



CABINET

7 November 2012

REPORT

Subject Heading:

Arrangement for the Provision of
Domiciliary Care to Adults
Cllr Steven Kelly

Cabinet Member:

CMT Lead:

Lorna Payne

Report Author and contact details:

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Policy context:

Adult Social Care

Financial summary:

To commission domiciliary care provision under a new framework agreement for the residents of Havering, with an approximate value of £37m over four years (changed from five years as detailed in October 2011 cabinet paper following legal advice that framework should be for four years) to be funded by Adult Social Care revenue budgets.

Is this a Key Decision?

Yes

Is this a Strategic Decision?

Yes

When should this matter be reviewed?

Not Applicable

Reviewing OSC:

Individuals

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

Clean, safe and green borough	<input type="checkbox"/>
Excellence in education and learning	<input type="checkbox"/>
Opportunities for all through economic, social and cultural activity	<input type="checkbox"/>
Value and enhance the life of every individual	<input checked="" type="checkbox"/>
High customer satisfaction and a stable council tax	<input checked="" type="checkbox"/>

SUMMARY

This report provides Members with an overview of the recently concluded domiciliary care tender process for which the top scoring twelve providers are being recommended to you, for inclusion in the new framework agreement. The invitation to tender stated that twelve to fifteen providers would be chosen from the submissions. Following evaluation, the tender panel has recommended awarding at the lower end of the range indicated to tenderers, given the impact of personal budget take up on the size of the commissioned homecare market and the need for providers to attract enough business to be sustainable.

The new framework agreement will support the delivery of the personalisation agenda within Adult Social Care and offer greater control over the resources used to provide care. The new specification, to which providers will be held accountable, contains an expectation of a truly personalised service. Providers will be expected to work within enabling methodologies to improve independence and minimise dependency, thus offering opportunities to minimise cost appropriately.

RECOMMENDATIONS

It is recommended that Cabinet:

1. Approve the 12 providers as listed in Appendix 1 for the provision of domiciliary care services to adults under a framework agreement with the Council.
2. To approve the Council entering into a framework agreement with those providers in relation to the provision of domiciliary care services to adults.
3. To approve the Council from time-to-time and as required entering into service contracts to call-off the services on an individual basis under the framework agreement.

REPORT DETAIL

Current Arrangements

1. The current provision of domiciliary care services costs approximately £9 million (rounded) per annum and equates to 720,000 hours (commissioned) of domiciliary provision annually. The current services are commissioned via an approved list of 10 independent/voluntary sector service providers alongside a range of spot purchase agreements to meet specialist needs.
2. An Executive Decision, "Extension of Domiciliary Care Framework Contract (and resultant 10 individual provider contracts) up to March 31st 2013 to allow time for the approval of the award at Cabinet in October and implementation, of a new domiciliary care framework contract" has now been signed. This will provide a significant transfer period to ensure that there is no organisational or market destabilisation, where service users will be given the option of staying with their existing provider (should that provider not be on the new framework) by taking a personal budget through a direct payment. It is of the utmost importance, in a choice and control market, for service users to be able to choose the carer that walks through their front door, from any CQC registered care provider. For those existing providers not on the new framework, service users can take a personal budget to continue to access their services. Should one of the unsuccessful providers, chosen by personal budget holders, be deregistered from CQC, we would inform the personal budget holders accordingly.

Proposed new arrangements

3. It is proposed that the new framework agreement between the Council and successful providers will be for a period of four years to commence probably by mid January 2013.
4. This new framework agreement proposes the inclusion of twelve service providers as listed in Appendix 1, to ensure choice for service recipients and predictability in the market for those providers. The framework agreement will contain the agreed terms & conditions, including price. The anticipated total value of the new contract over four years is expected to be approximately £37m.
5. The framework is built on the payment of £14.65 for each hour of domiciliary care provided, paid on a pro-rata basis. The new framework will be more equitable than the last banded payment structure. In the banded system, a provider commissioned for a half hour visit, would still be paid for the full half hour, even if the carer was only with the service user for 21 minutes (ie logged into the call monitoring system). The new pro-rata system will therefore ensure the borough will only pay for homecare services that have been delivered. It will however encourage providers to deliver the full amount of time for the commissioned service.

6. Under the framework agreement, the Council will not give any guarantees or obligations to procure any services from providers on this framework. However, where the Council does procure a service the terms, conditions and service specification as set out in the framework will apply. Individual care packages will be arranged or 'called off' from the framework according to the rules of the framework. When a package of care is procured from one of the twelve providers, it will be deemed to be a call-off of service from the framework contract.

Procurement Process

7. Tendering for the new framework has been carried out in accordance with the Council's Contracts Procedure Rules. As this is a Part B service, the full provisions of the Public Contracts Regulations 2006 will not apply.
8. The Council adopted a restricted tendering procedure, as a high level of interest from prospective bidders was received. The contract opportunity was advertised in *Community Care* in November 2011. The procurement followed a two-stage competitive process. The first stage resulted in forty organisations expressing an interest in submitting a pre qualification questionnaire (PQQ). However, only thirty seven organisations submitted a PQQ for assessment. Those organisations assessed as meeting the PQQ requirements were then included on the shortlist of twenty seven, which were successful in reaching the second stage of the process, the invitation to tender. Of the twenty seven shortlisted, twenty four providers submitted tender documents.
9. The award criterion for the tender was based on the quality of care that would be delivered to meet assessed needs, as the price in the contract was fixed. Providers were asked to demonstrate a range of competencies, including their approach to the safeguarding of vulnerable adults, and were assessed on their responses accordingly. The process was designed to reward high quality providers to provide real choice to individuals when deciding which care provider to use.
10. The following officers are in the project team:

Assistant Director for Commissioning (project sponsor)
Manager for Modernisation (project manager)
Commissioning Officer (service project team)
Review & Development Officer (service project team)
Strategic Commissioning Lead (Prevention) (service project team) (Chair of tender assessment panel)
Acting Senior Practitioner (service project team)
Quality Manager (service project team)
Project Development Officer (service project team)
Procurement Adviser
Strategic Business Partner (Finance)

11. All current and prospective providers were consulted and kept fully engaged with the tendering process. Providers will be updated on progress by way of regular meetings and updates after the cabinet decision has been made, to ensure a smooth transition from the old contract to the new framework contract.

Service improvement and best value considerations

12. The new contract will support the improved delivery of the personalisation agenda within Adult Social Care, offering greater control over the resources used to provide care. In particular, this has created the opportunity to develop a service specification for the new contract that is flexible, innovative and able to support delivery of the personalisation agenda. The specification has been written, following the direction of travel as espoused in Putting People First (2007) and Caring for our Future (2012). Providers will work with service users to develop a plan that will help to achieve improved outcomes for the service user. An example of an outcome could be, if a service user wishes to attend a family outing, support could be provided to facilitate this. A traditional service would not enable this to happen only allowing routine personal care tasks to be performed. All care plans are required to be delivered within available resources according to assessed need.
13. The tender process was extremely rigorous; putting tenderers to the test on twenty three questions (some which included up to three parts) about their ability to deliver flexible, outcome focused and meaningful care to individuals. The evaluation panel consisted of seven members, who each scored the twenty four submissions. The twelve providers who achieved the highest scores are recommended to proceed onto the framework, (the lower end of the range of providers to be chosen highlighted in the specification). The decision was influenced by the potential impact on the value of the contract, by service users of unsuccessful existing providers opting to take a personal budget to remain with their current provider.
14. The use of an electronic monitoring system, that monitors the arrival and departure times of care staff, will be a contractual obligation placed upon all suppliers as part of their approval for the provision of domiciliary care within the new framework agreement. Recording of arrival and departure times is mostly done by utilising the service user's home phone to dial in and dial out using a free phone access number. However, when this is not possible, the carer uses their own mobile phone to call the office for the details to be added to the system there. This will ensure continued information collection and financial monitoring of the contract. It will also support the safeguarding of vulnerable adults in the care of the Borough, as the system will be able to track and alert for any visits that are not made to any service user.
15. It should be noted that, owing to the nature of the service and its individual specific needs, there will, on occasions, be an ongoing requirement for the

use of 'spot' purchasing of care arrangements outside of the proposed framework arrangement where specialist providers are required. However the service area will endeavour to minimise this need, and straightforward domiciliary care packages, procured by the Council, will be from the framework.

16. If Cabinet approves the recommendation, up to 600 users may choose to stay with an unapproved provider. If so, the only way they could do so would be via a direct payment and we, as a Council, will advise them that this would be their choice whilst giving them the information as to why their provider is no longer on the framework contract so they are making an informed choice.
17. Packages of care which are being provided by existing providers, who subsequently become new framework members, will be subject to the terms and conditions set out in the new framework.

REASONS AND OPTIONS

Reasons for the decision:

1. To ensure the continued delivery of domiciliary care to adults in Havering.
2. To make arrangements to ensure the delivery of that care under the new framework from January 2013 onwards.

Other options considered:

1. Do nothing. The current contract arrangements would come to an end and all future domiciliary care packages would need to be procured on an individual (spot purchase) basis. This is not a practical option and would lead to a potential decrease in quality and value for money. Furthermore the vetting and monitoring of multiple spot providers on an ongoing basis would require considerably more resources than monitoring an agreed pool of framework providers.
2. Attempting to extend the current contracts would only offer the Council a short-term solution and would be in contravention of European procurement rules. The latest executive decision to extend the current arrangements was taken, to bridge the time until the new framework contract (which was still being tendered) was in place. The current contracts do not acknowledge many of the legislative changes of the past five years, the introduction of technologies to better manage the domiciliary process and do not offer the opportunity to establish real efficiency savings or allow for flexibility. All of

the aforementioned are now seen as essential to deliver on the personalisation agenda.

IMPLICATIONS AND RISKS

Financial implications and risks:

The 2011/12 actual costs for the provision of domiciliary care services were in the region of £9.2m, met from the Adult Social Care revenue budget. There was also £0.9m spent on physical disability homecare. Most learning disability provision rests with specialist providers. The new contract will continue to be funded by Adults Services.

This tendering process is not expected to generate significant savings, although some efficiencies will be achieved through use of the electronic tracking system and, going forward, some efficiencies should be possible through better directed and more enabling packages which decrease dependency.

There is a one off cost implication associated with new providers being required to use the electronic monitoring system CM2000 (in respect of training and set up costs) which will be in the region of £2.6k per new provider. These costs will be borne by the providers.

The contract will be awarded on a fixed price basis. The price of £14.65 per hour has been arrived at after an analysis of existing rates against time delivered. The new contract will make payments per minute which is projected to generate efficiencies in that non-productive time will not incur a charge to the Council (nor to the individual in the case of direct payments) ensuring value for money. As the price is fixed, the award of the tender is based on quality only, this includes safeguarding practice.

The contract will be awarded initially for four years which is the maximum permissible term for a framework contract under European procurement rules. The value over the full four year period is currently projected to be some £37m, although this is expected to reduce as clients move more towards direct payment (personal budget) arrangements which fall outside the scope of the framework. Although no provision for fluctuations to the hourly rate has been assumed, market conditions will be reviewed each year. The contract will be monitored on an ongoing basis in terms of both quality and cost effectiveness, and also in terms of provider financial stability.

Legal implications and risks:

From the information supplied from the procurement officer in charge there is no reason to believe that the procurement process has not been conducted in

accordance with applicable rules and legislation, and assuming the legal documents are firstly approved by Legal Services there should be minimum risk in entering into a Framework Agreement with the chosen Providers.

With regard to point 15 of the Report it is important to note that any 'spot purchasing' of care arrangements outside of the Proposed Framework will be additional procurements of services and will need to be the subject of separate decisions based on their value. This is separate to the call-off of services undertaken from time to time in accordance with recommendation 3 of this Report which are anticipated and covered under the procurement of the framework agreement.

Human Resources implications and risks:

There are no direct HR implications or risks affecting the Council's employees in relation to the recommendations made in this report.

Equalities implications and risks:

An Equalities and Impact Assessment has been conducted and has been reviewed by the SC&L Equality & Diversity Directorate group. The implications and risks are those as outlined in the background paper "EIA for New Dom Care Contract Framework Sept 2012".

BACKGROUND PAPERS

October 2011 Cabinet Paper "Arrangement for the Provision of Domiciliary Care to Adults".

F0087834 Domiciliary Care Tender Invitation documents, (advising of Framework Commencement mid Jan 2013).

- F0087834 Invitation to Tender
- Framework Agreement for Domiciliary Care Service
- Schedule 1 Call off Mechanism for Framework Agreement for Domiciliary Care Service
- Schedule 2 Call off form for Framework Agreement for Domiciliary Care Service
- Schedule 3 Domiciliary Care Service Contract Terms and Conditions for Framework Agreement
- Schedule 7 Contract and Performance Monitoring Domiciliary Care Service
- Schedule 8 Serious Incident Reporting Procedure
- F0087834 Specification Domiciliary Care Framework
- F0087834 Appendices to Specification Final
- EIA for New Dom Care Contract Framework Sept 2012

Cabinet, 7 November 2012

- Executive Decision, “Extension of Domiciliary Care Framework Contract (and resultant 10 individual provider contracts) up to March 31st 2013 to allow time for the approval of the award at Cabinet in October and implementation, of a new domiciliary care framework contract”.

Appendix 1:

The top scoring 12 Providers that will be selected to join the New Domiciliary Care Framework Contract for the London Borough of Havering are:

Existing Providers within the Borough:

- Carewatch (East London)
- AQS Homecare
- John Stanley's Care Agency
- Saga Homecare
- Westminster Homecare
- Lodge Care Group

New Providers to the Borough:

- Care UK
- London Care Plc
- Circle Support
- East Living
- Mears
- Care Central