
Report of: Deputy Director Integrated Commissioning**Report to:** Director of Adults and Health**Date:** 8 August 2018**Subject:** To seek a waiver of Contract Procedure Rules 9.1 and 9.2 using the authority set out in CPR 1.3 to enter into a contract with 'Community Catalysts' to pilot the development of micro-enterprises for home care

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 type="checkbox"/> Yes	<input checked="" 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

Current home care contracted home care providers are not able to deliver the required volume of services in a timely way as a result of recruitment and retention difficulties. There is an increasing risk that people who have eligible care and support needs will have to wait for services due to the providers' limited capacity.

Due to capacity constraints and high staff turnover, current service providers are not yet delivering outcomes based personalised care and support services and it is imperative that new models of home care services are tested to increase capacity and to inform future commissioning and contracting arrangements.

Recommendations

- 1 It is recommended that the Director of Adults & Health approves the proposal to waive Contract Procedure Rules (CPRs) 9.1 and 9.2 using the authority set out in CPR 1.3 to award a contract to Community Catalysts in the sum of £88k in year one and £63k in

year two. The contract shall commence on the 1 September 2018 and expire on the 31 August 2020 with the option to extend up to a period of a year, finances permitting, and such option not to be taken up more than one year.

1 Purpose of this report

- 1.1 The purpose of the report is to seek approval to waive Contract Procedure Rules (CPRs) 9.1. and 9.2 to enter into a contract with 'Community Catalysts' to pilot the development of micro-enterprises for home care across Leeds, over a two year period with the option to extend up to a further period of up to 12 months.

2 Background information

- 2.1 The Adults and Health Directorate has a Framework contract in place with 12 providers, four of whom are primary providers. The primary providers each cover one large geographical area of Leeds. The other eight providers deliver home care services across different parts of the city. The contract commenced in June 2016 and is due to expire in June 2021.
- 2.2 In addition, the directorate commissions home care services from a number of other domiciliary care agencies on a spot purchasing basis. There are over 60 domiciliary care agencies operating across Leeds, most of who are CQC registered and many who mainly provide services to self-funders.
- 2.3 There continue to be difficulties in ensuring there is sufficient capacity available from the 12 framework providers at any time to deliver the volumes of home care services to meet demand. Consequently, the numbers of packages of care commissioned on a spot purchasing basis continues to increase, with approximately 33% of packages currently being delivered through spot purchasing arrangements.
- 2.4 At times, the packages of care commissioned on a spot purchasing basis can be at higher hourly rates than the rates set for the 12 Framework providers. Additionally, there is no routine contract monitoring undertaken in relation to the services commissioned under spot purchasing arrangements.
- 2.5 Regular discussions are being held with the primary providers to understand the main causes of their limited capacity and in the main this is due to high staff turnover rates. In signing up to Unison's Ethical Care Charter, the directorate has sought to work with providers to improve the terms and conditions and pay rates of the care staff. This includes applying substantial fee increases and tying these to the pay rates of care staff. Despite this, the providers say that they continue to experience difficulties in recruiting care staff but more significantly, in retaining the staff.
- 2.6 In relation to supported discharges from hospital, one of the main causes of delays relate to timely availability of home care services. One of the key priorities across the health and social care system is to ensure that the required services are put in place to enable prompt discharges from hospital and there is evidence that it is much more difficult to secure home care provision in the more rural and 'hard to serve' areas of the city.

- 2.7 In further developing personalised approaches to the commissioning and delivery of care and support services, the directorate has been keen to ensure that those services meet people's identified outcomes. The service specification in the home care contracts is focused on delivery of outcomes, however the 12 providers have not yet successfully implemented an outcomes-based model of service and instead continue to deliver services on the basis of time and task.

3 Main issues

- 3.1 Various approaches need to be undertaken to improve the timely availability of home care services and work is currently underway to support providers with recruitment and retention, including through the application of significant increase in fees specifically aimed at improved terms of conditions of employment and pay rates.
- 3.2 Discussions have commenced with procurement and legal services colleagues to consider the options in relation to potential changes that could be made to the contract terms and conditions through a variation to the contract to understand if this would impact on improved capacity. Consideration is also being given to opportunities to test new models of service provision and/or new contractual arrangements.
- 3.3 It is proposed that one of the options is the development of micro-providers and individual self-employed care workers who are able to provide a personalised care and support service to people to enable them to remain living independently in their own homes through the use of Direct Payments. It is proposed that a pilot is run to through a Community Interest Company called Community Catalysts which is based in Harrogate.
- 3.4 Community Catalysts is not a home care provider or a staffing agency but an organisation that helps develop and support many small community organisations, and in some instances, self-employed individuals, to deliver highly personalised home care to an individual or to a very small number of individuals. Community Catalysts has developed this new model in Somerset over the last 18 – 24 months.
- 3.5 The model of personalised services delivered by Community Catalysts has grown and developed over a number of years and the organisation is now operating in a number of local authority areas, specifically for the delivery of preventative services such as befriending by supporting people to access activities in their local community and building links with community networks. The organisation works on the basis of recruiting a coordinator, who is called the 'catalyst' who develops networks with existing local community groups and organisations and then links people to these networks.
- 3.6 Through recent awards of contract, Community Catalysts is expanding its number of 'catalysts' and these staff members have formed a peer network to share learning and good practice and to provide support to newly appointed catalysts.
- 3.7 Based on its model of service, Community Catalysts has evidenced that over a two-year period its service is able to deliver: "...Nearly 125 would-be entrepreneurs and see nearly 60 community enterprises successfully established... supporting over 700 older

or disabled people and will have created over 100 jobs and 70 volunteering opportunities.”

- 3.8 Due to the support provided to the micro-enterprises, Community Catalysts has shown that over a two-year period, fewer than 4% of the established enterprises have closed compared with an average failure rate for micro-businesses of 90%.
- 3.9 The aim of the pilot is to apply the organisation’s 5-step model to help establish and support local community enterprises but with a specific focus on the delivery of home care service. The model includes working with commissioners and with social work staff to understand the changes that are required which can encourage and support new ways of delivering home care and developing new contractual arrangements for the delivery of personalised home care. The model also includes affecting and managing culture change, and developing new systems and pathways to enable the model of service to become embedded.
- 3.10 Part of the overall service includes Community Catalysts working with commissioning staff on succession planning to ensure that the newly established micro-enterprises can be supported and the services sustained beyond the pilot period.

Reason for contracts procedure rules waiver

- 3.11 There are various initiatives being developed across the country to help coordinate and support the development of micro enterprises for adult care services. However, the services provided by those organisations are preventative in nature, such as befriending, providing assistance with shopping, attending social activities etc. The micro provider and small-scale community enterprise model has not been successfully rolled out for the delivery of home care which entails the delivery of personal care. The model of service developed by Community Catalysts in Somerset is new and has not been widely developed in other parts of the country. There are no other organisations that are known to have successfully developed and grown this model of home care to scale. It is a relatively newly developed model and it is proposed that the model is tested and developed in Leeds over a two-year period to determine if it is likely to be sustainable and cost effective in the longer term.
- 3.12 A waiver of Contract Procedure Rules (CPRs) 9.1. and 9.2 is sought in order to award a contract to Community Catalysts to run a pilot to test and develop a new model of service in Leeds. The aim is to get the service started by autumn and to target the service at those people who live in the rural parts of Leeds in the first instance, including people awaiting a support discharge from hospital.
- 3.13 A full service proposal has been submitted by Community Catalysts, and is attached as Appendix 1. The proposal includes costings of approximately £88k for year one and £63k for year two of the pilot. It is proposed that this pilot is funded through the iBCF Spring Budget for the two year period.
- 3.14 If the evaluation of the service during the first two years demonstrates that the service is responsive and accessible then consideration may be given to extending the service for a further year to tie it into the timeframes of the current home care contracts and the

associated procurement timelines. If the extension is sought, consideration will need to be given to the future source of funding which will be approximately £63k.

- 3.15 The cost of the home care services themselves would be met from the Community Care Budget as per all home care packages.
- 3.16 Consideration has been given to whether an in-house service could be set up to provide a service model similar to that offered by Community Catalysts however, the Council does not have the expertise in developing and supporting micro-enterprises. Also, the Council would not have access to the wide network of peer support that is inherent in the Community Catalysts service offer.

Consequences if the proposed action is not approved

- 3.17 There continue to be difficulties in ensuring there is sufficient capacity from the current home care providers on the Council's Framework contract. As a result of this, the Council is, by default, having to increase its use of spot contracting arrangements with approximately 60+ other home care agencies. The aim is to reduce the numbers of home care packages commissioned on a spot purchasing basis and it is anticipated that the development of this new model of care will to some extent alleviate the increased use of spot purchasing arrangements.
- 3.18 Many of the people that are waiting for a home care package live in rural parts of Leeds where the contracted home care providers are not able to deliver services in a timely way, due to recruitment and retention difficulties. Also there are often limited community resources in those rural areas. As such, it is imperative that alternative arrangements and models of services are tested and developed to ensure better access and timely responses in meeting people's assessed care and support needs.
- 3.19 There is an option to undertake a market sounding and market testing exercise to determine whether there are other care and support providers who are able to deliver a service similar to that being developed by Community Catalysts. However it is imperative that arrangements are put in place at the earliest opportunity to enable the service to start being implemented in time for the coming winter when it is known that the demand for home care services will increase. This is particularly the case given that the framework providers continue to state that they cannot recruit or retain sufficient care staff and when the pressures for timely hospital discharge continues to intensify.

Corporate considerations

4.1 Consultation and engagement

4.2 Equality and diversity/cohesion and integration

- 4.2.1 One of the key aims of testing and developing the Community Catalysts model of service is to ensure services are accessible to people who currently often have to wait for significant periods of time before home care services can be arrangements for them. This includes people who live in more rural parts of the city or those people who have very specific needs.

- 4.2.3 The proposed model of service also has the benefit of being highly personalised and outcomes-based in that the specific services requirements will be developed in agreement with the person requiring the care and support and their family/informal carers. This again will enable people with very specific needs will benefit from a tailored service.

4.3 Council policies and best council plan

- 4.3.1 The continued development of personalised care and support services is a key objective within the Best Council Plan and also the delivery of the '*Better Lives*' objectives.

4.4 Resources and value for money

- 4.4.1 The cost of the service will be approximately £88k for year one and £63k for year two of the pilot. If approved, the service costs will run for a full 24 month period from 1 September 2018 to 31 August 2020. Provisions are sought to enable an extension to the contract for a period of up to 12 months should the pilot prove to be effective and responsive. This will enable the service to run to the same timescales as the current home care contracts to enable wholesale planning of the services required beyond 2021.
- 4.4.2 It is proposed that this pilot is funded through the iBCF Spring Budget. This service meets the iBCF Grant Conditions in that it ensures appropriate and timely availability of support services to meet people's assessed care and support needs. The service will also help to facilitate prompt hospital discharges and to prevent avoidable delays which are caused as a result of lack of home care capacity.
- 4.4.3 The cost of the hours of home care provided would be determined through the assessment and support planning processes and the costs would be met from the Community Care Budget as per all home care packages.

4.5 Legal implications, access to information and call-in

- 4.5.1 This is a Significant Operational Decision which is not subject to call-in. The report does not contain any exempt or confidential information under the Access to information Rules.
- 4.5.2 The contract is for social and other specific services as defined by section 7 of Part Two of the Public Contracts Regulations 2015 (PCR). The finance value of these contracts is below the threshold for the application of the PCR. However, awarding the contract direct to Community catalysts in this way could leave the Council open to a potential claim from other providers, to whom this contract could be of interest, that it has not been wholly transparent. In terms of transparency it should be noted that case law suggests that the Council should always consider whether contracts of this value could be of interest to providers in other EU member states and, if it could, the opportunity should be subject to a degree of European wide advertising. It is up to the Council to decide what degree of European wide advertising would be appropriate. In particular, consideration should be given to the subject-matter of the contract, its estimated value,

the specifics of the sector concerned (size and structure of the market, commercial practices, etc) and geographical location of the place of performance.

- 4.5.3 The Director of Adults and Health has considered the above and due to the specialist nature of the services to be delivered, the relatively low contract value and the requirement to be physically located in Leeds, is of the view that the scope and nature of the services is such that it would not be of interest to providers in other EU member states.
- 4.5.4 There is risk of an ombudsman investigation arising from a complaint the Council has not followed reasonable procedures, resulting in the loss of opportunity. Obviously, the complainant would have to establish maladministration. It is not considered that such an investigation would necessarily result in a finding of maladministration however such investigations are by their nature more subjective than legal proceedings.
- 4.5.5 Although there is no overriding legal obstacle preventing the waiver of CPRs 9.1 and 9.2 using the authority set out in CPR 1.3, the above comments should be noted. In making their final decision, the Director of Adults and Health should be satisfied that the course of action chosen represents Best Value for the Council.

5 Conclusions

- 5.1 There are system wide pressures to ensure that the Council has in place robust processes and is able to commission the required volumes of home care services to meet people's eligible social care and support needs. There are concerns that the current contracted home care providers continue to experience difficulties in recruitment and retention which prevents them from providing sufficient capacity and in particular providing timely responses to the request for home care services. As such, it is necessary to test new models of home care services and to seek ways to increase the availability of home care services both in the short terms, during the coming winter, and over the longer term.

6 Recommendations

- 6.1 It is recommended that the Director of Adults & Health approves the proposal to waive Contract Procedure Rules (CPRs) 9.1 and 9.2 using the authority set out in CPR 1.3 to and award a contract to Community Catalysts in the sum of £88k in year one and £63k in year two. The contract shall commence on the 1 September 2018 and expire on the 31 August 2020 with the option to extend for a period of up to a year, finances permitting, such option not to be taken up more than one year.