

Subject:	Re-tendering Home Care Contracts		
Date of Meeting:	14 July 2011		
Report of:	Director of Adult Social Care and Health and Lead Commissioner, People		
Lead Member:	Cabinet Member for Adult Social Care & Health		
Contact Officer:	Name:	Debbie Greening	Tel: 29-5739
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Key Decision:	Yes	Forward Plan No: CAB23275	
Wards Affected:	All		

FOR GENERAL RELEASE**1. SUMMARY AND POLICY CONTEXT:**

- 1.1 To seek approval from Cabinet to tender and award contracts for the provision of Home Care services for three years from April 2012, with the Council having an option to extend the contract period by a maximum of two years.
- 1.2 This report sets out the proposed procurement rationale and governance arrangements.
- 1.3 Home Care services are essential services that support vulnerable people who have social care needs to live safely and as independently as possible in their own homes.

2. RECOMMENDATIONS:

- 2.1 That Cabinet approves the re-tendering of the Home Care services through an approved procurement process during the financial year 2011-12 for the subsequent three to five years (i.e. contract period April 2012 to March 2015 with an option to extend by up to a further two years).
- 2.2 That delegated authority be granted to the Director of Adult Social Care and Health /Lead Commissioner People to approve the award of contracts to the successful bidders following recommendations of the tender evaluation panel and consultation with the Cabinet Member for Adult Social Care and Health.

3. RELEVANT BACKGROUND INFORMATION

- 3.1 Home Care services provide a range of tasks including personal care, practical support and emotional support to vulnerable people and their carers. These services are vital in supporting several key strategies for Adult Social Care including reducing the number of people in long-term residential settings. Home Care also has a key role to play in both reducing the number of hospital admissions and in reducing delays in transferring people home after a period in hospital.

- 3.2 With the shift towards personalisation home care provision is increasingly focussed on outcomes for service users and in providing a more flexible model of care designed around the needs and aspirations of the individual. The service is well regulated both by the Care Quality Commission and locally by the Council's Commissioning Support Unit (Adult Social Care) and as such offers a degree of security to individuals who find the flexibility of having a direct payment attractive but who may want the security of a regulated service for some or all aspects of their care.
- 3.3 Current arrangements for home care provision within the city for Older People and younger adults with Physical Disabilities are that there are framework contracts (which set the service specification and price paid by the Council) with 10 approved providers. Following a tendering exercise, contracts were awarded to these providers for three years from April 2009 to 31 March 2012, with an option to extend the Contract Period for a further 18 months. Providers were awarded contracts aligned to geographical districts based upon post code sectors. For details of current awards see **Appendix One**.
- 3.4 The current contractual arrangements have worked successfully for the Council and the system is generally robust and effective, the overall quality of provision is above the national average and services have been rated Good or Excellent by the Care Quality Commission throughout the course of the contract period.
- 3.5 Current arrangements also include an incentive payment for providers linked to quality of provision and measured with performance indicators specified within the current contract. There are four key aspects to the incentive scheme and the indicators measure; take up of new work (required to be more than 55% of the hours offered); continuity of care worker to service users (consistency over previous 6 month period); staff turnover and qualifications achieved (number of staff who have achieved or are working towards care qualifications.)
- 3.6 Quality of service is also monitored through the contract monitoring process. Audits are undertaken annually and involve scrutiny of a variety of documents relating to care provision, the general running of the organisation and training for staff together with interviews with service users and staff members. Audit reports are produced with requirements or recommendations for any improvements needed. If necessary an action plan is produced by the provider giving time scales for any improvements to be made.
- 3.7 The Council also commissions the Lay Assessors scheme to recruit older volunteers to undertake monitoring visits to service users and their carers and to interview them about the quality of the care provided by independent home care providers. Reports on the outcome of these visits are considered as part of the contract monitoring process described above.
- 3.8 Partnership working with providers has been positive with providers embracing new initiatives even though they were not contractually bound to do so. Most recently this has included working with the Council to implement an electronic care monitoring system. A forum for Home Care Providers supports collaborative working and meets regularly. It is always well attended by all the providers.

- 3.9 The current framework contract does not tie the Council into paying a set amount for each contract. The Council pays the provider for the actual work undertaken. Currently the rate for service provision is set by the Council for all the providers with different elements for length of calls, complexity and enhanced rates for weekends and evenings. The value of the current contract as at March 2011 was approximately £11m.
- 3.10 Approximately 1500 service users are supported at any one time, there are over 700 care workers involved in providing the care with approximately 20,000 separate home care visits made weekly.
- 3.11 The Council has purchased an Electronic Care Monitoring System, Call Confirm Live! This is currently in the early stages of implementation. The full system will be rolled out to the current home care providers by the end of the summer. It will provide a range of benefits for the Council, Service Users and Providers. For further information see **Appendix Two**.

4. PROPOSED PROCUREMENT ARRANGEMENTS

- 4.1 The Home Care Commissioning Board will oversee the procurement process and ensure that full consideration is given to the key elements. This will include: the consultation process; establishing the scope of the contract; developing a comprehensive service specification, determining how the price will be set and any other decisions that will need to be made within this process.
- 4.2 The Board will be chaired by the Director of Adult Social Services / Lead Commissioner People. It will include representatives from service users and carers groups, legal services and the corporate procurement team.
- 4.3 A project team led by the service commissioner has been identified to support the process and they will report into the Board. This includes representatives from the corporate procurement team who will provide technical support and guidance.
- 4.4 It is proposed that the tender will be evaluated by judging the quality of each provider. The consultation programme that has been planned will inform both the service specification and the requirements for bidders within the tender. This will ensure that appropriate weighting is given to those elements of service that are most important to service users such as punctuality, reliability and consistency of care worker.
- 4.5 TUPE arrangements will apply to the contract and as such current staff will have the minimum protection of maintaining their terms and conditions. It is proposed that the evaluation process of the tender will involve evaluation of staff terms and conditions including rates of pay, entitlement to paid leave, pension arrangements and other conditions.
- 4.5 It is proposed that the use of the Electronic Monitoring System recently purchased by the Council will also be included within the requirements of the tender and the new contract. Many of the performance Indicators currently supplied by providers will be available directly to the Council from the ECMS system and these will be used to populate a quality portal which will display information about the quality of service for individual providers in an easily

accessible format for the general public. The current incentive scheme could be redefined to reward quality in areas of service that are crucial for service users and relate to achievement of outcomes. Another proposal is for incentive payments to relate to the new CQC excellence scheme which will not be mandatory for providers but will reward excellence in adult social care and will be open to all providers for evaluation. This would encourage local providers to work towards achieving recognition for excellence.

5. CONSULTATION

- 5.1 It is proposed that key stakeholders will be identified through a stakeholder mapping exercise and they will be consulted through a series of consultation events. The Consultation plan is attached as **Appendix Three**.

6. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 6.1 The current value of the contract which ends in March 2012 is approximately £11.4 million. Retendering the home care contract will continue to drive efficiencies and should improve value for money which will be evaluated through the tender process. It is anticipated that the new contracts will cover the full range of service users.

Finance Officer Consulted: Anne Silley

Date: 13/06/11

Legal Implications:

- 6.2 The services must be procured in accordance with applicable legal requirements and the Council's standing orders.

Lawyer Consulted:

Sonia Likhari

Date: 13/06/11

Equalities Implications:

- 6.3 An Equalities Impact Assessment will be carried out covering the scope of the proposed service. Tender documents and pre-qualification questionnaires will include requirements and questions relating to equalities and diversity issues. A number of service user events are planned as part of the consultation process. This will include targeted engagement with specific groups who are presently under-represented within the current home care market and will inform requirements within the tender for improved diversity training and awareness and provision of a more flexible, responsive service. The EIA will also focus on staff working within the home care sector and will seek to address the needs of a low- paid predominantly female workforce. There may be opportunities to encourage providers to attract younger people and more male workers into the market with the use of apprenticeships or similar initiatives.

Sustainability Implications:

- 6.4 Full consideration will be given to sustainability implications of the contracting

arrangements. This will include whether to continue the current district based model for contracting which promotes working in local communities and reduces travel across the city. Other considerations include promoting the use of assistive technology within the home care sector to reduce the number of “care miles” required and increase levels of independence. Use of the Council’s Electronic Care Monitoring system will be a pre-qualifying requirement for the tender. This system will reduce the carbon footprint of both providers and the council by automating the invoice process for home care visits and significantly reducing the amount of paper that is currently used. The system will also assist providers to plan routes for care workers more effectively to reduce travel across the city.

Crime & Disorder Implications:

- 6.5 The provision of Home Care for vulnerable people reduces the fear of crime. Modern adaptations such as Telecare also help people feel safer and less vulnerable to crime.

Risk and Opportunity Management Implications:

- 6.6 Risks and opportunities that are identified through the consultation process will be considered and evaluated by the Home Care Commissioning Board.

Corporate / Citywide Implications:

- 6.7 Home Care services operate across the city and are an essential service in supporting people to live at home. The service works closely with a range of other agencies including NHS, staff in sheltered housing and extra care teams and the Council’s own social care services.

7. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 7.1 The current contract has an option to extend the contract period by up to 18 months; however the current contract was in place before the personalisation programme and therefore needs to be updated.
- 7.2 Alternatively, standing orders could be waived and the contract could be awarded for a further 3-4 years to the existing providers with changes to the service specification and terms and conditions. This would provide continuity of service provision but could breach procurement legislation.

8. REASONS FOR REPORT RECOMMENDATIONS

- 8.1 This is an essential service, the current framework contract ends in March 2012, it has served us well but the specification is out of date and we need to bring it into line with personalisation and reflect developments over the past three years including the recent implementation of an Electronic Care Monitoring System.
- 8.2 Re-tendering the home care contract provides an opportunity to ensure Value for Money and to stimulate the market to deliver on the personalisation agenda and to allow an opportunity for new providers to enter the local market.
- 8.3 Re-tendering the home care contract will also provide an opportunity to ensure that inequalities within the current home care market are addressed through

improving access to the service, providing opportunities for a more diverse workforce and provision of a more flexible and responsive service.

SUPPORTING DOCUMENTATION

Appendices:

1. Home Care District Contracts 2009-2012
2. Electronic Care Monitoring System
3. Draft Consultation Plan

Documents In Members' Rooms

None

Background Documents

None