

Report of Head of Commissioning

Report to Interim Director of Adult Social Services

Date: 19th February 2015

Subject: Request to the DASS to waive Contract Procedure Rules (CPRs) 9.1 and 9.2 using the authority set out in CPR 1.3 to enter into a new contract with existing Homecare Framework Providers

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The current Homecare Framework Agreement is due to expire on the 31st October 2015 therefore this report seeks approval to waive Contract Procedure Rules (CPRs) 9.1 and 9.2 using the authority set out in CPR 1.3 and enter into a new agreement with the existing Homecare Framework providers for a period of five months from November 2015 to March 2016 and a further period of six months (if required)
2. The current Homecare Framework Arrangement has been in place from 1st October 2010 and providers have made good progress in meeting the outcomes that were stipulated in the newly developed service specification. However, further work is needed to ascertain the optimal service model and to gain approval from Executive Board for the proposed model and the associated costs of the model.
3. A report will be submitted to the Executive Board of the Council in April 2015 and this report will outline the proposed model, the anticipated costs and the procurement methodology.
4. If the report is 'called in' or a decision is taken to defer the timing of the report to the Executive Board this will have an impact on the proposed procurement timetable.

Recommendations

5. The Interim Director of Adult Social Services is recommended to waive Contract Procedure Rules (CPRs) 9.1 and 9.2 using the authority set out in CPR 1.3 to enter into a new contract with the current Homecare Framework Providers
6. The Interim Director of Adult Social Services approves the new agreement for one period of up to twelve months (November 2015 to October 2016), however it is anticipated that the new service model will be implemented as soon as possible once the procurement process is completed and that the full twelve months will not be required.
7. The Head of Commissioning will be responsible for implementing these decisions by agreeing the new contact with the providers following the expiry of the call-in period for this decision.

1 Purpose of this report

- 1.1 The current Homecare Framework Agreement is due to expire on the 31st October 2015 therefore this report seeks approval to waive Contract Procedure Rules (CPRs) 9.1 and 9.2 using the authority set out in CPR 1.3 and enter into a new agreement with the existing Homecare Framework providers for a period of five months from November 2015 to March 2016 and a further period of six months (if required)

2 Background information

- 2.1 The current Homecare Framework Arrangement has been in place from 1st October 2010 and providers have made good progress in meeting the outcomes that were stipulated in the newly developed service specification. However, further detailed work is needed to ascertain the optimal service model, to pilot the use of Individual Service Funds and to determine if an outcome based system can be introduced successfully.
- 2.2 A decision was made by the DASS on the 4th October 2013 to extend the existing homecare framework contract to 31st October 2015, in line with the terms and conditions of the contract
- 2.3 A full report outlining the proposed model, anticipated service costs and procurement methodology will be submitted to the Executive Board meeting of the Council in April 2015.

3 Main issues

- 3.1 The current Homecare Framework Agreement is due to expire on the 31st October 2015.
- 3.2 There are 33 service providers on the Homecare Framework Agreement who LCC can commission services from but this arrangement does not include any provision to accept new providers onto the agreement.
- 3.3 Currently ASC spends in the region of £27million per annum on homecare which is lower than comparator authorities, there is some evidence to suggest that this is because of Leeds' investment in early intervention and support. Providers currently bid to win work on price bands ranging from £10.84 to £13.50 per hour of service.
- 3.4 An extensive re-design and re-commissioning process is being undertaken to address some of the issues which have arisen.
- 3.5 The home care market has changed significantly in the past four years. The local authority/independent sector balance has shifted from 80% local authority provision and 20% independent sector provision to 20% local authority provision and 80% independent sector provision. This has resulted in increased demand for independent sector provision which will continue as changes in demography also increase demand for services

- 3.6 Implementation of personalisation and Individual Service Funds requires changes to be made to systems and processes by ASC and independent sector home care providers and a move to be made from 'task and time' commissioning and service delivery to outcomes-based commissioning and service delivery.
- 3.7 Implementation of the new Homecare Framework arrangements will allow Commissioning and Contracting Officers more time to undertake the consultation process with service users and service providers to discuss the proposed service model, quality standards, contract monitoring and management arrangements and work with providers during the mobilisation period. It will also allow a small amount of contingency should a decision be taken to not submit the Executive Board report for the meeting in April 2015.
- 3.8 Current framework providers will be invited to tender to enter the new framework or primary provider contracts. Agreement will be sought with framework providers successful in gaining a place on the new framework to initiate a phased transfer of service users to the new contract arrangements. It is anticipated this arrangement will enable a significant transfer of work before the expiry of the 12 month extension.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 All existing homecare service users (approx. 3,000) were issued with a request asking them if they would like to participate in the review of the existing homecare services. 238 completed requests were returned to Adult Social Care. Of these completed requests 152 service users requested a questionnaire be sent to them, 72 requested face to face meetings and 14 requested a focus group. The information from these questionnaires and meetings informed the options described above.
- 4.1.2 A service user reference group was established through Leeds Involving People and nine meetings were held with this reference group (between January and October 2014) in order to ascertain what works well with the current contract and how improvements could be made in the future. Future meetings are scheduled to take place so that service users can contribute to the development of the quality standards that will be implemented and the service specification which will be used at procurement.
- 4.1.3 People using both Osmondthorpe and Mariners Day Resources were also consulted and approximately 15 people participated in either the focus groups or completed a questionnaire about homecare services.
- 4.1.4 Three consultation events have been held between February and September 2014 for the existing contracted service providers and two consultation events have also been held for non- contracted service providers.

- 4.1.5 A Homecare Leadership Group has been established through Leeds Care Association and this group of contracted and non-contracted providers are contributing to the development of the quality standards. A future meeting will be held for all contracted/noncontracted providers in order that we can ascertain any further views.
- 4.1.6 A Homecare Strategic Commissioning group was established in November 2013 and this group which consists of elected members, service provider representatives, service user representatives, NHS representation, trade union representation and other ASC representation have informed and provided guidance to the Officers undertaking this work.
- 4.1.7 Any views expressed as part of the consultation have been considered and wherever possible have been used to inform the decision making process.
- 4.1.8 Furthermore information gained from all of the consultation is being utilised to develop the service specification and other associated contract documentation especially with regard to key issues identified by service users e.g. consistent and trained staff.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An Equality and Diversity Impact Screening Assessment has been undertaken and is attached at Appendix 1.

4.3 Council policies and City Priorities

- 4.3.1 The proposals outlined in this report will help to deliver a number of crucial elements of the Adult Social Care 'Better Lives' strategy by helping local people with care and support needs to enjoy better lives. With a focus on: promoting choice, helping people to stay living at home, joining up health and social care services. These in turn support the ambition for Leeds to be the Best City in the country, in addition the proposals will contribute to the achievement of the objectives set out in the city's Health and Well-Being plan: people will live full active and independent lives, people's quality of life will be improved by access to quality services, people will be involved in decisions made about them and the city's Priority Plan by contributing to the indicators for: best city for health and wellbeing, best city for business and best city for communities .

4.4 Resources and value for money

- 4.5 The budget for these services is managed by ASC and finance has confirmed funding is available for this statutory service.

4.6 Legal Implications, Access to Information and Call In

- 4.6.1 Legal services have been consulted and will continue to be consulted as part of the ongoing re commissioning process.
- 4.6.2 Officers from the PPPU are involved in the process and are represented on both the Homecare Project Board and the Homecare Project Team.

4.6.3 Due to the contract value this will be a key decision and therefore subject to call in.

4.7 Risk Management

4.7.1 The previous procurement process was conducted in accordance with the Council's Contract Procedure Rules in order to ensure that a fair, open and transparent process was undertaken. This will also be the case with any future procurement.

4.7.2 Risks are being managed throughout this process. Risks have been identified and recorded and mitigating actions have been identified to reduce the likelihood of the risk occurring.

5 Conclusions

5.1 Much work has been undertaken to date to ensure full understanding of the issues affecting homecare service users, homecare staff and the wider homecare market within Leeds. This has enabled a basic operating model to be developed.

5.2 Considerable work and more detailed research, analysis and modelling needs to be conducted to fully understand what the overall impact will be when setting the floor (minimum hourly price) and ceiling (maximum hourly price) prices.

5.3 Further detailed analysis needs to be undertaken to ensure that the proposed service model will meet the needs of service users in the future but also improve the circumstances of those people providing that care; this includes developing a detailed understanding of the overall financial implications for the Council.

5.4 Further benchmarking needs to be undertaken to understand the implications of moving towards a 'block contract'. Our intelligence is that other authorities who have recently completed similar recommissioning exercises have moved towards this way of working and we will work with those Authorities to determine if there are any lessons to be learnt that can inform the way we proceed.

5.5 The proposed model will reduce the number of service providers who we contract with but we need to be assured that these providers offer good quality services that are safe, effective and are flexible enough to meet the needs of the service users.

5.6 There are clearly a number of risks and opportunities highlighted in this report, a combination of circumstances have arisen that will make it impossible to maintain the status quo, even if that were desirable. This report highlights the issues we are seeking to address, the remedies that exist in some areas and the further work that needs to be undertaken in others to refine and complete all aspects of the service model before proceeding to procurement.

6 Recommendations

- 6.1 The Interim Director of Adult Social Services is recommended to waive Contract Procedure Rules (CPRs) 9.1 and 9.2 using the authority set out in CPR 1.3 to enter into a new contract with the current Homecare Framework Providers
- 6.2 The Interim Director of Adult Social Services is asked to recommend that the new agreement be for one period of up to twelve months (November 2015 to October 2016), however it is anticipated that the new service model will be implemented as soon as possible once the procurement process is completed and that the full twelve months will not be required.
- 6.3 The Head of Commissioning will be responsible for implementing these decisions by agreeing the new contact with the providers following the expiry of the call-in period for this decision.

7 Background documents¹

- 7.1 None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.