it will mean the Council are able to continue providing Homecare services offering support to vulnerable adults.

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The introduction of the new homecare framework is likely to have a positive impact on service users accessing homecare services. The framework will ensure homecare is procured and evaluated in the same way to provide excellent quality homecare to Havering residents.

With the introduction of the AHF we will also introduce a new way of collecting feedback from homecare users to better understand the quality of the care given and the outcomes achieved. This will help improve quality in the market.

BACKGROUND PAPERS

None