

Report of Deputy Director, Integrated Commissioning

Report to Director of Adults and Health

Date: 17th March 2021

Subject: Request to modify the Community Home Care Service Contract under Regulation 72 (1) (B) of the Public Contracts Regulations 2015. Contract ID: 9TNT-3CP110 (DN191973)

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open 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

1. Main issues

- Leeds City Council's current Community Home Care Service contract comes to an end 31st May 2021 and plans to remodel home care provision are underway. However, the changes needed are extensive and have also been delayed by the Covid 19 pandemic.
- In 2019/20 the Council commissioned Vanguard Consulting Ltd (Vanguard) to support the Council to review and redesign home care services. This was based on a 'wellbeing' model of service delivery which offers much more person centred care and support and helps individuals to access and engage with their local community to enhance their quality of life. This approach is in accordance with the strength based approach which has been embedded in the social work teams within Leeds City Council's Adults and Health Directorate. Following on from the initial exploratory work from Vanguard, approval was granted via delegated decision on 26th August 2020 for the implementation of a pilot of the wellbeing model for an 18 month period. This commenced 1st September 2020 and will end 28th February 2022.
- A modification to the existing Community Home Care Service contract is required to extend the expiry date in order to maintain the statutory provision of home care services whilst this extensive programme of work to change home care provision going forward is undertaken. This would be an extension for 12 months from 1st

June 2021 to 31st May 2022 with the option to extend for up to a further 12 month period. This option for up to a further 12 month extension will allow the flexibility to commission future services sooner if the necessary work has been completed therefore ensuring appropriate use of time and resources and only extending for as long as is necessary. This decision will be taken in line with Regulation 72 (1) (b) of the Public Contracts Regulations 2015.

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- The Community Home Care Service helps contribute to the 5 outcomes detailed in the Leeds Health and Wellbeing Strategy 2016-2021. The nature and ethos of the service contributes to: people living longer and healthier lives; helping people to live full, active and independent lives; ensuring that people's quality of life is improved by access to quality services; involving people in decision made about them, and; helping people to live in health and sustainable communities.
- The Best Council Plan vision of Leeds being the best city for health and wellbeing is support through the delivery of the Community Home Care Service. This includes supporting more people to live safely and independently in an environment that they class as their own homes and giving people choice and control over their health and social care services.
- Redesigning the way home care services are commissioned and delivered will support the delivery of the Council's 'Better Lives' strategy by maximising opportunities for 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 of the Best Council Plan 2020-2025 to be the best city in the UK, compassionate and caring with a strong economy, which tackles poverty and reduces inequalities.

3. Resource Implications

- The indicative cost of this decision based on current expenditure will be £66m, inclusive of the extension period. Due to the nature of demand for the service this figure could fluctuate over the contract period.
- As home care is a statutory requirement for the authority to provide, the cost of the service is included in the Adults and Health base budget. There will not be any additional financial impact as a result of this decision. The directorate will, through a separate decision, review the fees paid for home care services.

Recommendations

- a) The Director of Adults and Health is recommended to approve the modification of the Community Home Care Service contract under Regulation 72 (1) (b) of the Public Contracts Regulations 2015 to modify the contract for 12 months from 1st June 2021 to 31st May 2022 with the option to extend for up to a further 12 month period with the list of providers appended to this report under Appendix 1.
- b) The Director of Adults and Health to note that the Head of Service, Commissioning and Business Development, Older Adults, will oversee the implementation of this decision.

1. Purpose of this report

- 1.1 To seek the approval to modify the Community Home Care Service under Regulation 72 (1) (b) of the Public Contracts Regulations 2015 to extend for 12 months from 1st June 2021 to 31st May 2022. This would include an option to extend for up to a further 12 month period if required. This will be to enable the continuation of the Community Home Care Service on the grounds that the additional services are required due to the technicalities of redesigning future home care provision to the “wellbeing” model which has been brought about as a result of consultation with the market / end users, and to re-procure now instead of waiting until the pilot period is over will result in significant inconvenience and substantial duplication of tendering cost.

2. Background information

- 2.1 The current contractual arrangement for home care provision in Leeds is as follows:
The Leeds area is split into 6 care areas for home care purposes:

- A. Otley, Guiseley & Yeadon
- B. Wetherby, Thorner & Harewood
- C. Garforth & Swillington
- D. Morley & Rothwell
- E. Wortley, Calverley & Cookridge
- F. Meanwood, Colton & Shadwell

Each area has a single Primary provider with whom the council has a contractual arrangement. Care packages will initially be offered to the primary provider for that particular area in line with their contractual right to be offered the care package first. There is also a framework agreement which is a supplementary agreement that runs in parallel to the primary contracts. At present there are 9 framework service providers that also includes the 4 primaries. Therefore, if the primary provider for a particular area does not have capacity to accept the care package, it will be offered to the framework providers. The framework providers do not have any guaranteed volume of care packages under this contractual arrangement.

- 2.2 In late 2019, the Council commissioned Vanguard Consultancy Ltd (Vanguard) to provide support to the Council and the Clinical Commissioning Group (CCG) to rethink and redesign both the commissioning arrangements and the service delivery model of home care. Phase 1 of this redesign programme of work was undertaken using the Vanguard methodology (tVM) during February and March 2020, whereby a small team of officers from the Council and the CCG, along with two care providers, Be Caring and Springfield, completed a review of current end to end processes for commissioned home care service. Phase 2 of the work commenced on 1st September 2020 with the start of a pilot with Be Caring and Springfield. This was to test a new model of home care service delivery in two areas of the city and there are plans to expand and rollout the pilot way of working which takes planning and time. The pilot will end 28th February 2022.
- 2.3 An external evaluation team from Leeds Beckett University has been appointed to analyse the progress and outcomes of the pilot. This evaluation will run for a further 3 months following the conclusion of the pilot to enable the external evaluator to compile their final report and analysis that will provide the evidence base to inform a future model of home care provision.

- 2.4 A service model group that has been established is exploring future commissioning options and will ensure due process is followed for each potential option to be considered and consulted upon. This will provide the background evidence for the rationale behind the commissioning of future home care provision.

3. Main issues

- 3.1 The current Community Home Care Service contract expires on 31st May 2021 and work is underway to design a new home care type service for the future that prioritises meeting people's outcomes and maintaining/improving their wellbeing. This includes undertaking a pilot to test out a community well-being model which is being externally evaluated. The current model of home care provision has not worked as was intended at the outset, with a number of associated issues that have impacted service delivery and service user experience. This modification provides the time needed to develop a service model that ensure these issues are resolved and avoided in the future.
- 3.2 Through the Vanguard work, a review into all aspects of the end to end home care system was undertaken. This looked in depth at how home care providers operate and the various systems and processes that are used across the Council and NHS partners. As a result the scope of recommissioning work has become much broader and therefore to guarantee it is done adequately, and that the most value is gained from the process, further time is necessary to address issues that were raised through this review by Vanguard and senior officers.
- 3.3 As a result of the COVID 19 pandemic and resource implications for Commissioners during that period, this whole system redesign of home care has been significantly delayed, meaning further time is needed to do this crucial work. The pandemic also meant the Home Care Community Wellbeing Pilot could not start until September 2020. It is therefore essential that the statutory provision of home care is maintained under the current contractual arrangements of the Community Home Care Service so that any learning from the pilot can be realised and the necessary: planning, analysis and consultation can be undertaken. This will ensure a futureproof service can be commissioned. The additional extension period requested allows some flexibility for all partners to implement the new service in a timely and effective manner.
- 3.4 The new model of home care provision will be an integrated service with the CCG so this extension period will be needed to help ensure a smooth integration of various systems and processes.
- 3.5 An appropriate commissioning process would not be possible in the time before the existing contract expires as the future model has yet to be agreed. It is therefore necessary to continue the existing contractual arrangement for this period of time.
- 3.6 A modification to the existing Community Home Care Service contract is required to extend the expiry date in order to maintain the statutory provision of home care services whilst the pilot is ongoing and future home care options are being considered. This would be an extension for 12 months from 1st June 2021 to 31st May 2022 with the option to extend for up to a further 12 month period.
- 3.7 The modification of the contract will amend the total value of the Community Home Care Service from £135m to £201m which equates to an additional increase of 49% and is within scope of the Regulation.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The Executive Member for Health, Wellbeing and Adults has been briefed on this decision.
- 4.1.2 Contracted home care providers have been briefed and made aware of this decision.
- 4.1.3 There has been, and will continue to be, extensive consultation with all stakeholders throughout this period of time in order that future service provision is fit for purpose and offers best value.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 An Equality and Diversity Impact Assessment Screening Tool has been completed and is included at Appendix 2. Commissioners will work to ensure that there is not a disproportionate impact on people with protected characteristics as a result of this decision. This will be undertaken through robust monitoring and ensuring equity of access to the service.

4.3 Council policies and the Best Council Plan

- 4.3.1 The new commissioning arrangements, a new community wellbeing delivery model and service offer will contribute to the achievement of the objectives set out in the city's Health and Wellbeing Strategy and in the Leeds Health and Care plan: people will live full active and independent lives, peoples

Climate Emergency

- 4.3.2 There are no specific climate emergency issues to be considered as part of this decision. However, there could be significant climate benefits obtained as a result of the work undertaken in recommissioning the home care contract such as the reduction in the number of vehicles used to transport care workers in the city. These considerations will be worked on further with the additional time commissioners will be granted as a result of this decision.

4.4 Resources, procurement and value for money

- 4.4.1 The indicative cost of this decision based on current expenditure will be £66m. Due to the nature of demand for the service this could fluctuate up or down over the contract period.
- 4.4.2 As home care is a statutory requirement for the authority to provide the cost of the service is included in the Adults and Health base budget. There will not be any additional financial impact as a result of this decision. The directorate will, through a separate decision, review the fees paid for home care services.

4.5 Legal implications, access to information, and call-in

- 4.5.1 This is a Key Decision which is subject to call-in as the value of the modification is greater than £500k. A notice has been published on the List of Forthcoming Key Decisions dated 10/02/2021.

- 4.5.2 The modification of contracts is governed under Regulation 72 of the Public Contracts Regulations 2015. This considers the extent to which a contract may be modified before it should be considered so substantially changed as to necessitate a new contract.
- 4.5.3 Under Regulation 72 (1) (b) contracts and framework agreements may be modified without a new procurement procedure in accordance with this Part in any of the following cases: -
- 4.5.4 (b) for additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement where a change of contractor –
- (i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, and
 - (ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority, provided that any increase in price does not exceed 50% of the value of the original contract;
- 4.5.5 In making this modification the above conditions of Regulation 72 (1b) (i) & (ii) are deemed to be satisfied for the following reasons:
- (i) The recommissioning process has revealed a number of significant changes that need to be made in shaping a new model of home care type support in the future. This significant programme of change requires additional time to go undertake the necessary consultation and analysis of current provision, including evaluation of the pilot, in order to ensure appropriate future commissioning of these types of services.
 - (ii) Due to the Council not currently being in an adequate position to procure a new service, due to the technicalities of redesigning future home care provision to the “wellbeing” model which has been brought about as a result of consultation with the market / end users, and to re-procure now instead of waiting until the pilot period is over and further evaluation and consultation taking place, will result in significant inconvenience and substantial duplication of tendering cost.
 - (iii) The contract sums set out at paragraph 3.7 of this report show the value of the initial contract, and the proposed increase due to the request to modify the contract. Taking these figures into account, the modification of the contract by the addition of 12 months with an option to extend up to a further 12 months equates to 49% (£66m) of the original contract value.
- 4.5.6 In relying on this regulation, the Council will be required to send a notice to that effect for publication in the Official Journal of the European Union being that this contract was originally procured whilst the UK was still a member of the European Union. The Council will wait a minimum of 30 days from publication of the notice before entering into the variation agreement. This gives any other market participants the opportunity to raise any queries or concerns in relation to the variation and reduces the chances of a successful challenge to this decision once the 30 day period has ended.
- 4.5.7 There is no overriding legal obstacle preventing the variation of this contract under CPRs 21.7 (variations) and the contents of this report should be noted. In making the final decision, the Director of Adults and Health should be satisfied that the course of action chosen represents best value for money.

4.6 Risk management

- 4.6.1 Should the recommendation to modify the Community Home Care Service contract not be approved it could lead to a period of time where the Council is purchasing these services “off contract” and it would be much more difficult to maintain the necessary checks and oversight over the current home care provision. In addition, the council would not have any guaranteed provision of an essential statutory service, potentially leaving service users without a service and therefore fulfilling its statutory responsibilities.
- 4.6.2 Should the recommendation to modify the Community Home Care Service contract be approved there is a potential risk of challenge from the provider market as a result of the original terms of the contract being changed. This is addressed previously in point 4.5.6 where there will be opportunity for any challenge during the 30 day period from publication of the notice and entering into a new agreement.

5. Conclusions

- 5.1 The planning for commissioning of an appropriate new integrated model of home care is currently underway and it is crucial that this is done as effectively as possible. This significant whole system change programme commenced in 2019 but due to the extent of the change required, more time is needed to undertake this work and also to allow for the evaluation of the current community well-being pilot. In addition, the pandemic has caused further delays to this process. As such, the additional time afforded by this modification will enable existing provision to continue whilst the necessary planning, analysis and consultation takes place to ensure that future commissioning is carried out correctly and effectively and in partnership with people who will receive this service and all other stakeholders.

6. Recommendations

- 6.1 The Director of Adults and Health is recommended to approve the modification of the Community Home Care Service contract under Regulation 72 (1) (b) of the Public Contract Regulations 2015 to modify the contract for 12 months from 1st June 2021 to 31st May 2022 with the option to extend for up to a further 12 month period with the list of providers appended to this report under Appendix 1.
- 6.2 The Director of Adults and Health to note that the Head of Service, Commissioning and Business Development, Older Adults, will oversee the implementation of this decision.

7. Background documents¹

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.