



9th July 2018

Agenda Item: 9

**REPORT OF THE SERVICE DIRECTOR, STRATEGIC COMMISSIONING,
SAFEGUARDING AND ACCESS**

UPDATE ON TENDER FOR HOME BASED CARE AND SUPPORT SERVICES

Purpose of the Report

1. This report provides an update for Members on the progress of the procurement of the home based care and support services, as agreed at the previous meeting of the Committee in March 2018. This includes notification of the awards of the new contracts.
2. The report seeks approval of additional temporary resources to enable the implementation and delivery of the new service.
3. The report seeks approval of permanent additional resource to maintain the ICT electronic system.

Information

Background

4. A number of reports have already been presented to this Committee over the past two years in preparation for the launch of the new tender for home based care and support services. Previous reports highlighted the considerable work that had been undertaken to understand the complexities and challenges of the home care market. They also referred to the future model of services which has been developed to address some of these issues by offering fair financial remuneration and greater security to providers, whilst in return expecting better quality services that provide person-centred care to service users and their carers.
5. The service will deliver home based care and support services for a period of five years with the option to extend up to a maximum of 10 years in total. It will be part of and contribute to a system of services to keep people living at home including reablement, rapid response, hospital discharge, carers' support, assistive technology and housing with care (Extra Care).

Update on the procurement of the new Home Based Care Services

6. There were two tenders for the new home based care and support services which were published in February 2018 and then ran concurrently. The two tenders were to procure a 'Lead Provider' for each of the six areas or 'lots' plus 'Additional Providers', also for each

lot. The lead providers are required to pick up the majority of new referrals in their area whilst the additional providers will deliver extra capacity and ensure that any referrals that are not picked up by the lead will be responded to quickly and positively.

7. The lot areas are:
 - Bassetlaw
 - Broxtowe
 - Gedling
 - Mansfield and Ashfield
 - Newark and Sherwood
 - Rushcliffe.
8. The lead provider will be also be required to provide care and support services to all nominated service users in the Housing with Care schemes (previously known as Extra Care).

Tender results and award of contracts

9. Following extensive evaluation of the tender submissions preferred bidders were identified on 31st May and contract awards confirmed on 11th June. The new contracts commence on 1st July which is followed by an implementation and transition phase until October 2018. The details of contracts awards for the lead and additional providers, by lot area, are specified in **Appendix 1**.
10. No award of Lead Provider has been made in Lot 6 (Rushcliffe) and the standstill period has been extended until 5th July. However, new work will be offered to Additional Providers under the new contract.
11. Where there are gaps in provision for Additional Providers the Council will be re-tendering.
12. To allow sufficient preparation and transition time for the new services the contract with the existing four core providers has been extended to the end of September 2018. This will allow for the lead providers to start by picking-up all new referrals and any outstanding referrals that have been waiting allocation to the on-going provider.

Implementation and Transition Phase

13. With the implementation of the new contracts a new electronic system is being developed to improve the efficiency of the commissioning of services for individual service users. It will provide a means of secure communication between the Council's system i.e. Mosaic and the various providers, and will enable both the swift transfer of service requests and the collection of data from the providers to inform robust monitoring and contract management.
14. This will not be available from the commencement of the new contracts as it is a complex and bespoke system being developed by the Council's own ICT services. The system will replace the current monitoring service, CM2000, which comes to the end of its contract extension in September.

15. CM2000 costs the Council **£150,000** per annum so the creation of an in-house solution will be cost effective.
16. The development costs for the in-house system will be **£264,000**.
17. Upgrades, enhancements and support for the service (licencing) will be **£53,000** per annum.
18. There will be an interim period pending the launch of the electronic system where some systems will still be operated manually.
19. During the transitional phase significant work will required to physically re-commission all of the existing care packages on to the Mosaic system in addition to the new work. Most of this work will fall to the Data Input Team (DIT) and Community Partnership Officers (CPOs).
20. A detailed business case has been developed for the temporary recruitment of 3 fte CPO (Grade 4) posts and 3 fte DIT (Grade 3) posts to support CPO and DIT teams in re-commissioning and management during transitioning from current core providers to the new lead and additional providers. Costs will be **£98,400** for the 3 fte CPO posts for 12 months plus **£22,800** for 3 fte DIT posts for four months.
21. The existing team of Community Partnership Officers will manage the contracts and will be available to look at individual packages that will be commissioned via the lead and additional providers and also via the supporting Dynamic Purchasing System (DPS).

Communications, Engagement and Co-production

22. The Council continues to work with the 'Experts by Experience' engagement group, who were involved in the evaluation of the tenders and have also offered advice to officers on producing appropriate communications for service users and carers.
23. The Council will continue to inform and involve service users, carers, providers, staff, health partners, stakeholders and the public in the ongoing work and implementation of the new services.

Other Options Considered

24. Retendering for an external supplier of an ICT system to meet the Council's requirement; this has been discounted as no supplier has such a system on the market and using a limited system such as CM2000 would cost the Council **£1.5m** over the life of the contract.

Reasons for Recommendations

25. The Council is required to re-procure services in line with its statutory obligations.

Statutory and Policy Implications

26. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human

rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

27. As outlined in the report to Committee in November 2017, the overall possible impact of the increase in the home based care rate could be £3.7m. The final cost will be dependent on the number of Direct Payments that also have to be changed, but indicative additional annual costs of the tender are £2.8m.
28. The ongoing cost of £53,000 for licencing and support of the new ICT solution will be funded from the budget currently used to support CM2000. This will release £97,000 per annum from next year.
29. The additional temporary staff will cost £121,200 and the ICT costs are £264,000.
30. The additional cost of the temporary posts and ongoing new homecare contract will be met, in part, by a request from contingency. As part of the 2018/19 budget process a pressure bid of £3.7m for 2018/19 – 2020/21 was submitted for the Homecare tender to deal with the projected increase in cost. Although a provision for this pressure was made within contingency, should it arise, the amount of any bid may be reduced. Finance and Major Contracts Management Committee or the Section 151 Officer are required to approve the release of contingency funds.

Public Sector Equality Duty Implications

31. The nature of the services to be commissioned mean they will affect older adults and people with disabilities, including people who have multiple and complex health and social care needs. The Council has completed an Equalities Impact Assessment to consider the implications of the tender process on people with protected characteristics and to identify and put in place mitigating action to ensure that these groups of people are not disadvantaged as a result of the tender process.

Implications for Service Users

32. The Council has a statutory duty to ensure there is sufficient provision of a diverse range of services to meet people's social care and support needs. The purpose of the tender process has been to enable the Council to commission sufficient volumes of home care services and to ensure these services are sustainable and able to meet current and future needs.
33. It is envisaged that the new services will be able to offer staff improved terms and conditions which will encourage a more reliable and consistent workforce which in turn will improve the quality of services being delivered.
34. The award of the contracts for the new services will impact on those people who are in receipt of services from a core provider in areas where there is a new lead provider. Where

this is the case, the Council will work with the service users, their carers and providers to ensure that the transition is managed carefully so that any disruption in services is minimised through appropriate mitigating action.

Human Resources Implications

35. Temporary posts will be required to support the transition and implementation of the new services as described in **paragraph 16** and will be recruited to on fixed term contracts

Implications for Sustainability and the Environment

36. The suggested payment rate and model will offer a more realistic rate to independent sector providers who will be able to invest in their workforce.

RECOMMENDATIONS

That the Committee:

- 1) considers whether there are any further actions it requires arising from the information on the progress of the procurement of the home based care and support services.
- 2) approves the temporary establishment of the following at a cost of £121,200 and ICT development costs of £264,000 for implementation and delivery of the new service:
 - 3 fte Community Partnership Officer (Grade 4) posts for 12 months
 - 3 fte Data Input Team (Grade 3) posts for four months.
- 3) approves the annual licencing costs of £53,000 per annum.

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Constitutional Comments (EP 15/06/18)

37. The recommendations fall within the remit of the Adult Social Care and Public Health Committee by virtue of its terms of reference.

Financial Comments (KAS 07/06/18)

38. The financial implications are contained within paragraphs 27 - 30 of the report. In addition the Budget Report considered by Full Council on 28 February 2018 set out that a provision of £4.7m had been made within contingency to fund a number of pressures that had been identified where there was a high degree of uncertainty with regard to likelihood, value and

profiling should they arise. Finance and Major Contracts Management Committee or the Section 151 Officer are required to approve the release of contingency funds. Consequently, in approving these proposals it is necessary for the Committee to understand there is a level of risk that bids for additional funding may be reduced. This will need to be mitigated in some respects by underspends elsewhere in the department.

HR Comments (SJJ 11/06/18)

39. Any HR implications are identified in paragraph 35.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Tender for Home Based Care and Support Services – report to Full Council on 26 September 2013

The Social Care Market: Provider Cost Pressures and Sustainability – report to Adult Social Care and Health Committee on 30 November 2015

Annual Budget 2016-17 – report to Full Council on 25 February 2016

Tender for older people's home based care and support services – report to Adult Social Care and Health Committee on 18 April 2016

Tender for older people's home based care and support services – report to Adult Social Care and Health Committee on 11 July 2016

Tender for older people's home based care and support services - report to Adult Social Care and Public Health Committee on 12 June 2017

Tender for older people's home based care and support services - report to Adult Social Care and Public Health Committee on 13 November 2017

Equality Impact Assessment

New ways of working for Home Based Care Services – review of case studies: February 2018

Tender for older people's home based care and support services - report to Adult Social Care and Public Health Committee on 12 March 2018

Electoral Division(s) and Member(s) Affected

All.

ASCPH567 final