



## Notice of Non-key Executive Decision

<b>Subject Heading:</b>	<b>Approval to commence a tender process for the Integrated Reablement Service</b>
<b>Cabinet Member:</b>	Councillor Jason Frost, Cabinet member for Health and Adult Care Services
<b>SLT Lead:</b>	Barbara Nicholls, Director for Adult Services and Health
<b>Report Author and contact details:</b>	Jonathan Cassidy, Senior Commissioner & Projects Manager, Jonathan.Cassidy@haverling.gov.uk
<b>Policy context:</b>	Supports priorities in the Joint Health & Wellbeing Strategy: <ul style="list-style-type: none"> <li>• Better integrated support for people most at risk</li> <li>• Quality of services and patient experience</li> </ul>
<b>Financial summary:</b>	The proposed tender is for a 3 year contract (plus two year extension option). This gives an estimated total contract value of £9m. The proposed annual contract value is £1,815,434
<b>Relevant OSC:</b>	Individuals
<b>Is this decision exempt from being called-in?</b>	No

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

Communities making Havering	<input checked="" type="checkbox"/>
Places making Havering	<input type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

## Part A – Report seeking decision

### DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

The current contract for the Integrated Reablement service in Havering ends on 17<sup>th</sup> April 2019. The service needs to be re-commissioned as it supports people to remain independent in their own home and recover effectively at home following a hospital admission. This decision paper seeks approval to commence a full EU compliant tender process for a three year contract (plus two year extension option)

### AUTHORITY UNDER WHICH DECISION IS MADE

Havering Council's Constitution, Part 3.3 Powers of Members of the Corporate Management Team; Contract powers (a) To approve commencement of a tendering process for all contracts above a total contract value of £156,000.

### STATEMENT OF THE REASONS FOR THE DECISION

Following approval at Checkpoint 1 Panel, we wish to gain approval to progress with procurement of the Integrated Reablement Service. The current contract with North East London Foundation Trust (NELFT) expires on 17<sup>th</sup> April 2019. This service needs to be recommissioned because it supports people to remain independent in their own home and recover effectively at home either following a hospital admission or following a crisis at home.

#### Background

The current reablement service was specified to deliver an integrated model of care with the rehabilitation service also provided by NELFT (but separately commissioned through the CCG) ensuring the delivery of care is coordinated as much as possible without commissioning the services as a single entity. In addition to the integration with rehab there were some other key changes to the service that were developed as part of the system wide design process. They included:

- Direct referral to the service from hospital therapists, eliminating duplication of assessment inherent in the previous process
- Contractual requirement to complete a reablement assessment at the service users home within 24 hours.
- A requirement to continually review progress against goals and a more in depth review at approx. 4 weeks to determine if further care is required post reablement.

### **Duties under the Care Act 2014**

The Care Act 2014 (Part 1, Section 3) requires that Local Authorities exercise their functions with a view to ensuring the integration of care and support provision with health provision and health-related provision where it considers that this would:

- a) promote the well-being of adults in its area with needs for care and support and the well-being of carers in its area,
- b) contribute to the prevention or delay of the development by adults in its area of needs for care and support or the development by carers in its area of needs for support, or
- c) improve the quality of care and support for adults and of support for carers, provided in its area (including the outcomes that are achieved from such provision).

Reablement services are provided under a statutory duty in Section 2 of the same Act which stipulates that Local Authorities must provide or arrange services, resources or facilities that maximise independence for those already with such needs, for example, interventions such as rehabilitation/reablement services

### **Service Outcomes – Annual Benefit realisation**

As evidenced in the Key Executive Decision, 01/012/17, a number of service development areas have been identified which evidence that this contract is able to realise annual benefits in the ASC system.

1. Increasing capacity and reducing emergency reablement
2. Impact of improved home to hospital process and Homecare
3. Impact of improved hospital to home process and reablement – residential care.

Reviewing these areas using whole year data; since the contract extension, with the increased resource; has evidenced the trend continues positively for annual benefit attributed to reablement.

The Rehabilitation & Reablement service provides value for money to Havering as evidenced by the outcomes the service has produced over 2017/18:

- 2017/18 Outcomes – from Annual Statutory Return – 1,353 people completed reablement 2017/18 – 200 more clients than reported in the 2016/17 return
- Of these 14.7% of people left reablement with a long term package of care 2017-18 compared to 21.7% in 2016-17
- Of those requiring care at the end of reablement, 66% had a decrease in homecare hours
- Significant reduction in residential care placements from hospital, to sustain people where they want to be, at home, and at lower cost for the council.
- Of those leaving reablement without a long term care package, fewer clients returning to ASC services within 91 days (drop to 3.7% from 5.2% and 5.9% in last two years). Snapshot analysis for the same month over the 3-years shows

similar pattern at 6 and 9-months post-reablement.

### **1. Increasing capacity and reducing emergency reablement**

The positive trend in the reduction in the use of emergency reablement has continued; and this evidenced that when a service is resourced to provide the appropriate level of capacity, the service can respond to the level of demand; minimising the need for an additional spend; emergency reablement:

- NELFT have accepted significantly more referrals 2017-18 than the last provider, Family Mosaic (FM), did over the same period (29% increase)
- The number of episodes, and associated cost, of emergency reablement has declined significantly because of NELFT taking so many more cases. The use of emergency cover has reduced by approx. two thirds from 935 episodes in 2016-17 to 321 episodes for the same period 2017-18 (exc. Apr17).

Table 1: Average monthly spend on emergency reablement

Year	Monthly Average Spend
2016-17	£31,476
2017-18	£15,912
2018-29	£9,881

### **2. Impact of improved home to hospital process and Homecare**

The 2017-18 and 2018-19 date (to date) has evidenced a continued increase in the percentage of people going through reablement and requiring no further care. This evidences the continued reduction in Home care spend which can be attributes to reablement.

14.7% clients left reablement with a long term service in 2017-18 compared to 21.7% in the previous year

From SALT return for clients leaving reablement services in year 7% fewer left with a LTS 2017-18 - 7% of 1,353 would be 95 clients

Assumptions and assertions – home care:

- That the average cost of homecare is £180 per week (taken from the understanding that on an overall average people receive 11 hours per week home care x £16.43 (hourly rate)
- That home care requiring less support will average £90 per week
- That home care requiring more support will cost £270 per week

If the assumptions are:

- that those being kept out of the system would be those who would have required less than average support
- that the period of benefit lasts for 26 weeks (based on average period of

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home care being 52 weeks but again these may be assumed to be people who have lower level needs)

The financial benefit over a year equates to the potential annual benefit of:  
 $95 \times £90 \text{ per week} = £8,550 \times 26 \text{ weeks} = £222\text{k}$

### **3. *Impact of improved hospital to home process and reablement – residential care***

The new service achieves 'alignment with the 'HomeFirst' model supporting a reduced level of assessment in an acute setting, ensuring no decisions about long term care are made whilst the person is in an acute setting'. This includes decisions about residential care. There has been a significant impact on the number of discharges into residential care that has coincided with the adoption of the new process: The full year update at March is 95 were admitted from a hospital setting for 2017-18 compared to 146 for 2016-17.

Assumptions and assertions – residential care:

- Average cost of placement £500 per week - £26k
- For those not going to residential care but assumed to be retained in homecare they will require more support – costing £270 per week (see above) or £14k per year

Rationale:

- There is a reduction of 51 people going to residential care from hospital 2017-18 compared to previous year. A decline of 35%
- There has also been a reduction in residential placements from the community, at a lower rate however. This reduction has been 17%
- To be prudent we have reduced the rate of decline from hospital by the 17%, making the assumption that this decline is as a result of other factors. This leaves a decline of hospital numbers attributable to the change in process of 18%. This equates to 26 people.
- We are making the assumption that the residential average cost is £500 per week
- We also assume that the people we keep out of residential will need home care at the higher rate (£270 per week)
- The net weekly benefit is £230 per week
- We make the generalised assumption that the benefits will accrue for 52 weeks

Based on this conservative assumption the reablement service has the potential to realised benefits of:  $26 \text{ people} \times 52 \text{ weeks} \times £230 = £310\text{k}$

### ***Summary of Estimated Benefits***

Considering the impact of these annual benefits across these three areas; reduction in emergency reablement, impact on homecare and impact on residential care the estimated benefit represents; there is the potential to realise:

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Estimated reduction in emergency reablement:	£175k
Estimated impact on homecare:	£222k
Estimated impact on residential care:	£310k
Total estimated impact	£707k

It is acknowledged that none of these projections allow for demographic growth and are therefore conservative in estimating the benefits being accrued.

### **Procurement & Project Management**

Ahead of the formal approval to tender, a project plan has been written and approved which outlines the structure and governance of this project to tender the reablement services. The objectives of the project will be:

- Ensuring that the service is commissioned to meet the Council priorities of the Council and underpins the key principles of prevention and supports the 'HomeFirst' model of hospital discharge
- Ensuring that the service integrates with the existing community rehabilitation service to ensure improved patient pathways
- Ensure the tender follows Corporate and EU Procurement Regulations and Local Authority Financial Regulations
- Ensuring that choice, control, health and well-being, including safeguarding, features as high priorities in the tender.
- Establishing outcomes that will allow the Council to judge the performance of the Provider
- Ensure the Provider delivers a non-judgemental and inclusive service which treats service users with dignity, respecting gender, sexual orientation, age, physical or mental health ability, religion, culture, social background and lifestyle choice.

In order to deliver these objectives, a formal project management structure has been implemented. The Corporate Project Group will include representatives from procurement, finance, HR and legal. The Operational Project Group will include representatives from adult social care, BHRUT, placements and performance. Each project group will meet regularly to supervise the project.

The key deliverables / milestones for this project include:

- Production of all required tender and contract documents (including service specification)
- Tender process managed in line with OJEU and Council procurement procedures
- Contract awarded to the tenderer submitting the best / most advantageous bid to the Council
- New contract awarded and mobilised

If the decision to proceed with the tender is approved, the key milestones from the

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procurement timetable for the tender of the service are as follows;

Stage	Timescale
Checkpoint 1*	17 <sup>th</sup> July 2018
Procurement Planning	July-September 2018
Invitation to Tender Published	September
Evaluation	October
Award	January
Service Mobilisation	January-March 2019
Contract Start Date	18 <sup>th</sup> April 2019

\*Checkpoint Panel formally approved for the tender to proceed on 18/07/2018.

### **OTHER OPTIONS CONSIDERED AND REJECTED**

#### **1. Do Nothing**

This was not deemed as a viable option as the current contract expires on April 17<sup>th</sup> 2019 and doing nothing would result in LBH not having a Reablement contract in place and therefore not meeting the Care Act statutory requirement to “provide or arrange services, resources or facilities that maximise independence for those already with such needs, for example, interventions such as reablement.”

#### **2. Extend the current contract**

Contracts have already been extended and so this approach would contravene the Council's Contracts Procedure Rules.

#### **3. Commissioning Reablement jointly with LB of Barking & Dagenham and LB of Redbridge**

This was not deemed as a viable option as the other Local Authorities do not currently operate within the same service delivery parameters and our commissioning timelines do not align at this stage. As Havering has a statutory duty to provide this service there is a need for us proceed with this procurement exercise and explore joint commissioning in the future.

#### **4. Undertake a procurement exercise to jointly recommissioning intermediate care services with the Clinical Commissioning Group**

BHR CCGS have stated their preference for the integration of intermediate care services is by developing an intermediate care pathway as part of the emerging ACS model. CCG are currently not in a position to progress with the joint commissioning of a service, however service development for both organisations is aligned to a joint vision. Previous market testing demonstrated little market interest in the reablement



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service and it is not guaranteed there would be adequate response to successfully re commission the service. There would be a staffing risk associated with the TUPE of staff which could result in a decline in service delivery and it is likely the new provider would experience issues with recruitment.

### **PRE-DECISION CONSULTATION**

The consultation has involved engaging with a number of stakeholders. In summary, the following table presents the type, methods and stakeholders engaged:

Type	Methods	Stakeholder
<b>Service Review</b>	Contract Monitoring Meetings, Process Review Meetings, Co-Production Workshops, Phone, Email,	<ul style="list-style-type: none"><li>• Ex-Service Users</li><li>• Current Service Provider</li><li>• Joint Commissioning Unit</li><li>• Adults Placements Team</li><li>• Adult Social Care</li><li>• Hospital Discharge Team</li><li>• BHRUT Therapies</li><li>• Business &amp; Performance</li></ul>
<b>Operational Project Board</b>	Formal Regular Meetings, Phone, Email	<ul style="list-style-type: none"><li>• Joint Commissioning Unit</li><li>• Adult Social Care</li><li>• Hospital Team</li><li>• BHRUT Therapies</li><li>• Business &amp; Performance</li></ul>
<b>Corporate Project Board</b>	Formal Regular Meetings, Phone, Email	<ul style="list-style-type: none"><li>• Legal Services</li><li>• Procurement</li><li>• Finance</li><li>• HR</li></ul>
<b>Prior Information Notice</b>	Notice published via the Council's procurement system	<ul style="list-style-type: none"><li>• Current service provider</li><li>• Other interested providers in the market</li></ul>
<b>Preparing service specification, procurement and contract documents</b>	Formal Regular Meetings, Phone, Email	<ul style="list-style-type: none"><li>• Joint Commissioning Unit</li><li>• Adult Social Care</li><li>• Hospital Team</li><li>• BHRUT Therapies</li><li>• Business &amp; Performance</li></ul>

### **NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER**

Name: John Green

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Designation: Head of Joint Commissioning

Signature:



Date: 27/07/2018

## **Part B - Assessment of implications and risks**

### **LEGAL IMPLICATIONS AND RISKS**

1. This is a decision for the initiation of the procurement process as required by sections 3.4 and 3.5 of the Contracts Procedure Rules in the Constitution.
2. Reablement services (as previously defined for example in Cabinet report and decisions of 14<sup>th</sup> December 2016, item 80) are to be procured. The contract value is anticipated to be c. £9m.
3. These services are provided by the council to its residents currently.
4. The current contract for these services (ending April 2019) is detailed in the decision and reports of 8 March 2018:  
<http://democracy.havering.gov.uk/ieDecisionDetails.aspx?Id=4833>
5. The services are "social and other specific services": see Regulations 74 onwards in the Public Contracts Regulations 2015. See below for compliance details.
6. For statutory guidance on reablement see:  
<https://www.gov.uk/government/publications/care-act-statutory-guidance>
7. The checkpoint 1 report (see the CPR 3.5 obligation) for this pre-procurement work with comments is attached as Appendix 1; note the comments regarding market for these services, competition and risk profile, particular in relation to overspend. The steps to mitigate the risks are set out there.
8. The checkpoint 1 report sets out relevant PCR 2015 compliance steps being taken.
9. The agreed practice is that pre-procurement decisions are not key decisions.
10. Before the contract can be awarded it will be the subject of a future report with analysis and recommendations.
11. The authority for a member of the council SLT to approve the commencement of a tendering process over a value of £500,000 is set out at 3.3/Contract Powers/(a).

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12. The interests of the council are and will be protected by officers taking the steps set out in this report on those terms.

### FINANCIAL IMPLICATIONS AND RISKS

The 5 year contract (3 plus 2 year extension option) is projected to cost the authority up to £9.077m over the full term at full cost, which would result in an annual budget shortfall of up to £0.251m and this potential shortfall would need to be contained within existing overall budget provisions (including the BCF and iBCF) for the service.

	£m
Revised 2018/19	1.564
Proposed full cost of Annual contract	1.815
<b>Additional Requirement from core budgets</b>	<b>0.251</b>
<b>3 Year Value</b>	<b>5.446</b>
<b>Additional 2 year option</b>	<b>3.631</b>
<b>Total 5 Year Contract</b>	<b>9.077</b>

There is further opportunity to mitigate the impact on the Council's core budgets by allocating a greater share of any increase in BCF funding (approximately £0.100m in 2018/19) to fund the contract. However it is known that the BCF is fully committed by both health and social care, and would therefore require disinvestment in other services.

Further efficiencies are planned for the service as part of the Council's MTFS plans, both existing and proposed, and any risks around the deliverability of these will need to be factored into any agreement on the future options to both fund the shortfall and monitor the delivery of any future efficiencies. It is acknowledged that reablement helps clients as part of the discharge process however the extent a wider reablement service (ie the requirements from a Community perspective) needs to be considered, especially in understanding the extent it can further contribute to the service's future demand management strategies.

Further work is required by Finance to verify the proposed financial envelope being offered and model how savings accrue to the service. The recommendation is for the PIN to go out as a procurement exercise with a value of "up to" £1.815m, further opportunities for efficiencies should then be considered as part of the ongoing procurement exercise, including the possible remodelling of the contract specifications as appropriate.

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**HUMAN RESOURCES IMPLICATIONS AND RISKS  
(AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

There are no direct HR implications or risks, to the council or its workforce that can be identified from the recommendations made in this report.

Cheryl Graham - Strategic HR Business Partner

**EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS**

There are not anticipated to be any negative impacts arising from this proposal to current and future users of this service.

Vernal Scott – Corporate Diversity Adviser

**BACKGROUND PAPERS**

None

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**Part C – Record of decision**

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

**Decision**

Proposal agreed

*Delete as applicable*

~~Proposal NOT agreed because~~

**Details of decision maker**

Signed



Name: Barbara Nicholls

Cabinet Portfolio held:

CMT Member title: Director of Adult Social Care & Health

Head of Service title

Other manager title:

Date: 14<sup>th</sup> September 2018

**Lodging this notice**

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

**For use by Committee Administration**

This notice was lodged with me on 17/9/2018

Signed J. F. R. R.

