

## Notice of Non-key Executive Decision

<b>Subject Heading:</b>	Approval to extend Reablement Service contract with Essex Cares Limited for a period of one year
<b>Decision Maker:</b>	Barbara Nicholls, Director for Adult Services and Health
<b>Cabinet Member:</b>	Councillor Gillian Ford – Lead Member for Adults and Health
<b>SLT Lead:</b>	Barbara Nicholls, Director for Adult Services and Health
<b>Report Author and contact details:</b>	Sandy Foskett <a href="mailto:sandy.foskett@havering.gov.uk">sandy.foskett@havering.gov.uk</a> , Tel: 01708 434742
<b>Policy context:</b>	Supports priorities in the Joint Health and 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> Supports statutory requirement to reduce care needs (Care Act 2014)
<b>Financial summary:</b>	The contract value was approved as a total of the full 5 year cost of a 3 + 1 + 1 contract period.  The proposed one year extension, after the initial 4 year period, would be at a cost of £1,905,750 to the council.  Total contract value is £9,256,500 for the full contract period of 5 years.
<b>Relevant OSC:</b>	Individuals

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<b>Is this decision exempt from being called-in?</b>	Yes
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**The subject matter of this report deals with the following Council Objectives**

People - Things that matter for residents (X)

Place - A great place to live, work and enjoy

Resources - A well run Council that delivers for People and Place.

## Part A – Report seeking decision

### DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

This report seeks approval from the Director for Adults Services and Health to agree an extension of the Integrated Reablement Contract with Essex Cares Limited for a period of 12 months from 1 April 2023, at a cost of £1,905,750. An option to extend this contract is within the original contract awarded on 1 April 2019.

### AUTHORITY UNDER WHICH DECISION IS MADE

#### 3.3 Powers of Members of the Senior Leadership Team

Members of the Senior Leadership Team (SLT) have delegated authority to act as follows within the assigned service service/portfolio of responsibilities, subject to the general provisions and limitations set out in section 3.1 above.

#### Contract powers

To award all contracts with a total contract value of between £500,000 and £5,000,000 other than contracts covered by Contract Procedure Rule 16.3.

### STATEMENT OF THE REASONS FOR THE DECISION

#### Background

The contract for the integrated reablement service provided by Essex Cares Limited commenced from 1 April 2019. The service was commissioned on a block contract model, with up to 700 hours of support allocated per month.

#### Performance

The service has been proven to provide good outcomes for residents that complete a package of reablement, with an average of over 88% (since December 2022) going on to receive no further care, self-funding a package of care or receiving a Local Authority funded package of care. On average, the service has seen a reduction of care hours by 577 per month compared to the hours commissioned when the period of Reablement begins.

317 customers took part in a customer satisfaction survey (from Jan-Dec 2022) following their period of reablement with ECL, 95% of them said they were satisfied with the service.

The reablement service is embedded within the Homefirst pathway and this model continues to provide significant benefits for the NHS, Local Authority, residents and their families, which include:

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- A decrease in length of stay in hospital
- Improved outcomes for residents.
- Reduced costs for equipment and care home placements.
- Increased therapy capacity in the community.

Demand for the service has risen substantially since it was commissioned. This increased demand grew during the pandemic and as a result of the home first model, and continues at approximately 1300 hours per week. The NHS funded hospital discharge fund covered these costs in 21/22 during the pandemic and in 22/23 NHS North East London have funded the additional 600 hours to meet service demand. There continues to be ongoing dialogue to secure support from system partners to fund any further demand increases over and above what will be commissioned by the local authority for the future.

The Council has been working closely with stakeholders from the Hospital and the supplier to improve efficiency within the service, where necessary refining criteria for acceptance by the service. E.g. when the service reached maximum capacity during the Christmas period it was agreed that the service would stop accepting packages of care that required two members of staff to visit the service user, releasing capacity for those more likely to benefit from Reablement.

NHS North East London have committed to continue to fund an additional 600 hours to cover the requested extension, up to the end of March 2024. The borough will not, however, fund any additional hours over those originally contracted. If and when it becomes clear what additional hours are committed to and if they are to be delivered through the contract further governance needs will be met. For now, however it is essential to extend the contract as is to ensure the service remains in operation.

The supplier has indicated acceptance of this contract extension, however this is subject to negotiations regarding their fee uplift request. Once this matter has been settled a separate uplift report will be submitted through governance.

### **Finance**

The funding for the extension of this 700 hours contract was agreed in the original award decision paper as part of the 3+1+1 contract period (See link in Background section of this report). Since that time contract uplifts have been awarded to the contractor as part of the commissioners' annual market review.

### **Contract Monitoring**

The contract has been operational for four years. The benefits of utilising a programme of reablement include:

- Improvement in residents able to remain independent with no need or little need for future services
- Prolongs residents' ability to remain in their own home
- Avoid unnecessary admission to hospital
- Given the benefits to both the hospital, the NHS North East London Integrated Care Board and the Local Authority, the intention is that we use the time granted by the extension to pursue a system wide re-commissioning and look

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to redesign and further refine the pathway. An element of this time will be used to garner commitment to funding from relevant system partners and explore an adequate route through governance.

### **Recommendation**

It is recommended that the option for a one year extension, as provided for in the contract and original award decision, is taken. This will allow sufficient time to align to a system wide commissioning exercise with the NHS North East London Integrated Care Board and refine the Homefirst pathway to continue delivering the benefits outlined above. The Council and system partners require sufficient time to design a service that is sustainable, can meet demand effectively and continue to deliver positive outcomes for service users.

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

Option one: Do nothing and do not extend the reablement service

This option was considered and rejected. The reablement pathway has proven benefits for the Council, NHS North East London and the service users that receive support. Reablement mitigates demand on homecare that would otherwise have to be funded by the council in long term care. This service also allows the Council to meet its statutory requirements under the Care Act (2014).

Option two: Recommission the service.

This option was considered and rejected. If we had wanted to recommission the service after the initial three year period, it would have had to have been done in the midst of the pandemic when the service was essential to the flow from hospital and the pathways were being managed in a crisis, and so was entirely inadvisable.

### **PRE-DECISION CONSULTATION**

N/A

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

Name: John Green

Designation: Assistant Director of Joint Commissioning Unit

Signature:



Date: 31 January 2023

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

### **LEGAL IMPLICATIONS AND RISKS**

Under Section 3 of the Care Act 2004, the Council, as a local authority, has a statutory duty to promote integration of care and support with health services.

The Council has power to extend the contract under s111 of the Local Government Act 1972 which permits the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

The Council may also extend the contract in pursuance to its general power of competence under Section 1 of the Localism Act 2011, which allows the Council to do anything an individual can do, subject to any statutory constraints on the Council's powers. None of the constraints on the Council's s.1 power are engaged by this decision.

When originally procured, the contract was an above threshold contract for the purposes of the Public Contracts Regulations 2015 (PCR). The proposed variation is therefore caught by the full PCR regime.

The contract is already in its first of its year extension period and a further extension period of one year has been provided within the contract. Therefore, this extension is permitted by the provisions in the contract.

The Council may extend the contract subject to the extension falling within one of the safe harbours provided by Regulation 72 (1) of the PCR. Regulation 72(1) (a) of the PCR 2015 permits a variation to the contract whereby the modification has been provided in the contract and its applicability is clearly explained, and the modification does not alter the overall nature of the contract.

For the above reasons set above, the Council may extend the contract with Essex Care Limited.

### **FINANCIAL IMPLICATIONS AND RISKS**

This decision paper is seeking approval to extend the current reablement contract which provides 700 hours of reablement per week at a cost of £1,905,750 per annum. There is currently sufficient funding to fund this, the contract is funded from the Better Care Fund with an additional contribution to the Better Care Fund from Adult Social Care core budgets.

The original contract value at the start of the contract in 2019/20 was £1,815,000, inflationary increase of 5% were applied to the contract in 2022/23 bringing the annual current contract value up to £1,905,000.

The provider is currently requesting an inflationary uplift on the current contract value for 2023-24 which will be part of a separate decision paper.

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The overall cost of the contract value for the life of the contract from 2019/20 to 2023/24 will be £9,256,500 without taking any inflationary increase for 2023/24 into consideration.

In addition to the core hours commissioned, there has been an additional 600 hours per week commissioned from the provider which have been funded by health. Health have agreed to continue to fund these additional hours until March 2024.

Throughout the contract there has been additional ramp hours which have been commissioned from the provider, and if any ramp up hours continue these will be funded by Health. Havering will only be paying for the 700 hours per week.

The contract extension gives the time to scope the commissioning requirements for the re-procurement of the contract due to commence in April 2024.

The monitoring of the utilisation and benefits from these reablement hours is essential in demonstrating the value for money from this contract. Performance information from the contractor should enable the service to demonstrate the benefits outlined in the report by analysing the cost avoidance and savings from other care pathways resulting from the specific reablement actions. The evidence and performance information will be used as part of the corporate exercise to baseline the service budgets for the next financial year.

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

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 AND SOCIAL INCLUSION 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.



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

The supplier is working to minimise impact on the environment by:

- Eliminating the need for one use plastics
- Ensuring that all waste is correctly recycled
- Utilising a mixture of drivers and walkers to deliver reablement where able
- Utilising route planning software to minimise distance travelled and reducing carbon emissions from their vehicles
- Employing a digital solution for recording medicines, negating the need for repeat visits to customers' homes for recording purposes
- A move to a hybrid working model for office based staff reducing emissions from commuting and use of vehicles.

### **BACKGROUND PAPERS**

**Key Decision Report - Award Report of the Integrated Reablement Service**

<https://democracy.havering.gov.uk/ieDecisionDetails.aspx?id=5089>

### **APPENDICIES**

**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*

**Details of decision maker**

Signed



Name:

SLT Member title: Barbara Nicholls, Director for Adult Services and Health

Date: 22.03.23

**Lodging this notice**

The signed decision notice must be delivered to Democratic Services, in the Town Hall.

**For use by Committee Administration**

This notice was lodged with me on \_\_\_\_\_

Signed \_\_\_\_\_