
Award of the new Adults Homecare Service, Extra Care and Children's Care Support Services Contract

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This report is a Key Issue

Purpose of this report

1. The report updates the Executive on the retendering of the current Adult Homecare and Extra Care contracts and Children's Care Support Services and seeks approval to award contracts to the recommended providers.

RECOMMENDATIONS

The Executive is asked to approve the providers who have been recommended to join the new Framework Agreement for the Adult Homecare, the Children's Support Services contracts and the Adult Extra Care contract.

Overview and Scrutiny Comments/Recommendations

2. This item is not required to go to Overview and Scrutiny Committee as it is a decision of the Executive but the Chair of the Social Care, Health & Housing Overview & Scrutiny committee has been consulted on the procurement and the outcomes.

Overview

3. Domiciliary Care services, also known as Homecare services, play a vital role in enabling people to live independently in their own homes, in promoting peoples' health and well being and protecting vulnerable Adults and Children.

4. It is essential that the Council ensures that there are sufficient high quality care providers in place so that people are able to exercise real choice and control over their lives and remain safely at home.
5. The Executive approved an extension for the current homecare framework contract for Adults and Older People and for the Extra Care Services in February 2017 until 30 September 2017.
6. The extension period enabled a review of the current contractual arrangements and working with care providers to improve the operating model. It gave time to reflect on the challenges facing the homecare market, such as, workforce capacity and travel time due to the large rural base in Central Bedfordshire. This also gave an opportunity to consider including the services currently commissioned by Children's Services and the Bedfordshire Clinical Commissioning Group (BCCG) into the procurement process.
7. The extension period enabled efficiency through joint procurement with the other services and presented the opportunity to optimise the "core offer" to the local market. Care providers have welcomed this approach as this enables them to consider expanding their portfolio of services to support business viability.
8. This report provides the details in how the new services to be commissioned were determined and recommends a number of providers for the award of the new contracts. It presents the preferred framework agreement for the Adult Home Care and Children Support services contract and a block contract for the Adult Extra Care contract.

Background

9. As highlighted above, the extension for the Adult contracts allowed time to consider bringing together the following services in to one procurement exercise:

a) Homecare Services for Adults

These provide support in the community to individuals that require care and support at home and this is determined through a health and social care assessment. The service is for older people, adults with mental health conditions, adults with learning disabilities, adults with physical disabilities and people with long term health conditions and dementia.

b) Adult Extra Care Services

Extra Care provides support at home as the Homecare Service outlined above, but within four extra care housing schemes. These are:- Lavender Court (Amphill), St. Georges Court (Leighton Buzzard), Redhouse Court (Houghton Regis) and Quince Court (Sandy).

The service enables individuals to retain their independence and benefit from 24 hour on-site support from the approved care provider in partnership with the housing provider.

c) Children's Care & Support Services

This includes care and support for children & young people with physical, learning disabilities and/or autism and supports parents and carers to perform day to day tasks and enables children to live in their own home.

It also provides social opportunities for children and breaks for parents and carers.

c) Bedfordshire Clinical Commissioning Group (BCCG) Continuing Health Homecare Service

BCCG are committed to joining the Homecare Framework but are not able to join in Phase 1 of the Framework which is implemented on 1 October 2017, however there is mutual agreement that further opportunity will be explored in the future. This has been communicated to care providers and factored into the contract.

Customer Engagement

13. Prior to the service specification being finalised, a survey to Homecare customers was commissioned through Healthwatch Central Bedfordshire to enable the Council to ascertain what factors were important to current and future customers. Customers in each Extra Care scheme were involved through correspondence and with follow up meetings held in each scheme. These were well attended by customers and interested relatives and they were able to give feedback and receive reassurance. Customer feedback was that: quality of care, continuity of carer, punctuality and duration of calls were the most important factors identified. A question was also asked about any new needs that would need to be considered in the design of a new service. There was little response to this question, which indicates that customers are largely satisfied with the current service provision.

Changes to the Adults Homecare Service

14. For the Adults service and after careful consideration of other contractual operating models it was felt that a version of existing Framework Agreement was the most appropriate operating model moving forward. The difference to the existing framework agreement is the Council is taking advantage of the light touch regime for social type services under the Public Contract Regulations to design a quasi framework structure which offers the opportunity for the Council to open the arrangement to new providers at agreed points if necessary.

15. This will help address the potential skills and capacity issues that the Council has been experiencing in certain areas in Central Bedfordshire and will enable new care providers to demonstrate that they have appropriate capability and resource to help address any shortfall. It is anticipated that the first opportunity to open the framework might be six months after the initial go-live date, which will be in April 2018 (Phase 2) and yearly thereafter.
16. As part of continuous improvement and taking account of provider and customer feedback, some changes have been made to improve the new service for Central Bedfordshire customers and enable providers to operate more efficiently.
17. The key changes to the Adult Homecare service include the following:

Operating Zones – Change from Four to Six

18. In response to the provider feedback the four original Lot Areas (which were aligned to the BCCG Locality areas) have been increased to six new zones. The original areas were considered too vast which impacted on travel time and cost for carers between the original Lot areas and made it less viable for providers to sustain business. This also affected care worker punctuality.

15 Minute Calls

19. To improve the quality of the customer experience, providers now have to spend at least 10 minutes at the home to qualify for a 15 minute call payment. The previous contractual arrangements allowed payments for calls from 1 minute up to 17 minutes and 30 seconds. Sometimes medication visits and checks on customers well being (check call) do not take a full 15 minutes but the Council needs to allow for travel time to support the nature of these calls. The tolerance around these calls now included in the new contract will range from 10 minutes up to 22 minutes and 30 seconds.

Termination period and notice to customer

20. Providers will now be required to engage with customers before handing back packages to the Council. Termination periods are now based on scalability around notice period based on volume of business. This will allow the Council time to re-provision care in a more measured manner and keep customers advised of the changes and reassured.

Hospital Discharge Supplement (HDS)

21. To enable continuity of care for customers who enter hospital and alleviate hospital pressure the Council is proposing to introduce an Hospital Discharge Supplement. This is a payment mechanism incentivising providers to resume care for people leaving hospital within 48 hours of being assessed to be medically fit for discharge.

Customers who are Self Funders

22. The Council recognises that providers also offer services to customers who are responsible for funding all of their care needs and the contract requires providers to be clearer and more transparent about the fees that are charged.

Changes to the Adult Extra Care Service

23. The following changes have been made to the extra care specification:

Staffing levels

24. The minimum requirement to have two carers on duty during the day has been reduced to one. This reflects the current levels of care needs within the schemes and would change if the care needs of the residents increased.

Waking Nights Option

25. The current contract includes night care provision from 10pm to 7am but this is only provided on an emergency basis only. Carers on duty are asleep in the building and only woken up when needed. The new specification aligns the night care provision to that in the Independent Living Scheme at Priory View where carers are awake on duty throughout the night. This enables residents to receive both planned and emergency care at any time and is a better alternative to residential care.

Changes to the Children's Support Services

26. The joint procurement exercise has increased the number of providers across Central Bedfordshire that is able to meet the needs of disabled children and their families.
27. The allocation process of assigning packages of care will be aligned to the same process as with adult services. This will ensure that the highest ranking providers on quality and price will be allocated new children and families in conjunction with Children's Services colleagues.

28. This approach also enables contract monitoring systems to be consistent across the commissioned children's and adult services. Potentially, this will provide the opportunity to further improve the transition journey of young people moving from children's in to adult services.
29. The following changes will further enhance the service.

Standard and enhanced support

30. To improve the quality of customer experience, providers were requested to bid different rates for standard and enhanced support. This will allow providers to support children with more complex needs by allocating the higher qualified care workers to support these children.

Mileage charges

31. Providers will now be able to charge for mileage whereas this cost was previously included in the hourly care rate. This arrangement will better reflect accurate costs of each element of service.

Procurement Process

32. The OJEU procurement timeline for the new contract started in July 2016 and the tender was published in February 2017 with a tender submission deadline of 22 March 2017. Providers were supported on the procurement process through three training workshops, which were all well attended.
33. The Council received 59 tender bids in total, 54 for Adults, 26 for Extra Care and 16 for Children's Services. Tender submissions were evaluated during the period of March to May 2017, and is still ongoing in relation to Extra Care Evaluation, which included tender evaluation, group moderation and input of subject matter experts in relation to the more specialist questions such as safeguarding and business continuity.
34. Answers to quality questions were scored against model answers using defined criteria on key areas such as outcome based personalised care, safeguarding, business and mobilisation plan, business continuity and workforce strategy. Prices were also evaluated to give a financial score. Each submission was then ranked combining the quality scores and the financial scores using a ratio of 55% quality to 45% financial for each area applied for.

Outcome for the Adult Homecare Service

35. From the 54 bidders for the Homecare service a total of 35 providers have met the required standard to be accepted onto the framework. This includes nearly all of the existing providers with 10 new providers. The number of providers will ensure sufficient coverage and availability across the whole of Central Bedfordshire. The recommended providers for each service are detailed in exempt Appendix A.
36. Subject to Executive approval the new contracts will apply from October 2017 for a period of three years with provision to extend for a further two years.
37. From the existing provider base, 3 homecare providers did not apply. The impact of this is minimal as customer numbers with these providers are very low. In addition, one existing homecare provider was rejected on the quality assessment. Again, the customer numbers are fairly low and all customers will be notified and given the opportunity to remain with their existing provider or move to an alternative provider in the area.

Outcome for the Adult Extra Care Service

38. From the 26 bidders for the Extra Care contracts 6 providers were shortlisted to the presentation stage. The presentation scores were then added to the quality and financial scores to enable the best providers to be awarded the contracts.
39. As a result one of the existing providers has retained their contract with the Council but as one of the providers did not bid for the new contract the Council will be offering the contract for one of the schemes to a new provider. The recommended providers for each service are detailed in exempt Appendix A.
40. Subject to Executive approval the new contracts will apply from October 2017 for a period of three years with provision to extend for a further two years.

Outcome for the Children's Support Services

41. From the 16 bidders for the Children's Support services, 10 providers met the required standard to be accepted on to the framework. This is an increase of 5 providers in addition to current arrangements. The recommended providers for each service are detailed in exempt Appendix A.
42. There is sufficient coverage across all operating zones for children's services. However, the final success lies with the new providers that have joined and how effectively they are able to mobilise in the zones for which they have applied for.

43. Subject to Executive approval the new contracts will apply from October 2017 for a period of three years with provision to extend for a further two years.

Council Priorities

44. The provision of a homecare service contributes to the Council priority of: Protecting the vulnerable; improving wellbeing and help support vulnerable people to maintain their independence and live at home supported by an appropriate and personalised package of care. A key aim of the new framework is to improve the delivery of care and the experience for our customers in Central Bedfordshire.

Corporate Implications

Legal Implications

45. The extension period of the contract comes to an end on 30 September 2017 and arrangements need to be made for the ongoing provision of a homecare service for Central Bedfordshire.
46. The Council has taken advantage of the light touch regime in the Public Contracts Regulations 2015 to design an arrangement more flexible than framework contracts which are subject to the full rules. The arrangement is novel but has been comprehensively described in the procurement documents to ensure transparency and equal treatment among providers in the market. The Council will follow the rules it has prescribed in those documents in its management of the framework arrangements and as such it is considered it does not give rise to any legal issues, on the basis of a comprehensive and transparent procurement exercise. The flexibilities (such as re-opening and the length of the contract extension) are at the discretion of the Council and the advice is that if they are not exercised without further legal input to ensure that they remain permissible at the time the Council wishes to exercise them.

Financial Implications

Adult Homecare Services

47. Accurate financial forecasting of domiciliary care spend is complex due to factors such as different rates depending on length of calls, the pattern of calls, the rural nature of the area, and fluctuating needs of customers, some of whom may require two carers per visit. The Council currently spends approximately £10.5M per annum on homecare services.

48. Based on the analysis undertaken in July 2016, it is anticipated that demand for homecare will increase with the rising ageing population. In addition the rising costs of the National Living and Minimum Wage, additional work based pension costs and the general difficulty of recruiting and retaining staff, in times of low unemployment, are likely to impact of the overall costs of the services provided.
49. A detailed financial appraisal has been carried out which has compared current prices with the new tendered prices using extrapolated volumes across the new operating zones. The financial analysis indicates that the overall cost of the Adult Home care service is likely to increase by £1.1M over a full year but as the new contract does not start until 1 October 2017, the part year effect of the increase is £0.550M for 2017/18.
50. The Council has set aside money from the increase in Council Tax for Adult Social Care and this will be utilised to fund the additional cost of the new Framework.

Adult Extra Care Services

51. A financial appraisal has been undertaken using the price and number of care hours provided in 2016/17 and compared this to the new prices set out in the tender bids. The outcome would see a reduction in the costs of these services by £0.109M on an annual basis.

Children's Support Services

52. As with Adults the financial forecasting of care support for children is complex due to factors, such as, different rates, the pattern of calls, the rural nature of the area which impact on travel costs and the fluctuating needs of children.
53. In the previous contract arrangements the hourly rates charged for support services included an element for the mileage costs but the procurement process has separated these from the core care hours rate. This means it is difficult to make a straight comparison of the new costs included in the tender bids with those from 2016/17. However, using some average assumptions around the travel distances the analysis suggests that the costs of the new contract can be contained within the existing budget resource within Children's Services. There is a potential efficiency or some element of cost avoidance as the staff costs element contained within the current care rates may have needed to increase to accommodate the increase of the national living wage from April 2017.

Risk Implications

54. The Council will need to ensure a smooth transition with minimal disruption for existing customers.

55. One of the main risks to manage is disruption to existing customers receiving home care and to the provider market. These will be overcome by a managed transition process to the new contract over a period of time, with only new customers being placed with providers on the framework. Existing customers will be able to stay with their current provider or choose from the newly formed list of providers.

Equalities Implications

56. A detailed Equalities Impact Assessment has been undertaken for the development of the new framework and all issues identified have been addressed and incorporated within the service specification and procurement process.
57. For each customer of a homecare service, an individual care and support plan is agreed with them and adult social care staff. This ensures that the customer's care needs and individual preferences in how those care needs are met are agreed and set out for care providers to follow. Each care package therefore takes account of the customer's sex, gender, age, ethnicity, sexuality and disability.
58. The rural nature of Central Bedfordshire brings challenges for providers and improvements are being made to ensure equality of opportunity for those living in rural areas, those wishing to engage in a social life in the evening, those with challenging behaviours, for those transitioning from Children's to Adult's Services and for customers with both adult social care and health needs.

Conclusion and Next Steps

59. As the population of older people in particular increases, it is essential that the Council has developed this market to ensure that there are sufficient high quality providers of Domiciliary Care so that residents are able to exercise real choice and control and remain safely at home.
60. The new contractual arrangements, in tandem with improved ongoing quality monitoring, market stimulation, transparency through the availability of information including prices, and the introduction of electronic monitoring of care delivered, will result in services that are best placed to meet current and future demand, and that also represent best value to the Council and residents.
61. This procurement approach will deliver more robust contract arrangements that over time will result in improved quality to our vulnerable customers. It is important to note that customers will experience little if any change. Potential changes to their care provision are likely to occur following the normal review of their care packages, unless they wish to change care providers sooner.

62. All existing customers will be informed about the proposed changes to the contract arrangements through individual letters, and reassured that their care delivery will not be disrupted by this process. Colleagues are especially keen to offer reassurance to customers and their carers so as to allay fears of disruption to care arrangements.
63. For the few customers whose existing provider has not been successful, they will be informed of their options to remain with their current provider or move to a new provider if they wish.
64. The joint procurement for Adults Homecare, Extra Care and Children's Support services allows providers to offer services to a wider range of customers and enabling business viability and greater scope for workforce development.
65. There is opportunity to collaborate with the BCCG for the Continued Healthcare (CHC) packages for Adults and this will be confirmed by Autumn 2017. This option could offer further viability for those care providers who wish to extend their portfolio and maximise business development in this area.
66. The increase in operating zones from four to six will reduce travel time and enable tighter "runs" therefore creating efficiency and improving punctuality and better customer experience.
67. From the evaluation process above, there is sufficient coverage across all operating zones for the homecare services. However, the final success lies with the new providers that have joined and how effectively they are able to mobilise in the zones for which they have applied for.

Appendices:

1. Appendix A - List of successful providers (Exempt)
2. Appendix B - Geographical map showing operating zones

Background Papers

1. Equalities Impact Assessment