

# Authority to procure and appoint a market development partner for the Home Care transformation programme

Date: 7<sup>th</sup> November 2022

Report of: Commissioning Programme Manager, Adults and Health

Report to: Director, Adults and Health

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

## Brief summary

Leeds City Council is undertaking an ambitious project to transform how home care is commissioned and delivered. Delivering the new model will be complex as it includes an element of integration with the Leeds Community Healthcare NHS Trust (LCH) neighbourhood teams and a complete culture change for the provider market to work in a new way.

To support change at this scale, the Council is seeking to appoint ARCC HR Ltd as a market development partner through the ESPO 664\_21 Framework for Consultancy Services (Lot 4b 'Social Care (Adults)') to work with the council and LCH to develop the new model and prepare the market to bid for and deliver our new home care services.

## Recommendations

The Director, Adults and Health is asked to:

- a) Approve the award of a twelve month contract through a direct award via the ESPO 664\_1 Framework for Consultancy Services to ARCC HR Ltd to support the home care transformation programme from 28th November 2022 (with an extension provision of up to a further 12 months) with a total potential value of £150,000.

## What is this report about?

- 1 The report seeks approval to make a direct award of contract to ARCC HR Ltd through the ESPO 664\_1 Framework for Consultancy Services to support the home care transformation programme. It outlines the specific areas of focus that the programme board has identified requires additional, specialist input to ensure that the programme is successful and achieves the scale of change required by our vision.
- 2 The home care transformation programme is an ambitious project to create a new service designed around community health and wellbeing teams who will deliver domiciliary care and preventative health and wellbeing support to help individuals live well at home for as long as possible.
- 3 Home care services require urgent reform as the current contracting arrangements do not support growth or consistency, leading to a fragmented provider market with limited oversight or development opportunities.
- 4 The programme will change how we commission, deliver and pay for home care. The project has workstreams covering social care planning, finance, workforce, commissioning and health all of which are interlinked.
- 5 A key component of the programme is an innovative partnership with Leeds Community Healthcare NHS Trust that aims to bring home care providers and community health teams together to collaborate at a locality basis to support people with both health and social care needs.
- 6 The complexity of the programme and the priority to reform home care services as soon as possible has led to a recommendation to bring in a specialist, external partner to support the programme board on specific projects such as health and social care integration and provider engagement/culture change.
- 7 The ESPO 664–1 Framework allows local authorities to directly appoint contractors without further competition. ARCC HR Ltd is one of the suppliers under Lot 4b ‘Social Care (Adults)’ and are currently working with the Council on an aspect of home care / health care integration and have the in depth knowledge and connections to the Leeds provider market to expand their work to support the wider transformation programme.
- 8 The Programme Board has identified three key areas of the programme for this contract to support: development of the service specification, provider engagement and culture change and financial modelling and affordability.
- 9 ARCC HR currently have two contracts with the Council supporting work in all three areas. These are:
  - SKiLLS Reablement Service Review (ref D55180): Implementing the recommendations from their SKiLLS service review which includes more integrated working with LCH community teams.
  - Fair Cost of Care (admin decision): To undertake the government mandated fair cost of care exercise with home care providers
- 10 Both contracts directly relate to the projects required for the CHWT. ARCC will develop a good understanding of and links to the LCH community teams, and the fair cost of care exercise involves comprehensive consultation with our local provider base and a full analysis of the range of costs each company allocates to one hour of care. The intelligence and contacts ARCC have made through these projects will provide added value to the CHWT Programme. Due to the dependencies of the cost of care exercise and roll of SKiLLS on the new model, ARCC are the only provider on the ESPO framework with the detailed knowledge and contacts to mobilise quickly for this time sensitive programme.

## What impact will this proposal have?

11 The input of a specialist consultant will speed up the programme and ensure the new home care model is financially viable and provides the very best support for Leeds citizens.

## How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

12 The overarching home care transformation programme supports the pillars as follows:

Health and Wellbeing: Creating small, community health and wellbeing teams working closely together to support the individual to achieve their independence goals and avoid hospital or care home admission for as long as possible.

Inclusive Growth / Zero Carbon: The creation of localised teams will support the active recruitment of non-drivers who are currently excluded from the home care workforce. The highest demand for services is in our most disadvantaged communities where car ownership is at its lowest, enabling the creation of skilled jobs available to local residents.

## What consultation and engagement has taken place?

Wards affected: All

Have ward members been consulted?

Yes

No

13 The ward members representing the first area for the rollout of the new model have been consulted directly. A communication will be going out to all ward members as the model is developed further.

## What are the resource implications?

14 The budget for the contract is up to £150,000 for up to two years from external funding allocated for service transformation.

15 The contract will be monitored by the Programme Manager and Programme Board. Each project element will be given a budget based on the estimated time needed to work on it. Spend will be tracked against the plan and outcomes achieved within the set timescale.

## What are the key risks and how are they being managed?

16 Budget overspend: The contractor will be working on specific projects, each with its own agreed budget. Spend on each element will be closely tracked by the programme manager.

17 Lack of engagement by partners: LCH will appoint a lead officer to liaise with the contractor on finance, and the progress of the project will be overseen by the programme board with representation from LCC and LCH.

18 Lack of engagement by providers: If the wider market does not engage at first in the culture change programme, the contractor will work directly with the successful bidders for the phase one rollout area.

19 Inability to meet deadlines: The programme is fast paced, and the deadlines are clearly stated in the tender documents. The contractor will submit a project plan for each element they work on, setting out deadlines and milestones that will ensure delivery is within our over-arching timescale.

## **What are the legal implications?**

- 20 The service specification falls within the terms of the ESPO Consultancy Framework (Lot 4b Social Care (Adults) which allows for contracts to be awarded without further competition. The decision may be challenged by firms to whom the contract would be of interest. ARCC's fees have been reviewed compared to the other providers on the lot and they will be able to complete the work within the budget.
- 21 Advice from Procurement and Commercial Services is that the direct award complies with the rules of the framework. ARCC are currently working with the Council and LCH on an integration contract, and it is therefore best value to expand their remit and have a single point of contact.

## **Options, timescales and measuring success**

### **What other options were considered?**

- 22 The option to use internal resources for the projects allocated to the contract were considered and discounted. The work requires specific knowledge of both community healthcare and social care. Having an independent contractor with knowledge of both will enable the project to move forward more quickly and achieve the benefits sooner.
- 23 The allocated staff resource to the programme is at capacity and would require new staff to be appointed on a temporary basis. Having a multi-specialist consultancy to work on time limited projects when needed is more cost effective and less risky than employing staff with individual specialisms on a fixed term contract.
- 24 Managing the market and supporting provider culture change will benefit from an independent consultant to overcome some of the preconceptions built up on all sides over many years. The providers will be required to work in a very different way, and having a trusted consultant with knowledge of the provider market and confidential insight from potential bidders will be advantageous when delivering change at this scale.

### **How will success be measured?**

- 25 Each element of the work assigned to the contractor will be specified in a project plan with performance and quality measures included.
- 26 The ultimate success of the contract will be in having the first phase of the new home care model finalised and ready to tender within the programme deadline.

### **What is the timetable and who will be responsible for implementation?**

- 27 ARCC HR will be invited to submit a delivery proposal based on the specification. It is expected that the contractor will be in place and ready to take on assignments by 28<sup>th</sup> November 2022.
- 28 The award of the contract will be overseen by the Procurement Category Manager, and the delivery will be managed by the Programme Manager.

## **Appendices**

- Equality Assessment.

## **Background papers**

- None