



## CABINET

**Subject Heading:**

Contract Award – Homecare Light Touch Framework

**Cabinet Member:**

Councillor Ford, Cabinet member for Health and Adult Care Services

**SLT Lead:**

Barbara Nicholls, Director of Adult Social Care

**Report Author and contact details:**

Ben Campbell, Commissioning Programme Manager

**Policy context:**

At a local level, this contract supports the Council to meet its Communities Theme priorities in its Corporate Plan 2019/20. This plan sets out how the Council intends to invest and transform the borough with an emphasis on improving the lives of vulnerable children, adults and families. In summary, this service ensures the Council fulfils its aim of ensuring that the needs of the most vulnerable are met and that people are supported to be healthy and active.

**Financial summary:**

The projected value of the new framework contract over four years is estimated at £64,972,944 this is excluding any future inflationary increases.

The above cost is based on total estimated homecare expenditure of £16,243,236 (including £570,400 for inflation uplift) for the year 2022/2023.

**Is this a Key Decision?**

This is key decision as it concerns expenditure over £500,000, it will have a significant effect on two or more wards and meets the community impact threshold

**When should this matter be reviewed?** February 2023

**Reviewing OSC:** Individuals

**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"/>

## **SUMMARY**

This report is seeking approval from Cabinet for successful homecare providers to join the Council's new Homecare Light Touch Framework following a competitive tendering exercise.

Fifteen (15) Providers described below are recommended to join the Framework from 1 August 2022.

The Homecare Light Touch Framework will commence from 1 August 2022 to 31 July 2026

## **RECOMMENDATIONS**

That the Leader, after consultation with Cabinet:

1. **Authorise** the award of the new Homecare Light Touch framework for the placement of packages of homecare in Havering to the successful tenderers listed in the attached exempt appendix A.

## **REPORT DETAIL**

### **1. Background**

The current active homecare Dynamic Purchasing System (DPS) commenced on 27 January 2017 and expires on 31 July 2022. There are 14 homecare providers on the DPS that have been quality assessed to meet homecare demand. The DPS, which the Council entitled the 'Active Homecare Framework', transformed this way of operating. It introduced an automated system linking us up with quality-checked providers modernising the way that the flow from hospital into the community worked. It has paid significant dividends and created a strong market that Havering has positive relationships with. The DPS has been successful in reducing the number of care packages placed with care providers outside of the DPS on a 'spot' contract basis. Through this procurement exercise we wanted to build on this and procure a Light Touch framework which will reduce the administrative burden of continuously evaluating new applications to join the DPS. Having a stable framework of providers allows them to invest in their offer in Havering, meaning good quality and responsive services. The Homecare Light Touch framework will allow the Council, at its discretion, the option to open competition to the market at any time during the lifetime of the framework to appoint more providers. The Framework will open competition at least once during the 4 year lifetime.

The council want to continue making improvements through this procurement with a greater focus on outcomes and upskilling the workforce to support the increasingly complex needs of residents. The introduction of a light touch framework will resolve the issue of the resources required to continuously evaluate bids from new applicants.

### **Procurement Approach**

This procurement was subject to and adhered to the Council's Contract Procedure Rules. The procurement was a light touch, open tender process followed in accordance with the Public Contracts Regulations 2015. This procurement proposal has been to Gateway 1, where the decision to proceed with a tender was endorsed. Following this the outcome of the procurement exercise has been to Gateway 2 where the decision to proceed to award contracts was endorsed.

### **Evaluation**

The Council placed a call for competition on Find a Tender and Contracts Finder on 14 February 2022 to make known the intention to establish the new homecare light touch framework. Following this the Council issued a suite of documents setting out Havering's specified model for delivering homecare, the quality requirements, selection criteria, how the framework will operate, the value, requirements and approximate quantities. These documents will remain available as and when the tender opportunity is re-advertised.

In order to establish the framework interested Providers were invited to submit an application and were given five weeks to respond. Submitted applications were evaluated against a set quality criteria. This assessed Providers knowledge, experience and expertise in delivering homecare.

An Executive Decision seeking approval to waive the Council's Contract Procedure Rule 18.4, so that the tender can be evaluated against 100% quality weighting, was approved on 20 January 2022. The hourly rate for homecare will, at a minimum, be reviewed on an annual basis and be agreed through approved governance routes, providing regular checks and balances necessary on the cost of homecare provision. This will allow the Council to set a rate which supports the market and means providers will be able to deliver a better quality service for residents.

Suppliers submitted bids that were evaluated on the quality factors below:

- a) Staffing
- b) Service Delivery and Quality
- c) Service Outcomes
- d) Social Value Outcomes

101 suppliers expressed an interest in the tender. A total of 39 suppliers completed and submitted their tender documents by the closing date on 21 March 2022.

Tender Board members, including a range of stakeholders from across Adult Social Care and the Joint Commissioning Unit, evaluated the bids over a five week period that concluded on 22 April 2022 and moderation meetings held thereafter to conclude the evaluation of the technical bids.

Bidders who did not meet the required standard for their policies, in accordance with the ITT and tender documents, did not have their method statement responses evaluated. The evaluation panel were able to recommend awards set out in the attached exempt appendix A (winning bids are highlighted).

Following completion of the evaluation we recommend the Providers who passed all elements are approved to join the Light touch Framework commencing on 1 August 2022.

12 of the 14 incumbent providers and 3 new providers have been successful. Two incumbent providers did not meet standards required and have been removed from the framework. Detailed feedback will be provided in the outcome letters to support the scores. The providers who have been unsuccessful will have the opportunity to reapply when the framework is re-opened for bids.

Providers approved to join the framework will be issued with a contract (a framework agreement). Following this, those Providers on the new framework will be able to bid to deliver any individual package of homecare advertised. This is the call off from the framework.

Mini competitions will be based on 100% Quality. Successful bids will be determined if providers can meet each individual's care and support requirements and deliver the required level of care. If a provider can meet this essential criteria a contract will be offered to the provider who can commence delivery of care first.

## **5. Contract Award & Mobilisation**

Following the end of the mandatory standstill period, the successful suppliers will be sent a copy of the contract for countersigning by first week of July 2022. On receipt of the signed contract it will be signed and sealed by the Council and a copy will be returned to the Supplier ahead of the contract commencement date. The Council will use a version of its standard terms and conditions for the provision of these Services with appropriate break and contract modification clauses. These terms and conditions were published with the tender. The contract includes service specification requirements including the need for the supplier to report on outcomes and service performance.

The majority of incumbent providers have been successful and will be ready and able to pick up new care packages from the first day the new contract commences.

For new providers, in the second week of July 2022, systems will be set up to allow them to bid for homecare packages. In the third week of July meetings will be arranged with all providers and key stakeholders in the Council to set out expectations, explain how the contract will operate and answer questions.

## **6. Contract Management**

The Council regularly contacts residents who receive homecare to ask them a range of structured questions to understand the outcomes the service is delivering. This process will continue to measure the impact of the new service offer on service users.

Providers on the Light touch framework will be required to attend regular contract meetings and provider forums. The focus will be on building relationships with the providers so we can understand issues and work together to resolve them.

The Quality Outcomes team will regularly monitor provider's performance, by monitoring referral activity, complaints, safeguarding and CQC feedback. Also, a full LBH Quality Inspection will be carried out on framework providers at the Council's discretion.

There are ongoing discussions and performance measures to look at other projects that impact on demand for homecare such as Better Living and reablement.

### **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 contract arrangement for homecare from August 2022 onwards. Authorising providers to join the new Light Touch Framework will ensure these homecare providers have been through a robust evaluation process and the required contractual arrangements are in place.

#### **Other options considered:**

##### **Not to award new homecare contracts**

If the Council was to purchase homecare outside of a framework contract it would create a high level of risk and lack of accountability should any problems arise with the service, including quality of provision, disputes over costs or the resolution of complaints.

### **IMPLICATIONS AND RISKS**

**Financial implications and risks:**

2022-23 Home Care demand is forecasted to be c£15,673m, almost at the same level of 21-22 demand, but costing more due to inflation, £0.570m, taking the total forecasted spend to £16.243m. The four year contract will come to c£64.973m.

Home Care demand fluctuates continuously. As of 1<sup>st</sup> of April 2022 there are c1,140 service users receiving home care. The demand fluctuates due to net client churn and the fluctuation of hours of care. The framework providers will cover most of the contract volume. In reality, there is a real potential the framework providers might not have enough capacity as such spot purchasing will have to be used, which costs more. The contract will be monitored closely to ensure that the level of spot purchase is minimised in order to ensure the spend is within the levels stated above.

**Legal implications and risks:**

This report seeks approval to award a 4 year Light Touch Regime Framework Agreement to the supplies listed within the recommendations following an open/electronic tendering process, for the supply of Homecare Services.

Section 2 of the Care Act 2014 places a statutory duty on the Council to prevent, delay and reduce the need for care and support to adults and carers in its area. Officers intend to award this framework in compliance with this statutory duty.

The total value of the framework is £64,973m and above the threshold for services. The opportunity was therefore advertised on Find a Tender in accordance with the Public Contracts Regulations 2015 as amended.

Officers intend to award the framework agreement to multiple suppliers. The Council will be able to call-off the services from the Framework by reopening competition amongst the successful suppliers that are party to the framework agreement. Regulation 33(8)(c) of the Public Contracts Regulations 2015 allows a framework agreement to be performed in this way.

Homecare services are classed as a Light Touch Service in Schedule 3 of the Public Contracts Regulations 2015. Under Regulation 76, the Light Touch Regime affords a higher degree of flexibility in respect of how a contracting authority may procure services. Therefore, Adult Social Care have used such flexibility to reserve its right to re-open the framework and advertise for additional suppliers to bid for and be appointed to the framework during the four year framework term. Each time the Council re-opens the framework, the opportunity to join the framework will also be tendered on the open process.

The Council shall have the option but no obligation to call off the services available on the Framework Agreement. Therefore, there is no guaranteed value or volume of work under this Framework Agreement.

### **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:**

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, and sexual orientation.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

### **Health and Wellbeing implications and Risks**

It is a procurement mechanism and there is not direct Health and Wellbeing implication. However, not having an effective procurement mechanism for home care could result in:

- Poor access to the required care on those who need care and their families
- Unnecessary admission to residential settings costing to the families and the local authority

### **ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS**

We are working with suppliers to minimise impact on the environment by:

- Eliminating the need for one use plastics
- Ensuring that all waste is correctly recycled
- Utilising public transport when this fits with Infection Protection Control measures
- Employing locally wherever possible to reduce the environmental impact of travelling to work



- Employing digital solutions to reduce the need for manual recording and disposable materials.

**BACKGROUND PAPERS**

Non Key Executive Decision Report: Approval to commence a competitive tender process to procure Homecare Services. Dated 03/02/2022