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## CABINET

**Subject Heading:**

Contract Award -Havering Reablement Service

**Cabinet Member:**

Councillor Gillian Ford, Cabinet Member for Adults and Public Health

**SLT Lead:**

Barbara Nicholls, Strategic Director of People

**Report Author and contact details:**

Sandy Foskett, Senior Commissioner and Project Manager

**Policy context:**

Supports priorities in the Joint Health and Wellbeing strategy:

- Better integrated support for people most at risk;
- Quality of services and patient experience

Supports statutory requirement to reduce care needs (Care Act 2014)

**Financial summary:**

The proposed total contract value is £11,096,793.14 (based on a 3 year contract, plus two year extension option). This includes £900,000 funding from the ICB element of the Discharge Fund increase which has been agreed with NHS North East London ICB for the financial period 24/25.

**Cabinet, 10 January 2024**

**Is this a Key Decision?**

This is a key decision as it concerns expenditure over £500,000.

**When should this matter be reviewed?**

October 2024

**Reviewing OSC:**

People OSSC

**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.

## **SUMMARY**

This report is seeking approval from Cabinet to award the Havering Reablement contract to Essex Cares Limited following a competitive tendering exercise.

The current contract ends on 31st March 2024. 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.

The new contract will commence 1 April 2024 to 31 March 2027, with an option to extend for a further two years.

## **RECOMMENDATIONS**

Cabinet is recommended to authorise the award of the Havering Reablement Contract to Essex Cares Limited, commencing on 1<sup>st</sup> April 2024 at a cost of £11,096,793.14. The contract will run for a period of 3 years, plus two year extension option.

## **REPORT DETAIL**

### **1. Background**

The current reablement service is delivered by Essex Cares Ltd, it provides a rapid response that focuses on supporting individuals to regain skills and confidence to enable them to remain living independently following a hospital admission or following a crisis at home.

The benefits of reablement includes:

- Improvement in residents able to remain independent with no or little need for future services
- Avoid unnecessary admission to hospital
- Links service users into other community services supporting them to remain independent at home

The service operates under the 'Home First' model which means care and support needs are assessed by the service provider in the person's own home instead of the hospital, ensuring that no long term decisions about long term care needs are made whilst in an acute setting. The process includes assessment for equipment and referral to any other required community services; this is overseen by a qualified therapist.

There are many system wide benefits to having a Home First model of discharge for reablement which include:

- Reduction in length of stay and associated decline in mobility
- Decrease in acute therapy time required to assess prior to discharge
- Decrease in unnecessary equipment being prescribed at the point of discharge
- Decrease in length of reablement package required
- Improved outcomes for service users

The reablement service is acknowledged as being an essential part of Havering's intermediate care offer ensuring people are given every opportunity to remain living independently in their own home.

## **2. Procurement Approach**

This procurement was subject to and adhered to the Council's Contract Procedure Rules. The procurement was an open tender process followed in accordance with the Public Contracts Regulations 2015.

## **3. Evaluation**

The tender opportunity was published on 14 September 2023 on Find a Tender and Contracts Finder. An Executive Decision seeking approval to waive the Council's Contract Procedure Rule 18.4, so that the tender can be evaluated against 80% quality weighting (including 5% attributed to Social Value) and 20% price weighting, was approved on 6 June 2023. The total financial envelope available for the procurement was £11,286,337.50 for the 5 year contract period.

The bidders were required to respond to Standard Qualifying (SQ) questions to ensure providers have the quality and experience of delivering reablement services. They were technically evaluated against 8 quality factors below, this assessed providers knowledge, expertise and reablement approach drawing on their experience in delivering a contract of this nature.

1. Service Capacity
2. Service Delivery and Quality
3. Service Principles
4. Mobilisation
5. Partnerships
6. Staffing
7. Service Outcomes
8. Social Value

29 suppliers expressed an interest in the tender. A total of 7 bids were received by the closing date on 24 October 2023. One bid was not compliant as they did not meet the SQ requirement which included having experience of two years or more of delivering reablement services at the time of completing their tender. This was a Pass/Fail question.

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As a result, the provider's method statement responses were not evaluated and only 6 tenders had the quality aspect of their bid evaluated.

The tender panel members, included stakeholders from across Health and Adult Social Care and included representation from the Joint Commissioning Unit. The evaluation took place independently over a two week period that concluded on 9 November 2023 and moderation meetings held thereafter to conclude the evaluation of the technical bids.

Following SQ, the six bids method statements were evaluated using the 0-5 scoring rationale. The ITT stated that 'Bidders who do not achieve a 3 out of 5 for each Quality question and Social value question, will not have their Price evaluated'. A score of 3 would achieve a mark of Acceptable. The final scores for each bidder were agreed by all evaluators in moderated meetings held on 16 and 20 November 2023, facilitated by the Council's procurement team. Providers B, D and E failed to score a minimum score of 3 for their technical responses and were therefore disqualified.

The bidders were asked to complete a pricing schedule for the five year contract. For year one the bidders were asked not to exceed a maximum cost of £2,977,267 which included the additional £900,000 agreed with NHS North East London ICB. This was for the delivery of 1380 reablement care hours per week.

For years two – five, bidders were asked not to exceed £8,309,070 which was for the delivery of 970 reablement hours per week.

Only three bidders passed the quality stage and had their pricing schedules evaluated.

The evaluation panel were able to recommend a contract award to Essex Cares Limited as set out in the table below (attached exempt Appendix A includes a breakdown of each provider's score).

<b>Organisation</b>	<b>Total Quality Score (75% Weighting)</b>	<b>Total Social Value Score (5% Weighting)</b>	<b>Total Weighted Price Score (20% Weighting)</b>	<b>Total Weighted Score (100%Weighting)</b>
<b>Provider A</b>	<b>36</b>	<b>4</b>	<b>20.00</b>	<b>60.00</b>
<b>Provider B</b>	<b>10</b>	<b>1</b>	<b>0.00</b>	<b>11.00</b>
<b>Essex Cares Ltd</b>	<b>42</b>	<b>4</b>	<b>20.00</b>	<b>66.00</b>
<b>Provider D</b>	<b>23</b>	<b>3</b>	<b>0.00</b>	<b>26.00</b>
<b>Provider E</b>	<b>20</b>	<b>2</b>	<b>0.00</b>	<b>22.00</b>
<b>Provider F</b>	<b>37</b>	<b>4</b>	<b>19.67</b>	<b>60.67</b>

#### **4. Service Activity**

The successful provider will be expected to deliver a maximum of 1380 hours per week or 123 episodes which is approx. 410 additional hours per week and 19 additional starts per month over and above the core contract levels during the first year of the contract. These levels will be achieved using the NHS ICB discharge funding until 31 March 2025. Currently this funding has only been agreed for the 24/25 financial year, however it is likely that further funding will be invested into the service during the life of the contract however this will be agreed annually and could range from £0- £1.5 million per annum fluctuating annually based on system allocation of funds.

During the first 6 months of the contract both the number of episodes and number of hours delivered will be monitored. The intelligence gathered during the 6 month period will be used to design a system that recognises that both indicators (episodes and hours) are important in understanding the delivery of service.

In the event of there being significant capacity issues with the service and the provider is unable to deliver the commissioned level of activity, the Council will need to commission this reablement support on a case by case basis from homecare providers.

Under delivery up to 10% will be managed via the performance meetings. Under delivery (due to capacity issues within the provider's control) above 10%; LBH reserve the right to withhold payment. It is agreed that a system will be developed to evidence both indicators of starts and hours, this will ensure a clear understanding of the over and under delivery of the service. The data collected in the initial 6 month period will be used to define the reporting structure and agree the parameters for the under and over delivery of care in hours.

### **REASONS AND OPTIONS**

#### **Reasons for the decision:**

This decision is required as the current reablement contract is due to expire on 31<sup>st</sup> March 2024, therefore the Council needs to establish a new contract arrangement for the service from 1 April 2024 onwards. The Council have a statutory duty to provide this service.

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

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

This was not deemed as a viable option as the current contract expires on 31 March 2024 and doing nothing would result in LBH not having a reablement contract in

place and therefore not meeting the Care Act 2014 (section 2) 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.”

The withdrawal of the reablement contract would have a significant impact on discharge flow at BHRUT resulting in people remaining in hospital longer than required and being at risk of a decline in their health and mobility.

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

The contract has already been extended as permitted under the terms of the contract and so this approach would contravene the Council’s Contracts Procedure Rules and the Public Contracts Regulations 2015.

## **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.

# **IMPLICATIONS AND RISKS**

## **Financial implications and risks:**

This report seeks authority to award a contract for the reablement service to Essex Cares Limited for a period of 3 years with the option to extend for a further two years following a full procurement process.

The new contract will commence 1 April 2024 to 31 March 2027, with an option to extend for a further two years. The total cost of the contract for the 5 years is £11,096,793.14.

The total financial envelope available for the procurement was £11,286,337.50 for the 5 year contract period and the contract being awarded is £189,544.40 less.

For year one, the bidders were asked to submit a bid to provide 1380 hours of care per week and from years 2 to 5 to submit bids for providing 970 hours per week.

The weekly hours for year one are higher due to additional funding being approved for the 24/25 financial year. The ICB element of the Discharge fund has been confirmed for 24/25 with an increase in the allocation to LBH. £900K of this funding will be made available to fund the additional hours in year one of the contract.

The annual cost for years 1-5 of the contract are detailed in the table below:

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	<b>Hours to be delivered per week</b>	<b>Annual Contract Value</b>
Year 1	1380	2,821,182.14
Year 2	970	2,068,902.75
Year 3	970	2,068,902.75
Year 4	970	2,068,902.75
Year 5	970	2,068,902.75
<b>Total</b>		<b>11,096,793.14</b>

The reablement contract is funded from the Better Care Fund with an additional contribution to the Better Care Fund from Adult Social Care core budgets and this is sufficient to meet the annual costs of years 2-5 of the contract.

In year one the shortfall will be funded from the ICB element of the discharge fund as the increase in funding has been confirmed for 24/25. Funding beyond 24/25 is unknown and therefore the contract will be varied annually up to the funding amount available each financial year, this could range from £0-£1.5 million per annum fluctuating annually based on system allocation of funds.

The council has a responsibility to demonstrate value for money from contract expenditure and as such close scrutiny of the unit costs and benchmarking will need to be undertaken as part of the contract monitoring processes.

### **Legal implications and risks:**

This report seeks authority to award a contract for reablement services to Essex Cares Limited for a period of 3 years with the option to extend for a further two years.

The Council has a statutory duty under s2 of the Care Act 2014 to provide or arrange services within its area that prevents the need for care and support. The procurement and award of this contract will satisfy that duty.

The value of the contract will be in excess of £11 million, which is above the threshold for light touch services as set out in the Public Contracts Regulations 2015 (as amended) (PCR). Therefore, the procurement is subject to Part 3 of the PCR.

The body of this report confirms that officers have undertaken an open procurement in compliance with Regulation 27 of the PCR. Officers have evaluated and moderated the bids received and propose to award the contract to the Most Economically Advantageous Tender.

### **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**

The procurement of the re-ablement service will enable right care in the right place for the residents who have been admitted to hospital and lost the previous state of independence. The service is known to mitigate deconditioning following a hospital admission and is aimed to prevent permanent admission to a care homes if careful assessment and suitable support are provided, thus beneficial to the resident, carers and the care system. Continued monitoring of the service’s output and outcomes must will support the effectiveness and cost-effectiveness of the service.

**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

**BACKGROUND PAPERS**

**None**