
Meeting: Executive
Date: 18 March 2013
Subject: Commissioning for Outcomes: Implementation of the Framework Agreement for Domiciliary Care Services
Report of: Cllr Carole Hegley, Executive Member for Social Care Health and Housing
Summary: The report updates Executive of the retendering of the current domiciliary care contracts using a framework agreement and seeks approval to award contracts to the recommended providers.

Advising Officer: Julie Ogley, Director of Social Care Health and Housing
Contact Officer: Elizabeth Saunders, Assistant Director, Strategic Commissioning
Public/Exempt: Public/with Exempt Appendix A under category number 3
Wards Affected: All
Function of: Council
Key Decision Yes
Reason for urgency/ exemption from call-in (if appropriate) N/A

CORPORATE IMPLICATIONS

Council Priorities:

The recommendations contribute to achieving the following Council priorities:

- Promote health and wellbeing and protecting the vulnerable.
- Value for money – freezing council tax.

Financial:

1. The current annual expenditure on domiciliary care is approximately £ 8.7M. It is expected that a retendered service based on a framework will achieve wider coverage and higher quality of service at a comparable price.
2. As the population increases alongside individual's demands and expectations to stay living longer at home, the annual volume and therefore cost is likely to increase year on year.
3. This cost pressure will be mitigated by use of the framework and by continuing to offer a period of reablement to new customers.

4. As efficiencies and value for money are core to the new arrangements, a detailed financial appraisal of the new prices submitted has been carried out. The analysis has shown that the current service will be able to be met from existing budgets.
5. The new contractual approach will require all providers to use an electronic monitoring system for domiciliary care services that the Council commissions which could deliver further efficiency savings through simplification of invoicing and other processes.

Legal:

6. It is clear that the current contractual arrangements are reaching their natural end and provision needs to be made for the ongoing provision of Domiciliary Care.
7. The use of a Framework agreement in these circumstances does not give rise to any legal issues, on the basis of a comprehensive and transparent procurement exercise.

Risk Management:

8. The Council will need to ensure a smooth transition with minimal disruption for existing customers.
9. All risks, issues and progress against agreed plans will be monitored by the Project Board. Legal and procurement risks will be managed with the support of the Head of Procurement and the Head of Legal Services. These and all other risks, including failing to deliver Council priorities, financial and reputational risks will be managed through the project risk register.
10. One of the main risks to manage is disruption to existing customers receiving domiciliary 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. A gradual transition will also give greater market stability, as providers will have more time to adjust and amend their staffing levels to suit service volumes.

Staffing (including Trades Unions):

11. Not applicable.

Equalities/Human Rights:

12. Public authorities have a statutory duty to advance equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

13. The strategic approach has considered domiciliary care provision for all customer groups, including people with a range of needs including dementia care, physical and sensory disability, learning disabilities, vulnerability, frailty and temporary illness.
14. The approach has a positive impact on those people who require domiciliary care as it is focused on delivering high quality care to some of the most vulnerable members of society.
15. National research has highlighted that providers can on occasion fail to meet individual needs, sometimes breaching equality and human rights legislation. In addition, employment practices can fail to meet minimum requirements leading to high turnover of staff and poorer outcomes for customers. This indicates that it is important to ensure that procurement processes achieve the right balance between value for money and quality of care, attract high quality providers of care and that potential providers are robustly assessed against a range of equality / quality of life related factors. Ongoing contract monitoring must also include an assessment of the extent to which this criterion is met.
16. These issues were highlighted in the Equality Impact Assessment and carefully considered and addressed throughout the procurement process as highlighted in the main body of this report. The existing Equalities Impact Assessment will be updated throughout the process and will continue to inform the development of the Framework Agreement.

Public Health:

17. Domiciliary care supports people with personal care tasks and medication to enable them to live more independently and safely in their own homes. It provides social interaction, which combats isolation and maintains emotional and mental wellbeing. The Framework Agreement for domiciliary care should provide opportunities to ensure that a preventative approach is taken by providers to support the health and wellbeing of customers.

Community Safety:

18. Not applicable.

Sustainability:

19. Not applicable.

Procurement:

20. The commissioning process adopted has been supported by the corporate procurement team to ensure that the steps followed are rigorous, in accordance with CBC policies and procedures, are legal, and will ensure that sufficient providers are awarded the contracts.

Overview and Scrutiny:

21. This matter has been considered by Overview and Scrutiny on 22 October 2012 and 4 March 2013. During consideration of the item the Committee raised a number of queries regarding the Council's ability to monitor the quality of care provision within this Framework Agreement and was assured by the Director that robust safeguards, such as a clear specification, contract and electronic monitoring and standards of practice, were in place to ensure the quality of the care provided. Suitably assured, the Committee was content to endorse the Framework Agreement approach to securing future domiciliary care services in Central Bedfordshire.

RECOMMENDATIONS:

The Executive is asked to:

1. **note the arrangements for the allocation of new domiciliary care packages and the proposed quality monitoring arrangements;**
2. **approve the providers who have been recommended to join the new Framework Agreement; and**
3. **authorise the Director of Social Care Health and Housing in consultation with the Executive Member to make any minor adjustments to price as detailed in paragraph 48.**

Executive Summary

22. Domiciliary Care plays a vital role in enabling people to live independently in their own homes, in promoting health and well being and in protecting vulnerable adults.
23. 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.
24. 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.
25. The report to Executive on 6 November 2012 recommended that the Council use a framework agreement as the best contractual arrangement to deliver the required outcomes above.
26. This report details the process followed to recommend a number of providers for award of the new contract using a framework agreement.

Commissioning and Procurement Process

27. Executive in November 2012 approved the move towards a framework agreement to regularise its contract arrangement of Domiciliary Care. A detailed specification was developed involving active engagement with providers, customers and other stakeholders.
28. The advertisement for the Domiciliary Care providers was placed in November 2012 inviting expressions of interest to be received by 18 January 2013. A total of 79 expressions of interest were registered and 47 tenders were submitted. Tenders were invited in respect of four 'lots' coterminous with the General Practice Commissioning Localities. (Chiltern Vale, Ivel Valley, Leighton Buzzard and West Mid Beds)
29. These submissions were evaluated between 18 January and 12 February by a panel consisting of Councillor Hegley, two domiciliary care customers relatives, and officers from corporate procurement, operational adult social care, contracting and commissioning.
30. Answers to questions were scored against model answers and a quality rating awarded accordingly. Prices were also evaluated to give a financial score. Each tender has been evaluated against standard criteria such as financial viability, the fitness of the directors, environmental, equality, health and safety, vulnerable people policy, insurance and business continuity compliance. Two references have also been required and scored as an important part of the quality rating. Each submission was then ranked combining the quality scores and the financial scores using a ratio of 60% quality to 40% financial for each area applied for.
31. Subject to Executive approval the new contracts will apply from May 2013 for a period of three years with provision to extend for a further year.
32. A total of 43 providers have met the required standard to be accepted onto the framework. This includes nearly all of the existing providers and 10 new providers. This number of providers will ensure sufficient coverage and availability across the whole of Central Bedfordshire. The recommended providers are detailed in exempt Appendix A.
33. Some existing small specialist providers did not submit a tender, who provide services to around 30 customers only who will remain with their existing provider unless they choose to change.
34. It is proposed that new packages of care will be awarded on a case by case basis to the top ranked group of providers in the relevant area.
35. The ranking of providers will be updated using information on price and quality gathered automatically through the electronic monitoring system and the ongoing performance monitoring visits carried out by contracting staff. This performance information will be available on the Council website.

36. This mechanism will ensure that the overall quality is improved over time as providers will need to improve quality in order to gain new care packages.

Financial Modelling

37. Accurate financial forecasting of domiciliary care spend is not straightforward due to many 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.
38. It is anticipated that demand for Domiciliary Care will increase with the rising ageing population but this should be mitigated by reduced care home placements, enabling more budget to be allocated for Domiciliary Care support. Other mitigation will be a more efficient awarding of new care packages to reduce travel costs, as well as more streamlined and efficient back office processes, made possible through the electronic monitoring system.
39. The detailed financial appraisal has been carried out which has compared current prices with the tendered prices. This analysis has shown that the tendered prices compare favourably with current prices. The comprehensive appraisal has concluded that the retendering process will result in the new service being delivered within the current allocated budget.
40. A bespoke Swift report has also been developed to enable ongoing monitoring of delivery patterns and more accurate ongoing financial analysis. This forms the basis of a financial model which takes into account growth and other factors to enable more accurate understanding of the service and future trends.
41. The introduction of an electronic monitoring system across all care providers with more than five customers will enable accurate invoicing and analysis of ongoing quality.

Customer Engagement

42. Prior to the specification being finalised, focus groups were held across Central Bedfordshire to ascertain what factors were important to current and future customers. Quality of care, continuity of carer, punctuality and duration of calls were the most important factors identified.
43. All existing customers have been 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.
44. A group of interested customers and their relatives have been involved in shaping the service specification. Two of the group indicated their willingness to evaluate the tenders, and following training by procurement, have been a valuable part of the tender evaluation panel.

45. 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.

Future Arrangements

46. Following the award of new contracts, subject to customer choice, new care packages will be offered to the best ranked providers in the relevant lot area.
47. The tendered rates and the initial quality ranking of each provider will be made available on the Council website to enable any customer, who wishes to, to make an informed choice about who will provide their personal care.
48. It is intended that providers will be able to adjust their prices downwards after an initial three month period and thereafter annually during the life of the contract.
49. All providers will continue to be regularly monitored by the contracts team and their quality assessed against the Association of Directors of Adult Social Services Eastern Region Workbook. The workbook is a comprehensive quality monitoring tool which measures performance against the Care Quality Commission standards and comprises of over 100 different areas. This will enable all providers to work on areas of their performance which needs improving to increase their overall quality score.
50. The electronic monitoring system CM2000 will also be quickly rolled out to all providers who have more than 5 customers. This will enable automatic and accurate billing based on hours actually delivered.
51. CM2000 has a quality tool which measures the providers' performance in real time against the key indicators of punctuality, duration and time of visits, and numbers of different carers who visit each customer. Customers will be able to view the latest performance of providers against these factors through the Council website.
52. Providers will be expected to inform the Council of current and future capacity in a timely manner so that future demands can be met in a more systematic way, reducing delays and blockages in the system.
53. The Council will set up regular locality meetings with providers to share and promote good practice, to work jointly on meeting areas of shortfall and to further improve systems and processes.

Conclusion and Next Steps

54. 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.

Appendices: Exempt

Appendix A – Recommended Providers