

Request to approve the procurement of an Interim Home Care Contract

Date: 15th January 2024

Report of: Deputy Director, Integrated Commissioning

Report to: Direct of 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

This report seeks approval to procure a new interim home care contract to start upon the expiry of the existing Community Home Care Service Contract on 31st March 2024. There is an ambitious and complex programme of work underway in the city to transform home care provision to a Community Health and Wellbeing service (CHWS). With the pilot of this service going live in September 2024 there is a need to maintain the service provision for the remainder of the city in the interim period whilst this new model is evaluated.

Recommendations

- a) The Director of Adults and Health is recommended to approve the procurement of a new Interim Home Care Contract, the value of this will be approximately £43.5m annually based on current demand. The agreement will be for the period of 1st April 2024 to 31st March 2027
- b) The Director of Adults and Health to note that the Head of Commissioning, Contracts and Business Development, Older Adults, will oversee the implementation of this decision.

What is this report about?

- 1 To seek approval to procure a new Interim Home Care Contract.
- 2 The Community Home Care Service contract was originally commissioned in 2016 for 5 years with an expiry date of 31st May 2021. This contract has subsequently been modified in 2021 (decision reference: D52874) , 2022 (decision reference: D55123), and twice in 2023 (decision references: D56369, D56991) to extend conditions of the current contract because of delays caused by the Covid 19 pandemic and a large programme of transformation focused on remodelling home care services in Leeds. This meant at the time it was not in the best interests to change the existing arrangements whilst this work is ongoing. Now there is more certainty around the future direction with a pilot being started in September 2024, there is a need to put in place new contracting arrangements in the interim, that maintain service provision in the rest of the city and improve sustainability within the market.
- 3 The most recent decision to enact the extension provision within the Community Home Care Service contract to change the end date of the contact from 31st January 2024 to 31st March 2024 will ensure that the new interim contract is in line with the new financial year.
- 4 The Community Home Care Service contract going live in 2016 created a tiered system of Primary and Framework providers getting priority in picking up care packages commissioned by the Council. In practice this was meant to ensure a suitable volume of business for providers who won the tender to ensure their sustainability and maximise the efficiency of the service. However, we have seen the growth of the provider market in Leeds as result of demand and workforce pressures and therefore there is a need to ensure equal access for providers picking up work.
- 5 The future direction for homecare services in Leeds will be through the new Community Health and Wellbeing Service (CHWS); a pilot service is currently being procured under a separate contract (see Delegated Decision D56733). The CHWS will be tested in one area of the city initially with the intention that this is rolled out across the city over the next few years, once the learning has been evaluated and incorporated into a new contract. The CHWS intends to move away from commissioning on a time and task basis with its main objectives being to:
 - improve people's experience of care
 - improve outcomes for people who use the service
 - improve the experience and outcomes for informal carers
 - improve the pay of care support workers
 - improve recruitment and retention in care support worker roles
 - develop a better career pathway for care workers
 - increase job satisfaction in the care support worker role
- 6 The interim homecare contract will help maintain stability within the care market whilst the CHWS pilot is taking place, with a more equitable way of distributing care packages in specific areas of the city. The extension period will also provide an opportunity for further provider engagement to inform future commissioning intentions and the potential mobilisation of the CHWS.

- 7 The intention is that the interim contract will be procured via a Dynamic Purchasing System (DPS) where providers will need to meet certain criteria to be eligible to join the contract and be eligible to receive notifications of Individual Service Agreements being brokered. This will be re-opened for new applicants periodically to allow for new providers that meet our criteria to join.

What impact will this proposal have?

- 8 This proposal will have an impact disproportionately for providers who have been Primary or Framework providers since 2016 as they will no longer have priority access to packages. However, this will mean that smaller spot providers who can at times struggle to fulfil the demand that their workforce needs will now be able to grow to a more sustainable level.
- 9 This framework will create a level playing field that will ensure the best providers at the time that are the best fit for the service user pick up care packages.

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

Health and Wellbeing Inclusive Growth Zero Carbon

- 10 The Community Home Care Service contributes to the Health and Wellbeing pillar of the Best City Ambition. 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 decisions made about them, and; helping people to live in health and sustainable communities.
- 11 The Best Council Plan vision of Leeds being the best city for health and wellbeing is supported 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.

What consultation and engagement has taken place?

Wards affected: n/a – city wide service

Have ward members been consulted? Yes No

- 12 The Executive Member for Adult Social Care, Public Health and Active Lifestyles has been briefed.
- 13 The home care provider market has been extensively consulted with on this decision and the contract documents. Upon announcement of this decision, the contracted providers were informed first with phone calls being arranged to discuss the implications with them and hear their views and answer any questions. A consultation session was held on 13th September 2023 with the entire market to consult on key elements of the contract that are being updated from the Community Home Care Service Contract. This feedback has been incorporated into the development of the new contract documentation and is currently out for the consultation with the market.
- 14 A further consultation session with the market is scheduled for 25th January 2024 to discuss feedback on the contract documentation and commissioning intentions for the new interim arrangements and further information sessions will take place after this.

What are the resource implications?

- 15 The total indicative cost of this decision is £43.5m annually based on current expenditure, due to the nature of demand of this service this figure could fluctuate over the contract period as well as with fee increases to help meet inflationary pressures.
- 16 As home care is a statutory requirement for the authority to provide, the cost of the service is included within the Adults and Health base budget. There will not be any additional financial impact as a result of this decision. The directorate reviews fees paid for home care services annually through a separate decision-making process.

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

- 17 There may be a risk of some providers exiting the market because of a change in operating conditions within the home care agreement. However, we expect this to be mitigated by a fairer distribution across providers generally, where we currently experience that there is an oversupply of provision within Leeds. This should enable less reliance on a smaller group of providers where there is a risk of a large impact should provider failure occur.
- 18 There is a risk of providers exiting the market due to the market conditions no longer reflected what they bid for in 2016, this could lead to the need to move people's packages to alternative providers. This will be mitigated the same as any other instance of provider failure where alternative service provision would be sourced.

What are the legal implications?

- 19 This is a Key Decision which is subject to call-in as the value of this contract is greater than £500,000. A notice has been published on the List of Forthcoming Key Decisions dated 23/09/2023 ([Linked here](#)). The procurement will be carried out in line with the Public Contracts Procedure Rules 2015. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 20 Following the completion of the tender exercise, successful providers will be awarded to this contract via a Significant Operational Decision taken by the Director of Adults and Health.

Options, timescales and measuring success

What other options were considered?

- 21 The only other option that was considered was to let the contract expire. However, this would mean there was no contractual arrangement in place with any provider and therefore adequate provision could not be guaranteed.

How will success be measured?

- 22 There will continue to be a robust performance management process in place that includes regular analysis of both quantitative and qualitative data to assess whether the required outcomes are being met.
- 23 A continuation of good quality service provision without disruption, that will enable a smooth transition to a further contractual arrangement at the end of this period.

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

- 24 The Head of Commissioning, Contracts and Business Development, Older Adults will be responsible for overseeing the implementation of this decision. This decision will be implemented by commissioning officers after the call-in period has lapsed.

Appendices

- None

Background papers

- None